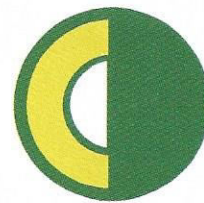


Republic of the Philippines
PHILIPPINE COCONUT AUTHORITY
Diliman, Quezon City

FINANCIAL STATEMENTS

For the Period Ending December 31, 2017

- Condensed Statement of Financial Position
- Detailed Statement of Financial Position
- Condensed Statement of Financial Performance
- Detailed Statement of Financial Performance
- Condensed Statement of Cash Flows
- Detailed Statement of Cash Flows
- Statement of Comparison of Budget and Actual Amount
- Statement of Changes in Net Assets/Equity



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of the Philippine Coconut Authority (PCA) is responsible for the preparation of the financial statements as at December 31, 2017 and 2016, including the additional components attached thereto in accordance with the prescribed financial reporting framework indicated therein. The responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements before such statements are issued to the regulators, creditors and other users.

The Commission on Audit has audited the financial statements of PCA in accordance with the Philippine Public Sector Standards on Auditing and has expressed its opinion on the fairness of presentation upon completion of such audit, in its report to the Board of Directors.

GLENN B. SANTOS
Deputy Administrator
Administrative and Finance Branch

6/18/18

Date Signed

EDUARDO F. SUAREZ
Manager II, Finance Department

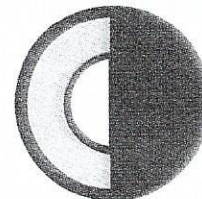
6/18/18
Date Signed

SUSAN G. YECLA
Chief III, Accounting Division

June 15, 2018
Date Signed



Republic of the Philippines
OFFICE OF THE PRESIDENT
PHILIPPINE COCONUT AUTHORITY
Elliptical Road, Diliman, Quezon City 1101 Philippines
Tel. Nos.: (02) 928-4501 to 09 Fax No.: (02) 926-7631
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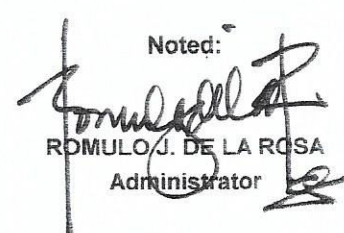
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

	2017	2016 (Restated)	January 1, 2016 (Restated)
ASSETS			
Current assets			
Cash & Cash Equivalents (Notes 3.5, 8)	₱ 909,071,782	₱ 1,304,327,029	₱ 1,816,277,155
Receivables - net (Notes 3.6, 9)	620,445,589	719,318,745	1,939,005,039
Inventories (Notes 3.7, 10)	68,409,976	52,555,580	166,699,943
Other Current Assets (Note 11)	10,150,445	6,059,342	42,915,736
Total Current Assets	1,608,077,792	2,082,260,695	3,964,897,873
Non-current assets			
Receivables - net (Notes 3.6, 9)	3,394,349	3,774,305	2,713,074
Investments (Note 12)	88,515	88,515	88,515
Investment Property (Note 3.8, 13)	10,689,708	10,883,477	11,077,245
Propert, Plant & Equipment - net (Notes 3.9, 14)	704,107,918	624,915,390	583,985,198
Biological Assets (Note 3.10, 15)	2,536,028	2,539,558	2,575,772
Other Non-Current Assets (Note 16)	719,470,008	719,840,095	719,656,467
Total Non-Current Assets	1,440,286,526	1,362,041,340	1,320,096,271
Total Assets	₱ 3,048,364,318	₱ 3,444,302,035	₱ 5,284,994,144
LIABILITIES AND EQUITY			
Current Liabilities			
Financial Liabilities (Note 3.4b, 17)	₱ 765,197,420	₱ 617,929,635	₱ 724,389,387
Inter-Agency Payables (Note 18)	88,212,937	95,496,934	80,948,574
Trust Liabilities (Note 19)	10,930,858	14,765,523	7,840,705
Other Payables (Note 20)	52,901,828	61,716,090	55,915,767
Total Current Liabilities	917,243,043	789,908,182	869,094,433
Non-Current Liabilities			
Deferred Credits/Unearned Income (Note 21)	21,542,596	22,318,593	102,552,602
Total Non-Current Liabilities	21,542,596	22,318,593	102,552,602
Total Liabilities	₱ 938,785,639	₱ 812,226,775	₱ 971,647,035
Total Assets Less Total Liabilities	₱ 2,109,578,679	₱ 2,632,075,260	₱ 4,313,347,109
Government Equity (Note 32)	₱ 2,109,578,679	₱ 2,632,075,260	₱ 4,313,347,109
Total Net Assets/Equity	₱ 2,109,578,679	₱ 2,632,075,260	₱ 4,313,347,109

Certified Correct:


EDUARDO F. SUAREZ
Manager II, Finance Dept.

Noted:


ROMULO J. DE LA ROSA
Administrator

PHILIPPINE COCONUT AUTHORITY
DETAILED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

	2017	2016 (Restated)
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	₱ 909,071,782	₱ 1,304,327,029
Cash on Hand	3,572,155	3,445,131
Cash-Collecting Officer	3,479,079	3,362,370
Petty Cash	93,076	82,761
Cash in Bank - Local Currency	781,636,266	1,210,288,418
Cash in Bank-Local Currency, Current Account	778,946,651	863,564,572
Cash in Bank-Local Currency, Savings Account	2,689,616	346,723,846
Cash in Bank - Foreign Currency	2,754,613	3,122,305
Cash in Bank-Foreign Currency, Current Account	2,072,766	2,440,427
Cash in Bank-Foreign Currency, Savings Account	681,848	681,879
Treasury/Agency Cash Accounts	118,995,659	85,358,085
Cash-Modified Disbursement System (MDS), Regular	118,995,659	85,358,085
Cash Equivalents	2,113,089	2,113,089
Time Deposits-Foreign Currency	2,113,089	2,113,089
Receivables	620,445,589	719,318,745
Loans and Receivable Accounts	17,651,134	5,482,177
Accounts Receivable	17,849,401	5,641,160
Allowance for Impairment-Accounts Receivable	(201,479)	(162,195)
Net Value- Accounts Receivable	17,647,922	5,478,965
Interests Receivable	3,212	3,212
Allowance for Impairment-Interests Receivable	-	-
Net Value- Interests Receivable	3,212	3,212
Inter-Agency Receivables	373,080,010	526,172,756
Due from National Government Agencies	46,506,481	46,506,481
Due from Local Government Units	35,581,320	46,604,307
Due from Government Corporations	290,992,209	433,061,968
Intra-Agency Receivables	64,824,185	32,319,226
Due from Operating Units	5,340	213,657
Due from Central Office/Home/Head Office	64,818,845	32,105,570
Other Receivables	164,890,260	155,344,584
Receivables-Disallowances/Charges	133,996,240	134,188,471
Due from Officers and Employees	523,745	785,049
Due from Non-Government Organizations/People's Organizations	1,310,993	1,310,993
Other Receivables	34,874,699	24,808,325
Allowance for Impairment-Other Receivables	(5,815,416)	(5,748,253)
Net Value-Other Receivables	29,059,283	19,060,072
Inventories	68,409,976	52,555,580
Inventory Held for Distribution	21,342,080	14,569,770
Agricultural and Marine Supplies for Distribution	21,342,080	14,569,770
Inventory Held for Consumption	33,956,704	30,459,326
Office Supplies Inventory	1,158,533	1,243,301
Accountable Forms, Plates and Stickers Inventory	86,711	107,016
Medical, Dental and Laboratory Supplies Inventory	876,476	483,479
Fuel, Oil and Lubricants Inventory	405,066	536,946
Agricultural and Marine Supplies Inventory	26,076,324	25,184,778
Other Supplies and Materials Inventory	5,353,594	2,903,806
Semi-Expendable Machinery and Equipment	11,542,494	7,014,914
Semi-Expendable Machinery	14,000	136,798
Semi-Expendable Office Equipment	3,046,693	2,306,103
Semi-Expendable Information and Communication Technology Equipment	1,038,693	703,141
Semi-Expendable Agricultural and Forestry Equipment	1,676,569	80,722
Semi-Expendable Communication Equipment	125,930	69,585
Semi-Expendable Disaster Response and Rescue Equipment	126,361	126,361
Semi-Expendable Medical Equipment	1,507,869	1,507,869
Semi-Expendable Printing Equipment	152,735	176,730
Semi-Expendable Technical and Scientific Equipment	229,125	108,386
Semi-Expendable Construction and Heavy Equipment	45,946	45,946
Semi-Expendable Other Machinery and Equipment	3,578,573	1,753,274

Semi-Expandable Furniture, Fixtures and Books	1,568,697	511,570
Semi-Expendable Furniture and Fixtures	1,565,002	508,819
Semi-Expendable Books	3,695	2,751
Other Current Assets	10,150,445	6,059,342
Advances	3,497,764	1,230,987
Advances to Special Disbursing Officer	2,379,149	777,893
Advances to Officers and Employees	1,118,614	453,093
Prepayments	3,763,390	1,969,477
Advances to Contractors	3,004,529	1,347,496
Prepaid Rent	193,031	193,031
Prepaid Insurance	446,361	391,483
Other Prepayments	119,470	37,468
Deposits	2,889,291	2,858,878
Guaranty Deposits	1,186,652	1,156,239
Other Deposits	1,702,639	1,702,639
TOTAL CURRENT ASSETS	1,608,077,792	2,082,260,695
NON-CURRENT ASSETS		
Receivables	3,394,349	3,774,305
Loans and Receivable Accounts	3,394,349	3,774,305
Accounts Receivable	694,786,089	576,767,714
Allowance for Impairment-Accounts Receivable	(691,391,740)	(572,993,409)
Net Value- Accounts Receivable	3,394,349	3,774,305
Investments	88,515	88,515
Other Investments	88,515	88,515
Investments in Stocks	88,515	88,515
Investment Property	10,689,708	10,883,477
Investment Property-Buildings	10,689,708	10,883,477
Investment Property-Buildings	52,943,228	52,943,228
Accumulated Depreciation-Investment Property	(42,253,520)	(42,059,751)
Accumulated Impairment Losses-Investment Property	-	-
Net Value	10,689,708	10,883,477
Property, Plant and Equipment	704,107,918	624,915,390
Land	142,415,549	142,415,549
Land	142,415,549	142,415,549
Accumulated Impairment Losses-Land	-	-
Net Value	142,415,549	142,415,549
Land Improvements	4,971,984	5,535,113
Other Land Improvements	25,911,062	25,951,832
Accumulated Depreciation-Other Land Improvements	(20,939,078)	(20,416,719)
Accumulated Impairment Losses-Other Land Improvements	-	-
Net Value	4,971,984	5,535,113
Infrastructure Assets	1,645,321	520,071
Water Supply Systems	3,803,523	2,637,963
Accumulated Depreciation-Water Supply Systems	(2,348,216)	(2,366,696)
Accumulated Impairment Losses-Water Supply Systems	-	-
Net Value	1,455,307	271,267
Power Supply Systems	653,226	653,226
Accumulated Depreciation-Power Supply Systems	(463,212)	(404,422)
Accumulated Impairment Losses-Power Supply Systems	-	-
Net Value	190,014	248,804
Buildings and Other Structures	81,409,853	66,711,407
Buildings	220,968,023	201,404,279
Accumulated Depreciation-Buildings	(139,558,169)	(134,692,872)
Accumulated Impairment Losses-Buildings	-	-
Net Value	81,409,853	66,711,407
Machinery and Equipment	414,894,808	347,564,751
Machinery	34,326,238	117,568,874
Accumulated Depreciation-Machinery	(8,185,544)	(19,318,957)
Accumulated Impairment Losses-Machinery	-	-
Net Value	26,140,694	98,249,917

Office Equipment	51,227,612	48,162,899
Accumulated Depreciation-Office Equipment	(38,337,059)	(36,663,515)
Accumulated Impairment Losses-Office Equipment	-	-
Net Value	12,890,553	11,499,384
Information and Communication Technology Equipment	43,276,699	40,357,751
Accumulated Depreciation-Information and Communication Technology Equipment	(26,324,096)	(23,998,873)
Accumulated Impairment Losses-Information and Communication Technology Equipment	-	-
Net Value	16,952,603	16,358,878
Agricultural and Forestry Equipment	248,758,539	223,238,539
Accumulated Depreciation-Agricultural and Forestry Equipment	(70,351,750)	(53,255,047)
Accumulated Impairment Losses-Agricultural and Forestry Equipment	-	-
Net Value	178,406,788	169,983,491
Communication Equipment	14,450,466	14,407,456
Accumulated Depreciation-Communication Equipment	(11,040,145)	(11,072,062)
Accumulated Impairment Losses-Communication Equipment	-	-
Net Value	3,410,320	3,335,394
Disaster Response and Rescue Equipment	284,601	242,901
Accumulated Depreciation-Disaster Response and Rescue Equipment	(79,173)	(56,826)
Accumulated Impairment Losses-Disaster Response and Rescue Equipment	-	-
Net Value	205,428	186,075
Medical Equipment	32,428,553	30,426,290
Accumulated Depreciation-Medical Equipment	(11,607,382)	(9,577,087)
Accumulated Impairment Losses-Medical Equipment	-	-
Net Value	20,821,171	20,849,204
Technical and Scientific Equipment	71,508,535	50,049,719
Accumulated Depreciation-Technical and Scientific Equipment	(35,602,320)	(32,397,167)
Accumulated Impairment Losses-Technical and Scientific Equipment	-	-
Net Value	35,906,215	17,652,552
Other Machinery and Equipment	143,929,385	15,122,258
Accumulated Depreciation-Other Machinery and Equipment	(23,768,349)	(5,672,402)
Accumulated Impairment Losses-Other Machinery and Equipment	-	-
Net Value	120,161,036	9,449,856
Transportation Equipment	37,860,788	40,401,389
Motor Vehicles	107,727,634	105,186,519
Accumulated Depreciation-Motor Vehicles	(69,958,446)	(64,876,730)
Accumulated Impairment Losses-Motor Vehicles	-	-
Net Value	37,769,188	40,309,789
Other Transportation Equipment	916,000	916,000
Accumulated Depreciation-Other Transportation Equipment	(824,400)	(824,400)
Accumulated Impairment Losses-Other Transportation Equipment	-	-
Net Value	91,600	91,600
Furniture, Fixture and Books	4,687,059	5,744,973
Furniture and Fixtures	10,193,796	12,188,700
Accumulated Depreciation-Furniture and Fixtures	(5,687,201)	(6,625,135)
Accumulated Impairment Losses-Furniture and Fixtures	-	-
Net Value	4,506,595	5,563,565
Books	543,534	552,097
Accumulated Depreciation-Books	(363,070)	(370,689)
Accumulated Impairment Losses-Books	-	-
Net Value	180,464	181,408
Other Property, Plant and Equipment	4,560,447	11,527,423
Other Property, Plant and Equipment	7,272,353	13,064,417
Accumulated Depreciation-Other Property, Plant and Equipment	(2,711,906)	(1,538,995)
Accumulated Impairment Losses-Other Property, Plant and Equipment	-	-
Net Value	4,560,447	11,527,423
Construction in Progress	11,662,108	4,494,715
Construction in Progress-Buildings and Other Structures	11,662,108	4,494,715
Biological Assets	2,536,028	2,539,558
Bearer Biological Assets	25,000	25,000
Breeding Stocks	25,000	25,000
Accumulated Impairment Losses-Breeding Stocks	-	-
Accumulated Depreciation-Breeding Stocks	-	-
Net Value	25,000	25,000
Consumable Biological Assets	2,511,028	2,514,558
Livestock Held for Consumption/Sale/Distribution	40,000	-
Accumulated Impairment Losses-Livestock Held for Consumption/Sale/Distribution	-	-
Net Value	40,000	-
Trees, Plants and Crops Held for Consumption/Sale/Distribution	2,471,028	2,514,558
Accumulated Impairment Losses-Trees, Plants and Crops Held for Consumption/Sale/Distribution	-	-
Net Value	2,471,028	2,514,558

Other Non Current Assets	719,470,008	719,840,095
Other Assets	719,470,008	719,840,095
Deferred Charges/Losses	237,914	237,914
Other Assets	723,103,320	723,782,870
Accumulated Impairment Losses-Other Assets	(3,871,227)	(4,180,689)
Net Value - Other Assets	719,232,093	719,602,180
TOTAL NON-CURRENT ASSETS	1,440,286,526	1,362,041,340
TOTAL ASSETS	₱ 3,048,364,318	₱ 3,444,302,035

LIABILITIES

CURRENT LIABILITIES

Financial Liabilities	₱ 765,197,420	₱ 617,936,806
Payables	765,197,420	617,929,635
Accounts Payable	754,480,818	608,023,376
Due to Officers and Employees	10,716,602	9,899,090
Tax Refunds Payable	-	7,170
Inter-Agency Payables	88,212,937	95,496,934
Due to BIR	5,622,241	6,961,549
Due to GSIS	1,586,305	1,365,570
Due to Pag-IBIG	213,678	274,483
Due to PhilHealth	267,970	216,451
Due to NGAs	44,489,955	41,021,450
Due to Government Corporations	890,632	952,670
Due to LGUs	33,902,088	43,955,386
Due to SSS	275	330
Value-Added Tax Payable	1,239,792	749,046
Trust Liabilities	10,930,858	14,765,523
Guaranty/Security Deposits Payable	10,930,858	14,765,523
Other Payables	52,901,828	61,716,090
Other Payables	52,901,828	61,716,090
TOTAL CURRENT LIABILITIES	917,243,043	789,915,352

NON-CURRENT LIABILITIES

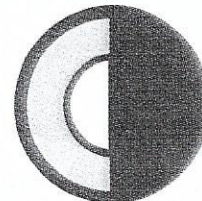
Deferred Credits/Unearned Income	21,542,596	22,318,593
Other Deferred Credits	21,542,596	22,318,593
TOTAL NON-CURRENT LIABILITIES	21,542,596	22,318,593
TOTAL LIABILITIES	₱ 938,785,639	₱ 812,233,945
TOTAL ASSETS LESS TOTAL LIABILITIES	₱ 2,109,578,679	₱ 2,632,068,090

EQUITY

Government Equity		
Government Equity	₱ 2,109,578,679	₱ 2,632,075,260
Accumulated Surplus/(Deficit)	905,750,605	1,429,829,737
Government Equity	1,203,828,074	1,202,245,523
TOTAL NET ASSETS/EQUITY	₱ 2,109,578,679	₱ 2,632,075,260



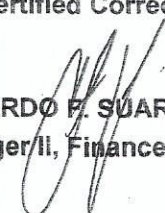
Republic of the Philippines
OFFICE OF THE PRESIDENT
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Elliptical Road, Diliman, Quezon City 1101 Philippines
Tel. Nos.: (02) 928-4501 to 09 Fax No.: (02) 926-7631
<http://www.pca.da.gov.ph>



**CONDENSED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016
<i>Revenue</i>		
Service and Business Income (Notes 3.14, 22)	₱ 421,546,789	₱ 430,078,293
Gains (Note 23)	25,000	-
Total Revenue	421,571,789	430,078,293
<i>Less: Current Operating Expenses</i>		
Personnel Services (Note 24)	377,187,566	376,111,562
Maintenance and Other Operating Expenses (Note 25)	1,791,305,098	1,788,640,016
Financial Expenses (Note 26)	1,663	300
Non-Cash Expenses (Note 27)	62,048,100	66,078,282
Total Current Operating Expenses	2,230,542,427	2,230,830,160
Surplus/(Deficit) from Current Operations	(1,808,970,638)	(1,800,751,867)
Net Financial Assistance/Subsidy (Note 28)	1,339,117,000	1,250,875,000
Other Non-Operating Income (Note 29.1)	56,385,646	61,677,985
Gains (Note 29.2)	7	7
Surplus/(Deficit) for the period	₱ (413,467,985)	₱ (488,198,875)

Certified Correct:


EDUARDO P. SUAREZ
Manager II, Finance Dept.

Noted:


ROMULO J. DE LA ROSA
Administrator

PHILIPPINE COCONUT AUTHORITY
DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED DECEMBER 31, 2017

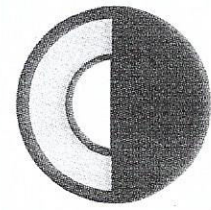
	2017	2016
REVENUE		
Service and Business Income		
Service Income		
Permit Fees	P 298,616,860	P 281,648,944
Supervision and Regulation Enforcement Fees	58,783,192	79,143,541
Inspection Fees	6,748,720	7,926,414
Fines and Penalties-Service Income	2,375,915	650,230
Other Service Income	20,301,538	19,587,776
Total Service Income	<u>386,826,225</u>	<u>388,956,905</u>
Business Income		
Rent/Lease Income	27,199,272	34,643,423
Income from Hostels/Dormitories and Other Like Facilities	160,550	208,900
Fidelity Insurance Income	-	452,492
Interest Income	4,408,032	5,423,762
Fines and Penalties-Business Income	2,952,710	392,812
Total Business Income	<u>34,720,565</u>	<u>41,121,388</u>
Gains		
Gain on Sale of Biological Assets	25,000	-
Total Gains	<u>25,000</u>	<u>-</u>
Total Revenue	<u>P 421,571,789</u>	<u>P 430,078,293</u>
Less: Current Operating Expenses		
Personnel Services		
Salaries and Wages		
Salaries and Wages - Regular	P 217,591,325	P 216,259,617
Total Salaries and Wages	<u>217,591,325</u>	<u>216,259,617</u>
Other Compensation		
Personnel Economic Relief Allowance (PERA)	13,330,443	13,917,000
Representation Allowance (RA)	6,198,625	6,290,436
Transportation Allowance (TA)	3,460,289	3,214,456
Clothing/Uniform Allowance	2,835,000	2,935,000
Honoraria	141,937	292,350
Longevity Pay	115,665	160,401
Overtime and Night Pay	1,036,444	1,374,056
Year End Bonus	36,004,594	32,599,202
Cash Gift	2,687,250	2,878,375
Other Bonuses and Allowances	41,952,952	49,544,730
Total Other Compensation	<u>107,763,199</u>	<u>113,206,005</u>
Personnel Benefit Contributions		
Retirement and Life Insurance Premiums	26,054,018	25,899,659
Pag-IBIG Contributions	663,900	697,900
PhilHealth Contributions	2,084,775	2,185,022
Employees Compensation Insurance Premiums	669,000	694,100
Total Personnel Benefit Contributions	<u>29,471,693</u>	<u>29,476,681</u>
Other Personnel Benefits		
Terminal Leave Benefits	21,323,350	16,261,216
Other Personnel Benefits	1,038,000	908,043
Total Other Personnel Benefits	<u>22,361,350</u>	<u>17,169,259</u>
Total Personnel Services	<u>377,187,566</u>	<u>376,111,562</u>
Maintenance and Other Operating Expenses		
Traveling Expenses		
Traveling Expenses-Local	62,451,437	64,246,102
Traveling Expenses-Foreign	1,705,485	624,741
Total Traveling Expenses	<u>64,156,922</u>	<u>64,870,843</u>

Training and Scholarship Expenses		
Training Expenses	36,610,084	29,441,604
Total Training and Scholarship Expenses	36,610,084	29,441,604
Supplies and Materials Expenses		
Office Supplies Expenses	13,106,285	12,861,191
Accountable Forms Expenses	234,561	200,166
Medical, Dental and Laboratory Supplies Expenses	956,862	4,277,321
Fuel, Oil and Lubricants Expenses	13,884,602	13,357,302
Agricultural and Marine Supplies Expenses	1,080,395,981	1,031,984,349
Semi-Expendable Machinery and Equipment Expenses	296,111	235,519
Semi-Expendable Furniture, Fixtures and Books Expenses	192,140	483,252
Other Supplies and Materials Expenses	14,133,540	11,856,527
Total Supplies and Materials Expenses	1,123,200,083	1,075,255,627
Utility Expenses		
Water Expenses	3,421,814	3,015,060
Electricity Expenses	23,879,028	20,938,811
Other Utility Expenses	-	1,220
Total Utility Expenses	27,300,842	23,955,091
Communication Expenses		
Postage and Courier Services	1,189,345	1,177,131
Telephone Expenses	8,213,063	8,407,105
Internet Subscription Expenses	1,242,946	1,180,880
Cable, Satellite, Telegraph and Radio Expenses	7,790	2,380
Total Communication Expenses	10,653,144	10,767,496
Awards/Rewards, Prizes and Indemnities		
Awards/Rewards Expenses	384,400	560,000
Total Awards/Rewards, Prizes and Indemnities	384,400	560,000
Survey, Research, Exploration and Development Expenses		
Research, Exploration and Development Expenses	525,593	1,998,897
Total Research, Exploration and Development Expenses	525,593	1,998,897
Confidential, Intelligence and Extraordinary Expenses		
Extraordinary and Miscellaneous Expenses	681,970	550,737
Total Confidential, Intelligence and Extraordinary Expenses	681,970	550,737
Professional Services		
Legal Services	40,000	300
Auditing Services	31,573,530	28,923,577
Consultancy Services	305,150	1,403,700
Other Professional Services	202,108,054	176,688,530
Total Professional Services	234,026,734	207,016,107
General Services		
Janitorial Services	3,674,924	3,164,382
Security Services	41,048,105	38,349,185
Other General Services	133,824,404	212,565,078
Total General Services	178,547,433	254,078,646
Repairs and Maintenance		
Repairs and Maintenance - Buildings and Other Structures	11,772,391	8,162,580
Repairs and Maintenance - Machinery and Equipment	1,168,892	1,859,151
Repairs and Maintenance-Transportation Equipment	8,910,330	6,951,507
Repairs and Maintenance-Furniture and Fixtures	12,100	1,350
Repairs and Maintenance-Other Property, Plant and Equipment	-	42,750
Total Repairs and Maintenance	21,898,481	17,017,338
Taxes, Insurance Premiums and Other Fees		
Taxes, Duties and Licenses	2,865,051	3,377,176
Fidelity Bond Premiums	1,457,324	1,934,629
Insurance Expenses	2,622,406	2,388,343
Total Taxes, Insurance Premiums and Other Fees	6,944,780	7,700,148
Other Maintenance and Operating Expenses		
Advertising, Promotional and Marketing Expenses	296,392	1,141,840
Printing and Publication Expenses	1,110,964	648,053

Representation Expenses	357,388	422,414
Transportation and Delivery Expenses	11,049,442	17,044,189
Rent/Lease Expenses	12,175,518	15,559,855
Membership Dues and Contributions to Organizations	-	20,000
Subscription Expenses	252,266	264,153
Donations	42,620,502	42,794,025
Documentary Stamps Expenses	373,742	250,857
Other Maintenance and Operating Expenses	18,138,417	17,282,099
Total Other Maintenance and Operating Expenses	86,374,631	95,427,484
Total Maintenance and Other Operating Expenses	1,791,305,098	1,788,640,016
Financial Expenses		
Financial Expenses		
Interest Expense	1,513	-
Bank Charges	150	300
Total Financial Expenses	1,663	300
Non-Cash Expenses		
Depreciation		
Depreciation - Investment Property	193,768	193,768
Depreciation - Land Improvements	523,193	551,883
Depreciation - Infrastructure Assets	99,330	144,351
Depreciation - Buildings and Other Structures	5,047,507	6,722,776
Depreciation - Machinery and Equipment	40,805,705	35,947,306
Depreciation - Transportation Equipment	5,956,098	7,012,045
Depreciation - Furnitures, Fixtures and Books	541,666	578,985
Depreciation - Other Property, Plant and Equipment	987,199	584,079
Total Depreciation	54,154,468	51,735,193
Impairment Loss		
Impairment Loss-Loans and Receivables	7,893,632	12,957,532
Impairment Loss-Other Receivables	-	1,385,557
Total Impairment	7,893,632	14,343,089
Total Non-Cash Expenses	62,048,100	66,078,282
Current Operating Expenses	₱ 2,230,542,427	₱ 2,230,830,160
Surplus (Deficit) from Current Operation	₱ (1,808,970,638)	₱ (1,800,751,867)
Financial Assistance/Subsidy from NGAs, LGUs, GOCCs		
Subsidy from National Government	1,339,117,000	1,250,875,000
Total Financial Assistance/Subsidy from NGAs, LGUs, GOCCs	1,339,117,000	1,250,875,000
Other Non-Operating Income		
Sale of Assets		
Sale of Garnished/Confiscated/Abandoned/Seized Goods and Property	706,905	-
Sale of Unserviceable Property	299,321	-
Total Sale of Assets	1,006,226	-
Miscellaneous Income		
Miscellaneous Income	55,379,420	61,677,985
Gains		
Gain on Foreign Exchange (FOREX)	7	7
Total Gains	7	7
Surplus (Deficit) for the period	₱ (413,467,985)	₱ (488,198,875)



Republic of the Philippines
OFFICE OF THE PRESIDENT
PHILIPPINE COCONUT AUTHORITY
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**CONDENSED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016 (As Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Inflows		
Receipt of Notice of Cash Allocation	₱ 1,324,117,000	₱ 1,250,875,000
Collection of Income/Revenues	330,052,357	352,229,538
Receipt of Assistance/ Subsidy	534,476,981	567,201,463
Collection of Receivables	42,869,735	127,092,028
Trust Receipts	46,899,870	73,839,791
Other Receipts	37,344,411	35,772,781
Total Cash Inflows	2,315,760,354	2,407,010,602
Cash Outflows		
Payment of Expenses	₱ 1,399,623,842	₱ 1,578,643,889
Purchase of Inventories	74,957,423	32,573,992
Purchase of Consumable Biological Assets	13,225,450	82,528,285
Grant of Cash Advances	58,843,149	75,122,702
Prepayments	176,071	1,220,977
Refund of Deposits	1,925,599	221,969
Payment of Accounts Payable	196,998,626	330,629,089
Remittance of Personnel Benefit Contributions Mandatory Deductions	180,139,493	154,089,299
Release of Inter-Agency Fund Transfers	145,570,230	1,476,419
Release of Intra-Agency Fund Transfers	547,941,644	597,987,562
Other Disbursement	28,166,511	20,966,788
Total Cash Outflows	2,647,568,037	2,875,460,972
Net Cash Provided by (Used in) Operating Activities	₱ (331,807,683)	₱ (468,450,371)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Inflows		
Proceeds from Sale/Disposal of Property, Plant and Equipment	₱ -	₱ 87,374
Sale of Investments	275,441	-
Receipt of Interest Earned	3,157,684	1,782,879
Total Cash Inflows	3,433,124	1,870,253
Cash Outflows		
Purchase/Construction of Investment Property, Plant and Equipment	₱ 66,880,688	₱ 45,358,978
Total Cash Outflows	66,880,688	45,358,978
Net Cash Provided by (Used in) Investing Activities	₱ (63,447,563)	₱ (43,488,724)
Increase (Decrease) in Cash and Cash Equivalents	₱ (395,255,247)	₱ (511,939,095)
Cash and Cash Equivalents, Beginning Balance	₱ 1,304,327,029	₱ 1,816,266,124
Cash and Cash Equivalents, Ending Balance	₱ 909,071,782	₱ 1,304,327,029

Certified Correct:

EDUARDO F. SUAREZ
Manager II, Finance Dept.

Noted:

ROMULO J. DE LA ROSA
Administrator

**PHILIPPINE COCONUT AUTHORITY
DETAILED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>2017</u>	<u>2016</u> <u>(As Restated)</u>
Cash Flows From Operating Activities		
Cash Inflows		
Receipt of Notice of Cash Allocation	P 1,324,117,000	P 1,250,875,000
Receipt of Notice of Cash Allocation	1,324,117,000	1,250,875,000
Collection of Income/Revenues	330,052,357	352,229,538
Collection of service and business income	263,855,469	322,250,543
Collection of other income	66,196,888	29,172,769
Receipt of prior years' income	-	806,226
Receipt of Assistance and Subsidy from Other NGA's, LGUs and GOCCs	534,476,981	567,201,463
Subsidy from CO/Ros/Staff Bureaus/Other Funds	533,932,981	567,201,463
Subsidy from Other National Government Agencies	544,000	-
Collection of Receivables	42,869,735	127,092,028
Collection of loans and receivables	1,990,377	88,845,642
Collection of lease receivables	-	28,369,050
Collection of receivable from audit disallowances	497	1,050
Collection of other receivables	40,878,861	9,875,286
Trust Receipts	46,899,870	73,839,791
Receipt of guaranty/security deposits	6,427,294	7,216,592
Collection of other trust receipts	40,472,576	66,623,199
Other Receipts	37,344,411	35,772,781
Advance collection of income	9,998,890	-
Receipt of refund of guaranty deposits	14,358	64,200
Receipt of payment for liquidated damages	1,127,934	62
Unused Petty Cash Fund	134,475	177,063
Refund of overpayment of Personnel Services	20,766	14,474
Refund of overpayment of Maintenance and Other Operating Expenses	348,342	649,165
Receipt of refund of cash advances	2,556,908	3,436,260
Collection from trust receipts from entities other than NGAs/LGUs/GOCCs	409,380	-
Receipt of cash for payment of accounts under other payables	2,978,252	874,066
Other miscellaneous receipts	19,755,106	30,557,492
Total Cash inflows	P 2,315,760,354	P 2,407,010,602
Cash Outflows		
Payment of Expenses	P 1,399,623,842	P 1,578,643,889
Payment of personnel services	217,947,292	218,682,883
Payment of maintenance and other operating expenses	1,169,745,449	1,323,892,656
Payment of financial expenses	262,580	-
Payment of expenses pertaining to/incurred in the prior years	11,668,522	35,993,528
Liquidation of prior years' cash advances	-	74,822
Purchase of Inventories	74,957,423	32,573,992
Purchase of inventories for sale	837,000	-
Purchase of inventories for distribution	39,840,460	51,200
Purchase of inventory held for consumption	33,914,660	12,371,974
Purchase of semi-expandable machinery and equipment	281,720	195,006
Purchase of semi-expendable furnitures, fixtures and books	83,584	102,395
Purchase of inventories obligated/incurred in prior years	-	19,853,417
Purchase of Consumable Biological Assets	13,225,450	82,528,285

Purchase of trees, plants and crops held for consumption/sale/distribution	3,500,488	13,821,205
Purchase of other consumable biological assets	-	4,950,000
Purchase of consumable biological assets obligated in prior years	-	23,079,158
Grant of Cash Advances	58,843,149	75,122,702
Advances for operating expenses	1,951,101	2,563,608
Advances for payroll	33,772,531	31,452,477
Advances for special purpose/time-bound undertakings	545,000	796,397
Advances to officers and employees	22,574,516	40,310,220
Prepayments	176,071	1,220,977
Prepaid Insurance	157,015	1,123,748
Other Prepayments	19,055	97,229
Refund of Deposits	1,925,599	221,969
Payment of guaranty deposits	1,925,599	221,969
Payment of other deposits	-	-
Payment of Accounts Payable	196,998,626	330,629,089
Payment of accounts payable	196,998,626	295,418,990
Payment of accounts payable obligated in prior year	-	35,210,099
Remittance of Personnel Benefit Contributions and Mandatory Deductions	180,139,493	154,089,299
Remittance of taxes withheld	48,676,171	44,665,451
Remittance to GSIS/Pag-IBIG/PhilHealth	59,963,832	45,827,511
Remittance of personnel benefits contributions	2,029,763	2,453,208
Remittance of other payables	69,469,727	61,143,129
Release of Inter-Agency Fund Transfers	145,570,230	1,476,419
Release of funds to NGAs, GOCCs, LGUs for the implementation of projects	2,789,971	-
Release of other inter-agency fund transfers	142,780,259	1,476,419
Release of Intra-Agency Fund Transfers	547,941,644	597,987,562
Remittance of Income Collected from RO to CO	-	87,409,651
Issuance of working fund to head office/branches/agencies abroad	-	1,084,090
Issuance of funds to other funds	547,941,644	3,807,427
Release of other intra-agency fund transfers	-	505,686,394
Other Disbursements	28,166,511	20,966,788
Refund of excess income	5,000	-
Refund of excess Working Fund/fund transfers/Trust Fund	3,874,472	60,053
Refund of bail bond	-	91,010
Refund of guaranty/security deposits	12,733,421	4,183,345
Refund of customers' deposit	49,200	-
Refund of cash advances	-	1,434,039
Refund of income taxes withheld	65,391	65,582
Other disbursements	11,439,026	15,132,759
Total Cash Outflows	₱ 2,647,568,037	₱ 2,875,460,972
Net Cash Provided by (Used in) Operating Activities	₱ (331,807,683)	₱ (468,450,370)
Cash Flows From Investing Activities		
Cash Inflows		
Proceeds from Sale/Disposal of Property, Plant and Equipment	₱ -	₱ 87,374
Sale of Investments	275,441	-
Proceeds from sale of stocks/bonds/marketable securities	275,441	-
Receipt of Interest Income	3,157,684	1,782,879
Total Cash Inflows	₱ 3,433,124	₱ 1,870,253

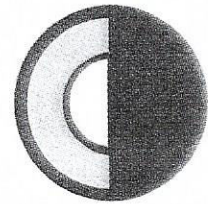
Cash Outflows

Purchase/Construction of Property, Plant and Equipment	₱ 66,880,688	₱ 45,358,978
Construction of infrastructure assets	1,192,960	1,110,942
Construction of buildings and other structures	9,182,038	3,037,651
Purchase of machinery and equipment	55,659,097	12,515,365
Purchase of transportation equipment	-	78,554
Purchase of furniture, fixtures and books	348,988	813,164
Construction in progress	-	2,426,820
Purchase of other property, plant and equipment	479,488	18,853,253
Payment of retention fee to contractors	18,117	566,598
Payment of other fees charged to the projects	-	569,405
Payment of rehabilitation of property, plant and equipment (capitalized repair)	-	5,387,227
Total Cash Outflows	₱ 66,880,688	₱ 45,358,978
Net Cash Provided by (Used in) Investing Activities	₱ (63,447,563)	₱ (43,488,724)
Increase (Decrease) in Cash and Cash Equivalents	₱ (395,255,247)	₱ (511,939,095)
Effects of Exchange Rate Changes on Cash and Cash Equivalents	-	-
Cash and Cash Equivalents, Beginning Balance	₱ 1,304,327,029	₱ 1,816,266,124
Cash and Cash Equivalents, Ending Balance	₱ 909,071,782	₱ 1,304,327,029



PHILIPPINE COCONUT AUTHORITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
FOR THE YEAR ENDED DECEMBER 31, 2017
(With corresponding figures for 2016)

Particulars	Budgeted Amounts			Actual Amounts on Comparable Basis			Difference Final Budget and Actual	
	2017	Original	Final	2017	2016	2017	2017	2016
RECEIPTS								
Services and Business Income (Notes 3.14, 22)	366,000,000	411,000,000	411,000,000	421,546,789	430,078,293	55,546,789	19,078,293	
Assistance and Subsidy (Note 28)	1,438,772,000	1,287,887,000	1,438,772,000	1,339,117,000	1,250,875,000	(99,655,000)	(37,012,000)	
Shares, Grants and Donations	-	-	-	-	-	-	-	
Gains	-	-	-	25,000	-	25,000	-	
Other Non-Operating Income (Note 29.1)	205,500,000	132,500,000	132,500,000	56,385,646	61,677,985	(149,114,354)	(70,822,015)	
Other Non-Operating Receipts	-	-	-	-	-	-	-	
Gain on Foreign exchange (Note 29.2)	-	-	-	-	-	-	-	
Total Receipts	2,010,272,000	1,831,387,000	2,010,272,000	1,817,074,443	1,742,631,285	(193,197,564)	(88,755,715)	
PAYMENTS								
Personnel Services (Note 24)	510,356,000	476,201,000	403,074,000	377,187,566	376,111,562	26,308,566	(26,962,438)	
Maintenance and Other Operating Expenses (Note 25)	3,295,911,000	4,796,259,780	5,704,070,000	1,791,305,098	1,788,640,016	(1,164,688,902)	(3,915,429,984)	
Capital Outlay	1,046,497,000	924,373,120	2,549,586,360	123,215,452	99,169,073	(923,281,548)	(2,450,417,287)	
Financial Expenses (Note 26)	-	-	-	1,663	300	1,663	300	
Other Disbursements	-	-	-	-	-	-	-	
Loan Repayment	-	-	-	-	-	-	-	
Remittance to National Treasury	-	-	-	-	-	-	-	
Others	-	-	-	-	-	-	-	
Total Payments	4,852,764,000	6,196,833,900	4,353,370,000	2,291,709,780	2,263,920,951	(2,061,660,220)	(6,392,889,409)	
NET RECEIPTS/PAYMENTS	(2,842,492,000)	(4,365,446,900)	(2,343,098,000)	(474,635,337)	(521,289,666)	1,868,462,656	6,304,053,694	



**STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE YEAR ENDED DECEMBER, 31, 2017**

2017		
	Accumulated Surplus/ (Deficit)	Government Equity
Balance at January 1	₱ 2,630,551,584	₱ 1,202,245,523
Add/(Deduct):		
Change in accounting policy	(485,426)	
Additional impairment of receivables with legal constraints	(29,763,542)	
Prior period errors		
Subsidy income recognized but not yet received	(1,250,875,000)	
Other prior period adjustments	80,402,121	
Restated balance	1,429,829,737	1,202,245,523
Add/(Deduct):		
<i>Changes in Net Assets/Equity for the Calendar Year</i>		
Surplus/(Deficit) for the period	(413,467,985)	
Additional impairment of receivables with legal constraints	(110,611,147)	
Appraisal Capital		-
Purchase or Construction of Property, plant and equipment		1,641,156
Donations		(2,688)
Disallowances and other payments		(55,917)
Balance at December 31	₱ 905,750,605	₱ 1,203,828,074

2016		
	Accumulated Surplus/ (Deficit)	Government Equity
Balance at January 1	₱ 6,035,716,268	₱ 1,194,596,648
Add/(Deduct):		
Change in accounting policy	(10,724,406)	
Additional impairment of receivables with legal constraints	(492,510,544)	
Prior period errors		
Subsidy income recognized but not yet received	(2,500,022,150)	
Other prior period adjustments	86,291,291	
Restated balance	3,118,750,459	1,194,596,648
Add/(Deduct):		
<i>Changes in Net Assets/Equity for the Calendar Year</i>		
Surplus/(Deficit) for the period	(488,198,875)	
Appraisal Capital		(242,000)
Purchase or Construction of Property, plant and equipment		6,300,634
Donations		1,562,763
Disallowances and other payments		27,478
Balance at December 31	₱ 2,630,551,584	₱ 1,202,245,523

Certified Correct:

EDUARDO F. SUAREZ
Manager II Finance Dept.

Noted:

ROMULO J. DE LA ROSA
Administrator



PHILIPPINE COCONUT AUTHORITY
Notes to Financial Statements
For the year ended December 31, 2017



1. GENERAL INFORMATION

The Philippine Coconut Authority (PCA) 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.

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 1, 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.

These are Philippine Coconut Authority's first financial statements prepared in accordance with PPSASs and PPSAS 33 First-time Adoption of Accrual Basis PPSAS has been applied. The adoption of PPSASs was made in 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.

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.

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 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.

3.4 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.

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.

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

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.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

The Authority's financial liabilities include trade payables, trust liabilities and other payables.

Derecognition

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

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.

3.5 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.

3.6 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.

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 doubtful accounts

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

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:

<u>Age of Accounts</u>	<u>Percentage</u>
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):

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

3.7 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.

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

3.8 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 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.

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.

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

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.

3.9 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.

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.

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.

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

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.

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
- 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.

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.

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

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.

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

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.

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.

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:

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.

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.

3.10 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.

3.11 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.

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.

3.12 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.

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

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

- 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.

3.13 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.

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.

3.14 Revenue

Measurement of Revenue

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

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.

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

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.

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.

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.

3.15 Budget information

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

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.

3.16 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.

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

3.17 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.

3.18 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. CHANGES IN ACCOUNTING POLICIES

The Public Sector Accounting Standards Board (PSASB), which was created under the COA Resolution 2008-12 dated October 10, 2008, developed the PPSAS. In developing Standards of PPSAS, the PSASB considers and makes use of the existing laws, financial reporting, accounting rules and regulations, and pronouncements issued by the International Public Sector Accounting Standards Board (IPSASB).

4.1 Currently effective Standards that are relevant and adopted

Below is a list of PPSASs issued as at December 31, 2017 that are adopted for the first time by the Agency in preparing the financial statements for the year ended December 31, 2017, the comparative information presented in these financial statements for the year ended December 31, 2016 and in the preparation of an opening PFRS statement of financial position at January 1, 2016 (the Agency's date of transition).

- PPSAS 1, *Presentation of Financial Statements* (effective for periods beginning January 1, 2014)

This Standard sets overall considerations for the presentation of financial statements, guidance for their structure, and minimum requirements for the content of financial statements prepared under the accrual basis of accounting.

- PPSAS 2, *Cash Flows Statements* (effective for periods beginning January 1, 2014)

This Standard requires the provision of information about the historical changes in cash and cash equivalents of an entity by means of a cash flow statement that classifies cash flows during the period from operating, investing, and financing activities.

- PPSAS 3, *Accounting Policies, Changes in Accounting Estimate and Errors* (effective for periods beginning January 1, 2014)

This Standard prescribes the criteria for selecting and changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates, and correction of errors.

- PPSAS 5, *Borrowing Costs* (January 1, 2014)

This Standard prescribes the accounting treatment for borrowing costs. This Standard generally requires the immediate expensing of borrowing costs. However, the Standard permits, as an allowed alternative treatment, the capitalization of borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset. The Agency does not have borrowing costs as at the reporting period.

- PPSAS 9, *Revenue from Exchange Transaction* (January 1, 2014)

This Standard prescribes the standards for identification, measurement and disclosure of revenues of public sector entities derived from exchange transactions. An exchange is one in which the entity receives asset or services, or has liabilities extinguished, and directly gives approximately equal value to the other party in exchange. These transactions are rendering of services, sale of good and use by other entity assets yielding interest, royalties, and dividends.

- PPSAS 12, *Inventories* (January 1, 2014)

This Standard sets out the accounting treatment for inventories. A primary issue in accounting for inventories is the amount of cost to be recognized. This Standard provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories.

- PPSAS 13, *Leases* (January 1, 2014)

This Standard prescribes, for lessees and lessor, the appropriate policies and disclosures to apply in relation to finance and operating leases. It also prescribes specific identifications of transactions which are considered as lease agreement and those which are not. Also, it presents the two specific classifications of lease agreement and those which are not. Also, it presents the two specific classifications of lease agreements and how they are presented in the financial statements.

- PPSAS 14, *Events After the Reporting Date* (January 1, 2014)

This Standard prescribes the circumstances in which adjustments for events after the reporting period are required. It also prescribes the disclosure requirements regarding the date of authorization for issue and information received after the reporting period.

It requires that an entity should not prepare its financial statements on going concern basis if events after the reporting date indicate that going concern assumption is not appropriate.

- PPSAS 16, *Investment Property* (January 1, 2014)

This Standard prescribes the accounting treatment for investment property and related disclosure requirements. Investment property shall be measured initially at cost except when it is acquired through a non-exchange transaction such as donation, or when it

pertains to a property interest held under an operating lease. After initial recognition, the entity shall choose either fair value or cost model and shall apply that valuation policy to all its investment property. At any case, the fair value shall be determined either for measurement (if the entity uses the fair value model) or disclosure (if it uses the cost model).

- PPSAS 17, *Property, Plant and Equipment* (January 1, 2014)

This Standard prescribes the standards on the recognition, measurement at recognition, measurement after recognition, depreciation, impairment, derecognition and disclosure requirements dealing with transactions and events affecting property, plant and equipment of the Philippine public sector. The principal issues in accounting for property, plant, and equipment are (a) the recognition of the assets, (b) the determination of their carrying amounts, and (c) the depreciation charges and impairment losses to be recognized in relation to them.

- PPSAS 20, *Related Party Disclosures* (January 1, 2014)

This Standard sets out the requirement of the disclosure of the existence of related party relationships where control exists, and the disclosure of information about transactions between the entity and its related parties in certain circumstances. This information is required for accountability purposes, and to facilitate a better understanding of the financial position and performance of the reporting entity. The principal issues in disclosing information about related parties are (a) identifying which parties control or significantly influence the reporting entity, and (b) determining what information should be disclosed about transactions with those parties.

- PPSAS 23, *Revenue from Non-Exchange Transactions (Taxes and Transfers)* (January 1, 2014)

This Standard prescribes requirements for the financial reporting of revenue arising from non-exchange transactions, other than non-exchange transactions that give rise to an entity combination. This Standard deals with issues that need to be considered in recognizing and measuring revenue from non-exchange transactions, including the identification of contributions from owners.

- PPSAS 24, *Presentation of Budget Information in Financial Statements* (January 1, 2014)

This Standard prescribes a comparison of budget amounts and the actual amounts arising from execution of the budget to be included in the financial statements of entities. This Standard also requires disclosure of an explanation of the reasons for material differences between the budget and actual amounts. The main issue in the implementation of this Standard is how the comparison of budget and actual amounts shall be presented in the financial statements.

- PPSAS 27, *Agriculture* (January 1, 2014)

This Standard prescribes the accounting treatment and disclosures related to agricultural activity. Agricultural activity is the management by an entity of the biological transformation of living animals or plants (biological assets) for sale, or for distribution at no charge or for a nominal charge or for conversion into agricultural produce or into biological assets.

- PPSAS 28, *Financial Instruments: Presentation* (January 1, 2014)

This Standard establishes principles for presenting financial instruments as liabilities or net assets/equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends or similar distribution, losses and gains; and circumstances in which financial assets and financial liabilities should be offset.

This Standard complements the principles for recognizing and measuring financial assets and financial liabilities in PPSAS 29, "Financial Instruments: Recognition and Measurement", and for disclosing information about them in PPSAS 30, "Financial Instruments: Disclosure".

- PPSAS 29, *Financial Instruments: Recognition and Measurements* (January 1, 2014)

This Standard prescribes the accounting principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It complements the principles for presenting information about financial instruments in PPSAS 28, "Financial Instruments: Presentation" and for disclosing information about them in PPSAS 30, "Financial Instruments: Disclosures".

It also prescribes principles for hedge accounting. Hedge accounting aims to reduce the volatility of an entity's financial performance by offsetting gains and losses on certain instruments. An entity may elect to apply hedge accounting, but only if prescribed conditions are met.

- PPSAS 30, *Financial Instruments: Disclosures* (January 1, 2014)

This Standard requires entities to provide disclosures in their financial statements that enable users to evaluate: (a) the significance of financial instruments for entity's financial position and financial performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

The principles in this Standard complement the principles for presenting and recognizing and measuring financial assets and financial liabilities in PPSAS 28, "Financial Instruments: Presentation" and PPSAS 29, "Financial Instruments: Recognition and Measurement."

- PPSAS 31, *Intangible Assets* (January 1, 2014)

This Standard prescribes the accounting treatment for intangible assets that are not dealt with specifically in another Standard. It prescribes the principle for its recognition and measurement as well as its disclosure requirements. The Agency does not have any intangible assets as at the reporting period.

- PPSAS 33, *First-time Adoption of Accrual Basis PPSASs*

This Standard provides guidance to a first-time adopter that prepares and presents financial statements following the adoption of accrual basis PPSASs, in order to present high quality information:

- a. That provides transparent reporting about a first-time adopter's transition to accrual basis PPSAS;

- b. That provides a suitable starting point for accounting in accordance with accrual basis PPSASs irrespective of the basis of accounting the first-time adopter has used prior to the date of adoption; and
- c. Where the benefits are expected to exceed the costs.

4.2 Currently effective Standards that are not relevant and not adopted

The following Standards are mandatorily effective for annual periods beginning on or after January 1, 2017 but are not relevant to the Agency's financial statements:

- PPSAS 4, *The Effects of Changes in Foreign Exchange Rates* (January 1, 2014)

This Standard prescribes the standards in including foreign currency transactions and foreign operations in the financial statements and translating financial statements into a presentation currency. In the Philippine public sector except Government Business Enterprises, the applicability of this Standard is limited to accounting of foreign currency transactions and the corresponding effects of changes in exchange rates.

- PPSAS 6, *Consolidated and Separate Financial Statements* (January 1, 2014)

This Standard establishes the requirements for the preparation and presentation of consolidated financial statements, and for accounting for controlled entities, jointly controlled entities, and associates in the separate financial statements of the controlling entity, the venture, and the investor.

- PPSAS 8, *Interest in Joint Ventures* (January 1, 2014)

This Standard sets out the principles and procedures in accounting for interests in joint ventures and reporting for joint venture assets, liabilities, revenue and expenses in the financial statements of venturers and investors, regardless of the structures of forms under which the joint venture activities take place.

- PPSAS 21, *Impairment of Non-Cash-Generating Assets* (January 1, 2014)

This Standard sets out the procedures in determining whether a non-cash-generating asset is impaired; recognition and measurement of impairment losses; reversal of impairment loss; redesignation of assets and disclosures.

- PPSAS 26, *Impairment of Cash-Generating Assets* (January 1, 2014)

This Standard sets out the procedures that an entity shall apply to determine whether a cash-generating asset is impaired, and to ensure that impairment losses are recognized. It also specifies when an entity shall reverse an impairment loss and prescribes disclosures.

- PPSAS 32, *Service Concession Arrangements: Grantor* (January 1, 2014)

This Standard prescribes the accounting for service concession arrangements by the grantor, a public sector entity. This includes the recognition of service concession asset, liability, revenue, expenses and equity, and the required presentation and disclosures in the financial statements.

5. PRIOR PERIOD ADJUSTMENTS

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

Account Name	Account Code	Debit	Credit
LBP C/A#702-1001-86 (Fund 503)	1 01 02 020 01	128,407	
LBP HYS#0707-8050-54	1 01 02 030 07	229,031	
LBP HYS#0707-8050-62	1 01 02 030 08	229,031	
LBP HYS#0707-8050-70	1 01 02 030 09	229,031	
Accounts receivable	1 03 01 010		4,073
Allowance for doubtful accounts	1 03 01 011	30,103	
Due from national treasury	1 03 03 010 03		1,250,875,000
Due from regional offices	1 03 04 070	1,341,275	
Due from other funds- general fund 151	1 03 04 050 03	1,272,395	
Office equipment	1 06 05 020		25,712
Accumulated depreciation-office equipment	1 06 05 021	9,295	
IT equipment and software	1 06 05 030		154,453
Accumulated depreciation-IT equipment and software	1 06 05 031	154,130	
Communication equipment	1 06 05 070		2,850
Accumulated depreciation-communication equipment	1 06 05 071	599	
Medical, dental and laboratory equipment	1 06 05 110		16,394
Accumulated depreciation-medical, dental and laboratory equipment	1 06 05 111	2,937	
Furniture and fixtures	1 06 07 010		414,786
Accumulated depreciation-furniture and fixtures	1 06 07 011	100,986	
Trade and business	2 01 01 010 01		13,976
Unliquidated obligations - personal services	2 01 01 010 02	76,312,100	
Unliquidated obligations - MOOE	2 01 01 010 03	251,109	
DA-BAR (Coco Diesel Project)	2 02 01 050 41	13,258	
DOST-IX Project	2 02 01 050 99	980,000	
Value-Added tax payable	2 02 01 120	156,789	
Corporate fund 503	2 03 01 050 06		892,101
Allowance/retention for contractual	2 99 99 990 52	563	
Accumulated surplus/(deficit)	3 01 01 010	1,170,958,306	
Total		1,252,399,345	1,252,399,345

5.1 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 (₱ 485,426) were reclassified and booked as an adjustment in the previous year (2016) financial statements.

5.2 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 (₱ 1, 250,875,000) were booked as an adjustment due to the recognition of subsidy income but not yet received and ₱ 80,402,121 were booked as an adjustment due to other period errors.

6. EXPLANATION OF TRANSITION TO PPSASs

As stated in Note 2, these are the Agency's first financial statements prepared in accordance with PPSAS.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended December 31, 2017, the comparative information presented in these financial statements for the year ended December 31, 2016 and in the preparation of an opening PFRS statement of financial position at January 1, 2016.

In preparing its opening statement of financial position, the Agency has adjusted amounts reported previously in financial statements prepared in accordance with previous generally accepted State accounting principles in the Philippines. An explanation of how the transition from previous generally accepted State accounting principles to PPSASs has affected the Agency's financial statements is set out in the following tables:

Reconciliation of Net Assets/Equity At January 1, 2016					
	Previous generally accepted State accounting principles (As Restated)	Effect of transition to PPSASs		Restated Balances	
		Reclassification	Difference in recognition and measurement		
ASSETS					ASSETS
Current Assets					Current Assets
Cash	1,816,277,155	-	-	1,816,277,155	Cash and cash equivalents
Receivables-net	2,434,228,656	(495,223,617)	-	1,939,005,039	Receivables-net
Inventories	169,250,715	(2,550,772)	-	166,699,943	Inventories
Other current assets	42,915,736	-	-	42,915,736	Other current assets
Total Current Assets	4,462,672,262	(497,774,389)	-	3,964,897,873	Total Current Assets
Non-Current Assets					Non-Current Assets
Investments	88,515	495,223,617	(492,510,544)	2,713,074	Receivables-net
Property, plant and equipment-net	605,786,849	11,077,245	-	88,515	Investments
Other Assets	719,681,467	(11,077,245)	(10,724,406)	11,077,245	Investment Property
		2,575,772	-	583,985,198	Property, plant and equipment
		(25,000)	-	2,575,772	Biological Assets
Total Non-Current Assets	1,325,556,831	497,774,389	(503,234,950)	1,320,096,271	Total Non-Current Assets
TOTAL ASSETS	5,788,229,093	-	(503,234,950)	5,284,994,144	TOTAL ASSETS
LIABILITIES					LIABILITIES
Current Liabilities					Current Liabilities
Payable accounts	724,389,387	-	-	724,389,387	Financial Liabilities
Inter-agency payables	80,948,574	-	-	80,948,574	Inter-agency payables
Other payables	63,756,472	7,840,705	-	7,840,705	Trust Liabilities
Total Current Liabilities	869,094,433	(7,840,705)	-	55,915,767	Total Current Liabilities
Non-Current Liabilities					Non-Current Liabilities
Deferred credits	102,552,602	-	-	102,552,602	Deferred credits
Total Non-Current Liabilities	102,552,602	-	-	102,552,602	Total Non-Current Liabilities
Total Liabilities	869,094,433	-	-	971,647,035	Total Liabilities
NET ASSETS/ EQUITY					NET ASSETS/ EQUITY
Equity	4,816,582,058	-	(503,234,949)	4,313,347,109	Government Equity
Total Net Assets/Equity	4,919,134,661	-	(503,234,949)	4,313,347,109	Total Net Assets/Equity
TOTAL LIABILITIES AND NET ASSETS/EQUITY	5,788,229,093	-	(503,234,949)	5,284,994,144	TOTAL LIABILITIES AND NET ASSETS/EQUITY

Reconciliation of Surplus/(Deficit)

For the year ended December 31, 2015 (Opening balances as at January 1, 2016)

	Previous generally accepted State accounting principles (As Restated)	Effect of transition to PPSASs		Restated Balances	
		Reclassification	Difference in recognition and measurement		
INCOME					REVENUE
		409,355,589	-	409,355,589	Service and Business Income
		895,700	-	895,700	Shares, Grants and Donations
Fees, permits and licenses	365,220,439	(365,220,439)	-	-	
Service	36,304,412	(36,304,412)	-	-	
Business	31,285,632	(31,285,632)	-	-	
Other general Income	557,973	(557,973)	-	-	
Other income	11,024,689	(11,024,689)	-	-	
Total Income	444,393,145	(34,141,856)	-	410,251,289	Total Revenue
EXPENSES					CURRENT OPERATING EXPENSES
Personal services	327,827,301	-	-	327,827,301	Personal services
Maintenance and Other Operating Expenses	2,322,154,605	(45,420,522)	-	2,276,734,083	Maintenance and other operating expenses
Financial services	255,253	-	-	255,253	Financial services
		45,420,522	503,234,950	548,655,472	Non-cash expenses
Total Expenses	2,650,237,160	-	503,234,950	3,153,472,109	Total Current Operating Expenses
LOSS FROM OPERATIONS	(2,205,844,014.4)	(34,141,856)	(503,234,950)	(2,743,220,820)	SURPLUS/(DEFICIT) FROM OPERATIONS
Subsidy from National Government	2,911,117,000	-	-	2,911,117,000	Subsidy from National Government
		34,141,849	-	34,141,849	Other Non-Operating Income
		7	-	7	Gains
INCOME AFTER SUBSIDY FROM NATIONAL GOVERNMENT	705,272,986	-	(503,234,950)	202,038,036	Surplus/(Deficit) for the period

Reconciliation of Surplus/(Deficit)

For the year ended December 31, 2015 (Opening balances as at January 1, 2016)

Accumulated Surplus/(Deficit), December 31, 2015	3,621,985,409
Change in accounting policy	
Reclassification of PPE accounts to semi-expendable expenses with carrying amount less than 15,000	(10,724,406)
Impairment of accounts receivable with legal constraints	(492,510,544)
Accumulated Surplus/(Deficit), Restated Balance	3,118,750,460

7. 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.

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.

7.1 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.

7.2 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

7.3 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

7.4 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.

7.5 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.

7.6 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.

8. CASH AND CASH EQUIVALENTS

This account consists of the following:

Particulars	2016 (Restated)	
	2017	2016
Cash on hand		
Cash-collecting officer	3,479,079	3,362,370
Petty cash	93,076	82,761
	3,572,155	3,445,131
Cash in bank		
Cash in bank-local currency, current account	778,946,651	863,564,572
Cash in bank-local currency, savings account	2,689,616	346,723,846
Cash in bank-foreign currency, current account	2,072,766	2,440,427
Cash in bank-foreign currency, savings account	681,848	681,879
Cash-Modified Disbursement System (MDS), regular	118,995,659	85,358,085
Time deposits-foreign currency	2,113,089	2,113,089
	905,499,627	1,300,881,898
Total	909,071,782	1,304,327,029

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; ₱ 396,124,072 and ₱ 382,822,579 for Central Office and Regional Offices and Centers, respectively.

Cash in Bank-Local Currency, Savings Account consists only of Cash with the Regional Offices and Centers.

Cash-Modified Disbursement System (MDS), Regular consists of Cash - National Treasury account of General Fund 151 amounting ₱ 93,776,214 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 ₱ 25,219,445 represents the balance of remittances to the BTr for PCA fee of P0.12 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.

9. RECEIVABLES

This account consists of the following:

Particulars	2017		2016 (Restated)	
	Current	Non-current	Current	Non-current
Loans and receivable accounts				
Accounts receivable	17,849,401	694,786,089	5,641,160	576,767,714
Allowance for impairment	(201,479)	(691,391,740)	(162,195)	(572,993,409)
Interests receivable	3,212	-	3,212	-
	17,651,134	3,394,349	5,482,177	3,774,305

Inter-agency receivables		-	-	-
Due from national government agencies	46,506,481	-	46,506,481	-
Due from local government units	35,581,320	-	46,604,307	-
Due from government corporations	290,992,209	-	433,061,968	-
	373,080,010	-	526,172,756	-
Intra-agency receivables		-	213,657	-
Due from operating units	5,340	-	-	-
Due from central office/home/head office	64,818,845	-	32,105,570	-
	64,824,185	-	32,319,226	-
Other receivables		-	-	-
Receivables-disallowances/charges	133,996,240	-	134,188,471	-
Due from officers and employees	523,745	-	785,049	-
Due from NGOs/people's organizations	1,310,993	-	1,310,993	-
Other receivables	34,874,699	-	24,808,325	-
Allowance for impairment	(5,815,416)	-	(5,748,253)	-
	164,890,260	-	155,344,584	-
Total	620,445,589	3,394,349	719,318,745	3,774,305

9.1 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%	48,489	485
61 to 181 days	2%	112,702	2,254
181 days to 1 year	3%	150,982	4,529
More than 1 year to 10 years	5%	7,343,023	367,151
Over 10 years	100%	5,981,412	5,981,412
With Legal constraint	100%	685,237,402	685,237,402
Total		698,874,011	691,593,219.74

*Accruals for the month of December 31, 2017 amounting to ₱ 13,761,479 was not included in computation for allowance for doubtful accounts.

Status Report of Outstanding PCA Fee Obligation as of December 31, 2017 showed the following details for disclosure tolong overdue accounts:

Status of Accounts	No. of Accounts	Amount
Cases still pending in court	7	8,280,837
Cases ordered archived/ unlocate address (ceased operations):		
Decision cannot be executed/enforced	6	3,270,391
Company owners still at large	3	8,475,598
Summons could not be served	13	9,937,071
Accounts forwarded to LAS for appropriate action and /or filing of case	34	664,822,193
Total	63	694,786,089

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

Company	Amount
Amormio Sanchez	253,589
Angmaya	40,372
Bescom	1,073,762
Bicol Oil Mill	12,693
Cal-Phil	5,749,996
Chemer Enterprise	1,738
Coco Manila	933,905
Consoil Development	1,472,438
Dolores Agri-Products	2,998,006
ECY Enterprise	2,728,277
Gem Food	12,485
Gemma Coco	800,388
Jakke Enterprise	158,967
Lucky Coco	36,643
Mina Oil Mill	356,985
New San Agustin	1,181,783
Peninsula Oil Mill	452,997
Peoples Industrial and Commercial Corporation	672,349
Philippine Agricultural Trading Corporation	1,174,261
Philippine Super Feed Corporation	29,397
Prime Oleochem	791,582
R & A Coconut Products	167,862
Red V Coconut Products	302,103
VAC Commodities	216,479
Visayan Manufacturing	22,532
Yu Yek Manufacturing	445,422
Total	22,087,015

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

9.2 Inter-Agency Receivables

Due from National Government Agencies includes due from national treasury amounting to ₱ 133,209 and release to various National Government Agencies for the conduct of the following research activities:

Particulars	Description	Amount
UPLB-Banana (HVCC)	Final Payment for the project entitled "Improvement of productivity of the Banana farms in the Philippine Technical Support".	108,874
Metal Industry Research and Development Center	Release of Phase II of the PCA-MIRDC MOA	17,167
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
University of the Philippines-Diliman	First 50% payment of the project "On-Road Test of 5% Coco Methyl Biodiesel Blend in Public Transport".	167,816
University of Southern Mindanao	Liquidation of project "Oil Palm Productivity for Peace of Poverty Alleviation in Mindanao".	605,718
University of the Philippines-Manila	To take up expenses incurred for the project "Association of Dietary Intake of Coconut Oil and Coconut Products w/ Dyslipidemia and Hypertension for February 2 to October 24, 2014	1,648,658

Philippine Council for Health Research and Development	First payment for the project "Effects of Virgin Coconut Oil on Alzheimer's Disease"	4,560,000
Procurement Service*	Payment of deposit equivalent to the cost of security service for 8 months	30,819
Procurement Service*	Payment for the purchase of 1 set of PVC Tufting machine and agency fee for R-VIII	37,716,674
Philippine Council for Health Research and Development	Second payment for the project "Effects of Virgin Coconut Oil on Alzheimer's Disease"	1,520,000
University of the Philippines-Manila	To take up liquidation of UP Manila	(1,646,606)
Total		46,373,272

*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.

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)
Total		35,581,320

Due from GOCCs account includes fund released to Philippine International Trading Corporation (PITC) for the purchase of the agricultural grade salt multi nutrient fertilizers. This was approved by Board Resolution no. 123-2015 dated July 20, 2015.

9.3 Intra-Agency Receivables

This account consist of the following:

Particulars	2017	2016 (Restated)
Due from Operating Units	5,340	213,657
Due from Central Office/Home/Head Office	64,818,845	32,105,570
Total	64,824,185	32,319,226

9.4 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 refers to the balance of cash advances remained unliquidated as of the end of December 31, 2017.

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	498,377
UPLB Foundation, Inc.	812,616
Total	1,310,993

Other Receivables consists of the following:

Account Name	Amount	Allowance for Doubtful accounts	Net Book Value
Other creditors	14,506,201	531,541	13,974,660
Working fund	694,090	-	694,090
Advances - others	2,285	-	2,285
Other officers - CISF	36,596	-	36,596
Receivables - SCFO	2,046,066	1,531,440	514,626
Farmers - NCIP	2,187,403	2,094,446	92,957
FAO - NCIP	198,180	198,180	-
Miscellaneous	13,476,164	728,973	12,747,191
Trade and business	1,727,714	730,835	996,879
Total	34,874,699	5,815,416	29,059,283

10. INVENTORIES

This account consists of the following:

Particulars	2017	2016
Inventory held for distribution	21,342,080	14,569,770
Inventory held for consumption	33,956,704	30,459,326
Semi-expandable machinery and equipment	11,542,494	7,014,914
Semi-expandable furniture, fixtures and books	1,568,697	511,570
Total	68,409,976	52,555,580

- 10.1** 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.
- 10.2** Inventory held for consumption consist of office supplies, accountable forms, plates and stickers, medical, dental and laboratory supplies, fuel, oil and lubricants, agricultural and marine supplies, and other supplies and materials for consumption on day to day operations.
- 10.3** Semi-Expandable Machinery and Equipment and Semi-Expandable Furniture, Fixtures and books 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. (refer to Note 5.1)

11. OTHER CURRENT ASSETS

This account consists of the following:

Particulars	2017	2016
Advances	3,497,764	1,230,987
Prepayments	3,763,390	1,969,477
Deposits	2,889,291	2,858,878
Total	10,150,445	6,059,342

Advances account consists of the following:

Particulars	2017	2016
Advances to special disbursing officer	2,379,149	777,893
Advances to officers and employees	1,118,614	453,093
Total	3,497,764	1,230,987

Prepayments account consists of the following:

Particulars	2017	2016
Advances to contractors	3,004,529	1,347,496
Prepaid rent	193,031	193,031
Prepaid insurance	446,361	391,483
Other prepayments	119,470	37,468
Total	3,763,390	1,969,477

Deposits account consists of the following:

Particulars	2017	2016
Guaranty deposits	1,186,652	1,156,239
Marginal deposits	58,224	58,224
Deposits on containers	96,500	96,500
Other deferred charges	1,547,915	1,547,915
Total	2,889,291	2,858,878

12. INVESTMENTS

This account represents the cost of stock certificates issued by the United Coconut Planters Bank, with a par value of ₱ 1.00 per common share for a total of 88,515 common share amounting to ₱ 88,515.

13. INVESTMENT PROPERTY

Particulars	2017	2016 (Restated)
Carrying amount, January 1	10,883,478	11,077,245
Transfers from inventories/owner-occupied property	-	-
Total	10,883,478	11,077,245
Depreciation	(193,768)	(193,768)
Carrying amount, December 31	10,689,708	10,883,477

Particulars	2017	2016
Gross cost	52,943,228	52,943,228
Accumulated depreciation	(42,253,520)	(42,059,751)
Impairment loss	-	-
Carrying amount, December 31	10,689,708	10,883,477

14. PROPERTY, PLANT AND EQUIPMENT

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

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	(14,995,293)	(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	-	(845,983)	(541,666)	4,687,059
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
Total	624,915,390	300,075,516	924,990,906	(152,363,293)	(14,558,994)	(53,960,699)	704,107,918

	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	10,737,330	6,050,271	-	4,687,059
Other property, plant and equipment	7,272,353	2,711,906	-	4,560,447
Construction in progress	11,662,108	-	-	11,662,108
Total	1,172,257,435	468,149,517	-	704,107,918

As at December 31, 2016

	Carrying Amount, January 1, 2016 (Restated)	Additions	Total	Disposal/ Sale/ Transfer	Adjustment/ Reclassification (Restated)	Depreciation (Restated)	Carrying Amount, December 31, 2016 Restated
Land	142,225,859	189,690	142,415,549	-	-	-	142,415,549
Land improvements	6,086,996	-	6,086,996	-	-	(551,883)	5,535,113
Infrastructure assets	693,631	-	693,631	-	(29,209)	(144,351)	520,071
Buildings	67,704,976	7,103,984	74,808,960	(1)	(1,374,776)	(6,722,776)	66,711,407
Machinery and equipment	316,174,708	77,658,955	393,833,663	(1,225,776)	(9,095,830)	(35,947,306)	347,564,751
Transportation equipment	47,582,422	570,550	48,152,972	(1,121,097)	381,559	(7,012,045)	40,401,389
Furniture, fixture and books	5,485,989	1,676,907	7,162,896	(250,509)	(588,430)	(578,984)	5,744,973
Other property, plant and equipment	1,862,859	10,411,149	12,274,008	(260,897)	98,390	(584,079)	11,527,423
Construction in progress	6,893,165	1,557,838	8,451,003	(4,956,288)	1,000,000	-	4,494,715
Total	594,710,605	99,169,073	693,879,678	(7,814,568)	(9,608,296)	(51,541,424)	624,915,390

	Gross Cost (Restated)	Accumulated Depreciation (Restated)	Accumulated Impairment Loss	Carrying Amount, December 31, 2016 Restated
Land	142,415,549	-	-	142,415,549
Land improvements	25,951,832	20,416,719	-	5,535,113
Infrastructure assets	3,291,189	2,771,118	-	520,071
Buildings	201,404,279	134,692,872	-	66,711,407
Machinery and equipment	539,576,686	192,011,935	-	347,564,751
Transportation equipment	106,102,519	65,701,130	-	40,401,389
Furniture, fixture and books	12,740,797	6,995,824	-	5,744,973
Other property, plant and equipment	13,064,417	1,536,995	-	11,527,423
Construction in progress	4,494,715	-	-	4,494,715
Total	1,049,041,983	424,126,593	-	624,915,390

The Agency reviewed the carrying value of property and equipment for any impairment as of December 31, 2017. Based on its evaluation, no impairment loss has occurred and no property and equipment has been pledged as security for liabilities.

15. BIOLOGICAL ASSETS

Particulars	2017	2016
Bearer biological assets		
Breeding stocks	25,000	25,000
Consumable biological assets		
Livestock held for consumption/sale/distribution	40,000	-
Trees, plants and crops held for consumption/sale/distribution	2,471,028	2,514,558
Total	2,536,028	2,539,558

Breeding stocks account balance is from Region VI, 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 not yet taken up in the books as of the year of this report for compliance to PPSAS 27 in the succeeding years.

16. OTHER NON-CURRENT ASSETS

This account consists of the following:

Particulars	2017	2016
Deferred charges/losses	237,914	237,914
Other assets	723,103,320	723,782,870
Accumulated impairment losses-other assets	(3,871,227)	(4,180,689)
Total	719,470,008	719,840,095

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	2017	2016
Other assets	723,103,320	723,782,870
Accumulated impairment losses-other assets	(3,871,227)	(4,180,689)
Net book value	719,232,093	719,602,180

17. FINANCIAL LIABILITIES

This account is consisting of the following:

Particulars	2017	2016 (Restated)
Accounts Payable	754,480,818	608,023,376
Due to Officers and Employees	10,716,602	9,899,090
Tax Refunds Payable	-	7,170
Total	765,197,420	617,929,635

Accounts payable account consists of the following:

Particulars	2017	Restated 2016
Trade and business	298,360,511	335,723,116
Unliquidated obligations - personal services	87,426,465	52,155,001
Unliquidated obligations - MOOE	175,626,167	76,072,433
Unliquidated obligations - miscellaneous	193,067,675	144,072,825
Total	754,480,818	608,023,376

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

Tax refunds payable represents the amount of over withheld taxes.

18. INTER-AGENCY PAYABLES

This account is consisting of the following:

Particulars	2017	2016 (Restated)
Due to BIR	5,622,241	6,961,549
Due to GSIS	1,586,305	1,365,570
Due to Pag-IBIG	213,678	274,483
Due to PhilHealth	267,970	216,451
Due to NGAs	44,489,955	41,021,450
Due to Government Corporations	890,632	952,670
Due to LGUs	33,902,088	43,955,386
Due to SSS	275	330
Value-Added Tax Payable	1,239,792	749,046
Total	88,212,937	95,496,934

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

Particulars	2017	2016
Withholding tax on compensation	2,139,328	1,992,862
Expanded tax withheld	575,314	1,504,188
Withholding tax on GMP-Percentage Taxes	395,619	535,750
Withholding tax on GMP-Value Added Taxes (GVAT)	1,620,717	2,503,042
Other fees and taxes withheld	891,263	425,707
Total	5,622,241	6,961,549

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 Government Corporations account consist of the following:

Particulars	2017	2016
Miscellaneous	818,145	949,442
LBP loans	69,030	1,936
NHMFC - housing loan	3,458	1,293
Total	890,632	952,670

19. 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 ₱ 10,930,858 in 2017 and ₱ 14,765,523 in 2016.

20. OTHER PAYABLES

This account consists of other liabilities not falling under any of the specific payable account amounting to ₱ 52,901,828 in 2017 and ₱ 61,716,090 in 2016.

21. 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	2017	2016
Central Office	177,960	177,960
Region IV-B	26,208	47,545
Region V	20,002,835	20,002,835
Region VIII	98,882	125,106
Region XIII	147,924	147,924
Albay Research Center	947,225	1,227,725
Zamboanga Research Center	141,561	589,498
Total	21,542,596	22,318,593

22. SERVICE AND BUSINESS INCOME

Particulars	2017	2016
Service income		
Permit fees	298,616,860	281,648,944
Supervision and regulation enforcement fees	58,783,192	79,143,541
Inspection fees	6,748,720	7,926,414
Fines and penalties-service income	2,375,915	650,230
Other Service Income	20,301,538	19,587,776
	386,826,225	388,956,905

Business income		
Rent/lease income	27,199,272	34,643,423
Income from hostels/dormitories and other like facilities	160,550	208,900
Fidelity insurance income	-	452,492
Interest income	4,408,032	5,423,762
Fines and penalties-business income	2,952,710	392,812
	34,720,565	41,121,388
Total	421,546,789	430,078,293

23. GAINS

Gains consist of gain on sale of biological assets amounting to ₱ 25,000 in 2017 and no gain on sale of biological assets in 2016.

24. PERSONNEL SERVICES

This account is consisting of the following:

Particulars	2017	2016
Salaries and wages	217,591,325	216,259,617
Other compensation	107,763,199	113,206,005
Personnel benefit contributions	29,471,693	29,476,681
Other personnel benefits	22,361,350	17,169,259
Total	377,187,566	376,111,562

24.1 Salaries and Wages

Salaries and Wages incurred for payment of services rendered by PCA employees occupying regular positions amounting to ₱ 217,591,325 in 2017 and ₱ 216,259,617 in 2016.

24.2 Other Compensation

Particulars	2017	2016
Personnel economic relief allowance (PERA)	13,330,443	13,917,000
Representation allowance (RA)	6,198,625	6,290,436
Transportation allowance (TA)	3,460,289	3,214,456
Clothing/uniform allowance	2,835,000	2,935,000
Honoraria	141,937	292,350
Longevity pay	115,665	160,401
Overtime and night pay	1,036,444	1,374,056
Year-end bonus	36,004,594	32,599,202
Cash gift	2,687,250	2,878,375
Other bonuses and allowances	41,952,952	49,544,730
Total	107,763,199	113,206,005

24.3 Personnel Benefit Contributions

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

Particulars	2017	2016
Retirement and life insurance premiums	26,054,018	25,899,659
Pag-IBIG contributions	663,900	697,900
PhilHealth contributions	2,084,775	2,185,022
Employees compensation insurance premiums	669,000	694,100
Total	29,471,693	29,476,681

24.4 Other Personnel Benefits

Particulars	2017	2016
Terminal leave benefits	21,323,350	16,261,216
Other personnel benefits		
Counsel allowance	29,500	19,500
Loyalty award	455,000	300,000
Per diem of directors	553,500	347,400
Others	-	241,143
	1,038,000	908,043
Total	22,361,350	17,169,259

25. MAINTENANCE AND OTHER OPERATING EXPENSES

This account consists of the following:

Particulars	2017	2016
Traveling expenses	64,156,922	64,870,843
Training expenses	36,610,084	29,441,604
Supplies and materials expenses	1,123,200,083	1,075,255,627
Utility expenses	27,300,842	23,955,091
Communication expenses	10,653,144	10,767,496
Awards/rewards expenses	384,400	560,000
Research, exploration and development expenses	525,593	1,998,897
Extraordinary and miscellaneous expenses	681,970	550,737
Professional services	234,026,734	207,016,107
General services	178,547,433	254,078,646
Repairs and Maintenance	21,898,481	17,017,338
Taxes, insurance premiums and other fees	6,944,780	7,700,148
Other maintenance and operating expense	86,374,631	95,427,484
Total	1,791,305,098	1,788,640,016

25.1 Travelling expenses

Particulars	2017	2016
Traveling expenses-local	62,451,437	64,246,102
Traveling expenses-foreign	1,705,485	624,741
Total	64,156,922	64,870,843

25.2 Training expenses

Represents expenses incurred in attending various trainings to expand knowledge and skills required amounting to ₱ 36,610,084 in 2017 and ₱ 29,441,604 in 2016.

25.3 Supplies and Materials Expenses

Particulars	2017	2016
Office supplies expenses	13,106,285	12,861,191
Accountable forms expenses	234,561	200,166
Medical, dental and laboratory supplies expenses	956,862	4,277,321
Fuel, oil and lubricants expenses	13,884,602	13,357,302
Agricultural and marine supplies expenses	1,080,395,981	1,031,984,349
Semi-expendable machinery and equipment expenses	296,111	235,519
Semi-expendable furniture, fixtures and books expenses	192,140	483,252
Other supplies and materials expenses	14,133,540	11,856,527
Total	1,123,200,083	1,075,255,627

25.4 Utility Expenses

Particulars	2017	2016
Water expenses	3,421,814	3,015,060
Electricity expenses	23,879,028	20,938,811
Other utility expenses	-	1,220
Total	27,300,842	23,955,091

25.5 Communication Expenses

Particulars	2017	2016
Postage and courier services	1,189,345	1,177,131
Telephone expenses	8,213,063	8,407,105
Internet subscription expenses	1,242,946	1,180,880
Cable, satellite, telegraph and radio expenses	7,790	2,380
Total	10,653,144	10,767,496

25.6 Awards/Rewards Expenses

This account amounts to ₱ 384,400 for the year ended December 31, 2017 and ₱ 560,000 for the year ended December 31, 2016.

25.7 Research, Exploration and Development Expenses

This account amounts to ₱ 525,593 for the year ended December 31, 2017 and ₱ 1,998,897 for the year ended December 31, 2016.

25.8 Extraordinary and Miscellaneous Expenses

This account amounts to ₱ 681,970 for the year ended December 31, 2017 and ₱ 550,737 for the year ended December 31, 2016.

25.9 Professional Services

Particulars	2017	2016
Legal services	40,000	300
Auditing services	31,573,530	28,923,577
Consultancy services	305,150	1,403,700
Other professional services	202,108,054	176,688,530
Total	234,026,734	207,016,107

Other Professional Services account includes payment of services per Job Order Contract.

25.10 General Services

Particulars	2017	2016
Janitorial services	3,674,924	3,164,382
Security services	41,048,105	38,349,185
Other general services	133,824,404	212,565,078
Total	178,547,433	254,078,646

25.11 Repairs and Maintenance

Particulars	2017	2016
Repairs and maintenance - buildings and other structures	11,772,391	8,162,580
Repairs and maintenance - machinery and equipment	1,168,892	1,859,151
Repairs and maintenance-transportation equipment	8,910,330	6,951,507
Repairs and maintenance-furniture and fixtures	12,100	1,350
Repairs and maintenance-other property, plant and equipment	-	42,750
Total	21,898,481	17,017,338

25.12 Taxes, Insurance Premiums and Other Fees

Particulars	2017	2016
Taxes duties and licenses	2,865,051	3,377,176
Fidelity bond premiums	1,457,324	1,934,629
Insurance expenses	2,622,406	2,388,343
Total	6,944,780	7,700,148

25.13 Other Maintenance and Operating Expense

Particulars	2017	2016
Advertising, promotional and marketing expenses	296,392	1,141,840
Printing and publication expenses	1,110,964	648,053
Representation expenses	357,388	422,414
Transportation and delivery expenses	11,049,442	17,044,189
Rent/lease expenses	12,175,518	15,559,855
Membership dues and contributions to organizations	-	20,000
Subscription expenses	252,266	264,153
Donations	42,620,502	42,794,025
Documentary stamps expenses	373,742	250,857
Other maintenance and operating expenses	18,138,417	17,282,099
Total	86,374,631	95,427,484

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

Particulars	2017	2016
Athletic and social events expenses	4,854,093	3,448,515
Duplicating costs	249,586	232,109
Meetings and conferences	2,885,378	3,376,834
BAC honorarium	540,761	259,739
Laboratory analysis	713,100	4,746
Others	8,895,498	9,960,156
Total	18,138,417	17,282,099

26. FINANCIAL EXPENSES

Financial expenses consist of payments for bank charges amounting to ₱ 1,663 in 2017 and ₱ 300 in 2016.

27. NON-CASH EXPENSE**27.1 Depreciation**

Particulars	2017	2016
Depreciation – investment property	193,768	193,768
Depreciation - land improvements	523,193	551,883
Depreciation - infrastructure assets	99,330	144,351
Depreciation - buildings and other structures	5,047,507	6,722,776

Depreciation - machinery and equipment	40,805,705	35,947,306
Depreciation - transportation equipment	5,956,098	7,012,045
Depreciation - furniture, fixtures and books	541,666	578,985
Depreciation - other property, plant and equipment	987,199	584,079
Total	54,154,468	51,735,193

27.2 Impairment Losses

Particulars	2017	2016
Impairment loss-loans and receivables	7,893,632	12,957,532
Impairment loss-other receivables	-	1,385,557
Total	7,893,632	14,343,089

28. SUBSIDY INCOME FROM NATIONAL GOVERNMENT

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 1st 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; and SARO-BMB-C-15-0017518 with NCA-BMB-C-17-00021766 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).

For the year 2016, 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-F-14-0017714 for locally funded projects of 2014 in the amount of ₱ 910,530,000 and SARO-BMB-F-15-0001024 for 2015 supplemental appropriation in the amount of ₱ 340,345,000 in the month of May 2016 with NCA No. NCA-BMB-C-16-0008403.

29. NON-OPERATING INCOME, GAIN OR LOSSES

29.1 Non-Operating Income

Particulars	2017	2016
Sale of Assets		
Sale of Garnished/Confiscated/Abandoned/Seized Goods and Property	706,905	-
Sale of Unserviceable Property	299,321	-
	1,006,226	-
Miscellaneous Income		
Sale of copra	6,524,642	7,105,506
Sale of coco-by-products	6,539,318	748,194
Sale of coco seedlings	2,767,026	2,499,834
Sale of intercrops	358,640	309,171
Sale of coco seednuts	4,876,025	8,327,612
Sale of waste materials	-	2,400
Analysis fee-PTAL	2,842,127	2,694,550
Income from reproduction/xerox	17,837	13,440
Filing/certification fees	1,772,464	1,930,128
Seednuts replacement	29,524,636	37,993,600
Income from sale of books	3,500	-
Others	153,206	53,550
	55,379,420	61,677,985
Total	56,385,646	61,677,985

29.2 Gains

This consist of gain on foreign exchange amounting to ₱ 7 in 2017 and ₱ 7 also in 2016.

30. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ (DEFICIT)

	2017	2016
Surplus/(Deficit) for the year	(413,467,985)	(488,198,875)
Non-cash expenses	62,048,100	66,078,282
Sale of Assets	(1,031,226)	-
(Increase)/Decrease in current assets	78,927,657	1,469,560,206
Increase/(Decrease) in Current Liabilities	127,327,691	(79,179,081)
Sale of Investments/PPE	(275,441)	(87,374)
Interest Earned from Investing Activities	(3,157,684)	(1,782,879)
Adjustments due to reclassification of receivables	(110,231,191)	(30,824,773)
Prior Period Errors	-	(1,170,672,263)
Other Adjustments	(71,947,604)	(233,343,614)
Cashflow from Operating Activities	(331,807,683)	(468,450,371)

31. RELATED PART TRANSACTIONS

31.1 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.

31.2 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	2,905,749
Salary differential	790,770
Allowance and other benefits	1,878,680
EME	170,436
Total	5,745,635

**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.

32. GOVERNMENT EQUITY

This account is consisting of the following:

Particulars	2016	
	2017	(Restated)
Accumulated surplus/(deficit)	905,750,605	1,429,829,737
Invested capital - purchase or construction	100,576,183	100,287,516
Invested capital - general fund 101/CISF	712,919,145	712,919,145
Invested capital - donations received	110,652,946	110,655,633
Invested capital - fixed assets held in trust	58,125,195	56,851,662
Invested capital - fixed assets held in trust (SCFDP)	65,529,649	65,450,693
Invested capital - disallowances	104,144,587	104,200,505
Invested capital - other payments	31,213,180	31,213,180
Invested capital - investments	812,189	812,189
Appraisal capital	19,855,000	19,855,000
Total	2,109,578,679	2,632,075,260

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.

Appraisal Capital 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
TOTAL	57,122	44,389,000	64,244,000	19,855,000

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

33. BUDGET INFORMATION

The budget is approved on a cash basis by functional classification. The amounts presented on the original budget column for receipts and payments is the proposed budget and that the amounts presented on the final budget column is the one that has been approved.

The budget and accounting base differ. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance. Thus, the financial statements differ from the budget which is approved on cash basis.

34. 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 412-1	
	2 02 01 010 01	
	Withheld	Remitted
Central Office	7,448,480.71	6,907,161.44
Central Office(YOLANDA)	-	-
Region I-IVB	2,020,047.26	2,020,047.26
Region IV-A	2,983,469.72	2,767,248.90
Region V	3,197,844.00	3,197,844.00
Region VI	1,830,037.70	1,830,037.70
Region VII	1,840,049.48	1,840,049.48
Region VIII	2,641,156.75	2,641,156.75
Region IX	2,168,837.43	2,135,181.99
Region X	2,058,323.04	2,058,323.04
Region XI	2,168,161.83	2,168,161.83
Region XI - PABLO	-	-
Region XII	2,941,423.26	2,893,572.66
Region XIII	1,952,070.61	1,952,070.61
Region XIII-JAIF	-	-
Region XIV	1,430,219.58	1,430,219.47
CETC	-	-
DRC	404,282.77	404,457.29
ARC	521,914.43	521,914.43
ZRC	1,605,618.63	1,605,618.63
NSPC	-	-
Total	37,211,937.20	36,373,065.48

Due to BIR	Expanded W/holding Tax 412-4	
	2 02 01 010 02	
	Withheld	Remitted
Central Office	779,121.29	1,127,728.15
Central Office(YOLANDA)	1,680.00	1,680.00
Region I-IVB	183,242.78	182,111.36
Region IV-A	970,601.03	916,925.88
Region V	905,744.94	905,744.94
Region VI	-	-
Region VII	27,779.52	27,779.52
Region VIII	321,438.17	321,438.17
Region IX	662,696.15	691,895.57
Region X	276,918.69	276,918.69
Region XI	-	-
Region XI - PABLO	-	-
Region XII	611,528.26	684,038.82
Region XIII	488,012.99	488,012.99
Region XIII-JAIF	38,101.39	38,101.39
Region XIV	994,278.31	994,278.31
CETC	-	-
DRC	69,203.53	69,203.53
ARC	140,312.45	140,312.45
ZRC	369,052.95	369,052.95
NSPC	78,826.49	62,444.33
Total	6,918,538.94	7,297,667.05

Due to BIR	W/tax on GMP - Percentage	
	2 02 01 010 03	
	Withheld	Remitted
Central Office	-	-
Central Office(YOLANDA)	-	-
Region I-IVB	-	-
Region IV-A	-	-
Region V	-	-
Region VI	65,405.75	75,065.74
Region VII	1,072,693.76	1,072,693.76
Region VIII	-	-
Region IX	-	-
Region X	-	-
Region XI	-	-
Region XI - PABLO	-	-
Region XII	-	-
Region XIII	346,450.89	346,450.89
Region XIII-JAIF	25,648.56	25,648.56
Region XIV	-	-
CETC	-	-
DRC	-	-
ARC	-	-
ZRC	-	-
NSPC	-	-
Total	1,510,198.96	1,519,858.95

Due to BIR	W/holding tax on Vat 412-3	
	2 02 01 010 04	
	Withheld	Remitted
Central Office	2,686,291.38	2,765,320.96
Central Office(YOLANDA)	4,200.00	4,200.00
Region I-IVB	202,388.22	199,172.51
Region IV-A	1,529,987.29	1,458,547.18
Region V	842,731.88	842,731.88
Region VI	206,926.56	119,722.58
Region VII	321,765.14	321,765.14
Region VIII	823,162.73	823,162.73
Region IX	-	-
Region X	469,830.25	469,830.25
Region XI	1,188,003.09	1,165,145.06
Region XI - PABLO	38,151.31	38,151.31
Region XII	1,054,585.64	1,081,640.77
Region XIII	440,968.45	440,968.45
Region XIII-JAIF	62,041.76	62,041.76
Region XIV	1,044,386.66	1,044,386.65
CETC	9,342.38	8,700.02
DRC	-	-
ARC	489,359.01	489,359.01
ZRC	-	-
NSPC	113,509.79	143,324.46
Total	11,527,631.54	11,478,170.72

Due to BIR	Other Fees & Taxes W/held 412-2	
	2 02 01 010 99	
	Withheld	Remitted
Central Office	1,228,317.64	1,205,887.03
Central Office(YOLANDA)	31,840.47	31,840.47
Region I-IVB	428,812.64	426,261.16
Region IV-A	723,786.94	632,918.63
Region V	511,365.54	511,365.54
Region VI	-	-
Region VII	-	-
Region VIII	-	-
Region IX	1,781,562.24	1,766,599.39
Region X	334,195.88	334,195.88
Region XI	1,433,724.91	1,075,969.45
Region XI - PABLO	88,682.38	86,364.22
Region XII	-	-
Region XIII	295.98	295.98
Region XIII-JAIF	-	-
Region XIV	-	-
CETC	19,489.72	17,883.84
DRC	502,376.75	502,376.75
ARC	331,021.43	331,021.43
ZRC	2,146,263.72	2,146,263.72
NSPC	-	-
Total	9,561,736.24	9,069,243.49

35. 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 2017:

GSIS 2017	GSIS Life & Ret 413-1		GSIS Govt Share Remitted
	Withheld	Remitted	
Central Office	3,234,329.84	3,213,720.83	4,284,961.11
Region I-IVB	1,150,744.02	1,150,744.02	1,641,029.95
Region IV-A	1,521,432.58	1,400,733.85	1,867,647.14
Region V	4,149,893.32	4,149,893.32	2,297,467.52
Region VI	2,425,511.55	2,425,569.30	1,420,806.60
Region VII	973,363.09	973,363.09	1,297,647.78
Region VIII	1,603,128.27	1,603,128.27	2,138,079.92
Region IX	3,631,147.42	3,360,335.26	1,951,123.32
Region XI	1,094,045.46	1,094,045.46	1,426,665.33
Region XII	1,264,237.69	1,295,318.36	1,727,215.11
Region XIII	1,144,818.80	1,144,759.12	1,526,345.47
Region XIV	820,136.01	820,135.98	1,092,508.62
DRC	221,235.30	221,235.30	-
ARC	441,610.26	189,261.54	252,348.72
ZRC	707,427.85	707,427.85	943,237.12
Total	24,383,061.46	23,749,671.55	23,867,083.71

- End of Report -