

Notes to Financial Statement

I. General/Agency Profile

Note 1 Basis of Reporting

The Bulacan Agricultural State College (BASC) was established in 1952. It started as the Community Agricultural School in Bintug, Plaridel, Bulacan with about 100 students. The succeeding years saw and increase in the number of students. Unlike before, students came not only from the local community but also from elsewhere in the province. With this, the school was aptly named Bulacan Provincial High School.

In 1955, with the growing population and a need to accommodate the same, Presidential Proclamation No. 163 was issued allocating 200 hectares of land for the school in Pinaod, San Ildefonso, Bulacan. Not long after, Republic Act No. 948 was issued changing the school name to Bulacan National Agricultural School (BuNAS).

In 1960, tertiary education was offered in BuNAS with a two-year Associate in Agriculture program which eventually lead to the offering of the Bachelor of Science in Agriculture Degree with majors in Agronomy and Animal Husbandry.

Cognizant of a broad-based agricultural education and training needs of the Bulakeños, Hon. Ricardo C. Silverio, then Representative of District III of the Province of Bulacan authored House Bill No. 2389 which moved for an expanded educational program for BuNAS. With bilateral approval of both Houses President Fidel V. Ramos signed Republic Act 8548, officially converting the Bulacan National Agricultural School to Bulacan National Agricultural State College on February 24, 1998. Its name was changed to Bulacan Agricultural State College by virtue of RA 9249 signed by her Excellency Gloria Macapagal Arroyo on February 19, 2004.

Note 2 Basis of Financial Statement Presentation

The financial statements have been prepared in conformity with generally accepted state accounting principles and reflect amounts that are based on the estimates and informed judgment of management with an appropriate consideration to materiality.

Note 3 Summary of Significant Accounting Policies

- 3.1 The BASC uses accrual basis of accounting. All expenses are recognized when incurred and reported in the financial statements in the period to which they relate.
- 3.2 Notice of Cash Allocation (NCA) is recorded in the Regular Agency (RA) Book as well as those income/receipts, which the BASC is authorized to use.
- 3.3 The modified obligation system is used to record allotment received and obligation incurred. Separate registries are maintained to control allotment and obligation for each class of allotment.
- 3.4 Petty Cash Fund (PCF) account in maintenance under the Imprest System. All replenishments are directly charged to the expense account. The PCF is not used to purchase regular inventory items for stock.
- 3.5 Payable accounts are recognized and recorded in the books of account only upon acceptance of the goods/inventory/other assets and rendition of services to the BASC.

Note 4 Correction of Fundamental Error

Fundamental errors of prior years' were corrected by using the Prior Years' Adjustment Accounts.

Note 5 CASH AND OTHER CASH ACCOUNT

Cash in Bank – Local Currency, Current Account

The amount of P14,650,138.44 are deposited to the following Current Accounts maintained by the BASC with the Land Bank of the Philippines, Baliuag Branch and Development Bank of the Philippines, Malolos Branch.

	CY 2012	CY2011
1. LBP Current Account No. 0102-1078-70	10,541,240.93	8,263,598.56
2. LBP Current Account No. 0102-1101-88 (DRT)	1,334,330.80	635,092.96
3. DBP Current Account No. 0565-003522-030	<u>2,774,566.71</u>	<u>1,986,320.05</u>
	<u>14,650,138.44</u>	<u>10,885,011.57</u>

Payroll Fund

The amount of ₱ 536,775.55 represents the unliquidated Cash Advance as of December 31, 2012 by the college cashier, Mrs. Nancy G. Custodio, the detail of which is shown below:

PARTICULARS	REFERENCE CHECK	DATE	TOTAL AMOUNT
Honorarium - Technology Commercialization	66134	9/3/2012	1,000.00
Butil Scholarship	90643	10/3/2012	162,000.00
Wages Student Labor October, 2012	41102986	11/26/2012	12,145.00
Honorarium SCUFAR Winner	41103095	12/11/2012	23,000.00
CIBAC Scholarship 2nd Sem. - SY 2012-2013	708658	12/17/2012	306,000.00
Wages Student Labor November, 2012	41103126	12/19/2012	13,470.00
Wages Student Labor December, 2012	41103127	12/19/2012	12,865.00
Tax Refund CY 2012	41103144	12/20/2012	<u>6,295.55</u>
TOTAL			<u>536,775.55</u>

Note 6 Receivables

This account includes the following:

	GROSS AMOUNT	CY 2012 ALLOW FOR D/A	NET AMOUNT	CY 2011 AMOUNT
Accounts Receivables	2,266,196.00	3,022.50	2,263,173.50	2,885,483.25
Loans Receivables - Others	3,716,800.00	157,750.00	3,559,050.00	3,615,752.00
Due from Other Funds	708,622.00	-	708,622.00	1,708,622.00
Due from NGAs	150,000.00	-	150,000.00	-
Receivables - Disallowance/Charges	155,135.00	2,723.75	152,411.25	54,475.00
Advances to Officers and Employees	-	-	-	42,135.00
	6,996,753.00	163,496.25	6,833,256.75	8,306,467.25

The Accounts Receivable account amounting to ₱ 2,266,196.00 consists of collectible tuition fee for S.Ys 2011-2012; 2012-2013 and Organic Fertilizer.

	GROSS AMOUNT	ALLOW FOR D/A	CY 2012 NET AMOUNT	CY 2011 AMOUNT
2nd Sem SY 2011-2012	38,170.00	-	38,170.00	2,825,033.25
2nd Sem SY 2011-2013	2,192,576.00	-	2,192,576.00	-
Organic Fertilizers	35,450.00	3,022.50	32,427.50	60,450.00
TOTAL	2,266,196.00	3,022.50	2,263,173.50	2,885,483.25

The Loans Receivable account amounting to ₱667,050.00 represents loan granted to 265 students belonging to 3rd & 4th Year level for SY 2004 – 2005 sponsored by CHED under the Student Financial Assistance Program (STUFAP) and ₱2,454,650 represents loan granted to 491 students for SY 2008-2009 under the SAFE 4R loan program also by CHED while the amount of ₱280,000.00 represents loan granted to farmers within the 3rd District of Bulacan under the Technology Commercialization Program also sponsored by CHED – HEDF and ₱315,100.00 loan under the Palayamanan Community sponsored by PhilRice, and Provincial Government of Bulacan and DA-RFO3 with the following breakdown:

	CY 2012		CY 2011
	GROSS AMOUNT	ALLOW FOR D/A	NET AMOUNT
			AMOUNT
STUFAP - 3 rd & 4 th Year of SY 2004 – 2005	667,050.00	33,402.50	633,647.50
SAFE 4R Loan - 3 rd and 4 th Year – SY 2008-2009	2,454,650.00	124,347.50	2,330,302.50
Technology Commercialization	280,000.00	-	280,000.00
Palayamanan Community	315,100.00	-	315,100.00
	3,716,800.00	157,750.00	3,559,050.00
			3,615,752.00

The Due to NGAs amounting to ₱150,000.00 represents fund transfer to Isabela State University for IRRI as funding support for the conduct of 2nd National Conference for Aerobic Rice.

The Receivable-Disallowances & Charges in the amount of ₱155,135.00 represents disallowance per AOM No. 2012-101-001 (2011) dated January 23, 2012 for Collective Negotiation Agreement amounting to ₱100,660 while the amount of ₱54,475.00 represent Cash Advance granted to Mr. Juanito Silan Jr. , the Buyer V of the BASC for traveling expenses and allowances regarding the trip to Australia from September 29 to October 13, 2001 which was disallowed in post-audit due to lack of documentary requirements. He did not appear to get clearance for his money and property accountabilities upon retiring from the service effective October 21, 2004.

Note 7 Inventories

This account includes the following:

	CY 2012	CY 2011
Office Supplies Inventory	83,141.92	24,308.88
Other Supplies Inventory	2,894,542.17	448,717.47
Textbook and Instructional Materials Inventory	1,286,396.35	1,123,084.20
Livestock Inventory	403,680.00	360,000.00
	4,667,760.44	1,956,110.55

The livestock inventory account amounting to ₱403,680.00 represents the total cost of inventory of 2000 heads layers amounting to ₱390,000.00 and two Swine Breeder amounting to ₱13,680.00.

Note 8 Property Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation. Accumulated depreciation of prior years' was charged to the Prior Years' Adjustment account while the depreciation for CY 2012 was charged to the Depreciation Expense account. The straight line method of depreciation is used in depreciating the Property, Plant and Equipment.

This account consists of the following:

		CY 2012	CY 2011	CY 2012	CY 2011	CY 2012	CY 2011
		Acquisition	Acquisition	Accumulated	Accumulated	Net Book	Net Book
		Cost	Cost	Depreciation	Depreciation	Value	Value
Land	P	16,020.13	16,020.13	-	-	16,020.13	16,020.13
Land Improvements		2,857,830.13	2,812,060.13	2,298,785.03	2,222,854.71	559,045.10	589,205.42
Office Buildings		13,495,512.94	5,470,452.94	3,544,327.93	2,210,899.76	9,951,185.01	3,259,553.18
School Buildings		32,914,169.32	20,125,877.82	9,481,061.91	7,929,074.48	23,433,107.41	12,196,803.34
Other Structures		31,641,108.05	22,031,700.95	12,154,234.52	10,746,549.49	19,486,873.53	11,285,151.46
Office Equipment		3,298,160.73	3,133,126.73	2,474,004.27	2,202,772.80	824,156.46	930,353.93
Furniture and Fixtures		2,516,109.07	1,917,430.00	1,041,506.76	844,068.64	1,474,602.31	1,073,361.36
IT Equipment and Software		10,021,424.46	10,467,177.71	6,117,298.73	6,344,189.53	3,904,125.73	4,122,988.18
Library Books		2,836,296.51	2,575,678.01	2,095,190.89	1,909,863.06	741,105.62	665,814.95
Machineries		314,065.00	349,315.00	150,841.53	122,724.57	163,223.47	226,590.43
Agricultural, Fishery and Forestry Equipment		1,147,167.65	1,090,665.65	782,485.47	696,108.89	364,682.18	394,556.76
Communication Equipment		1,178,811.10	961,384.28	712,475.27	636,615.65	466,335.83	324,768.63
Fire Fighting Equipment and Accessories		72,152.00	72,152.00	60,919.34	57,210.38	11,232.66	14,941.62
Medical, Dental and Laboratory Equipment		321,605.00	321,605.00	260,674.07	254,363.40	60,930.93	67,241.60
Military & Police Equipment		22,645.00	22,645.00	4,540.50	2,560.50	18,104.50	20,084.50
Sports Equipment		437,293.50	392,293.50	220,742.38	186,218.22	216,551.12	206,075.28
Technical and Scientific Equipment		4,793,671.30	4,932,887.30	2,240,028.83	1,872,319.59	2,553,642.47	3,060,567.71
Other Machineries and Equipment		474,181.65	379,387.90	195,808.10	162,692.73	278,373.55	216,695.17
Motor Vehicles		2,997,780.40	2,950,280.40	1,635,613.76	1,391,341.23	1,362,166.64	1,558,939.17
Other Property, Plant and Equipment		1,775,490.58	1,661,161.33	1,234,694.52	1,120,664.70	540,796.06	540,496.63
Artesian Wells, Reservoirs, Pumping Stations & Conduits		269,182.75	188,482.75	-	-	269,182.75	188,482.75
Construction in Progress		1,141,261.60	-	-	-	1,141,261.60	-
Breeding stocks		1,146,390.00	1,196,600.00	-	-	1,146,390.00	1,196,600.00
Total	P	115,688,328.87	83,068,384.53	46,705,233.81	40,913,092.33	68,983,095.06	42,155,292.20

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 squatting while the site in Akle, San Ildefonso, Bulacan was totally unoccupied by the BASC.

Note 9 Current Liabilities

This account consists of:

	CY 2012	CY 2011
Accounts Payable	256,612.23	229,365.65
Due to BIR	508,002.80	60,290.70
Due to GSIS	3,720.16	4,346.74
Due to Other NGAs	12,243,315.94	10,104,289.03
Due to LGUs	502.63	502.63
Due to Other Funds	708,622.00	1,708,622.00
Performance/Bidder/Bail Bonds Payable	5,533.00	5,533.00
Other Payables	3,425,560.93	3,299,940.44
Total	<u>17,151,869.69</u>	<u>15,412,890.19</u>

The accounts payable account consists of unpaid obligation to Prince Technology under Fund 164 amounting to P100,000.00 for CY 2009 chargeable to BASC income for the installation of enrollment system in the College and unpaid obligation for CY 2012 chargeable also to Income (Fund164).

Note 10 Long Term liabilities

The amount of ₱574,000.00 represents the balance of the loan from Development Bank of the Philippines, Malolos Branch amounting to P6,888,000.00 for the construction of Dormitory and Business Center at BASC, San Ildefonso Campus. It is payable within 7 years with 12 months grace period for principal payment at 8% regular interest rate starting June 29, 2006 and will mature on June 29, 2013. The BASC started paying the principal last September, 2007 amounting to P287,000.00 as the 1st quarter amortization payment for principal plus interest and 1% GRT amounting to P142,229.54 or a total of P429,229.54. For 2011 the BASC was able to pay four (4) quarterly amortization including interest and GRT.

Note 11 Subsidy Income from National Government

This account includes the following:

	CY 2012
NCA received from DBM for payment of expenses of the Agency for operational requirements	56,183,000.00
Add: Tax Remittance Advice (TRA) issued to BIR	<u>4,785,698.78</u>
	60,968,698.78
Less: Remittance to Bureau of Treasury for excess Cash advance	12,720.00
Reversion of Unused NCA	<u>3,043,264.24</u>
	3,055,984.24
Total	<u>57,912,714.54</u>

Note 12 Inter-Agency Fund Transfer

Fund totaling ₱15,502,343.50 were received from the following agencies:

	CY 2012	CY 2011
Bureau of Agricultural Resources	-	3,361,750.00
BUTIL Partylist	258,000.00	267,000.00
CHED	3,477,550.00	1,006,344.52
CHED-Regional Office	90,000.00	75,000.00
CIBAC	710,000.00	250,000.00
CLSU	30,000.00	-
CICT	1,019,040.00	3,174,108.80
Cong. Joselito Mendoza	600,000.00	143,000.00
DA	245,570.00	-
DAR	720,000.00	-
DAR-RFU 3	3,500,000.00	-
IRRI	588,136.00	347,971.22
Municipality of San Ildefonso	100,000.00	-
OWWA	2,632.50	-
Philippine Veterans Affairs Office	17,520.00	37,412.50
Provincial Government of Bulacan	3,410,500.00	823,652.00
DOLE	245,500.00	-
Philippine Rice Research Institute	229,050.00	108,000.00
PCARRD	218,010.00	300,000.00
PNRI	-	36,000.00
PDAF	-	105,000.00
San Isidro Labrador	40,835.00	49,120.00
Total	<u>15,502,343.50</u>	<u>10,084,359.04</u>

Not 13 Allotment, Obligation and Balances

The Total Allotment during the year from Fund 101 amounted to ₱60,920,000.00 with obligation incurred amounting to ₱57,912,714.54 broken down below. While for Fund 164, the BASC total allotment amounting to ₱21,685,336.69 including allotment carried over from FY 2011 with total obligation amounting to ₱20,342,064.26 is shown below.

Agency/Fund	Category	CY 2012			CY 2011		
		Allotment			Allotment		
		Extended	Current	Total	Extended	Current	Total
101	PS	-	51,210,000.00	51,210,000.00	-	49,995,080.00	49,995,080.00
	MOOE	-	6,710,000.00	6,710,000.00	198,000.00	5,170,000.00	5,368,000.00
	CO	-	3,000,000.00	3,000,000.00	-	-	-
	Total	-	60,920,000.00	60,920,000.00	198,000.00	55,165,080.00	55,363,080.00
164	PS	579.79	6,655,000.00	6,655,579.79	150.43	2,281,770.00	2,281,920.43
	MOOE	185,937.20	12,000,000.00	12,185,937.20	8,749.01	12,637,580.00	12,646,329.01
	CO	27,819.70	2,816,000.00	2,843,819.70	4,701.75	4,871,150.00	4,875,851.75
	Total	214,336.69	21,471,000.00	21,685,336.69	13,601.19	19,790,500.00	19,804,101.19
GRAND TOTAL		214,336.69	21,471,000.00	21,685,336.69	211,601.19	74,955,580.00	75,167,181.19

Agency/Fund	Category	CY 2012	CY 2011	CY 2012			CY 2011		
		Obligation	Obligation	Unexpended Balance			Unexpended Balance		
				Total	Reverted	Extended	Total	Reverted	Extended
101	PS	51,202,732.25	49,994,941.27	7,267.75	7,267.75	-	138.73	138.73	-
	MOOE	6,709,982.29	5,367,868.74	17.71	17.71	-	131.26	131.26	-
	CO	-	-	3,000,000.00	-	3,000,000.00	-	-	-
	Total	57,912,714.54	55,362,810.01	3,007,285.46	7,285.46	3,000,000.00	269.99	269.99	-
164	PS	6,647,818.15	2,281,340.64	7,761.64	-	7,761.64	579.79	-	579.79
	MOOE	11,057,796.19	12,460,391.81	1,128,141.01	-	1,128,141.01	185,937.20	-	185,937.20
	CO	2,636,449.92	4,848,032.05	207,369.78	-	207,369.78	27,819.70	-	27,819.70
	Total	20,342,064.26	19,589,764.50	1,343,272.43	-	1,343,272.43	214,336.69	-	214,336.69
TOTAL	78,254,778.80	74,952,574.51	4,350,557.89	7,285.46	4,343,272.43	214,606.68	269.99	214,336.69	