



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Management of Philippine Coconut Authority (PCA) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2018 and 2017, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

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

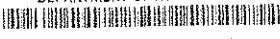
The Board of Directors reviews and approves the financial statements, including schedules attached therein, and submits the same to the stakeholders.

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


EMMANUEL A. PIÑOL
Chairman, Governing Board


GLENN B. SANTOS
OIC-Administrator


MADELEINE M. CORPUZ
OIC-Manager, Finance Department

DEPARTMENT OF AGRICULTURE

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Signed this 25th day of June, 2019.

PHILIPPINE COCONUT AUTHORITY
STATEMENTS OF FINANCIAL POSITION
As at December 31, 2018 and 2017
(In Philippine Peso)

	Note	2018	2017 (As restated)
ASSETS			
Current assets			
Cash and cash equivalents	5	518,232,303	884,635,514
Receivables - net	6	447,315,035	636,831,624
Inventories	7	156,499,119	68,344,974
Other current assets	8	18,040,291	9,895,023
		1,140,086,748	1,599,707,135
Non-current assets			
Receivables - net	6	4,840,416	3,394,350
Investments	9	88,515	88,515
Investment properties - net	10	8,504,727	9,515,343
Property, plant and equipment - net	11	863,168,284	695,501,110
Biological assets	12	553,940,281	553,640,781
Other non-current assets	13	25,059,432	27,892,741
		1,455,601,655	1,290,032,840
TOTAL ASSETS		2,595,688,403	2,889,739,975
LIABILITIES			
Current liabilities			
Financial liabilities	14	730,861,486	678,519,784
Intra-agency payables	15	7,961,444	-
Inter-agency payables	16	74,200,731	88,212,937
Trust liabilities	17	8,943,361	10,930,858
Other payables	18	61,477,254	52,898,222
		883,444,276	830,561,801
Non-current liability			
Provisions	19	314,250,483	291,384,643
Deferred credits/unearned income	20	21,547,711	21,542,596
		335,798,194	312,927,239
TOTAL LIABILITIES		1,219,242,470	1,143,489,040
NET ASSETS (TOTAL ASSETS LESS TOTAL LIABILITIES)		1,376,445,933	1,746,250,935
NET ASSETS/EQUITY			
Government equity	31	471,952,526	471,952,526
Accumulated surplus	31	884,638,407	1,254,443,409
Revaluation surplus	31	19,855,000	19,855,000
TOTAL NET ASSETS/EQUITY		1,376,445,933	1,746,250,935

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

PHILIPPINE COCONUT AUTHORITY
STATEMENTS OF FINANCIAL PERFORMANCE
For the Years Ended December 31, 2018 and 2017
(In Philippine Peso)

	Note	2018	2017 (As restated)
REVENUE			
Service and business income	21	371,910,909	311,193,469
Gains	22	-	25,000
		371,910,909	311,218,469
CURRENT OPERATING EXPENSES			
Personnel services	23	383,635,041	377,187,566
Maintenance and other operating expenses	24	1,710,734,699	1,791,305,098
Financial expenses	25	450	1,663
Non-cash expenses	26	208,262,733	62,048,100
		2,302,632,923	2,230,542,427
DEFICIT FROM CURRENT OPERATIONS		1,930,722,014	1,919,323,958
Net financial assistance/subsidy	27	1,373,549,227	1,324,117,000
Other non-operating income	28.1	216,808,796	56,385,646
Gains	28.2	44	7
Losses	26.3	(43,206,425)	-
DEFICIT FOR THE PERIOD		383,570,372	538,821,305

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

PHILIPPINE COCONUT AUTHORITY
STATEMENTS OF CHANGES IN NET ASSETS/EQUITY
For the Years Ended December 31, 2018 and 2017
(In Philippine Peso)

	Government equity Note 31	Accumulated surplus/(deficit) Note 31	Revaluation surplus Note 31	Total
BALANCE AT JANUARY 1, 2017	1,182,390,523	1,429,829,737	19,855,000	2,632,075,260
ADJUSTMENTS:				
Add/(Deduct)				
Prior Period errors				
Liquidation of semi-expendable PPE		65,002		65,002
Cancellation of payables		86,677,636		86,677,636
Reclassification and disposal of PPE		(5,865,675)		(5,865,675)
Unrecognized depreciation of PPE		(3,915,499)		(3,915,499)
Impairment of receivable		(6,227,469)		(6,227,469)
Relief of expenses/error in recognition of expenses		3,028,321		3,028,321
Unrecognized revenues/ error in recognition of revenues		8,230,914		8,230,914
Overstated expenses due to unrecognized receivable from 151		2,170,478		2,170,478
Cancelled checks		319,143		319,143
Adjustment of prepaid insurance		(255,422)		(255,422)
Security services salary differential		(950,845)		(950,845)
Accrual of leave credits		(291,384,643)		(291,384,643)
Remaining balance of assets in Coconut Industry Stabilization Fund (CISF)	(710,437,997)	18,855,731		(691,582,266)
Recognition of biological assets		551,104,753		551,104,753
RESTATED BALANCE AT JANUARY 1, 2017	471,952,526	1,791,682,162	19,855,000	2,283,489,688
CHANGES IN NET ASSETS/EQUITY FOR CY 2017				
Add/(Deduct):				
Surplus/(deficit) for the period		(538,821,305)		(538,821,305)
Purchase or construction of property, plant and equipment		1,641,156		1,641,156
Donations		(2,667)		(2,667)
Disallowance and other payments		(55,917)		(55,917)
RESTATED BALANCE AT DECEMBER 31, 2017	471,952,526	1,254,443,409	19,855,000	1,746,250,935
CHANGES IN NET ASSETS/EQUITY FOR CY 2018				
Add/(Deduct):				
Surplus/(deficit) for the period		(383,570,372)		(383,570,372)
Additional investment from utilization of fund transfer		9,126,718		9,126,718
Disallowances and other payments		(22,759)		(22,759)
Additional investment in fixed assets held in trust		4,661,411		4,661,411
BALANCE AT DECEMBER 31, 2018	471,952,526	884,638,407	19,855,000	1,376,445,933

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

PHILIPPINE COCONUT AUTHORITY
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2018 and 2017
(In Philippine Peso)

	Note	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash inflows			
Receipt of notice of cash allocation		1,373,549,227	1,309,117,000
Collection of income/revenues		421,771,848	330,649,002
Receipt of assistance/subsidy		-	534,476,981
Collection of receivables		52,106,821	42,869,735
Receipt of inter-agency fund transfers		20,786,683	45,940,488
Receipt of intra-agency fund transfers		59,003,271	189,625,638
Trust receipts		83,199,042	46,899,870
Other receipts		68,345,004	126,367,792
		<u>2,078,761,896</u>	<u>2,625,946,506</u>
Cash outflows			
Remittance to National Treasury		6,663,185	-
Payment of expenses		1,507,131,559	1,400,574,685
Purchase of inventories		75,378,070	74,957,423
Purchase of consumable biological assets		14,709,232	13,225,450
Grant of cash advances		149,453,591	58,843,149
Prepayments		1,366,530	176,070
Refund of deposits		669,525	1,925,599
Payment of accounts payable		183,301,201	196,998,626
Remittance of personnel benefit contributions and mandatory deductions		140,983,752	180,139,493
Grant of financial assistance/subsidy/contribution		10,399,498	-
Release of inter-agency fund transfers		10,986,835	191,510,718
Release of intra-agency fund transfers		35,507,063	737,068,355
Other disbursement		190,236,682	125,955,386
		<u>2,326,786,723</u>	<u>2,981,374,954</u>
Net cash used in operating activities		(248,024,827)	(355,428,448)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash inflows			
Sale of investments		-	275,440
Receipt of interest earned		463,013	3,157,683
		<u>463,013</u>	<u>3,433,123</u>
Cash outflows			
Purchase/construction of property, plant and equipment		118,841,397	66,880,688
		<u>118,841,397</u>	<u>66,880,688</u>
Net cash used in investing activities		(118,378,384)	(63,447,565)
DECREASE IN CASH AND CASH EQUIVALENTS		(366,403,211)	(418,876,013)
CASH AND CASH EQUIVALENTS, JANUARY 1		884,635,514	1,303,511,527
CASH AND CASH EQUIVALENTS, DECEMBER 31	5	518,232,303	884,635,514

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

PHILIPPINE COCONUT AUTHORITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
For the Year Ended December 31, 2018
(In Philippine Peso)

	Note	Budgeted Amounts		Actual Amounts on Comparable Basis	Difference Final Budget and Actual
		Original	Final		
RECEIPTS					
Service and business income		476,700,000	476,700,000	371,910,909	104,789,091
Assistance and subsidy		1,486,466,000	1,486,466,000	1,373,549,337	112,916,663
Shares, grants and donations		6,175,000	6,175,000	-	6,175,000
Reprogrammed subsidy from prior years		2,661,382,000	2,661,382,000	1,082,782,089	1,578,599,911
Other non-operating income		149,600,000	149,600,000	216,808,796	(67,208,796)
Other non-operating receipts:					
Gain on foreign exchange		-	-	44	(44)
		4,780,323,000	4,780,323,000	3,045,051,175	1,735,271,825
PAYMENTS					
Personnel services		499,824,000	499,824,000	383,635,041	116,188,959
Maintenance and other operating expenses		2,882,182,000	2,882,182,000	1,710,734,699	1,171,447,301
Capital outlay		1,026,716,000	1,026,716,000	236,735,120	789,980,880
Financial expenses		-	-	450	(450)
Garnishment of fund		-	-	52,288,493	(52,288,493)
		4,408,722,000	4,408,722,000	2,383,393,803	2,025,328,197
NET PAYMENTS		371,601,000	371,601,000	661,657,372	(290,056,372)

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