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## LUPON SCHOOL OF FISHERIES

### NOTES TO FINANCIAL STATEMENTS FUND 161 (Income Generating Fund – Sariling Sikap Program) CY 2017

#### Note 1 – GENERAL

The financial statements of Lupon School of Fisheries were authorized for issue on February 3, 2018 as shown in the Statement of Management Responsibility for Financial Statements signed by **RUTH R. PUNDANG**, the Vocational School Administrator III.

**LUPON SCHOOL OF FISHERIES** is a **TESDA Technology Institution** established on **November 15, 1982** and operates under the authority of the **Technical Education and Skills Development Authority**. The mandate of Lupon School of Fisheries is to implement the comprehensive development plan for middle level manpower. These services are grouped into the following key areas: training, production, research and extension services. The Agency's registered office is located in Roxas cor. Panunialman Sts., Brgy. Poblacion, Lupon, Davao Oriental.

#### Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 Basis of Preparation

The financial statements of the Agency have been prepared in accordance with the Government accounting principles, as set forth in the Philippine Public Sector Accounting Standards (PPSAS). The financial statements are presented in Philippine Pesos, which is the Agency's functional currency.

The Agency uses the Revised Chart of Accounts (RCA), prescribed under Commission on Audit (COA) Circular nos. 2013-002 and 2014-003 dated January 30, 2013 and April 15, 2014, respectively, with December 31, 2014 as the date of conversion.

The financial statements have been prepared using historical cost. Accounting estimates and assumptions are used in preparing the financial statements. Although these estimates are based on management's informed judgment of events and conditions with an appropriate consideration to materiality, actual results may ultimately differ from those estimates.

##### 2.2 Statement of Compliance

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

##### 2.3 Adoption of New Accounting Standards

The following accounting standards and interpretations to existing standards that have been published by the International Public Sector Accounting Standards Board (IPSASB) and adopted by the Philippine Public Sector Accounting Standards Board (PPSASB) which became effective starting January 1, 2014 were adopted by Lupon School of Fisheries as at year end of CY 2014.

PPSAS 1	Presentation of Financial Statements
PPSAS 2	Cash Flow Statements
PPSAS 3	Accounting Policies, Changes in Accounting Estimates and Errors
PPSAS 12	Inventories
PPSAS 14	Events after the Reporting Date
PPSAS 17	Property, Plant and Equipment
PPSAS 27	Agriculture
PPSAS 28	Financial Instruments: Presentation
PPSAS 29	Financial Instruments: Recognition and Measurement
PPSAS 30	Financial Instruments: Disclosures

These new standards and interpretations prescribe new accounting measurement and disclosure requirements applicable to the Agency. When applicable, the adoption of the new standards was made in accordance with the transitional provisions of the standards, otherwise the adoption of the new standards is accounted for as change in accounting policy under PPSAS 3: “Accounting Policies, Changes in Accounting Estimates and Errors.”

The effects of these new standards and interpretations on the Agency’s accounting policies and on the amounts disclosed in the financial statements are summarized as follows:

**PPSAS 1, “Presentation of Financial Statements,”** provided different terminology for the financial statements. The most significant examples are the use of “Statement of Financial Position” and “Statement of Financial Performance.” The equivalent terms used in prior years are “Balance Sheet” and “Income Statement,” respectively. The Standard sets out the components of financial statements and minimum requirements for disclosure on the face of the Statement of Financial Position and the Statement of Financial Performance, as well as for the presentation of changes in net assets/equity. It also describes further items that may be presented either on the face of the relevant financial statement or in the notes.

**PPSAS 2, “Cash Flow Statements,”** requires the provision of information about the historical changes in cash and cash equivalents by means of a Cash Flow Statement which classifies cash flows during the period from operating, investing and financing activities.

**PPSAS 3, “Accounting Policies, Changes in Accounting Estimates and Errors,”** defines material omissions and misstatements, and describes how to apply the concept of materiality when applying accounting policies and correcting errors. The most significant change in accounting estimate for this period is the change in residual value of all classes of PPE from 10% to 5% of the cost.

**PPSAS 12, “Inventories,”** sets out the accounting treatment for cost of inventories to be recognized as an asset and carried forward until the related revenues are recognized. The Standard also provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. The weighted average method is adopted for items that are not specifically identifiable.

**PPSAS 14, “Events after the Reporting Date,”** prescribes the circumstances in which adjustments for events after the reporting period are required. The date when the financial

statements are authorized for issue and the Agency Head who authorized such shall also be disclosed.

**PPSAS 17, “Property, Plant and Equipment,”** prescribes the accounting treatment for property, plant and equipment and its related disclosure requirements. The cost model is adopted for all classes of PPE. Depreciation is computed for the month if the PPE is available for use on or before the 15<sup>th</sup> of the month and in the succeeding month if the PPE is available for use after the 15<sup>th</sup> of the month. The straight line method of depreciation is adopted with asset’s residual value equivalent to at least five percent (5%) of the cost, and the asset’s estimated useful life using the schedule prepared by the Commission on Audit (COA).

**PPSAS 27, “Agriculture,”** prescribes the accounting treatment and disclosure related to agricultural activity. Agricultural activity is the management of the biological transformation of living animals or plants (biological assets) for sale, distribution for nominal charge or into additional biological assets. The relevant agricultural activity of the Agency comprises of income-generating projects managed by the Technical Vocational Schools and the Regional Training Center under TESDA XI.

**PPSAS 28, “Financial Instruments: Presentation,”** establishes principles for presenting financial instruments as liabilities or net assets/equity.

**PPSAS 29, “Financial Instruments: Recognition and Measurement,”** prescribes the accounting principles for recognizing and measuring financial assets and liabilities.

**PPSAS 30, “Financial Instruments: Disclosures,”** requires the provision of disclosures in the financial statements that enable users to evaluate: (a) the significance of financial instruments; and (b) the nature and extent of risks the entity is exposed to and how the entity manages those risks.

The adoption of the above standards and interpretations did not have any significant effect on the Agency’s financial statements, and did not result in restatement of prior years’ financial statements. These, however, require additional disclosures on the financial statements of the Agency.

## **2.4 Significant Accounting Policies and Practices**

To facilitate the understanding of the financial statements, the following significant accounting policies and practices are set forth:

### **Inventories**

Inventories are stated at cost or value of purchased/acquired supplies for government operations. It includes cost of accountable forms such as checks and official receipts, and of textbooks and instructional materials purchased/received for use in the operation of government schools or training centers.

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

Property and equipment are stated at cost less accumulated depreciation/ amortization and any impairment in value.

The initial cost of the PPE comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the PPE have been put into operations, such as repairs and maintenance and overhaul costs are charged to operations in the period it is incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits, the expenditures are capitalized. Cost also includes any interest on borrowed funds used. When assets are retired, their costs and related accumulated depreciation/amortization/impairment losses, if any, are eliminated from the accounts and any gain or loss resulting from its disposal is included in the statement of operations of such period.

### ***Derecognition***

Lupon School of Fisheries 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.

### **Revenue and Expense Recognition**

The Agency uses the accrual basis of accounting wherein income and expenses are recorded in the books of account at the time they are earned and incurred, except for transactions otherwise accounted for as required by law.

The operating revenues of the Agency are sourced from the following:

#### ***Rendering of Services***

Lupon School of Fisheries 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 were 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 Lupon School of Fisheries.

#### ***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.

## **NOTE 3 – MANAGEMENT’S SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

### **3.1 Judgments**

The preparation of the Agency’s financial statements in conformity with the Philippine Public Sector Accounting Standards requires management to make estimates and assumptions that effect the amounts reported therein and its accompanying notes.

### **3.2 Estimates**

In the application of the Agency’s accounting policies, management is required to make estimates about the carrying amounts of the assets and liabilities that are not readily apparent from other sources.

#### **3.2.1 Impairment of Inventory**

The Agency recognizes impairment on inventories whenever net realizable value of inventories become lower than cost due to damage, physical deterioration, obsolescence, changes in price level or other causes.

No impairment of inventory is recognized this period.

#### **3.2.2 Estimated Useful Lives of Property, Plant and Equipment**

The Agency estimates the useful lives of the PPEs based on the schedule issued by the Commission on Audit (COA) through COA Circular no. 2003-007 dated December 11, 2003.

Depreciation and amortization are calculated on a straight – line basis and assets are depreciated over the following useful lives:

Land Improvements, Aquaculture Structures	10 years
Buildings and School Buildings	30 years
Other Structures	20 years
Machinery	10 years
Communication Equipment	10 years
Office and ICT Equipment	5 years
Technical and Scientific Equipment	10 years
Other Machinery and Equipment	10 years
Motor Vehicles	7 years
Furniture & Fixture	10 years
Books	5 years
Other PPEs	5 years

## **Note 4 – CASH AND CASH EQUIVALENTS**

### **4.1 Cash in Bank – Local Currency, Current Account**

This account with a total of P 106,827.76 pertains to cash deposits to Authorized Government Depository Banks (AGDBs) of income collected and disbursements made for services rendered and goods sold goods in the training-cum production of Lupon School of Fisheries. This is under Income Generating Project – Sariling Sikap Program Fund prescribed under Commission on Audit (COA) Circular no. 7-85 dated July 29, 1985.

## **Note 5 – RECEIVABLES**

### **5.1 Accounts Receivable**

Accounts receivable of Lupon School of Fisheries with a total amount of P 315,802.13 refers to receivables from LSF employees for their purchase of goods and products of the school such as bakery products, fresh bangus and tilapia, bangus lamayo, bangus in oil, pigs and poultry; and from SP Dormitel and Resto dormitories, catering services and restaurant sales on account. Receivables from bakery are P 249, 647.13, from bangus and tilapia products – P 26, 155, piggery – P 23,200 and poultry – P 16,800. No receivables from SP Dorm operations as of December 31, 2017.

Collection of LSF receivables had been monitored for the year 2016 but was not updated until August 2017 due to transition process of the preceeding accountant to succeeding accountant. From September 2017 until year end, receivables from employees have been updated regularly. The management will follow-up collections by salary deduction in CY 2018.

The balance of this account consists of the following:

Name	Outstanding Balance as of 12/31/2017	Remarks
Arlas, Georgita C.	5,142.29	employed
Aspiras, Cherry S.	4,516.00	employed
Avila, Milan Mile A.	2,985.00	employed
Blasabas, Lilibeth C.	14,716.33	employed
Dalo, Jereme M.	4,266.62	employed
Garuda , Rasam S.	20,903.00	employed
Lasangre, Naida G.	35,200.35	employed
Lorica, Alona	9,901.00	employed
Malatamban, Nora S.	23,254.00	employed
Malabar, Jose Jr. E.	900.00	employed
Pomar, Ma. Magdalena	3,104.00	employed
Quiñones, Leandro E.	38,307.00	employed
Ramos, Oliva A.	1,300.33	employed
Rañeses, Janette T.	3,333.28	employed
Robledo, Leonesa L.	150.00	employed
Solidor, Flora A.	2,000.00	employed
Toreta, Estrella M.	3,074.00	employed
Yosores, Perla G.	8,050.33	employed
Zulueta, Anastacia G.	14,926.00	employed
Pundang, Ruth R.	10,343.33	employed
Sabandal, Carmen A.	150.00	employed
Angsinco, Mary Lou S.	320.00	employed
Salcedo, Ma.Leticia C.	10,779.00	employed
Lim, Nimfa M.	18,014.85	employed
Cacapit, Bernie M.	3,590.00	employed
Pantoja, Netherloo	1,650.33	employed
Batingal, Rodolfo R.	10,180.00	employed
Apas, Joan	1,625.00	employed
Bañez, Evangeline	4,530.00	employed
Barabag, Yusop	1,370.00	employed
Bongcac, Gabriel	220.00	employed
Gandaruzza, Nur-Aisha	272.00	employed
Garcia, Rubilyn B.	175.00	employed
Quiñones, Doxy Faith	1,390.00	employed
Mejos, Robert	5,595.00	employed
Osman, Samuel	33,169.00	employed
Pellejo, Chrisdyll	6,338.24	employed
Gudes, Mae Ann	2,028.85	employed
Rule, Arnel	4,660.00	employed
Ilisan, Steve	2,550.00	employed
Desabilla, Anne Frances	822.00	employed
<b>TOTAL</b>	<b>315,802.13</b>	

**Note 6 – INVENTORY HELD FOR CONSUMPTION**

**6.1 Accountable Forms, Plates and Stickers Inventory**

Particulars	2017
Carrying Amount, January 1	-
Purchases during the year	1,750.00
Issuances during the year except write-down	(126.00)
Write-down during the year	-
Carrying Amount, December 31	1,624.00

This account refers to Land Bank of the Philippines (LBP) checkbooks purchased by the school for Income Generating Project (IGP) fund.

## 6.2 Other Supplies and Materials Inventory

This inventory account with a total of P 87,556.75 is located in SP Dormitel and Resto, Government Center, Dahican, Mati City. These are supplies and materials used in the operations of SP Dorm.

## Note 7 – PROPERTIES, PLANT AND EQUIPMENT

This account consists of the following:

PROPERTY, PLANT and EQUIPMENT	Carrying Amount, 1/1/2017	Addition/ Acquisitions	Disposals	Depreciation	Adjustment	Carrying Amount, 12/31/2017	Gross Cost	Accumulated Depreciation	Carrying Amount, 12/31/2017
Land	-	792,783.00				792,783.00	792,783.00		792,783.00
Buildings and Other Structures	1,203,837.62			(142,924.80)	(116,378.17)	944,534.65	1,504,472.33	(559,937.68)	944,534.65
Machinery and Equipment	267,072.66	381,649.00		(64,693.88)	(86,485.15)	497,542.63	1,122,456.00	(624,913.37)	497,542.63
Motor Vehicle	409,949.08	325,000.00		(40,431.60)		694,517.48	932,000.00	(237,482.52)	694,517.48
<b>TOTAL</b>	<b>1,880,859.36</b>	<b>1,499,432.00</b>	<b>-</b>		<b>(202,863.32)</b>	<b>2,929,377.76</b>	<b>4,351,711.33</b>	<b>(1,422,333.57)</b>	<b>2,929,377.76</b>

The said PPEs are carried at cost less accumulated depreciation. Regular maintenance, repair and minor replacement are charged against Maintenance and Other Operating Expenses (MOOE) under Fund 161 as these were incurred.

Property, Plant and Equipment under the P15,000.00 capitalization threshold was derecognized due to the change in Accounting Policy for PPEs implemented by the Agency in accordance with PPSAS 17.

The Adjustment column above is for the adjustments made due to over or (under) depreciation of PPEs made in the previous accounting periods.



### 7.1 Land

This account in the amount of P 792,783 is a 5.1-hectare land area at Dacudao, Ilangay, Lupon, Davao Oriental. It was acquired in 1991 when Congressman Thelma Z. Almario gave P500,000 pesos from her Countryside Development Fund but was not recorded in the book of accounts. It was booked at its appraised value last November 29, 2017 due to the availability of tax declaration and still the process of titling.

### 7.2 Buildings and Other Structures

This account consists of the following:

Particulars	Cost	Accumulated Depreciation	Net Book Value
School Buildings	995,774.27	301,987.44	693,786.83
Other Structures	508,698.06	257,950.24	250,747.82
<b>TOTAL BUILDINGS &amp; OTHER STRUCTURES</b>	<b>1,504,472.33</b>	<b>559,937.68</b>	<b>944,534.65</b>

### 7.3 Machinery and Equipment

Particulars	Cost	Accumulated Depreciation	Net Book Value
Machinery	17,500.00	16,763.54	736.46
Information and Communication Technology Equipment	462,000.00	325,865.87	136,134.13
Technology and Scientific Equipment	452,987.00	216,915.92	236,071.08
Other Machinery and Equipment	189,969.00	65,368.04	124,600.96
<b>TOTAL MACHINERY AND EQUIPMENT</b>	<b>1,122,456.00</b>	<b>624,913.37</b>	<b>497,542.63</b>

### 7.4 Motor Vehicles

Particulars	Cost	Accumulated Depreciation	Net Book Value
Motor Vehicles	932,000.00	237,482.52	694,517.48
<b>TOTAL MOTOR VEHICLES</b>	<b>932,000.00</b>	<b>237,482.52</b>	<b>694,517.48</b>

## Note 8 – BIOLOGICAL ASSETS

### 8.1 Livestock

Particulars	CY 2017
Pigs	36,550.00
Goats	61,000.00
Cows	6,700.00
	-
<b>TOTAL</b>	<b>104,250.00</b>

## 8.2 Trees, Plants and Crops

Particulars	CY 2017
Coconut trees	209,000.00
Mango trees	40,000.00
	-

Biological assets of Lupon School of Fisheries are grouped into bearer and consumable biological assets, in accordance with Section 2, Chapter 11 of Government Accounting Manual. These assets are treated as noncurrent assets. Bearer biological assets include:

- (1) livestock namely pigs, cows, and goats, and
- (2) agriculture which is composed of coconut trees and mango trees.

Consumable biological assets are those that are held for harvest as agricultural produce or for sale or distribution. Under this category are assets in:

- (1) aquaculture particularly bangus
- (2) livestock – piglets

These biological assets are measured on initial recognition at its fair value less costs to sell or at its acquisition cost when market-determined prices or values are not available, and for which alternative estimates of fair value are determined to be clearly unreliable.

The following are the result of the physical count of biological assets in the 9.6-hectare area located at Dacudao, Ilangay, Lupon, Davao Oriental and in the main school campus at Roxas St., Poblacion, Lupon, Davao Oriental at year end.

### Livestock

Livestock assets of LSF consist of pigs, cows and goats. These animals are mainly used for instructional purposes of Animal Production NC I qualification except for piglets which are sold after 35 days and treated as an income-generating asset.

The following shows the summary of each line item in biological assets. The prices are based at estimates of fair value less costs to sell determined by the caretaker of the assets.

#### 8.1.a Pigs

Particulars	Beginning Price	Fair Value- Cost to Sell	Gain (Loss) due to Price Change
1 Senior Boar	10,000.00	4,050.00	(5,950.00)
1 Junior Boar	7,000.00	4,000.00	(3,000.00)
4 Sow	24,000.00	24,000.00	-
1 Dry	15,000.00	14,500.00	(500.00)
TOTAL	56,000.00	46,550.00	(9,450.00)

### 8.1.b Cows

Particulars	Beginning Price	Fair Value- Cost to Sell (growth)	Gain (Loss) due to Physical Change
Female 1	15,000.00	24,000.00	9,000.00
Female 2	15,000.00	20,000.00	5,000.00
Female 3	15,000.00	17,000.00	2,000.00
			-
TOTAL	45,000.00	61,000.00	16,000.00

### 8.1.c Goats

Particulars	Beginning Price	Fair Value- Cost to Sell (growth)	Gain (Loss) due to Price Change
Female 1	1,500.00	1,300.00	(200.00)
Female 2	1,500.00	1,400.00	(100.00)
Female 3	1,500.00	1,500.00	-
Male 1	1,500.00	1,500.00	
Male 2	1,500.00	1,000.00	(500.00)
TOTAL	7,500.00	6,700.00	(800.00)

## Agriculture

Agricultural assets include trees, plants and crops located in the same pond area at Ilangay and in the school campus. The school has 209 coconut trees. The 204 coconut trees are located at Ilangay- 45 of them are new trees while 159 are old. The remaining 5 trees are located at the main school campus wherein two (2) of them are bearing while the three (3) are new ones. The coconut trees are valued P209,000 based on an active market (209 trees x P1,000). The harvested coconut fruits are sold as copra and the proceeds goes to IGP fund.

There are also 40 mango trees valued at of 40,000 (P1,000 per tree)- 20 trees in Dacudao, Ilangay and the other half is in the main school campus. The 20 young mango trees in Ilangay are waiting for production. These include two (2) trees appropriated for instructional purposes in Agri Crop Production NC I qualification with Mr. Rasam Garuda as the lead trainer. Other plants which include 18 guyabano trees are also being maintained for training purposes. They are being used as an object in plant propagation like marcotting and drafting.

## Note 9 – INTER AGENCY PAYABLES

### 9.1 Due to BIR

Particulars	CY 2017	CY 2016
Due to BIR	7,574.03	18,621.26
	-	
<b>TOTAL</b>	<b>7,574.03</b>	<b>18,621.26</b>

This account refers to taxes withheld from suppliers in their sale of goods and services to Lupon School of Fisheries, a government agency. The balance reflects the amount to be remitted to BIR as of December 31, 2017 and will be cleared in the following month through LBP online tax payment system.

## Note 10 – ACCUMULATED SURPLUS / (DEFICITS)

Particulars	2017	2016
Balance at January 1	3,173,113.21	2,177,337.36
Add / (Deduct)		
Changes in Accounting Policy		
Prior Period Errors	849,869.68	
Other Adjustments 1		(179,265.84)
<b>Restated balance</b>	<b>4,022,982.89</b>	<b>1,998,071.52</b>
Add / (Deduct)		
Changes in Net Assets/Equity for the Calendar Year		
Surplus/(Deficit) for the period	(236,118.52)	1,175,041.69
Adjustment of net revenue recognized directly in net assets/equity 1	-	-
Others 2		
<b>Balance at December 31</b>	<b>3,786,864.37</b>	<b>3,173,113.21</b>

## Note 11 – REVENUE

### 11.1 Service and Business Income

Particulars	2017	2016
Business Income		
Examination Fees	1,921,535.00	
Seminar/Training Fees	5,513,160.00	
Income from Hostels/Dormitories and Other Like Facilities	221,876.00	156,366.00
Sales Revenue	840,070.55	1,758,612.46
Less: Sales Discounts	-	-
Net Sales	840,070.55	1,758,612.46
Interest Income	1202.09	691.25
Other Business Income	530,523.50	6,213,690.00
<b>Total Business Income</b>	<b>9,028,367.14</b>	<b>8,129,359.71</b>

## 11.2 Gains

Particulars	CY 2017	CY 2016
Gain on Initial Recognition of Biological Assets	24,900.00	
Gain from Changes in Fair Value Less Costs to Sell of Biological Assets Due to Physical Change	16,000.00	
<b>TOTAL</b>	<b>40,900.00</b>	<b>-</b>

Gain on initial recognition of biological assets refers to newborn animals in the farm at Dacudao, Ilangay. Gain from changes in fair value less costs to sell of biological assets due to physical change in the amount of P16,000 (from P45,000 to P61, 000) refers to the difference in fair value less costs to sell of cows due to growth as shown in Table 8.1.b of this notes to financial statements. The prices are based at estimates of fair value less costs to sell determined by the caretaker of the assets.

## Note 12 – EXPENSES

### MAINTENANCE AND OTHER OPERATING EXPENSES

#### 12.1 Traveling Expenses

Particulars	CY 2017	CY 2016
Traveling Expenses - Local	96,718.00	48,010.00
Traveling Expenses - Foreign	-	-
<b>TOTAL</b>	<b>96,718.00</b>	<b>48,010.00</b>

#### 12.2 Training and Scholarship Expenses

Particulars	CY 2017	CY 2016
Training Expenses	2,400.00	-
<b>TOTAL</b>	<b>2,400.00</b>	<b>-</b>

### 12.3 Supplies and Materials Expenses

Particulars	CY 2017	CY 2016
Office Supplies Expenses	6,600.00	
Accountable Forms Expenses	126.00	
Fuel, Oil and Lubricants Expenses	162,337.59	169,762.29
Semi-Expendable Machinery and Equipment- TSE	46,100.00	
Semi-Expendable Machinery and Equipment- OME	43,000.00	
Other Supplies and Materials Expenses	5,141,007.38	3,068,467.52
<b>TOTAL</b>	<b>5,399,170.97</b>	<b>3,238,229.81</b>

### 12.4 Utility Expenses

Particulars	CY 2017	CY 2016
Water Expenses	112,722.57	110,604.48
Electricity Expenses	280,874.21	187,581.64
<b>TOTAL</b>	<b>393,596.78</b>	<b>298,186.12</b>

### 12.5 Communication Expenses

Particulars	CY 2017	CY 2016
Telephone Expenses - Landline	6,123.19	8,361.05
Internet Subscription Expenses	5,997.00	
<b>TOTAL</b>	<b>12,120.19</b>	<b>8,361.05</b>

### 12.6 Professional and General Services

Particulars	CY 2017	CY 2016
Other Professional Services	1,159,501.74	142,267.09
<b>TOTAL</b>	<b>1,159,501.74</b>	<b>142,267.09</b>

### 12.7 Repairs and Maintenance Expenses

Particulars	CY 2017	CY 2016
Repairs and Maintenance - Buildings and Other Structures	90,831.07	-
Repairs and Maintenance - Buildings and Other Structures- School Buildings	381,433.68	227,211.63
Repairs and Maintenance - Buildings and Other Structures- Other Structures	227,211.63	
Repairs and Maintenance - Machinery and Equipment	28,340.00	28,340.00
Repairs and Maintenance - Transportation Equipment	74,307.00	94,598.52
Repairs and Maintenance - Furnitures and Fixtures	56,875.00	-
Repairs and Maintenance - Other Property, Plant and Equipment- Other PPE	42,127.50	-
<b>TOTAL</b>	<b>901,125.88</b>	<b>350,150.15</b>

## 12.8 Taxes, Insurance Premium and Other Fees

Particulars	CY 2017	CY 2016
Taxes, Duties and Licenses	7,301.73	-
TOTAL	7,301.73	-

## 12.9 Other Maintenance and Operating Expenses

Particulars	CY 2017	CY 2016
Advertising Expenses		
Rent/Lease Expenses	15,000.00	19,000.00
Subscription Expenses	5,361.10	
Other Maintenance and Operating Expenses	355,178.13	1,504,025.69
TOTAL	375,539.23	1,523,025.69

## Note 13 – DIRECT COST

### 13.1 Cost of Sales

Particulars	CY 2017	CY 2016
Cost of Sales	690,710.86	17,902.01
TOTAL	690,710.86	17,902.01

## Note 14 – NON CASH EXPENSES

### 14.1 Depreciation

Particulars	CY 2017	CY 2016
Depreciation - Buildings and Other Structures - School Buildings	94,598.52	27,841.71
Depreciation - Buildings and Other Structures - Other Structures	48,326.28	20,484.61
Depreciation - Machinery and Equipment - ICT Equipment	31,540.04	74,670.00
Depreciation - Machinery and Equipment - Technical & Sci Equip	17,902.01	7,745.26
Depreciation - Machinery and Equipment - Other Machinery & Equip	15,251.83	9,357.50
Depreciation - Transportation Equipment - Motor Vehicles	40,431.60	67,178.57
Depreciation - Furniture, Fixtures & Books		
TOTAL	248,050.28	207,277.65

## 14.2 Losses

Particulars	CY 2017	CY 2016
Loss on Initial Recognition of Biological Assets	5,400.00	
Loss from Changes in Fair Value Less Costs to Sell of Biological Assets Due to Price Change	10,250.00	
TOTAL	15,650.00	-

Loss on initial recognition of biological assets refers to recorded newborn animals in the farm at Dacudao, Ilangay but died later after a few days from birth. Loss from changes in fair value less costs to sell of biological assets due to price change in the amount of P10,250. This is attributed by the decrease of price of pigs in the amount of P9,450 as shown in Table 8.1.a of this notes and the decrease of price of goats in the amount of P800 as shown in Table 8.1.c of this notes. The prices are based at estimates of fair value less costs to sell determined by the caretaker of the assets.

## 14.3 Other Losses

Particulars	CY 2017	CY 2016
Other Losses	3,500.00	

Other losses refer to the death of animals in the farm in which amount did not fall in any of specific loss accounts under biological assets.

### NOTE TO USERS:

*Although efforts were exerted to provide this basic model, this cannot be expected to address every type of transactions or disclosure requirements and it is not comprehensive enough in all respects to meet the needs of every user. Further, this model is not intended to cover all aspects of standards with regard to disclosures. Applying the PPSASs requires professional judgment.*