**BULACAN AGRICULTURAL STATE COLLEGE**

# NOTES TO FINANCIAL STATEMENTS

**For the Year Ended December 31, 2020**

*(With Comparative Figures for CY 2019****)***

# General Agency Profile

The financial statements of Bulacan Agricultural State College (BASC) were authorized for issue as shown in the Statement of Management Responsibility for Financial Statements signed by Jameson H. Tan Ed. D., President.

The story of Bulacan Agricultural State College, a product of six decades of educational and socio-political metamorphoses, is humble and remarkable. At present, it is a state-funded institution of learning which was established in 1952 at Brgy. Pinaod, San Ildefonso, Bulacan.

Prior to this development, it stated as the Plaridel Community Agricultural High School (PCAHS) established at Brgy. Bintog, Plaridel, Bulacan in 1951. Soon after, PCAHS was renamed Bulacan Provincial Agricultural High School (BPAHS) having just about 100 students. A growth in the student population occurred as students arrived not just from local communities but from other municipalities in the province as well. On June 20 1953, its name was again changed into Bulacan National Agricultural High School (BNAHS) by virtue of Republic Act 948.

On June 8, 1955, the Pres. Ramon D.F. Magsaysay signed Proclamation 163 reserving around 192.5 hectares of the Buenavista Estate for BNAHS. By virtue of Republic Act 2416, BNAHS was converted to Bulacan National Agricultural School (BuNAS) on June 21, 1959.

In 1960, the two-year Associate in Agricultural program became part of the curricula existing in BuNAS: the first tertiary education program offered in the school which eventually led to the offering of the Bachelor of Science in Agriculture degree with majors in Agronomy and Animal Husbandry.

Cognizant to the prevalent agriculture education and training needs of Bulakeños at that time, the Hon. Ricardo C. Silverio, then Representative of the 3rd District of Bulacan, authored House Bill 2389 which proposed for an expanded educational program for BuNAS. With the bilateral approval of both Houses, then Pres. Fidel V. Ramos signed Republic Act 8548 officially converting BuNAS into a chartered state college known as the Bulacan National Agricultural State College (BNASC) on February 24, 1998. Over time, its name was changed to Bulacan Agricultural State College (BASC) by virtue of Republic Act 9249 signed by Former President Gloria M. Arroyo on 19 February 2004.

Situated between the country’s capital Metro Manila and the Province of Nueva Ecija, it opened its doors in 1952 and 60 years later, it continues to be devoted to discovering answer to the profound challenges of this generation and training students for leadership in today’s multifaceted world. Furthermore, BASC has grown to be a regional leader in higher education and remains to be recognized for offering excellent agricultural education, interdisciplinary partnerships and innovative research programs.

Its curricular offerings are Bachelor of Science in Agriculture, Secondary Education, Elementary Education, Agribusiness Management, Food Technology, Biosystems & Agricultural Engineering, Geodetic Engineering, Business Administration, Information Technology, Animal Science, Hospitality Management and Agroforestry

The mandate of Bulacan Agricultural State College shall primarily provide higher professional, technical and special instructions for special purposes and promote research and extension services and advanced studies in agriculture, arts and science programs and other allied courses.

At present, the College has two campuses, both of which are located at the 3rd District of Bulacan. The main campus is located at Brgy. Pinaod, San Ildefonso, Bulacan while an extension campus was established at Brgy. Sapang Bulak, Doña Remedios Trinidad (DRT) in 2005 which is aptly called the DRT Extension Campus. The head of the Institution is Dr. Jameson H. Tan, the fourth College President, who is now serving his first term of office until January 31, 2023.

# Statement of Compliance and Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with and comply with the International Public Sector Accounting Standards (IPSAS).

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

# Significant Accounting Policies

## Basis of Accounting

The financial statements are prepared on an accrual basis in accordance with the International Public Sector Accounting Standards (IPSAS) 1. The financial statements are presented in Philippine peso which is the college functional currency. All values are not rounded to the nearest peso.

* 1. **Financial Instruments**

1. **Financial Assets**

**Initial recognition and measurement**

Financial assets within the scope of IPSAS 29 – Financial Instruments**:** Recognition and Measurement are classified as financial asset at fair value through surplus or deficit, held-to-maturity investments, loans and other receivables or available-for-sale financial assets, as appropriate. The Bulacan Agricultural State College determines the classifications of its financial assets at initial recognition.

Bulacan Agricultural State College’s financial assets include cash and other receivables.

**Subsequent measurement**

The subsequent measurement of financial assets depends on their classification.

**Loans and other receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using effective interest method, less impairment. Losses arising from impairment are recognized in the surplus or deficit.

**Derecognition**

Bulacan Agricultural State College derecognized a financial asset or, where applicable, a part of a financial asset of BASC similar financial asset when:

The right to receive cash flows from the asset have expired or is waived.

**Financial Liabilities**

**Initial recognition and measurement**

Financial liabilities within the scope of IPSAS 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.

BASC financial liabilities include Inter-Agency Payables and Trust Liabilities.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification.

**Loans and Borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

**Derecognition**

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

* 1. **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in bank, deposited in Land Bank of the Philippine, Baliuag and San Ildefonso, Bulacan Branch and Development Bank of the Philippines, Malolos, Bulacan Branch.

* 1. **Property, Plant and Equipment**

***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 flow to the entity; and
* the cost or fair value of the item can be measured reliably.

***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 discount 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.

***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 BASC 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.

***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.

***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, the depreciation is for one month if the PPE is available for use on or before the 15th of the month. However, if the PPE is available for use after the 15th of the month, depreciation is for the succeeding month.

***Depreciation Method***

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

***Estimated Useful Life***

The BASC uses the Schedule on the Estimated Useful Life of PPE by classification prepared by COA.

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

***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 service amount.

***Derecognition***

The BASC 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.

* 1. **Changes in accounting policies and estimates**

The Bulacan Agricultural State College recognizes the effects of changes in accounting estimates prospectively by including in surplus or deficit.

* 1. **Revenue Recognition**

* + 1. **Revenue from Non-Exchanging of Transaction**

***Gifts and Donations***

The BASC recognizes assets and revenue from gifts and donations when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

On initial recognition, gifts and donations including goods in-kind were measured at their fair value as at the date of acquisition, which were ascertained by reference to an active market, or by appraisal. An appraisal of the value of an asset is normally undertaken by a member of the valuation profession who holds a recognized and relevant professional qualification. For many assets, the fair value was ascertained by reference to quoted prices in an active and liquid market.

* + 1. **Revenue from Exchanging Transaction**

***Interest income***

Interest income comes from the College’s bank deposits to LBP and DBP.

***Rental income***

Rental income arising from Memorandum of Agreement (MOA) with San Ildefonso Water District to restore, rehabilitate and make the operation of the BASC old deep well pump fully functional to ensure that the water requirements of the college are met and for the pump to be an additional water pumping station for the domestic operation of SIWAD. Monthly rent income amounting ₱12,000.00 comes from Oilwell 88 Incorporated for the operation of gas station under the name of Flying V for 20 years ending in CY 2033.

* 1. **Employee Benefits**

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

1. **Prior Period Adjustment**

The Bulacan Agricultural State College has determined that small items of inventory of equipment were already unserviceable and recognized as expense as prior period adjustment.

1. **Cash and Cash Equivalents**

This account consists of the following:

|  |  |  |
| --- | --- | --- |
| **Accounts** | **2020** | **2019** |
| Cash, Collecting Officer | (₱ 800.00) | ₱ 58,119.77 |
| Cash in Bank-Local Currency, Current Account | 59,450,818.94 | 47,018,165.27 |
| **Total Cash in Bank Local Currency** | **₱59,450,018.94** | **₱47,076,285.04** |

The Collecting Officer incurred over deposit amounting to (P800.00) due to cancellation of one official receipt.

* 1. **Cash in Bank Local Currency, Current Account**

Cash in Bank Current Account deposited to Land Bank represents cash received from fund transfer from other government agencies for the implementation of approved proposal for research and extension project of the College and scholarship fund for the benefit of the students while Cash In Bank in LBP CA DRT comprises previous collection from tuition fee and miscellaneous fees from all the students enrolled in the BASC DRT campus because thru the implementation of Free Higher Education, the amount of tuition fee and miscellaneous fee for all the students in DRT were treated as income when given by UNIFAST and deposited in DBP thru ADA .

Cash in Bank Current Account deposited to Development Bank of the Philippines comprises all the collection from tuition fee and miscellaneous fee from students in the main campus including collection from Balagtas Campus from UNIFAST and Graduate Studies.

The breakdown of this account is as follows:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| LBP Current Account No. 0102-1078-70 | ₱ 1,797,678.59 | ₱ 2,543,065.07 |
| LBP San Ildefonso C.A. No. 4122-1000-79 | 15,968,162.42 | 15,119,994.64 |
| LBP San Ildefonso- DRT CA No.4122-1000-87 | 2,931,640.34 | 2,979,439.79 |
| DBP Current Account No. 0565-003522-030 | 38,753,337.59 | 26,375,665.77 |
| **Total Cash in Bank Local Currency** | **₱59,450,818.94** | **₱47,018,165.27** |

1. **Receivables, Net**

The breakdown of this account is as follows:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| **Current** |  |  |
| Accounts Receivable | ₱ 0.00 | ₱ 0.00 |
| Loans Receivable-Others | 260,000.00 | 410,000.00 |
| Receivables-Disallowance/Charges | 0.00 | 406,439.15 |
| **Total Current Receivables, Net** | **₱ 260,000.00** | **₱ 816,439.15** |
| **Non-current** |  |  |
| Accounts Receivable | 262,141.37 | 262,141.37 |
| Allowance for Impairment | (14,909.91) | (14,909.91) |
| **Net Value- Accounts Receivable** | **247,231.46** | **247,231.46** |
| Loans Receivable-Others | 2,733,900.00 | 2,707,500.00 |
| Allowance for Impairment | (165,140.49) | (165,140.49) |
| **Net Value-Loans Receivable-Others** | **2,568,759.51** | **2,542,359.51** |
| Receivables-Disallowance/Charges | 2,117,044.19 | 2,670,548.16 |
| **Total Non-Current Receivables, Net** | **₱4,933,035.16** | **₱ 5,460,139.13** |

The Loan Receivable - Others account represents (a) loan granted to 266 students belonging to 3rd and 4th Year level for SY, 2004 – 2005 sponsored by CHED under the Student Financial Assistant Program (STUFAP); (b) loan granted to 491 students for SY 2008 – 2009 under the SAFE 4SR loan program also by CHED; and (c) loan under the Palayamanan Community sponsored by PhilRice, Provincial Government of Bulacan and DA-RFO3.

The Receivables – Disallowance/Charges amounting to ₱2,117,044.19 represents disallowances various administrative cost/honorarium, reimbursement of extraordinary and miscellaneous expenses and mobile phone expenses. For Fund 101, the amount of disallowances was ₱1,411,841.99 while for Fund 164, the amount was ₱705,202.20.

1. **Inventories**

This account consists of the following:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| Office Supplies Inventory | ₱ 637,501.76 | ₱ 277,609.71 |
| Textbooks and Instructional Materials Inventory | 1,856,136.80 | 1,627,818.95 |
| Other Supplies & Materials Inventory | 2,122,010.99 | 1,977,865.99 |
| Semi-Expendables – Furniture and Fixtures | 8,262,809.52 | 7,982,350.52 |
| Semi-Expendables – Office Equipment | 1,849,725.44 | 1,630,748.26 |
| Semi-Expendables – Information and  Communication Technology Equipment | 3,616,777.59 | 3,378,612.10 |
| Semi-Expendables – Agricultural & Forestry Equipment | 1,325,037.53 | 1,181,582.03 |
| Semi-Expendables – Communication  Equipment | 1,216,337.67 | 1,166,375.67 |
| Semi-Expendables – Disaster Response and Rescue Equipment | 79,847.00 | 79,847.00 |
| Semi-Expendables – Medical Equipment | 102,779.50 | 102,779.50 |
| Semi-Expendables – Sports Equipment | 814,283.50 | 719,153.50 |
| Semi-Expendables – Technical & Scientific Equipment | 755,740.77 | 757,278.77 |
| Semi-Expendables – Other Machinery and  Equipment | 453,221.65 | 430,221.65 |
| Semi-Expendable - Machinery | 9,600.00 | 9,600.00 |
| Semi-Expendables - Books | 4,074,169.41 | 4,074,169.41 |
| **Total Inventories** | **₱27,175,979.13** | **₱25,396,013.06** |

Inventories account increased by ₱1,779,966.07, for CY 2019 & 2020 due to purchases of various semi-expendable equipment costing below ₱15,000.00 and reclassification of PPE account to semi-expendable equipment.

1. **Property, Plant and Equipment (PPE), Net**

The Property, Plant and Equipment consist of the following:

| **2020** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **Carrying Amount, January 01, 2020** | **Additions/ Acquisitions/** | **TOTAL** | **Disposals/ Transfer to PPE** | **Depreciation (as per Statement of Financial Performance)** | **Carrying Amount, December 31, 2020 (As per Statement of Financial Position)** |
| Land | 16,020.13 |  | 16,020.13 |  |  | 16,020.13 |
| Land Improvements | 11,457,831.23 | 3,570,330.00 | 15,028,161.23 |  | 1,426,066.71 | 13,602,094.52 |
| Infrastructure Asset | 2,431,048.10 |  | 2,431,048.10 |  | 233,293.20 | 2,197,754.90 |
| Buildings and Other Structures | 252,338,638.62 | 53,818,741.65 | 306,157,380.27 | 4,001,682.50 | 7,874,616.75 | 294,281,081.02 |
| Machinery and Equipment | 27,445,924.66 | 20,569,262.92 | 48,015,187.58 | 83,143.00 | 5,758,194.74 | 42,173,849.84 |
| Transportation Equipment | 8,274,937.76 |  | 8,274,937.76 |  | 1,472,151.58 | 6,802,786.18 |
| Furniture, Fixtures and Books | 4,218,823.03 | 131,200.00 | 4,350,023.03 |  | 614,594.27 | 3,735,428.76 |
| Other PPE | 143,304.62 |  | 143,304.62 |  | 23,730.42 | 119,574.20 |
| Construction in Progress | 49,583,246.65 | 34,999,865.21 | 84,583,111.86 | 49,583,246.65 |  | 34,999,865.21 |
| **Total** | **355,909,774.80** | **113,089,399.78** | **468,999,174.58** | **53,668,072.15** | **17,402,647.67** | **397,928,454.76** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **2020** | | | | |
| **Particulars** | **Gross Cost (Asset Account Balance per Statement of Financial Position)** | **Less: Accumulated Depreciation** | **Allowance for Impairment** | **Carrying Amount, December 31, 2020 (As per Statement of Financial Position)** |
| Land | 16,020.13 | 0.00 | 0.00 | 16,020.13 |
| Land Improvements | 21,044,173.31 | 7,442,078.79 | 0.00 | 13,602,094.52 |
| Infrastructure Asset | 2,606,018.00 | 408,263.10 | 0.00 | 2,197,754.90 |
| Buildings and Other Structures | 355,279,425.29 | 60,998,344.27 | 0.00 | 294,281,081.02 |
| Machinery and Equipment | 67,921,243.11 | 25,747,393.27 | 0.00 | 42,173,849.84 |
| Transportation Equipment | 12,254,090.40 | 5,451,304.22 | 0.00 | 6,802,786.18 |
| Furniture, Fixtures and Books | 7,429,408.62 | 3,693,979.86 | 0.00 | 3,735,428.76 |
| Other PPE | 1,027,812.88 | 908,238.68 | 0.00 | 119,574.20 |
| Construction in Progress | 34,999,865.21 | 0.00 | 0.00 | 34,999,865.21 |
| **Total** | **502,578,056.95** | **104,649,602.19** | 0.00 | **397,928,454.76** |

| **2019** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **Carrying Amount, January 01, 2019** | **Additions/ Acquisitions** | **TOTAL** | **Disposals/ Transfer to PPE** | **Depreciation (as per Statement of Financial Performance)** | **Carrying Amount, December 31, 2019 (As per Statement of Financial Position)** |
| Land | ₱ 16,020.13 | ₱ 0.00 | ₱ 16,020.13 | ₱ 0.00 | ₱ 0.00 | ₱ 16,020.13 |
| Land Improvements | 11,869,108.29 | 913,900.00 | 12,783,008.29 | 0.00 | 1,325,177.06 | 11,457,831.23 |
| Infrastructure Asset | 150,300.00 | 2,455,718.00 | 2,606,018.00 | 0.00 | 174,969.90 | 2,431,048.10 |
| Buildings and Other Structures | 258,418,295.66 | 1,238,605.62 | 259,656,901.28 | 78,221.5 | 7,240,041.16 | 252,338,638.62 |
| Machinery and Equipment | 23,510,409.32 | 11,306,528.85 | 34,816,938.17 | 4,267,457.67 | 3,103,555.84 | 27,445,924.66 |
| Transportation Equipment | 2,170,901.24 | 7,016,100.00 | 9,187,001.24 | 10,120.58 | 901,942.90 | 8,274,937.76 |
| Furniture, Fixtures and Books | 4,756,079.66 | 2,429,576.33 | 7,185,655.99 | 2,620,063.86 | 346,769.10 | 4,218,823.03 |
| Other PPE | 237,943.83 | 79,100.00 | 317,043.83 | 138,343.00 | 35,396.21 | 143,304.62 |
| Construction in Progress | 2,455,718.00 | 49,583,246.65 | 52,038,964.65 | 2,455,718.00 | 0.00 | 49,583,246.65 |
| **Total** | **₱303,584,776.13** | **₱75,022,775.45** | **378,607,551.58** | **₱9,569,924.61** | **₱13,127,852.17** | **₱355,909,774.80** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **2019** | | | | | |
| **Particulars** | **Gross Cost (Asset Account Balance per Statement of Financial Position)** | **Less: Accumulated Depreciation** | **Allowance for Impairment** | **Carrying Amount, December 31, 2019 (As per Statement of Financial Position)** |
| Land | ₱ 16,020.13 | ₱ 0.00 | ₱ 0.00 | ₱ 16,020.13 |
| Land Improvements | 17,473,843.31 | 6,016,012.08 | 0.00 | 11,457,831.23 |
| Infrastructure Asset | 2,606,018.00 | 174,969.90 | 0.00 | 2,431,048.10 |
| Buildings and Other Structures | 305,462,366.14 | 53,123,727.52 | 0.00 | 252,338,638.62 |
| Machinery and Equipment | 47,435,123.19 | 19,989,198.53 | 0.00 | 27,445,924.66 |
| Transportation Equipment | 12,254,090.40 | 3,979,152.64 | 0.00 | 8,274,937.76 |
| Furniture, Fixtures and Books | 7,298,208.62 | 3,079,385.59 | 0.00 | 4,218,823.03 |
| Other PPE | 1,027,812.88 | 884,508.26 | 0.00 | 143,304.62 |
| Construction in Progress | 49,583,246.65 | 0.00 | 0.00 | 49,583,246.65 |
| **Total** | **₱443,156,729.32** | **₱ 87,246,954.52** | ₱ 0.00 | **₱ 355,909,774.80** |

Land represents the cost of surveying only because the land of BASC was awarded thru Proclamation No. 163 signed by then President Ramon Magsaysay on June 8, 1955 wherein the BASC received 921,605 square meters of land from Buenavista Estate, Province of Bulacan. An additional site in Akle, San Ildefonso, Bulacan was given thru Proclamation No 114 dated May 25, 1963, by then President Diosdado Macapagal with a total 4,420,296 square meters. Unfortunately, the BASC was occupying only 223,918.71 square meters or 22.39 hectares out of the 921,605 square meters because of informal settlers while the site in Akle, San Ildefonso, Bulacan was totally unoccupied by the BASC.

For CY 2020 the College received an allotment from DBM for Capital Outlay amounting to ₱48,438,000.00. The amount of ₱35,000,000.00 is for the construction of new school building (Three Storey Education Building - Phase 2) and ₱13,438,000.00 for various equipment. The Construction in Progress represents the on-going construction of 3-Storey Education building (Phase 2) which is 29.6% completed as of December 31, 2020.

1. **Biological Assets**
   1. **Breeding Stocks**

Breeding stocks are composed of the following:

|  |  |  |
| --- | --- | --- |
| **Accounts** | **2020** | **2019** |
| Goat | ₱500,390.00 | ₱ 500,390.00 |
| Carabao | 512,000.00 | 512,000.00 |
| Cattle | 65,000.00 | 65,000.00 |
| Rabbit | 43,500.00 | 0.00 |
| **Breeding Stocks** | **1,120,890.00** | **1,077,390.00** |
| **Total Biological Assets** | **₱1,120,890.00** | **₱ 1,077,390.00** |

The carabao project of the College started in CY 2007 through a Memorandum of Agreement Between the Provincial Government of Bulacan represented by then Governor Josefina Mendoza dela Cruz and Bulacan Agricultural State College represented by then College President Dr. Josie A. Valdez with initial fund release of ₱2,000,000.00 to develop a new breed through of carabao which will be known as Bulacan Buffalo through implementation of continuous genetic improvement processes and extensive research and development.

This agreement was valid for a period of 5 years and can be extended as agreed upon by both parties involved. In CY 2013 a new memorandum of agreement was entered into between the Provincial Government of Bulacan (PGB) represented by Governor Wilhelmino M. SY-Alvarado and BASC College President Dr. Gerardo I. Mendoza for the implementation of the project “Establishment of Carabao Demo/Nucleus farm at BASC” which will operate for five (5) years with a budget of ₱5,000,000.00. The obligation of BASC is to supervise the operation of the Nucleus/Demo Farm, and utilize the same as a laboratory facility for the students of Agriculture, Animal Science and allied programs. The BASC shall surrender all the female offspring produced by the farm to PGB to be used for their carabao dispersal project. Mr. Honorato Apostol is the assigned personnel to manage the operation of the project. From the initial release of the project, BASC was able to purchase car heifer, calf and Buffalo. As of December 31, 2016, the recorded inventory of carabao is 35. The final ₱1,000,000.00 financial support from the Bulacan Provincial Government was not released, the reason why all the expenses needed to sustain the operation of the project was charged to the College GAA and income allotment. For CY 2020, the total expenses of the carabao project amounted to ₱603,877.50. While the goat project of the College started through a Memorandum of Agreement with DA BAR in CY 2009 with a total budget of ₱2,484,000.00 for the Project entitled “Meeh Kita: Goat Upgrading and production in the Villages”. Per Inventory, the total number of goats as of December 31, 2016 is 98. For cattle, there is 4 in the inventory. No changes in the inventory of biological assets due to none submission of report by the project leader. For CY 2020, additional 87 breeder stocks for rabbit amounting to ₱43,500.00 was included in the biological assets.

1. **Financial Liabilities**

This account consists of the following:

|  |  |  |
| --- | --- | --- |
| **Accounts** | **2020** | **2019** |
| Accounts Payable | ₱24,999,344.37 | ₱22,362,370.86 |
| Guaranty Deposits Payable | 154,500.00 | 5,533.00 |
| **TOTAL** | **₱25,153,844.37** | **₱22,367,903.86** |

1. **Inter-Agency Payables**

This account consists of the following:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| Due to BIR | ₱1,916,242.22 | ₱ 2,184,846.38 |
| Due to NGAs | 26,149,362.03 | 20,746,150.35 |
| Due to GOCC’s | 30.00 | 1,950.00 |
| Due to LGUs | 0.00 | 0.00 |
| **Total Inter-Agency Payables** | **₱28,065,634.25** | **₱ 22,932,946.73** |

The amount of ₱1,916,242.22 represents tax withheld for the month of December, 2020 for remittance to BIR on or before the 10th day of the following month. While the amount of ₱30.00 due to SSS represents personal premium contribution of BASC contractual. The Due to National Government Agencies account of ₱26,149,362.03 represents the unexpended balance of releases from different funding agencies.

1. **Other Payables**

The account consists of other payables amounting to ₱6,633,148.92 in 2020 and ₱6,014,611.43 in 2019.

1. **Deferred Credits**

No deferred credits were recognized in 2020 due to collection from UNIFAST the tuition and miscellaneous fees of all enrolled students for the 2nd Semester of SY 2019-2020, 2020 Summer and 1st Semester of SY 2020-2021.

1. **Subsidy Income from National Government**

This account consists of the following:

| **Particulars** | **2020** | **2019** |
| --- | --- | --- |
| Notice of Cash Allocation (NCA) received from DBM | ₱204,662,033.00 | ₱202,165,078.00 |
| Tax Remittance Advice (TRA) issued to BIR | 12,228,966.55 | 10,186,818.14 |
| Remittance to Bureau of Treasury for excess cash advance | (52,050.00) | (157,589.94) |
| Reversion of Unused NCA | (27,691,415.47) | (9,410,091.50) |
| **Total Subsidy Income from National Government** | **₱189,147,534.08** | **₱ 202,784,214.70** |

There is a decrease in subsidy income from National Government in CY 2020 as compared to CY 2019 due to increase in reversion of unused NCA amounting to ₱18,281,323.97 due to low percentage of completion of building under the capital outlay.

1. **Service Income**

The breakdown of this account is as follows:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| Registration Fees | **₱** 77,400.00 | ₱ 70,855.00 |
| Clearance and Certification Fees | 151,525.00 | 266,290.00 |
| Fines and Penalties-Service Income | 24,783.75 | 58,430.00 |
| Other Service Income | 3,744,140.00 | 1,233,633.75 |
| **Total Service Income** | **₱3,997,848.75** | **₱ 1,629,208.75** |

1. **Business Income**

The breakdown of this account is as follows:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| School Fees | **₱**25,119,402.50 | ₱ 28,362,314.50 |
| Seminar/Training Fees | 19,000.00 | 16,500.00 |
| Rent/Lease Income | 794,291.13 | 1,929,479.33 |
| Interest Income | 33,952.71 | 27,436.66 |
| Other Business Income | 53,820.00 | 24,750.00 |
| **Total Business Income** | **₱26,020,466.34** | **₱ 30,360,480.49** |

The decrease in Business Income was due to the reduction of income received from UNIFAST, like athletic and cultural fee intended for students’ activities were not given due to Covid-19 pandemic wherein there are no school activities for the students.

1. **Grants and Donations**

Income from grants and donations in kind amounting to ₱5,290,343.18 represents the value of property, plant and equipment purchased out of the fund transfers, to the College, by the different funding institutions like CHED, DA RFO3 and trust fund.

Semi-Expendable Furniture & Fixture ₱ 9,800.00

Semi-Expendable Information and Technology Equipment 5,301.66

Other Supplies & Materials Inventory 24,360.00

Furniture & Fixture 40,000.00

Information & Technology Equipment 114,681.52

Technology & Scientific Equipment 4,981,500.00

Other Machinery & Equipment 114,700.00

₱ 5,290,343.18

1. **Gains**

The non-operating income/gain of ₱6,505.00 in CY 2020 **c**omes from the sale of waste materials like newspapers and payment for lost semi-expendable furniture & Fixture.

1. **Personnel Services**

This account represents the following:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| Salaries and Wages | **₱**80,835,994.46 | ₱ 75,457,278.67 |
| Other Compensation | 28,900,992.56 | 29,130,513.27 |
| Personnel Benefits Contribution | 4,010,926.63 | 10,261,507.19 |
| Other Personnel Benefits | 6,299,500.68 | 3,600,425.20 |
| **Total Personal Services** | **₱120,047,414.33** | **₱ 18,449,724.33** |

* 1. **Salaries and Earnings**

This account consists of the following:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| Salaries and Wages-Regular | **₱**80,788,744.46 | ₱ 75,457,278.67 |
| Salaries and Wages-Casual/Contractual | 47,250.00 | 0.00 |
| **Total Salaries and Wages** | **₱80,835,994.46** | **₱ 75,457,278.67** |

There is an increase in Salaries and Wages – Regular due to filling up of vacant positions of some faculty and non-teaching staff of the College within the year. The DBM released also the funds for the implementation of NBC 461 7th cycle of faculty and implementation of the 1st Trance of Salary Standardization.

* 1. **Other Compensation**

The breakdown of this account is as follows:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| Personal Economic Relief Allowance (PERA) | **₱**4,185,741.91 | ₱ 4,246,255.91 |
| Representation Allowance (RA) | 506,000.00 | 435,000.00 |
| Transportation Allowance (TA) | 506,000.00 | 435,000.00 |
| Clothing/Uniform Allowance | 1,020,000.00 | 1,056,000.00 |
| Subsistence Allowance | 12,200.00 | 11,900.00 |
| Laundry Allowance | 1,663.61 | 1,622.73 |
| Honoraria | 3,553,713.28 | 3,761,028.73 |
| Hazard Pay | 111,900.00 | 0.00 |
| Overtime and Night Pay | 0.00 | 56,000.00 |
| Year End Bonus | 6,492,009.50 | 6,680,676.90 |
| Cash Gift | 862,500.00 | 890,250.00 |
| Other Bonuses and Allowances | 11,649,264.26 | 11,556,779.00 |
| **Total Other Compensation** | **₱28,900,992.56** | **₱ 29,130,513.27** |

The other compensation in CY 2020 increased as compared to CY 2019 due to payment of hazard pay to faculty and employee and Collective Negotiation Agreement for 181 faculty and staff of BASC.

* 1. **Personnel Benefit Contributions**

This account consists of the following:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| Retirement and Life Insurance Premiums | **₱**2,572,040.25 | ₱ 9,050,212.00 |
| Pag-IBIG contributions | 210,200.00 | 212,900.00 |
| PhilHealth Contributions | 1,018,386.38 | 785,595.19 |
| Employees Compensation Insurance  Premiums | 210,200.00 | 212,800.00 |
| **Total Personnel Benefit Contributions** | **₱4,010,926.63** | **₱ 10,261,507.19** |

All the personnel benefit contributions were remitted to the respective agencies concerned. The contribution was based on the current rate of Phil health.

* 1. **Other Personnel Benefits**

This account consists of the following:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| Other Personal Benefits | **₱**1,775,000.00 | ₱ 1,872,000.00 |
| Terminal Leave Benefits | 4,524,500.68 | 1,728,425.20 |
| **Total Other Personnel Benefits** | **₱6,299,500.68** | **₱ 3,600,425.20** |

The terminal Leave benefits were for the monetization of leave credits of 98 BASC personnel and terminal pay of four (4) optional and one (1) compulsory retirees.

1. **Maintenance and Other Operating Expenses (MOOE)**

This account consists of the following:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| Traveling Expenses | **₱**408,343.00 | ₱ 1,309,023.78 |
| Training and Scholarship Expenses | 309,160.51 | 5,856,886.56 |
| Supplies and Materials Expenses | 4,819,435.68 | 5,035,479.70 |
| Utility Expenses | 2,888,981.32 | 4,363,162.10 |
| Communication Expenses | 1,424,323.01 | 804,643.12 |
| Confidential, Intelligence and  Extraordinary Expenses | 73,245.64 | 114,388.82 |
| Professional Services | 12,132,156.18 | 10,401,066.01 |
| Repairs and Maintenance Expenses | 10,639,102.14 | 15,047,394.67 |
| Taxes, Insurance Premiums and Other Fees | 94,477.66 | 153,399.10 |
| Labor and Wages | 121,375.00 | 476,970.00 |
| Other Maintenance and Operating Expenses | 2961,595.30 | 4,953,950.05 |
| **Total MOOE** | **₱35,872,195.44** | **₱ 48,516,363.91** |

* 1. **Traveling Expenses**

This account consists of the following:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| Local | **₱**408,343.00 | ₱ 1,290,560.94 |
| Foreign | 0.00 | 18,462.84 |
| **Total Traveling Expenses** | **₱408,343.00** | **₱ 1,309,023.78** |

* 1. **Training and Scholarship Expenses**

This account consists of the following:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| Training Expenses | **₱**281,390.51 | ₱ 759,809.16 |
| Scholarship Grants/Expenses | 27,770.00 | 5,097,077.40 |
| **Total Training and Scholarship Expenses** | **₱309,160.51** | **₱ 5,856,886.56** |

* 1. **Supplies and Materials Expenses**

The breakdown of this account is as follows:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| Office Supplies Expenses | **₱**1,457,883.91 | ₱ 1,314,584.60 |
| Accountable Forms Expenses | 50,150.00 | 52,300.00 |
| Food Supply Expense | 328,200.00 |  |
| Drugs and Medicines Expenses | 456,630.00 | 38,885.65 |
| Medical, Dental and Laboratory Supplies Expenses |  | 11,000.00 |
| Fuel, Oil and Lubricants Expenses | 454,313.35 | 666,134.10 |
| Agricultural and Marine Supplies Expenses | 367,797.50 | 581,554.00 |
| Textbooks and Instructional Materials Expenses | 130,685.04 | 141,995.00 |
| Other Supplies and Materials Expenses | 1,573,775.88 | 2,229,026.35 |
| **Total Supplies and Materials Expenses** | **₱4,491,235.68** | **₱ 5,035,479.70** |

* 1. **Utility Expenses**

This account consists of the following:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| Water Expenses | **₱**295,135.61 | ₱ 445,627.03 |
| Electricity Expenses | 2,593,845.71 | 3,917,535.07 |
| **Total Utility Expenses** | **₱2,888,981.32** | **₱ 4,363,162.10** |

* 1. **Communication Expenses**

This account consists of the following:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| Postage and Courier Services | **₱**6,304.65 | ₱ 989.00 |
| Telephone Expenses | 85,855.79 | 81,260.65 |
| Internet Subscription Expenses | 1,328,887.52 | 722,393.47 |
| Cable, Satellite, Telegraph and Radio Expenses | 3,275.05 | 0.00 |
| **Total Communication Expenses** | **₱1,424,323.01** | **₱ 804,643.12** |

* 1. **Confidential, Intelligence and Extraordinary Expenses**

This account represents Extraordinary and Miscellaneous Expenses amounting to ₱73,245.64 in 2020 and ₱114,388.82 in 2019.

* 1. **Professional Services and General Services**

This account consists of the following:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| Auditing Services | **₱**10,851.50 | ₱ 28,385.50 |
| Consultancy Services | 0.00 | 0.00 |
| Security Services | 258,915.89 | 294,943.06 |
| Other General Services | 11,862,388.79 | 10,077,737.45 |
| **Total Professional & General services** | **₱12,132,156.18** | **₱ 10,401,066.01** |

* 1. **Repairs and Maintenance**

This account consists of the following:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| Land Improvements | **₱**2,828,169.00 | ₱ 1,032,820.64 |
| Buildings and Other Structures | 7,454,059.78 | 12,693,216.07 |
| Machinery and Equipment | 54,220.00 | 1,003,529.02 |
| Transportation Equipment | 302,653.36 | 317,828.94 |
| **Total Repairs and Maintenance Expenses** | **₱10,639,102.14** | **₱ 15,047,394.67** |

* 1. **Taxes, Insurance Premiums and Other Fees**

This account consists of the following:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| Fidelity Bond Premiums | **₱**56,625.00 | ₱ 70,125.00 |
| Insurance Expenses | 37,852.66 | 83,274.10 |
| **Total Taxes, Insurance Premiums and Other Fees** | **₱94,477.66** | **₱ 153,399.10** |

* 1. **Labor and Wages**

Labor and wages represent the costs incurred for labor payroll paid for projects undertaken by administration, for agricultural activities involving hired labor and student wages, in the amount of ₱121,375.00 in 2020 and ₱476,970.00 in 2019.

* 1. **Other Maintenance and Operating Expenses**

The breakdown of this account is as follows:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| Advertising Expenses | **₱**26,200.00 | ₱ 72,974.00 |
| Representation Expenses | 1,238,706.30 | 1,845,370.54 |
| Rent/Lease Expenses | 182,222.58 | 682,272.46 |
| Membership Dues and Contributions to Organizations | 336,780.00 | 1,202,038.75 |
| Subscription Expenses | 26,832.00 | 136,960.00 |
| Printing and Publication Expenses | 87,427.55 | 0.00 |
| Other Maintenance and Operating Expenses | 1,063,426.87 | 1,014,334.30 |
| **Total Other Maintenance and Operating Expenses** | **₱2,961,595.30** | **₱4,953,950.05** |

1. **Non- Cash Expenses**

This account represents the following:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| Depreciation Expense | **₱**18,911,098.04 | ₱ 13,127,852.17 |
| Loss on Sale of Livestock (Ready to lay  Pullets) | 0.00 | 0.00 |
| Bank Charges | 497.00 | 1,051.00 |
| **Total Non-Cash Expense** | **₱18,911,595.04** | **₱ 13,128,903.17** |

* 1. **Depreciation**

The straight-line method of depreciation is adopted using the 5% salvage value for all acquired starting CY 2017 but maintain the 10% salvage value for all those acquired prior to CY 2015. The breakdown of the Depreciation Expense is as follows:

| **Accounts** | **2020** | **2019** |
| --- | --- | --- |
| Land Improvements | **₱**1,426,066.71 | ₱ 1,325,177.06 |
| Buildings and Other Structures | 9,381,431.82 | 7,240,041.16 |
| Machinery and Equipment | 5,759,830.04 | 3,103,555.84 |
| Transportation Equipment | 1,472,151.58 | 901,942.90 |
| Furniture, Fixtures and Books | 614,594.27 | 346,769.10 |
| Infrastructure Assets | 233,293.20 | 174,969.90 |
| Other Property, Plant and Equipment | 23,730.42 | 35,396.21 |
| **Total Depreciation** | **₱18,911,098.04** | **₱ 13,127,852.17** |

* 1. **Financial Expenses**

This account represents the bank charges of ₱497.00 to all the fund received from UNIFAST deposited to Development Bank of the Philippines for tuition and miscellaneous fees of all enrolled students thru LDAP ADA

* 1. **Impairment Loss – Loans and Receivables**

For the year 2020, no Allowance for Impairment-Accounts Receivables and Loans Receivables were provided.