



Republic of the Philippines
COMMISSION ON AUDIT
Regional Office No. X
Cagayan de Oro City

OFFICE OF THE Acting-AUDIT TEAM LEADER
Audit Group- NGS- Cluster 5
Audit Team No. RO-10-22

March 10, 2020

Dr. Eulogio P. Sullano, Jr., PhD
Vocational School Administrator
Cagayan de Oro (Bugo) School of Arts and Trades
Bugo, Cagayan De Oro City



Dear Dr. Sullano:

Management Letter on the Audit of the
CAGAYAN DE ORO (BUGO) SCHOOL OF ARTS AND TRADES
Bugo, Cagayan de Oro City
For the period January 1 to December 31, 2019

1. Pursuant to Section 2, Article IX-D of the Constitution of the Philippines and Section 43 of the Government Auditing Code of the Philippines (PD No.1445), we have audited the accounts and operations of the Cagayan de Oro (Bugo) School of Arts and Trades (COBSAT) for the period ended December 31, 2019. The audit was conducted in accordance with applicable legal and regulatory requirements, and International Standards of Supreme Audit Institution (ISSAIs). Those standards require that we plan and perform the audit to obtain a reasonable basis for our conclusions.
2. The audit was conducted on a test basis by the audit team led by Ms. Elizabeth A. Melliza, State Auditor III, to (a) verify the level of assurance that may be placed on management's assertions on the financial statements; (b) recommend agency improvement opportunities; and (c) determine the extent of implementation of prior year's audit recommendations.
3. The Agency's financial conditions, results of operations and cash flows as of December 31, 2019 are shown in the attached audited financial statements (Annexes A to F).

4. Deficiencies observed in the course of the audit were earlier communicated through Audit Observation Memoranda (AOMs) and discussed in an exit conference with concerned officials and employees on March 5, 2020. Their comments were incorporated in this Management Letter, where appropriate. The significant audit observations and the recommendations shall be incorporated in the Consolidated Management Letter of the Technical Education and Skills Development Authority, Central Office for CY 2019.

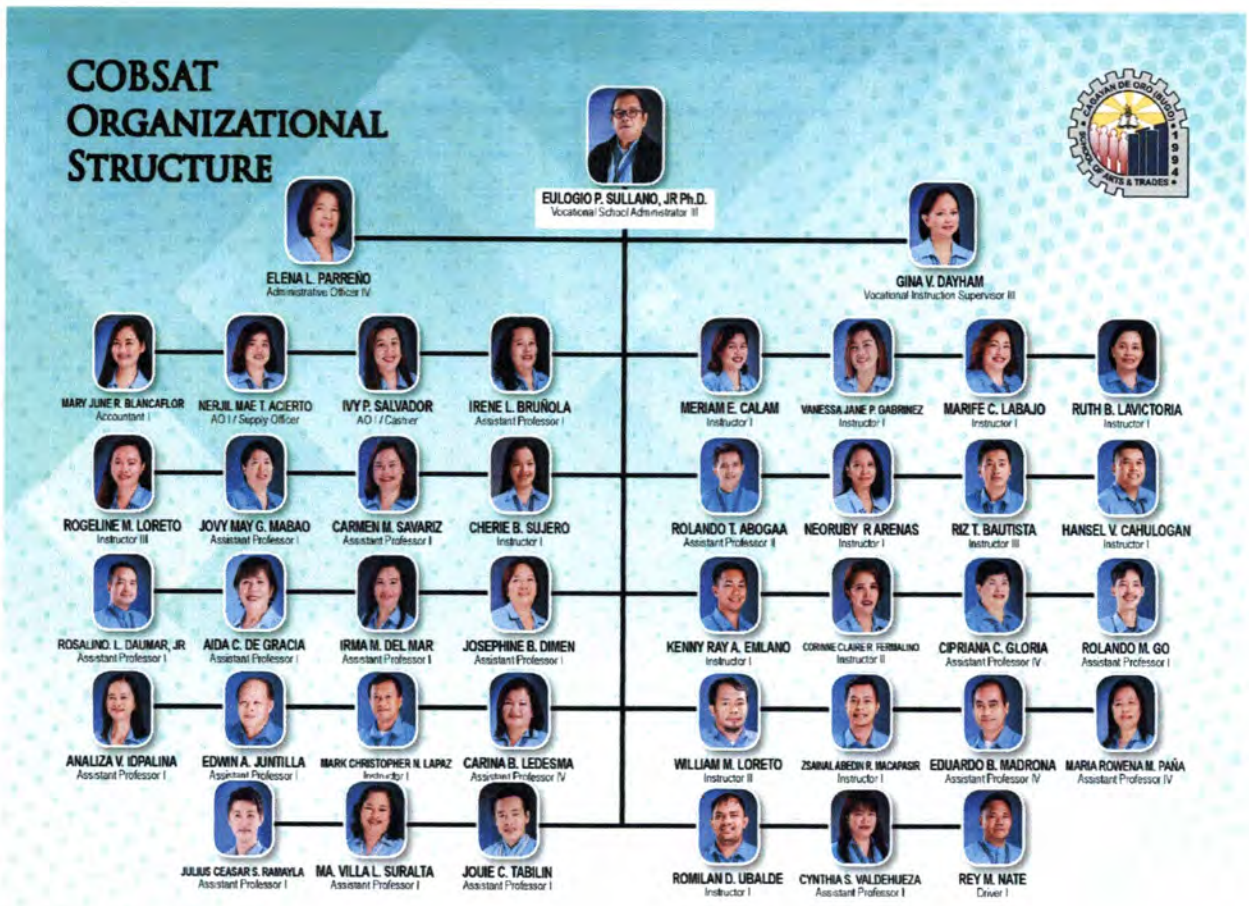
A. INTRODUCTION

Agency's Mandate:

5. The Cagayan de Oro (Bugo) School of Arts & Trades (COBSAT) is one of the 15 Operating Units of TESDA Region X which serves as the frontline Office or training institute of TESDA. It has the following specific functions, among others:
 - 5.1 Provides technical-vocational education and trainings to the graduates and students making them potential for wage or self-employment endeavor;
 - 5.2 Establish enough place for entrepreneurial activities to help students gain knowledge and skills from the trainings they have taken;
 - 5.3 Helps stimulate industries in the employability of graduates and skilled workers;
 - 5.4 Advocate assessment and certification of graduates and students;
 - 5.5 Implement fully the Competency based training for quality graduates;
 - 5.6 Enhance quality of TVET delivery to produce good quality graduates; and
 - 5.7 Intensify advocacy and social marketing of the school's program for better appreciation.

Personnel Compliment:

6. The Agency is headed by Dr. Eulogio P. Sullano, Jr. Vocational School Administrator. He is ably assisted by 40 regular employees, 1 casual & 3 job order personnel.



Operational Highlights

7. During the Calendar Year 2019, the COBSAT had reported the following major accomplishments per Major Final Output (MFO) vis-à-vis their targets:

MFO/PAP	Target	Accomplishment	% of Accomplishment
MFO II : TECHNICAL EDUCATION AND SKILLS DEVELOPMENT SERVICES			
ALL DELIVERY MODES			
Number of ENROLLEES	3410	4947	145%
Number of GRADUATES	3276	4913	150%
TESDA Technology Institution Graduates			
Number of Trainees	746	1854	249%
Average Number of Training Hours per Trainee	100	273	273%
Number of Graduates who are Employed 6 mos. After completion of training	75%	73%	97%
Institution-based/School-based Program			

Number of Enrollees	777	1888	243%
Number of Graduates	746	1854	249%
Number of Employed Graduates	75%	73%	97%
Community-based Programs			
Number of Enrollees	2494	2911	117%
Number of Graduates	2397	2911	121%
Special Training for Employment Program (STEP)			
Number of Enrollees	116	37	32%
Number of Graduates	104	37	36%
Training for Work Scholarship Program (TWSP)			
No. Of TWSP-subsidized Enrollees	473	284	60%
No. Of TWSP-subsidized Graduates	426	283	66%
Trainers Development			
No. Of TVET Trainers Trained	90	86	96%
MFO III : TECHNICAL EDUCATION AND SKILLS REGULATORY SERVICES			
Competence Assessment and Certification for Skilled Workers			
Number of ASSESSED	5438	5177	95%
Number of CERTIFIED	5003	4913	98%
No. Of skilled workers assessed for certification	1360	1540	113%
SUPPORT TO OPERATIONS			
OPCP/WFP approved	1	1	100%
Performance Accountability Reports			
Submitted monthly performance monitoring reports	12	12	100%
Gender and Development			
GAD Plan 2019 submitted	1	1	100%
GAD Annual Report submitted	1	1	100%
PWD	20	20	100%
PWD Action Plan approved	1	1	100%
PWD Beneficiaries	20	20	100%
Citizen's Charter			
ARTA semestral report submitted	2	2	100%
Posting of updated info on Transparency Seal	90%	100%	111%
Updating of TESDA Website	90%	100%	111%

Financial Profile

8. For CY 2019, COBSAT has a total appropriation of **₱ 24,133,271.47** which includes the Regular Budget of **₱ 19,561,00.00** and the Automatic Appropriations of **₱ 1,657,000.00** as provided for in the General Appropriations of Year 2019 or of RA No.

11260. During the year, COBSAT received a total allotment of ₱ 24,133,271.47, out of which, total obligations of ₱ 24,116,040.38 were incurred leaving an unexpended balance of ₱17,231.09 as at year-end, the details of which are presented below:

NCA Utilization

Source of Funds	Appropriations	Allotments	Obligation Incurred	Unobligated Balance
A. Current Year Budget				
1. Agency Specific Budget				
PS	18,311,604.47	18,311,604.47	18,311,604.47	-
MOOE	2,368,856.00	2,368,856.00	2,351,624.91	17,231.09
Sub-total	20,680,460.47	20,680,460.47	20,663,229.38	17,231.09
2. Special Purpose Fund				
Miscellaneous Personnel Benefits	1,368,200.00	1,368,200.00	1,368,200.00	-
Leave Monetization	427,611.00	427,611.00	427,611.00	-
Sub-total	1,795,811.00	1,795,811.00	1,795,811.00	-
3. Automatic Appropriations				
Retirement and Life Insurance Premium (RLIP)	1,657,000.00	1,657,000.00	1,657,000.00	-
Sub-total	1,657,000.00	1,657,000.00	1,657,000.00	-
Grand Total	24,133,271.47	24,133,271.47	24,116,040.38	17,231.09

9. COBSAT's assets, liabilities, government equity and sources and application of funds for CY 2019 with comparative figures in CY 2018 are presented as follows:

I. Financial Position:

Particulars	2019	2018	Increase (Decrease)
Total Assets	35,560,790.24	36,964,810.05	(1,404,019.81)
Total Liabilities	5,573,569.56	3,858,272.06	1,715,297.51
Total Equity	29,987,220.68	33,106,537.99	(3,119,317.31)

II. Sources and Application of Funds:

Particulars	2019	2018	Increase (Decrease)
Income	29,218,854.99	29,572,821.58	(353,966.59)
Cost of Sales	225,430.50	469,425.00	(243,994.50)
Personal Services	22,070,713.16	20,396,879.42	1,673,833.75
MOOE	7,365,611.48	9,150,071.13	(1,784,459.65)
Financial Expenses	-	-	-
Total Expenses	29,661,755.14	30,016,375.54	(354,620.40)
Excess of Income Over Expenses	(442,900.15)	(443,553.96)	653.81

Scope of Audit

10. The audit covered the review of the accounts and operations of COBSAT for the period January 1 to December 31, 2019. It was aimed in determining whether the financial statements present fairly the financial position of operations of the agency for the year ended in accordance with International Public Sector Accounting Standards (PPSAS), and determining the extent of compliance with existing laws, rules and regulations.

B. SUMMARY OF AUDIT OBSERVATIONS AND RECOMMENDATIONS

Misclassified/Unreliable account balance of Other Receivables - P355,009.80

11. Out of the Receivables account balance of P355,009.80 which aged for more than thirty (30) days, P340,575.00 was misclassified as Other Receivables instead of Due from Regional Office, and the amount P14,430.28 remained uncollected since

2018 which questioned the capability of the management to enforce collection and/or liquidation thus, affecting the fair presentation of the financial statements.

12. **We recommended that the management:**

1. **reclassify Other Receivables account to appropriate accounts;**
2. **intensify collections/settlement on the above-mentioned Accounts Receivables account; and**
3. **send demand letters for the officers/agencies concerned for the collections/settlement/liquidations of the Other Receivables which remained outstanding for more than thirty (30) days.**

Unreliable Due to Regional Offices

13. The balances of account, Due to Regional Offices amounting to P4,957,821.13 aged 91 days to over 365 days still remained unliquidated contrary to COA Circular No. 94-013, rendering the reported account in the financial statements unreliable.

14. **We recommended that the Management to:**

1. **submit to the Office of the Auditor supporting documents and justification why these still remain in the books of the agency; and**
2. **recognize liability at the actual time goods/services/projects are delivered/rendered/completed and accepted in accordance with the GAM and DBM Circular Letter No. 2013-16 dated December 23, 2013.**

Unreliable balance of Due and Demandable Accounts Payable and Other Payables

15. The balances of accounts, Due and Demandable Accounts Payable, and Other Payables aged 91 days to over 3 years totaling P484,453.34 still remained unpaid contrary to Section 2.j. Chapter 3, GAM, Volume I and Section 50, of same Manual, rendering the reported account in the financial statements unreliable.

16. **We recommended that the Management to:**

1. **submit to the Office of the Auditor supporting documents and justification why these still remain in the books of the agency;**
2. **notify concerned contractors/suppliers/claimants of their claims and to comply with the necessary documents prior to the release of payment;**

3. closely monitor obligations which are due and demandable for payment to refrain from accumulating long outstanding obligations; and
4. recognize liability at the actual time goods/services/projects are delivered/rendered/completed and accepted in accordance with the GAM and DBM Circular Letter No. 2013-16 dated December 23, 2013.

C. DETAILED OBSERVATIONS AND RECOMMENDATIONS

FINANCIAL AUDIT

Misclassified/Unreliable account balance of Other Receivables account – ₱355,009.80

17. *Out of the Receivables account balance of P355,009.80 which aged for more than thirty (30) days, P340,575.00 was misclassified as Other Receivables instead of Due from Regional Office, and the amount P14,430.28 remained uncollected since 2018 which questioned the capability of the management to enforce collection and/or liquidation thus, affecting the fair presentation of the financial statements.*

18. Government Accounting Manual (GAM) for National Government Agencies (NGAs), Volume III provides, as follows:

Due from Regional Office – Debit – This account is used to recognize transfer of funds not covered by allotment to their Regional Office from the Central Office/Bureau/Operating Units of NGAs. It also includes fund transfer to a Regional/Branch Office from another Regional/Branch Office of the same agency.

Credit – This account for payment/liquidation of fund transferred

Other Receivables - Debit - This account is used to recognize amount due from debtors and other agencies not falling under any of the specific receivable account. This also includes receivables from individuals or entities intended for specific projects or purpose not falling under any of the specific receivable account.

- Credit -This account for payment/liquidation

Impact of Misclassification

The integrity of the information in the accounting system is only as good as the information entered. This means including a receivable account in the appropriate account, applying the correct description or code, and entering the correct amount. Unfortunately, misclassification can result in two ways: simple mistakes or erroneous account assignment.

Misclassification is to classify incorrectly.

Reclassification in accounting, the term reclassification is often used to describe moving an amount from one general ledger account to another.

19. Verification disclosed that out of the Receivable account balance of P355,009.80, which aged for more than thirty (30) days, P340,575.00 was misclassified as Other Receivable account representing Receivable from Regional Office (as Subsidy from Regional Office), instead of Due from Regional Office, and out of the amount of P14,430.28, the amount of P6,658.80 representing overpayment to BIR FY 2018 remained unsettled/uncollected since 2018, and the amount of P7,771.48 representing payment of last salary of Mr. Glenn Gambi in the year 2018, SSP account was used instead of GF 101 account, which questioned the capability of the management to enforce collection and/or liquidation thereof.

20. The erroneous account assignment or misclassification of the account Other Receivables of P340,575.00, instead of Due from Regional Office and the doubtful of collection of the receivable amounting to P14,430.28 which remained unsettled/uncollected since 2018, thereby affecting the fair presentation of the financial statements.

21. **We recommended that the Management:**

- 1. reclassify Other Receivables account to appropriate accounts;**
- 2. intensify collections/settlement on the above-mentioned Accounts Receivables account; and**
- 3. Send demand letters for the officers/agencies concerned for the collections/settlement/liquidations of the Other Receivables which remained outstanding for more than thirty (30) days.**

Management Comment:

22. It was noted that the management still has uncollected receivables amounting to P355,009.80 which aged 91 days to over 2 years, thereby depriving the government of additional needed funds for its operations. This was attributed mainly to the receivable from Regional Office in year 2017 which is still unsettled. The Notes to Financial

Statement FY 2019 has been updated to show the further analysis of the said outstanding Other Receivables.

Unreliable Due to Regional Offices

23. ***The balances of account, Due to Regional Offices amounting to P4,957,821.13 aged 91 days to over 365 days still remained unliquidated contrary to COA Circular No. 94-013, rendering the reported account in the financial statements unreliable.***

24. COA Circular No. 94-013 dated December 13, 1994 provides for the Rules and Regulations in the Grant, Utilization and Liquidation of Funds Transferred to Implementing Agencies. There are projects which require inter-agency implementation. The funds are released to the agency which programmed the project in its Budget in turn. These funds are transferred/sub-allotted to the government agency which will implement the project.

25. Verification disclosed that the balance of account, Due to Regional Offices aged 91 to 365 days totaling ***P4,957,821.13*** still remained unliquidated.

26. The above condition is violative to the existing laws, rules and regulations on the immediate payment of obligations.

27. Hence, rendering the reported account in the financial statements unreliable.

28. **We recommended that the Management to:**

1. **submit to the Office of the Auditor supporting documents and justification why these still remain in the books of the agency; and**
2. **recognize liability at the actual time goods/services/projects are delivered/rendered/completed and accepted in accordance with the GAM and DBM Circular Letter No. 2013-16 dated December 23, 2013.**

Management Comment:

29. It was noted that the management still has unliquidated balance on “Due to Regional Offices” as of December 2019, which is contrary to COA Circular No. 94-013 rendering the reported account in financial statements unreliable. This was attributed to the remaining fund in the trust account which is unutilized as of December 2019, since disbursement is still ongoing in year 2020. This is per order of TESDA Region X, that unutilized cash can still be disbursed until September 2020 for its intended purpose.

Unreliable balance of Due and Demandable Accounts Payable and Other Payables

30. ***The balances of accounts, Due and Demandable Accounts Payable, and Other Payables aged 91 days to over 3 years totaling P484,453.34 still remained unpaid contrary to Section 2.j. Chapter 3, GAM, Volume I and Section 50, of same Manual, rendering the reported account in the financial statements unreliable.***

31. Section 2.j. of Chapter 3, Government Accounting Manual, Volume I defines:

“Obligation is an act of a duly authorized official which binds the government to the immediate or eventual payment of a sum of money. Obligation maybe referred to as a commitment that encompasses possible future liabilities based on current contractual agreement.” And

32. Section 5-Disbursements through List of Due and Demandable Accounts Payable-Advice to Debit Account. provides that:

“The use of LDDAP-ADA as a mode of settlement of accounts payable due the creditors/payees of all NGAs and their OUs was prescribed under DBM Circular Letter No. 2013-6 dated December 23, 2013 which implemented the ExMDPS, amended by DBM Circular Letter Nos. 2013-16A and 2013-16B dated February 6, 2014 and February 25, 2014, respectively.”

33. Verification disclosed that the balance of account, Due and Demandable Accounts Payable aged 91 days to over 3 years totaling P484,453.34 still remained unpaid, broken down as follows:

CURRENT LIABILITIES	AMOUNT
Accounts Payable	41,855.40
Other Payables	442,597.94
Total	484,453.34

34. The above condition is violative to the existing laws, rules and regulations on the immediate payments of obligations.

35. Hence, rendering the reported account in the financial statements unreliable.

36. **We recommended that the Management to:**

1. **submit to the Office of the Auditor supporting documents and justification why these still remain in the books of the agency;**
2. **notify concerned contractors/suppliers/claimants of their claims and to comply with the necessary documents prior to the release of payment;**
3. **closely monitor obligations which are due and demandable for payment to refrain from accumulating long outstanding obligations; and**
4. **recognize liability at the actual time goods/services/projects are delivered/rendered/completed and accepted in accordance with the GAM and DBM Circular Letter No. 2013-16 dated December 23, 2013.**

Management Comment:

37. It was noted that the management still has unpaid balances of accounts, due and demandable accounts payables, and other payables aged 91 to over 3 years which is contrary to Section 2.J. Chapter 3, GAM Volume I and Section 50, of same Manual, rendering the reported account in the financial statements unreliable. This was attributed to the untraceability of some, and the unclaimed accounts for more than 2 years. Thus, the management requests for the reversion of the said unliquidated balances of the payable accounts to accumulated surplus, per Section 98 of PD 1445, since there is no actual claim, administrative or judicial, that has been filed.

Gender and Development (GAD)

38. COBSAT have expended ₱877,950.00 for its Gender and Development Program activities which is 5% requirement of its total appropriations of ₱17,559,000.00 for CY 2019, in accordance with the requirement under Section 31 of RA No. 11260, the General Appropriations Act for FY 2019. Presented hereunder is the GAD Activity, Result and Actual Expenditures:

GAD Mandate/Gender Issue	GAD Activity	Actual Result (Outputs/outcomes)	Actual Cost/Expenditure
<i>Client Focused</i>			
Gender biases in the TVET instructional materials and curricula are existing	Conduct training on basic competencies with Gender Sensitive Curriculum and Trainer's Manual developed under GREAT Women Project	Trained 122 males and 242 females on basic competencies with Gender Curriculum and an additional 481 males	86,326.09

		and 351 females UAQTEA scholars	
Limited access of women in the selected barangays / communities for short term training (cluster of competencies) specific to their needs	Conduct short term training (cluster of competencies) specific to the needs of women in the selected barangays/communities	Conducted short-term training in different places to 2,181 women (cluster of competencies)	397,669.49
Women IPs lack equal opportunities for skills training program	Provide skills training program according to the needs/skills requirements of Indigenous Peoples (IPs)/Cultural Communities and submit monitoring reports on the skills training program provided	Trained 251 IPs in different barangays in the suburb and hinterlands of Misamis Oriental and Bukidnon	32,905.64
Female TVET graduates lack access to job opportunities	Refer/indorse female TVET graduates to job opportunities	Endorsed 120 female TVET graduates for job opportunities	16,397.32
Rehabilitated women victims of drug related cases lack equal access to opportunities for skills training program	Coordinate/provide/conduct and monitor skills training program for the rehabilitated women victims of drug related cases		
		Conducted skills training programs for Tokhang in 6 Qualifications: Auto Mech. Tech, Housekeeping NC II, FBS NC II, Bartending NC II, SMAW NC II and SMAW NC III	223,970.00
		Monitored skills training programs for Tokhang in 6 Qualifications: Auto Mech. Tech, Housekeeping NC II, FBS NC II, Bartending NC II, SMAW NC II and SMAW NC III	5,490.23
Less number of skilled/trained women workers were assessed in various qualifications	Coordinate/refer/provide/conduct free competency assessment and certification to skilled women workers and prepare/submit monitoring reports	260 skilled women provided free competency assessment	50,699.32
Faculty, personnel and students of TTIs who are victims of rape,	Coordinate with the DOJ, CHR, DSWD and LGU for the access of assistance and services needed	Provided assistance to 4 disadvantage women an	10,891.95

sexual harassment and other forms of violence lack access to appropriate assistance and services	by the faculty, personnel and students of TTIs who are victims of rape, sexual harassment and other forms of violence	access to skills training program	
Organization- Focused Activities			
Ensure activities and participation of employees on November 25 to December 12 every year to celebrate the "18 Day Campaign to End Violence Against Women per Proclamation No. 1172	Organize and or participate in activities in support of the 18-Day Campaign to End VAW	Organized 2 activities Mass and Zumba for November	4,000.00
Ensure members of the GFPS and GAD Focals to undergo capacity building programs on gender and development (GAD) which shall include but not limited to: gender sensitivity training (GST), gender analysis, GAD planning and budgeting and gender audit per MCW/RA 9710 Rule VI Institutional Mechanisms Section 37C	Provide TESDA-10 members of GFPS and GAD focals capacity building programs on GAD and or send to conferences/ meetings, forum, seminars on GAD related concerns/training/programs	Attended 2 GAD related activities sponsored by TESDA 10	6,685.27
Observance of the Month of March as "Women's Role in History Month" per Proclamation No. 227, s. 1988	Organize and or participate in the activities in celebration of the National Women's Month	Organized 4 activities on March for Women's Month Celebration: Forum, Zumba, Quiz Bee, and Parlor Games.	64,969.36
MCW Chapter VI Institutional Mechanisms Sec. 36 Generation and Maintenance of GAD Database. All departments, including their attached agencies, offices,	Process and update sex disaggregated EGACE data in the TESDA Monitoring System	Made 12 reports (1/month) on sex disaggregated data based	35,909.00

bureaus-state universities and colleges, government-owned and controlled corporations, local government units, and other government instrumentalities shall develop and maintain a GAD database containing gender statistics and sex-disaggregated data that have been systematically gathered, regularly updated, and subjected to gender analysis for planning, programming, and policy formulation			
MCW/RA 9710 Chapter V-Rights and Empowerment of Marginalized Sector Sec. 26 Right to Information-access to information regarding policies on women, including programs, projects, and funding outlays that affect them, shall be ensured	Develop advocacy materials (brochures, flyers, newsletter, success stories, video, etc.) on GAD/TESDA programs and services	Posted 10 Success Story on the Bulletin Board	5,600.00
MCW Chapter VI Institutional Mechanisms Sec. 36 Planning, budgeting, monitoring and evaluation for GAD. GAD programs addressing gender issues and concerns shall be designed and implemented based on the mandate of government agencies and local government units	Conduct workshop among GFPS members to formulate the Annual GAD Plan and Budget and GAD Accomplishment Report of TESDA Region 10	1 Plan and 1 Accomplishment Report for 2019.	6,685.27
TOTAL			1,045,667.63

Senior Citizens and Persons with Disability

39. For CY 2019, the agency was able to provide trainings to 45 Senior Citizens and Persons with Disability have enrolled and were accommodated in various courses of TESDA in 2019, as follows:

PWD Accomplishment Report

Program/Activity /Project (PAP)	Specific Focus of PAP i.e. accessibility, education, livelihood, skills trainings, employment and others	Agency Total Budget	Fund Allocation for Disability/PWDs related PAP	% of Amount Utilized against total Budget
<ol style="list-style-type: none"> 1. Provide Skills Training to PWD of Bugo 2. Uplift financial capacity of persons with disability 3. Improve self-esteem of PWD Organization of Bugo Chapter 	Skills training on: Pineapple Marmalade Tocino Sayote Pickles Chicken Nuggets	c/o TESDA Provincial Office		

Senior Citizen Accomplishment Report

Date	Objective	Activity	Num of Beneficiaries	Budget
May 2019	To equip senior citizens with the skills to make nuggets and	Conduct Skills Training: Chicken Nuggets Sayote Pickles Making	10	P 2,500

	pickles in order to feel important in the community			
April 2019	To equip senior citizens with the entrepreneurial skills to be able to start a cooperative to be sponsored by the parish	Conduct Entrepreneurial Seminar	10	P1,000
January 2019	To equip senior citizens with the skills to make nuggets and pickles to start a cooperative to be sponsored by the parish	Conduct Skills Training: Chicken Nuggets Sayote Pickles Making	10	P2,500
Total				6,000.00

Philhealth and Pag-Ibig Premiums

40. The agency had been compliant with Title III, Section 18 of the Implementing Rules and Regulations of R.A. No. 7875 as amended in the payment of national health insurance premium contributions to the PhilHealth. It was also compliant with Rule VII, Section 3 of the Implementing Rules and Regulations of R.A. No. 9679 in the collection and remittance of contributions to the Pag-Ibig Fund.

41. For CY 2019, the agency was able to remit **₱366,677.81** for PhilHealth as follows:

Year/Month	Philhealth Contribution		Deposit Slip No.	Date	Under (Over) Remittance
	Employee Share	Government Share			
Beginning Balance, January 1					
January	13,861.77	13,861.94	523026	2/4/2019	-
February	13,861.77	13,861.94	45477	3/4/2019	-
March	14,492.57	14,492.74	865457	4/2/2019	-

April	15,434.11	15,434.19	931858	5/2/2019	-
May	15,434.11	15,434.19	782266	6/4/2019	-
June	15,434.11	15,434.19	787049	7/5/2019	-
July	15,434.11	15,434.19	204863	8/7/2019	-
August	15,434.11	15,434.19	609276	9/6/2019	-
September	15,434.11	15,434.19	977408	10/7/2019	-
October	16,092.55	16,092.62	324581	11/4/2019	-
November	16,092.55	16,092.62	820466	12/4/2019	-
December	16,332.40	16,332.54	349535	1/2/2019	-
TOTAL	183,338.27	183,339.54			-

42. The remittance comprises of Personal Share in the amount of **₱207,500.00** and Government Share in the amount of **₱46,400.00** for a total of **₱253,900.00**.

43. The agency was able to remit the total amount of **₱617,645.11** and unremitted balance of **₱500.00** for CY 2019 for Home Development Mutual Fund (HDMF), to wit:

Year/ Month	Pag- IBIG Contribution		Employee Loans/Repa yments Amortization	Total	Amount Remitted	Unremitte d Balance
	Employee Share	Governme nt Share				
Beginning Balance, January 1	2,400.00			2,400.00		2,400.00
January	14,800.00	3,700.00	30,699.33	49,199.33	51,099.33	(1,900.00)
February	16,700.00	3,500.00	30,143.52	50,343.52	50,343.52	-
March	17,100.00	3,900.00	30,143.52	51,143.52	51,143.52	-
April	17,100.00	3,900.00	30,510.08	51,510.08	51,510.08	-
May	17,400.00	3,900.00	26,482.38	47,782.38	47,782.38	-
June	17,400.00	3,900.00	24,790.18	46,090.18	46,090.18	-
July	17,500.00	3,800.00	30,082.27	51,382.27	51,382.27	-
August	17,500.00	3,800.00	32,895.86	54,195.86	54,195.86	-
September	17,350.00	3,800.00	32,972.96	54,122.96	54,272.96	(150.00)
October	18,850.00	4,000.00	35,552.45	58,402.45	58,252.45	150.00

November	16,700.00	4,100.00	26,052.45	46,852.45	46,852.45	-
December	16,700.00	4,100.00	33,420.11	54,220.11	54,220.11	-
TOTAL	207,500.00	46,400.00	363,745.11	617,645.11	617,145.11	500.00

Compliance with R.A. No. 8291 (GSIS Law)

44. The agency deducted premiums and loans totaling **₱2,801,717.48** from the salaries of Cagayan de Oro (Bugo) School of Arts & Trades (COBSAT) employees and remitted the same to the GSIS for CY 2019 in compliance with R.A. No. 8291.

45. During the year, COBSAT deducted from their employees, the GSIS premiums, Employees Compensation Contributions, Optional Life Insurance and loans in the total amount of **₱2,802,833.86** and remitted **₱2,801,717.48** to the GSIS within the year in accordance with R.A. No. 8291, thereby leaving a balance of **₱1,116.38** as of December 31, 2019, to wit:

Month	Payable	Remittance	Under (Over) Remittance
January	209,548.75	209,548.75	-
February	214,752.78	214,752.78	-
March	211,662.38	209,785.62	1,876.76
April	237,080.53	244,466.20	(7,385.67)
May	221,345.57	215,824.54	5,521.03
June	228,572.64	228,572.64	-
July	222,470.10	224,534.52	(2,064.42)
August	241,035.18	241,035.18	-
September	251,180.01	249,115.59	2,064.42
October	255,018.48	5,826.99	249,191.49
November	255,299.01	249,703.13	5,595.88
December	254,868.43	508,551.54	(253,683.11)
Total	2,802,833.86	2,801,717.48	1,116.38

Compliance with Tax Laws

46. The agency complied with the duties and responsibilities as a withholding agent of the BIR pursuant to Revenue Regulation No. 2-98, Revenue Memorandum Circular No. 23-007 dated March 20, 2007 and EO No. 651.

47. In compliance with EO No. 651, directing all ministries, bureaus, offices, agencies and instrumentalities of the Philippines and provincial, city or municipal governments, as well as GOCCs to comply strictly with the requirement for withholding and remittance of internal revenue taxes imposed by the National Internal Revenue Code, the Cagayan de Oro (Bugo) School of Arts & Trades (COBSAT) for CY 2019, withheld taxes totaling ₱1,373,390.56 and remitted to the Bureau of Internal Revenue (BIR) the total amount ₱1,321,537.50 and the balance of ₱51,853.06 remained unremitted as of this report.

Period	Amount		Date of Remittance
	Withheld	Remitted	
January, 2019	67,211.61	67,988.19	2/8/2019
February	60,829.36	60,851.54	3/10/2019
March	70,472.30	31,666.64	4/10/2019
April	83,698.93	83,721.12	5/10/2019
May	88,725.61	127,470.75	6/10/2019
June	97,401.49	97,401.49	7/10/2019
July	118,349.13	118,349.13	8/11/2019
August	142,497.73	142,289.73	9/11/2019
September	155,222.69	155,222.70	10/10/2019
October	151,535.77	155,015.34	11/9/2019
November	169,448.22	165,968.72	12/12/2019
December	167,997.72	115,592.15	1/9/2020
TOTAL	1,373,390.56	1,321,537.50	

Status of Suspensions, Disallowance and Charges

48. The audit suspensions were fully settled during the year while there was no audit disallowance and charges during the year.

Particulars	Balance, January 1, 2019	Issuances Jan. to Dec. 2019	Settlement, Jan. to Dec. 2019	Balance, Dec. 31, 2019
Notice of Suspension	0.00	13,305,873.91	13,305,873.91	0.00
Notice of Disallowance	0.00	0.00	0.00	0.00
Notice of Charge	0.00	0.00	0.00	0.00
Total	0.00	13,305,873.91	13,305,873.91	0.00

D. STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT RECOMMENDATIONS

49. We made a follow-up on the action taken by the Management to implement the recommendations of prior years' and noted the following:

Status of Implementation	No. of Recommendations
Fully Implemented	1
Partially Implemented	none
Not Implemented	none
Total	1

50. The results of the validation of the implementation of prior years' contained in CY 2018 Management Letter are presented below.

51. There was one audit recommendation which Management has fully implemented, as follows:

RECOMMENDATION	Status of Implementation Full/Partial/ Unimplemented	Reason/s for Partial/ Non- implementation
<i>Non-submission of financial accountability reports and supporting schedules precluded the prompt audit of accounts and financial transactions, early detection and/or correction of deficiencies/errors and timely reporting of the audit results to the management in contravention with Sec. 122 of P.D. 1445, and COA-DBM Joint Circular No. 2013-01 dated March 13, 2013.</i>	Fully Implemented	
We recommend that management: 1. Require the Budget Officer and the Accountant to keenly observe the deadline set for the submission of the financial accountability reports and other supporting documents as required under COA-DBM Joint Circular No. 2013-01 dated March 13, 2013.		

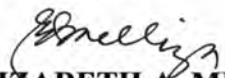
<p>We recommend that management:</p> <ol style="list-style-type: none"> 2. Require the Head of the Agency to properly monitor the timely submission of the required financial accountability reports and strictly impose the penalties provided for in Sec. 6 of and COA-DBM Joint Circular No. 2013-01 dated March 13, 2013 for failure of the responsible officers to submit said reports within the prescribed period. 3. Make appropriate measures to ensure compliance with other related laws and COA circulars regarding the submission of financial accountability reports and its supporting documents. 		
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E. ACKNOWLEDGEMENT

52. We wish to express our appreciation to the Management and staff of Cagayan de Oro (Bugo) School of Arts & Trades, Bugo, Cagayan de Oro City for the cooperation and assistance extended to our audit team during the audit.

53. We request that a status report, by accomplishing the attached Agency Action Plan and Status of Implementation form, on the actions taken on the audit recommendations be submitted within 60 days from receipt of this report, pursuant to the General Provisions of the General Appropriations Act FY 2019 (R.A. 11260).

Very truly yours,


ELIZABETH A. MELLIZA
 Acting – Audit Team Leader
 State Auditor III

Copy Furnished:

The Regional Director
 COA Regional Office No. 10
 Cagayan de Oro City

The Supervising Auditor
TESDA Central Office
East Service Road
Taguig City, Metro Manila

The Regional Supervising Auditor
NGS 5, COA Region X
Cagayan de Oro City

File

TABLE OF ANNEXES

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A	Statement of Management's Responsibility for Financial Statements
B	Consolidated Statement of Financial Position for CY 2019 with Comparative Figures for CY 2018
B1	Detailed Consolidated Statement of Financial Position for CY 2019 with Comparative Figures for CY 2018
C	Consolidated Statement of Financial Performance for CY 2019 with Comparative Figures for CY 2018
C1	Detailed Consolidated Statement of Financial Performance for CY 2019 with Comparative Figures for CY 2018
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F	Notes to Financial Statements



TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY - Region 10
Cagayan de Oro (Bugo) School of Arts & Trades
 Bugo, Cagayan de Oro City / email add : cobsat@yahoo.com / cobsat@tesda.gov.ph / website : www.cobsat.ph
 Tel. No. (088) 855-87-20, 890-6007, (088) 855-21-85, 890-6005
 9000 Philippines



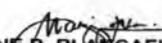
Accredited : One Star in Automotive Servicing NC II - System of TVET Accreditation and Recognition (STAR)

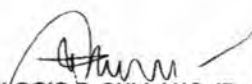
COA TESDA
 RECEIVED
 Date: 25/2022/mso. 2021
 By: _____

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
 FOR FINANCIAL STATEMENTS**

The management of **CAGAYAN DE ORO (BUGO) SCHOOL OF ARTS AND TRADES** is responsible for all information and representations contained in the accompanying Statement of Financial Position as of **December 31, 2019** and the related Statement of Financial Performance and Cash Flow for the year then ended. The financial statements have been prepared in conformity with generally accepted state accounting principles and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure the transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.


MARY JUNE R. BLANCAFLOR, CPA
 Accountant I


EULOGIO P. SULLANO JR., PhD.
 Vocational School Administrator III

VISION

Cagayan de Oro (Bugo) School of Arts & Trades is the center of excellence for Technical-Vocational Education and Training (TVET) producing competent workers with desirable work values.

MISSION

The school provides quality TVET with the involvement of the stakeholders to meet the global demand of competent workforce.

VALUE STATEMENT

We believe in the true world of work demonstrated with high integrity and commitment to people whom we serve.

GOALS

1. To provide trainees with quality TVET that will enable them to demonstrate competencies resembling to the global standards.
2. To further ensure quality skills provision, excellent training delivery is with the involvement of stakeholders and industry partners as linkages.
3. To produce globally competent workers with desirable work values for optimum productivity addressing the needs of the industries.
4. To orient graduates on entrepreneurial options for self-employment and entrepreneurship, thus generate jobs for a more prosperous society.



**TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY
CAGAYAN DE ORO (BUGO) SCHOOL OF ARTS AND TRADES
STATEMENT OF FINANCIAL POSITION
CONSOLIDATED FUND
As of December 31, 2019**

ASSETS		<u>2019</u>	<u>2018</u>
Current Assets			
Cash and Cash Equivalents	4	5,754,164.31	3,807,708.73
Receivables	5	355,009.80	375,779.84
Inventories	6	359,947.63	984,045.75
Other Current Assets	8	130,178.26	135,016.42
Total Current Assets		<u>6,599,300.00</u>	<u>5,302,550.74</u>
Non-Current Assets			
Property, Plant and Equipment	7	28,461,540.05	31,162,309.12
Other Non-Current Assets	8	499,950.19	499,950.19
Total Non-Current Assets		<u>28,961,490.24</u>	<u>31,662,259.31</u>
Total Assets		<u>35,560,790.24</u>	<u>36,964,810.05</u>
LIABILITIES			
Current Liabilities			
Financial Liabilities		41,855.40	41,855.40
Inter-Agency Payables	9	101,295.09	20,826.83
Intra-Agency Payables	10	4,987,821.13	3,329,772.75
Other Payables	11	442,597.94	465,817.08
Total Current Liabilities		<u>5,573,569.56</u>	<u>3,858,272.06</u>
Total Liabilities		<u>5,573,569.56</u>	<u>3,858,272.06</u>
Total Assets less Total Liabilities		<u>29,987,220.68</u>	<u>33,106,537.99</u>
NET ASSETS/EQUITY			
Accumulated Surplus/(Deficit)		29,987,220.68	33,106,537.99
Total Net Assets/Equity		<u>29,987,220.68</u>	<u>33,106,537.99</u>

TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY
CAGAYAN DE ORO (BUGO) SCHOOL OF ARTS AND TRADES
STATEMENT OF FINANCIAL POSITION
CONSOLIDATED FUND
As of December 31, 2019

	<u>2019</u>		<u>2018</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	<u>5,754,164.31</u>		<u>3,807,708.73</u>
Cash on Hand	<u>126,167.54</u>		<u>46,465.45</u>
Cash-Collecting Officers	106,167.54	#	41,204.40
Petty Cash	20,000.00	#	5,261.05
Cash in Bank-Local Currency	<u>5,627,996.77</u>		<u>3,761,243.28</u>
Cash in Bank-Local Currency, Current Account	5,627,996.77	#	3,761,243.28
Treasury/Agency Cash Accounts	<u>-</u>		<u>-</u>
Cash- Modified Disbursement System (MDS), Regular			
Cash-Modified Disbursement System (MDS), Special Account			
Receivables	<u>355,009.80</u>		<u>375,779.84</u>
Loans and Receivable Accounts	<u>-</u>		<u>-</u>
Accounts Receivable			
<i>Allowance for Impairment-Accounts Receivable</i>			
<i>Net Value- Accounts Receivable</i>	<u>-</u>		<u>-</u>
Other Receivables	<u>355,009.80</u>		<u>375,779.84</u>
Receivables-Disallowances/Charges Due from Officers and Employees			
Due from Non-Government Organizations/People's Organizations			

Other Receivables	355,009.80	#	375,779.84
Allowance for Impairment-Other Receivables			
<i>Net Value-Other Receivables</i>	<u>355,009.80</u>		<u>375,779.84</u>
Inventories	359,947.63		984,045.75
Inventory Held for Sale	<u>1,034.00</u>		<u>845.00</u>
Merchandise Inventory	1,034.00	#	845.00
Inventory Held for Consumption	<u>358,913.63</u>		<u>975,621.75</u>
Office Supplies Inventory	186,926.63	#	486,926.63
Accountable Forms, Plates and Stickers Inventory	30,000.00	#	10,000.00
Drugs and Medicines Inventory			
Textbooks and Instructional Materials Inventory	-	#	234,277.12
Other Supplies and Materials Inventory	141,987.00	#	244,418.00
Semi-Expendable Machinery and Equipment	<u>-</u>		<u>7,579.00</u>
Semi-Expendable Office Equipment	-	#	7,579.00
Semi-Expendable ICT Equipment			
Semi-Expendable Communication Equipment			
Semi-Expendable Disaster Response and Rescue Equipment			
Semi-Expendable Technical and Scientific Equipment			
Semi-Expendable Other Machinery and Equipment			
Semi-Expendable Furniture, Fixtures and Books	<u>-</u>		<u>-</u>
Semi-Expendable Furniture and Fixtures			
Semi-Expendable Books			
Other Current Assets	130,178.26		135,016.42
Advances	<u>-</u>		<u>-</u>
Advances to Officers and Employees			
Prepayments	<u>59,478.26</u>		<u>64,316.42</u>
Prepaid Rent	13,120.00	#	13,120.00

Prepaid Insurance	9,283.26	#	21,996.42
Other Prepayments	37,075.00	#	29,200.00
Deposits	70,700.00		70,700.00
Guaranty Deposits	70,000.00	#	70,000.00
Other Deposits	700.00	#	700.00
Total Current Assets	6,599,300.00		5,302,550.74
Non-Current Assets			
Property, Plant and Equipment	28,461,540.05		31,162,309.12
Land	412,250.00		412,250.00
Land	412,250.00	#	412,250.00
<i>Accumulated Impairment Losses-Land</i>			
<i>Net Value</i>	412,250.00		412,250.00
Land Improvements	95,000.00		95,000.00
Other Land Improvements	95,000.00	#	95,000.00
<i>Accumulated Depreciation-Other Land Improvements</i>			
<i>Accumulated Impairment Losses-Other Land Improvements</i>			
<i>Net Value</i>	95,000.00		95,000.00
Infrastructure Assets	492,533.55		532,604.31
Power Supply Systems	809,509.09	#	809,509.09
<i>Accumulated Depreciation-Power Supply Systems</i>	(316,975.54)	#	(276,904.78)
<i>Accumulated Impairment Losses-Power Supply Systems</i>			
<i>Net Value</i>	492,533.55		532,604.31
Buildings and Other Structures	10,622,433.78		11,399,830.69
School Buildings	25,919,558.14	#	25,919,558.14
<i>Accumulated Depreciation-School Buildings</i>	(15,310,432.28)	#	(14,533,558.69)
<i>Accumulated Impairment Losses-School Buildings</i>			
<i>Net Value</i>	10,609,125.86		11,385,999.45
Other Structures	37,997.15	#	37,997.15

<i>Accumulated Depreciation-Other Structures</i>	(24,689.23)	#	(24,165.91)
<i>Accumulated Impairment Losses-Other Structures</i>			
<i>Net Value</i>	<u>13,307.92</u>		<u>13,831.24</u>
Machinery and Equipment	<u>16,410,385.57</u>		<u>18,232,620.76</u>
Machinery	47,872.34	#	47,872.34
<i>Accumulated Depreciation-Machinery</i>	(43,085.11)	#	(43,085.11)
<i>Accumulated Impairment Losses-Machinery</i>			
<i>Net Value</i>	<u>4,787.23</u>		<u>4,787.23</u>
Office Equipment	2,129,056.68	#	2,109,078.68
<i>Accumulated Depreciation-Office Equipment</i>	(1,646,273.28)	#	(1,504,039.43)
<i>Accumulated Impairment Losses-Office Equipment</i>			
<i>Net Value</i>	<u>482,783.40</u>		<u>605,039.25</u>
Information and Communication Technology Equipment	8,151,050.46	#	8,151,050.44
<i>Accumulated Depreciation-Information and Communication Technology Equipment</i>	(5,210,363.71)	#	(4,712,945.47)
<i>Accumulated Impairment Losses-Information and Communication Technology Equipment</i>			
<i>Net Value</i>	<u>2,940,686.75</u>		<u>3,438,104.97</u>
Communication Equipment	471,050.83	#	471,050.83
<i>Accumulated Depreciation-Communication Equipment</i>	(221,040.75)	#	(182,295.75)
<i>Accumulated Impairment Losses-Communication Equipment</i>			
<i>Net Value</i>	<u>250,010.08</u>		<u>288,755.08</u>
Disaster Response and Rescue Equipment			
<i>Accumulated Depreciation-Disaster Response and Rescue Equipment</i>			
<i>Accumulated Impairment Losses-Disaster Response and Rescue Equipment</i>			
<i>Net Value</i>	<u>-</u>		<u>-</u>
Technical and Scientific Equipment	40,690,241.73	#	40,690,241.73
<i>Accumulated Depreciation-Technical and Scientific Equipment</i>	(28,008,771.62)	#	(26,857,051.50)

<i>Accumulated Impairment Losses- Technical and Scientific Equipment Net Value</i>	<u>12,681,470.11</u>		<u>13,833,190.23</u>
Other Machinery and Equipment	93,200.00	#	93,200.00
<i>Accumulated Depreciation-Other Machinery and Equipment</i>	(42,552.00)	#	(30,456.00)
<i>Accumulated Impairment Losses- Other Machinery and Equipment Net Value</i>	<u>50,648.00</u>		<u>62,744.00</u>
Transportation Equipment	<u>201,205.63</u>		<u>264,205.63</u>
Motor Vehicles	1,379,356.25	#	1,379,356.25
<i>Accumulated Depreciation-Motor Vehicles</i>	(1,178,420.62)	#	(1,115,420.62)
<i>Accumulated Impairment Losses- Motor Vehicles Net Value</i>	<u>200,935.63</u>		<u>263,935.63</u>
Other Transportation Equipment	2,700.00	#	2,700.00
<i>Accumulated Depreciation-Other Transportation Equipment</i>	(2,430.00)	#	(2,430.00)
<i>Accumulated Impairment Losses- Other Transportation Equipment Net Value</i>	<u>270.00</u>		<u>270.00</u>
Furniture, Fixtures and Books	<u>227,731.52</u>		<u>225,797.72</u>
Furniture and Fixtures	290,624.22	#	268,424.22
<i>Accumulated Depreciation-Furniture and Fixtures</i>	(108,421.20)	#	(88,155.00)
<i>Accumulated Impairment Losses- Furniture and Fixtures Net Value</i>	<u>182,203.02</u>		<u>180,269.22</u>
Books	455,285.00	#	455,285.00
<i>Accumulated Depreciation-Books</i>	(409,756.50)	#	(409,756.50)
<i>Accumulated Impairment Losses-Books Net Value</i>	<u>45,528.50</u>		<u>45,528.50</u>
Other Property, Plant and Equipment	<u>-</u>		<u>-</u>
Other Property, Plant and Equipment			
<i>Accumulated Depreciation-Other Property, Plant and Equipment</i>			

<i>Accumulated Impairment Losses- Other Property, Plant and Equipment</i>	-	-
<i>Net Value</i>		
Other Non-Current Assets	499,950.19	499,950.19
Other Assets	499,950.19	499,950.19
Other Assets	499,950.19	# 499,950.19
<i>Accumulated Impairment Losses-Other Assets</i>		
<i>Net Value</i>	499,950.19	499,950.19
Total Non-Current Assets	28,961,490.24	31,662,259.31
TOTAL ASSETS	35,560,790.24	36,964,810.05
LIABILITIES		
Liabilities		
Current Liabilities		
Financial Liabilities	41,855.40	41,855.40
Payables	41,855.40	41,855.40
Accounts Payable	41,855.40	# 41,855.40
Due to Officers and Employees		
Inter-Agency Payables	101,295.09	20,826.83
Due to BIR	97,335.56	# 16,083.67
Due to GSIS	1,827.67	# 711.30
Due to Pag-IBIG	500.00	# 2,400.00
Due to PhilHealth	1,631.86	# 1,631.86
Intra-Agency Payables	4,987,821.13	3,329,772.75
Due to Central Office		
Due to Bureaus		
Due to Regional Offices	4,987,821.13	# 3,329,772.75
Due to Operating Units		
Other Payables	442,597.94	465,817.08

Other Payables	442,597.94	#	465,817.08
Total Current Liabilities	<u>5,573,569.56</u>		<u>3,858,272.06</u>
Total Liabilities	<u>5,573,569.56</u>		<u>3,858,272.06</u>
Total Assets less Total Liabilities	<u><u>29,987,220.68</u></u>		<u><u>33,106,537.99</u></u>
Net Assets/Equity			
Equity			
Government Equity	<u>29,987,220.68</u>		<u>33,106,537.99</u>
Accumulated Surplus/(Deficit)	29,987,220.68		33,106,537.99
Total Net Assets/Equity	<u><u>29,987,220.68</u></u>		<u><u>33,106,537.99</u></u>

**TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY
CAGAYAN DE ORO (BUGO) SCHOOL OF ARTS AND TRADES
STATEMENT OF FINANCIAL PERFORMANCE
CONSOLIDATED FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Revenue			
Service and Business Income	12	4,499,988.20	6,891,366.51
Gains	17	-	4,769.00
Grants and Donations	18	-	60,900.00
		<u>4,499,988.20</u>	<u>6,957,035.51</u>
Less: Current Operating Expenses			
Personnel Services	13	22,070,713.16	20,396,879.42
Maintenance and Other Operating Expenses	14	7,365,611.48	9,150,071.13
Financial Expenses		-	-
Non-Cash Expenses	15	<u>2,742,947.09</u>	<u>2,604,528.33</u>
		<u>32,179,271.73</u>	<u>32,151,478.88</u>
Surplus/(Deficit) from Current Operations		<u>(27,679,283.53)</u>	<u>(25,194,443.37)</u>
Net Financial Assistance/Subsidy	16	24,493,436.29	22,146,361.07
Surplus/(Deficit) for the period		<u>(3,185,847.24)</u>	<u>(3,048,082.30)</u>

**TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY
CAGAYAN DE ORO (BUGO) SCHOOL OF ARTS AND TRADES
DETAILED STATEMENT OF FINANCIAL PERFORMANCE
CONSOLIDATED FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
Revenue		
Service and Business Income		
Service Income		
Clearance and Certification Fees	14,840.00	16,220.00
Other Service Income	-	-
Total Service Income	<u>14,840.00</u>	<u>16,220.00</u>
Business Income		
School Fees	172,388.00	783,511.48
Examination Fees	2,843,271.00	2,883,430.00
Seminar/Training Fees	937,200.00	2,905,167.53
Sales Revenue	394,839.70	675,942.50
Less: Cost of Sales	(225,430.50)	(469,425.00)
Other Business Income	362,880.00	96,520.00
Total Business Income	<u>4,485,148.20</u>	<u>6,875,146.51</u>
Gains		
Other Gains	-	4,769.00
Total Gains	<u>-</u>	<u>4,769.00</u>
Grants and Donation		
Income from Grants and Donations in Kind	-	60,900.00
Total Grants and Donation	<u>-</u>	<u>60,900.00</u>
Total Revenue	<u>4,499,988.20</u>	<u>6,957,035.51</u>
Less: Current Operating Expenses		
Personnel Services		
Salaries and Wages		
Salaries and Wages-Regular	13,891,141.04	13,147,871.33

Salaries and Wages-Casual/Contractual	248,550.92	211,404.00
Total Salaries and Wages	14,139,691.96	13,359,275.33
Other Compensation		
Personal Economic Relief Allowance (PERA)	910,751.58	906,563.06
Representation Allowance (RA)	60,000.00	57,500.00
Transportation Allowance (TA)	60,000.00	57,500.00
Clothing/Uniform Allowance	228,000.00	228,000.00
Productivity Enhancement Incentive	194,000.00	185,000.00
Other Personnel Benefits	647,200.00	-
Honoraria		
Year End Bonus	2,283,034.00	2,157,743.00
Cash Gift	190,000.00	180,000.00
Other Bonuses and Allowances	990,000.00	750,000.00
Total Other Compensation	5,562,985.58	4,522,306.06
Personnel Benefit Contributions		
Retirement and Life Insurance Premiums	1,667,820.72	1,555,162.88
Pag-IBIG Contributions	45,800.00	45,300.00
PhilHealth Contributions	181,204.31	171,026.50
Employees Compensation Insurance Premiums	45,600.00	45,400.00
Total Personnel Benefit Contributions	1,940,425.03	1,816,889.38
Other Personnel Benefits		
Terminal Leave Benefits	427,610.59	698,408.65
Total Other Personnel Benefits	427,610.59	698,408.65
Total Personnel Services	22,070,713.16	20,396,879.42
Maintenance and Other Operating Expenses		
Traveling Expenses		
Traveling Expenses-Local	774,142.16	489,769.97
Total Traveling Expenses	774,142.16	489,769.97
Training and Scholarship Expenses		
Training Expenses	877,004.97	955,965.30
Total Training and Scholarship Expenses	877,004.97	955,965.30
Supplies and Materials Expenses		
Office Supplies Expenses	324,700.09	556,540.80
Drugs and Medicines Expenses	8,644.95	1,580.00

Fuel, Oil and Lubricants Expenses	166,291.79	156,763.30
Textbooks and Instructional Materials Expenses	234,277.12	-
Semi-Expendable Office Equipment	-	31,035.00
Semi-Expendable Furniture and Fixtures Expenses	14,000.00	-
Other Supplies and Materials Expenses	1,607,684.78	1,027,703.05
Total Supplies and Materials Expenses	2,355,598.73	1,773,622.15
Utility Expenses		
Water Expenses	-	172,735.78
Electricity Expenses	-	910,466.53
Total Utility Expenses	-	1,083,202.31
Communication Expenses		
Postage and Courier Services	400.00	1,155.00
Telephone Expenses	25,638.51	52,975.52
Internet Subscription Expenses	-	198,160.00
Cable, Satellite, Telegraph and Radio Expenses	12,350.00	10,402.50
Total Communication Expenses	38,388.51	262,693.02
Awards/Rewards and Prizes		
Awards/Rewards Expenses	55,000.00	70,000.00
Total Awards/Rewards and Prizes	55,000.00	70,000.00
Survey, Research, Exploration and Development Expenses		
Research, Exploration and Development Expenses	-	-
Total Survey, Research, Exploration and Development Expenses	-	-
Professional Services		
Legal Services	9,000.00	2,950.00
Auditing Services	174,709.85	139,126.50
Consultancy Services	-	-
Other Professional Services	1,064,379.67	1,291,194.36
Total Professional Services	1,248,089.52	1,433,270.86
General Services		
Security Services	626,635.50	552,057.81
Other General Services		

Total General Services	626,635.50	552,057.81
Repairs and Maintenance		
Repairs and Maintenance-Buildings and Other Structures	-	335,047.75
Repairs and Maintenance-Machinery and Equipment	-	8,400.00
Repairs and Maintenance-Transportation Equipment	4,350.00	131,470.00
Total Repairs and Maintenance	4,350.00	474,917.75
Taxes, Insurance Premiums and Other Fees		
Taxes, Duties and Licenses	8,117.18	9,098.07
Fidelity Bond Premiums	-	1,156.25
Insurance Expenses	23,455.29	46,026.30
Total Taxes, Insurance Premiums and Other Fees	31,572.47	56,280.62
Other Maintenance and Operating Expenses		
Advertising Expenses	-	-
Transportation and Delivery Expenses	-	-
Rent/Lease Expenses	79,645.98	58,677.06
Membership Dues and Contributions to Organizations	5,000.00	5,000.00
Other Maintenance and Operating Expenses	1,270,183.64	1,934,614.28
Total Other Maintenance and Other Operating Expenses	1,354,829.62	1,998,291.34
Total Maintenance and Other Operating Expenses	7,365,611.48	9,150,071.13
Financial Expenses		
Financial Expenses		
Bank Charges		
Total Financial Expenses	-	-
Non-Cash Expenses		
Depreciation		
Depreciation-Infrastructure Assets	40,070.76	40,070.76
Depreciation-Buildings and Other Structures	777,396.91	777,396.86
Depreciation-Machinery and Equipment	1,842,213.22	1,695,052.10
Depreciation-Transportation Equipment	63,000.00	72,642.94
Depreciation-Furniture, Fixtures and Books	20,266.20	19,365.68
Depreciation-Other Property, Plant and Equipment	-	-

Total Depreciation	<u>2,742,947.09</u>	<u>2,604,528.33</u>
Total Non-Cash Expenses	<u>2,742,947.09</u>	<u>2,604,528.33</u>
Current Operating Expenses	<u>32,179,271.73</u>	<u>32,151,478.88</u>
Surplus (Deficit) from Current Operations	<u>(27,679,283.53)</u>	<u>(25,194,443.37)</u>
Financial Assistance/Subsidy from NGAs, LGUs, GOCCs		
Subsidy from National Government	22,016,975.82	20,968,453.57
Subsidy from Regional Office	<u>2,476,460.47</u>	<u>1,177,907.50</u>
Total Financial Assistance/Subsidy from NGAs, LGUs, GOCCs	<u>24,493,436.29</u>	<u>22,146,361.07</u>
 Surplus (Deficit) for the period	 <u><u>(3,185,847.24)</u></u>	 <u><u>(3,048,082.30)</u></u>

**TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY
CAGAYAN DE ORO (BUGO) SCHOOL OF ARTS AND TRADES
STATEMENT OF CHANGES IN NET ASSETS/EQUITY
CONSOLIDATED FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
Balance at January 1	33,106,538.00	26,605,559.98
Add/(Deduct):		
Changes in accounting policy		
Prior period errors	2,469.90	(623,090.94)
Other adjustments		
Restated balance	<u>33,109,007.90</u>	<u>25,982,469.04</u>
Add/(Deduct):		
Changes in Net Assets/Equity for the Calendar Year		
Surplus/(Deficit) for the period	(3,185,847.24)	(3,048,082.30)
Adjustment of net revenue recognized directly in net assets/equity ¹	(14,890.00)	10,172,151.25
Others ²	78,950.02	
Balance at December 31	<u>29,987,220.68</u>	<u>33,106,537.99</u>

*1 - Net revenue deposited with the National Treasury (revenue including constructive receipt of income by Foreign Based Agencies and income remitted by agencies thru TRA)

*2 - Direct adjustments to Net Assets/Equity which are not revenues or expenses (e.g. transfer of PPE from one unit of the agency to another directly charged to Accumulated Surplus/(Deficit))

This statement should be read in conjunction with the accompanying notes.

**TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY
CAGAYAN DE ORO (BUGO) SCHOOL OF ARTS AND TRADES
STATEMENT OF CASH FLOWS
CONSOLIDATED FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Cash Inflows		
Receipt of Notice of Cash Allocation	23,885,271.47	21,951,316.50
Collection of Income/Revenues	4,734,868.70	7,246,594.51
Collection of Receivables	-	45,547.72
Other Receipts	706,295.58	3,795,121.97
Receipt of Intra-Agency Fund Transfers	25,806,796.50	-
Adjustments	102,421.67	101,572.87
Total Cash Inflows	<u>55,235,653.92</u>	<u>33,140,153.57</u>
Cash Outflows		
Remittance to National Treasury	14,890.00	-
Payment of Expenses	33,857,515.29	16,269,068.40
Purchase of Inventories	7,173,576.12	1,916,628.31
Grant of Cash Advances	2,205,615.71	2,871,298.77
Prepayments	8,040.71	-
Remittance of Personnel Benefit Contributions and Mandatory Deductions	9,852,624.62	8,830,276.81
Other Disbursements	11,032.04	48,837.04
Adjustments	-	8,000.72
Reversal of unutilized NCA	146,996.11	378,716.80
Total Cash Outflows	<u>53,270,290.60</u>	<u>30,322,826.85</u>
Net Cash Provided by (Used in) Operating Activities	<u>1,965,363.32</u>	<u>2,817,326.72</u>
Cash Flows from Investing Activities		
Cash Outflows		
Purchase/Construction of Property, Plant and Equipment	18,907.74	233,739.47
Total Cash Outflows	<u>18,907.74</u>	<u>233,739.47</u>
Net Cash Provided by (Used in) Investing Activities	<u>(18,907.74)</u>	<u>(233,739.47)</u>

Cash Flows From Financing Activities

Net Cash Provided by (Used in) Financing Activities

-

-

Increase (Decrease) in Cash and Cash Equivalents

1,946,455.58

2,583,587.25

Cash and Cash Equivalents, January 1

3,807,708.73

1,224,121.48

Cash and Cash Equivalents, December 31

5,754,164.31

3,807,708.73

This statement should be read in conjunction with the accompanying notes.

**TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY
CAGAYAN DE ORO (BUGO) SCHOOL OF ARTS AND TRADES
DETAILED STATEMENT OF CASH FLOWS
CONSOLIDATED FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Cash Inflows		
Receipt of Notice of Cash Allocation	23,885,271.47	21,951,316.50
Receipt of Notice of Cash Allocation	21,408,811.00	20,773,409.00
Receipt of Notice of Transfer of Cash Allocation	2,476,460.47	1,177,907.50
Collection of Income/Revenues	4,734,868.70	7,246,594.51
Collection of service and business income	4,734,868.70	7,246,594.51
Collection of Receivables	-	45,547.72
Collection of Other Receivables		45,547.72
Other Receipts	706,295.58	3,795,121.97
Unused Petty Cash Fund	14,738.95	9,157.00
Receipt of Refund of Cash Advances	64,598.43	72,184.22
Other Miscellaneous Receipts	626,958.20	3,713,780.75
Receipt of Intra-Agency Fund Transfers	25,806,796.50	-
Receipt of funds from CO/Bureaus/ROs/Ous for implementation of programs/projects	25,806,796.50	-
Adjustments	102,421.67	101,572.87
Restoration of cash for cancelled/lost/stale checks/ADA		81,550.71
Restoration of cash for unreleased checks		-
Other adjustments-Inflow	102,421.67	20,022.16
Total Cash Inflows	55,235,653.92	33,140,153.57
Cash Outflows		
Replenishment of Negotiated MDS Checks (for BTr)		

Remittance to National Treasury	14,890.00	
Payment of Expenses	33,857,515.29	16,269,068.40
Payment of personnel services	12,405,924.02	11,400,528.41
Payment of maintenance and other operating expenses	21,451,591.27	4,868,539.99
Purchase of Inventories	7,173,576.12	1,916,628.31
Purchase of inventory held for consumption	7,173,576.12	1,916,628.31
Grand of Cash Advances	2,205,615.71	2,871,298.77
Advances for Payroll	105,000.00	1,144,393.23
Advances to Officers and Employees	2,100,615.71	1,726,905.54
Prepayments	8,040.71	-
Prepaid Insurance	8,040.71	-
Remittance of Personnel Benefit Contributions and Mandatory Deductions	9,852,624.62	8,830,276.81
Remittance of taxes withheld not covered by TRA	885,222.35	269,362.60
Remittance to GSIS/Pag-IBIG/PhilHealth	5,516,059.90	5,528,559.97
Remittance of personnel benefits contributions		-
Remittance of other payables	3,451,342.37	3,032,354.24
Other Disbursements	11,032.04	48,837.04
Other disbursements	11,032.04	48,837.04
Adjustments	-	8,000.72
Reversing entry for unreleased checks in previous year		-
Other adjustments - Outflow		8000.72
Reversal of Unutilized NCA	146,996.11	378,716.80
Total Cash Outflows	53,270,290.60	30,322,826.85
Net Cash Provided by (Used in) Operating Activities	1,965,363.32	2,817,326.72
Cash Flows from Investing Activities		
Cash Outflows		
Purchase/Construction of Property, Plant and Equipment	18,907.74	233,739.47
Purchase of machinery and equipment	18,907.74	233,739.47

Total Cash Outflows	<u>18,907.74</u>	<u>233,739.47</u>
Net Cash Provided By (Used In) Investing Activities	<u>(18,907.74)</u>	<u>(233,739.47)</u>
Increase (Decrease) in Cash and Cash Equivalents	1,946,455.58	2,583,587.25
Cash and Cash Equivalents, January 1	<u>3,807,708.73</u>	<u>1,224,121.48</u>
Cash and Cash Equivalents, December 31	<u><u>5,754,164.31</u></u>	<u><u>3,807,708.73</u></u>



Technical Education and Skills Development Authority
Cagayan de Oro (Bugo) School of Arts and Trades
Notes to Financial Statements
For the year ended December 31, 2019



1 General Information/Agency Profile

The school was established in 1965 and named as City Night High School (Bugo). Being a public school, it caters to the poor but deserving students with necessary skills to make them functional members of the society.

On December 16, 1994, Republic Act No. 7839 was signed converting the school into CAGAYAN DE ORO (BUGO) SCHOOL OF ARTS & TRADES. After the conversion, the post – secondary department has operated under the supervision of Technical Education and Skills Development Authority (TESDA).

In year 2001, TESDA identified COBSAT as a Center of Excellence in Automotive Technology. It was granted by TVET Quality System award giving bodies a Bronze Level Award in 2003. And in year 2009, Asia Pacific Accreditation & Certification Commission (APACC) awarded the Bronze Category Accreditation to the school.

Cagayan de Oro (Bugo) School of Arts and Trades provides quality Technical – Vocational Education and Training (TVET) with the involvement of stakeholders to meet the global demand of competent workforce.

The school is the center of excellence for Technical-Vocational Education and Training producing competent with desirable work values.

The school offers the following technical courses:

Courses Offered	No. of Days	Sector
1 Automotive Servicing NC I	79	Automotive and Land Transport
2 Automotive Servicing NC II	113	Automotive and Land Transport
3 Automotive Servicing NC III	100	Automotive and Land Transport
4 Bread and Pastry Production NC II	24	Tourism
5 Barista NC II	30	Tourism
6 Bartending NC II	73	Tourism
7 Bookkeeping NC III	49	Health, Social and Other Comm. Dev.
8 Carpentry NC II	27	Construction
9 Cookery NC II	53	Tourism
10 Construction Painting NC II	30	Construction
11 Dressmaking NC II	46	Garments
12 Electrical Installation and Maintenance NC II	33	Construction
13 Electrical Installation and Maintenance NC III	27	Construction
14 Electronic Products Assembly & Servicing (EPAS) NC II	44	Construction
15 Food and Beverage Services NC II	60	Tourism
16 Food and Beverage Services NC III	39	Tourism
17 Food Processing NC II	92	Processed Food and Beverages
18 Front Office Services NC II	74	Tourism
19 Housekeeping NC II	73	Tourism
20 Housekeeping NC III	13	Tourism
21 Masonry NC II	43	Construction
22 Plumbing NC I	28	Construction
23 Plumbing NC II	34	Construction
24 Scaffold Erection NC II	27	Construction
25 Technical Drafting NC II w/ Autocad	35	Construction
26 Trainer's Methodology (Level 1)	44	TVET
27 Tile Setting NC II	14	Construction
28 SMAW NC II	45	Metals and Engineering
29 SMAW NC III	20	Metals and Engineering
30 Diploma in Hospitality Services Technology	3 years	Tourism
31 Diploma in Auto Mechanical Technology	3 years	Construction
32 Hospitality Management and Services under Ladderized Education Program (LEP)	3 years	Tourism

2 Statement of Compliance and Basis of Preparation of Financial Statements

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

The Financial Statements of Cagayan de Oro (Bugo) School of Arts and Trades have been prepared on the basis of historical cost, unless stated otherwise. The Statement of Cash Flows is prepared using the direct method.

3 Summary of Significant Accounting Policies

3.1 Basis of Accounting

The Agency uses accrual basis of accounting. All expenses are recognized when incurred and reported in the financial statements in the period to which they relate. Income is on accrual basis except for transactions where accrual basis is impractical or when law requires other methods.

3.2 Cash and Cash Equivalent

Cash and cash equivalents comprise cash on hand and cash in bank.

3.3 Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

3.4 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 will 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 discounts and rebates;
- expenditure that is directly attributable to the acquisition of the items; and
- initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

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 [Name of the entity] 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

Cagayan de Oro (Bugo) School of Arts and Trades uses the Schedule on the Estimated Useful Life of PPE by classification prepared by COA.

Cagayan de Oro (Bugo) School of Arts and Trades uses a residual value equivalent to (10%) of the cost of the PPE.

Derecognition

Cagayan de Oro (Bugo) School of Arts and Trades derecognizes items of property, plant and equipment and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

3.5 Changes in Accounting Policies and Estimates

Cagayan de Oro (Bugo) School of Arts and Trades recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy were applied prospectively if retrospective application is impractical.

Cagayan de Oro (Bugo) School of Arts and Trades recognizes the effects of changes in accounting estimates prospectively by including in surplus or deficit.

Cagayan de Oro (Bugo) School of Arts and Trades correct material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by:

- Restating the comparative amounts for prior period(s) presented in which the error occurred; or
- If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

3.6 Revenue from Exchange Transactions

Measurement of Revenue

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

Rendering of Services

Cagayan de Oro (Bugo) School of Arts and Trades 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 the entity.

3.7 Budget Information

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

A separate Statement of Comparison of Budget and Actual Amounts (SCBAA) was prepared since the budget and the financial statements were not prepared on comparable basis. The SCBAA was presented showing the original and final budget and the actual amounts on comparable basis to the budget. Explanatory comments are provided in the notes to the annual financial statements.

3.8 Employee Benefits

The employees of Cagayan de Oro (Bugo) School of Arts and Trades are member of the Government Service Insurance System (GSIS), which provides life and retirement insurance coverage.

Cagayan de Oro (Bugo) School of Arts and Trades recognizes the undiscounted amount of short term employee benefits, like salaries, wages, bonuses, allowance, etc., as expense unless capitalized, and as a liability after deducting the amount paid.

Cagayan de Oro (Bugo) School of Arts and Trades recognizes expenses for accumulating compensated absences when these were paid (commuted or paid as terminal leave benefits). Unused entitlement that has accumulated at the reporting date was not recognized as expense. Non-accumulating compensated absences, like special leave privileges, were not recognized.

4 Cash and Cash Equivalents

Account	As of December 31, 2019		
	SSP/IGP Fund	General Fund101	Trust Fund
Cash – Collecting Officer	101,647.54	200.00	4,320.00
Petty Cash	15,000.00	5,000.00	
Cash in Bank - Local Currency	252,665.36	372,437.68	5,002,893.73
Total Cash and Cash Equivalents	369,312.90	377,637.68	5,007,213.73

5 Receivables

5.1 Aging of Receivables

Account	Total		Not Past Due	Past Due		
	GF 101	SSP/IGP Fund		< 30 days	30-60 days	> 60 days

Other Receivables	340,579.52	14,430.28				355,009.80
Total	340,579.52	14,430.28	-	-	-	355,009.80

5.2 Analysis of Receivables

FUND	AMOUNT	REMARKS
SSP	6,658.80	Overpayment to BIR FY 2018 remained unsettled
SSP	7,771.48	Payment of last salary of Mr. Glenn Gambi in year 2018 used SSP account instead of GF 101 account remained as receivable in SSP Account
GF 101	340,575.00	Receivable from Regional Office (as Subsidy from Regional Office) remained uncollected.
GF 101	4.00	Overpayment to GSIS remittance on March 2019 remained unsettled
GF 101	0.52	Overpayment to COBSATEA remittance on June 2019 remained unsettled
TOTAL	355,009.80	

6 Inventories

Accounts	2019
	Inventories carried at the lower of cost and net realizable value
Inventory Held for Sale	
Carrying Amount, January 1	845.00
Additions/Acquisitions during the year	225,619.50
Expensed during the year except write-down	(225,430.50)
Write-down during the year	
Reversal of Write-down during the year	
Carrying Amount, December 31	1,034.00
Inventory Held for Consumption	
Carrying Amount, January 1	983,200.75
Additions/Acquisitions during the year	710,683.64
Expensed during the year except write-down	(1,334,970.76)
Write-down during the year	

Reversal of Write-down during the year	
Carrying Amount, December 31	358,913.63
TOTAL CARRYING AMOUNT, DECEMBER 31, 2019	359,947.63

7 Property and Equipment

	Land	Land Improvements	Infrastructure Assets	Buildings and Other Structures	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures
Gross Cost (Asset Account Balance per Statement of Financial Position)	412,250.00	95,000.00	809,509.09	25,957,555.29	51,582,472.04	1,382,056.25	745,909.22
Less: Accumulated Depreciation			(316,975.54)	(15,335,121.51)	(35,172,086.47)	(1,180,850.62)	(518,177.70)
Carrying Amount, December 31 (per Statement of Financial Position)	412,250.00	95,000.00	492,533.55	10,622,433.78	16,410,385.57	201,205.63	227,731.52

8 Other Assets

Particulars	2019		
	Current	Non-Current	Total
Advances	-	-	-
Prepayments	59,478.26	-	59,478.26
Deposits	70,700.00	-	70,700.00
Other Assets	-	499,950.19	499,950.19
TOTALS	130,178.26	499,950.19	630,128.45

9 Inter-Agency Payables

Particulars	2019		2018	
	Current	Non-Current	Current	Non-Current
Due to BIR	97,335.56		16,083.67	
Due to GSIS	1,827.67		711.30	

Due to Pag-IBIG	500.00		2,400.00	
Due to Philhealth	1,631.86		1,631.86	
Total Inter-Agency Payables	101,295.09	-	20,826.83	-

10 Intra-Agency Payables

Particulars	2019		2018	
	Current	Non-Current	Current	Non-Current
Due to Regional Offices	4,987,821.13		3,329,772.75	
Total Intra-Agency Payables	4,987,821.13	-	3,329,772.75	-

11 Other Payables

Cagayan de Oro (Bugo) School of Arts and Trades has payables to agencies not classified as financial liabilities pertaining to remittances of monthly contributions and loan repayments to TESDA Provident Fund, COBSATEA, refund of cash advances for travel, and payment of school fees and IGP-canteen collectibles.

12 Service and Business Income

Particulars	2019	2018
Service Income	14,840.00	16,220.00
Clearance and Certification Fees	14,840.00	16,220.00
Business Income	4,485,148.20	6,875,146.51
School Fees	172,388.00	783,511.48
Examination Fees	2,843,271.00	2,883,430.00
Training/Seminar Fees	937,200.00	2,905,167.53
Net Sales Revenue	169,409.20	206,517.50
Other Business Income	362,880.00	96,520.00
Total Service and Business Income	4,499,988.20	6,891,366.51

13 Personnel Services

13.1 Salaries and Wages

Particulars	2019	2018
Salaries and Wages - Regular	13,891,141.04	13,147,871.33
Salaries and Wages - Casual	248,550.92	211,404.00
Total Salaries and Wages	14,139,691.96	13,359,275.33

13.2 Other Compensation

Particulars	2019	2018
Personnel Economic Relief Allowance (PERA)	910,751.58	906,563.06
Representation Allowance (RA)	60,000.00	57,500.00
Transportation Allowance (TA)	60,000.00	57,500.00
Clothing/Uniform Allowance	228,000.00	228,000.00
Productivity Enhancement Incentive	194,000.00	185,000.00
Other Personnel Benefits	647,200.00	-
Honoraria	-	-
Year End Bonus	2,283,034.00	2,157,743.00
Cash Gift	190,000.00	180,000.00
Other Bonuses and Allowances	990,000.00	750,000.00
Total Other Compensation	5,562,985.58	4,522,306.06

13.3 Personnel Benefit Contributions

Particulars	2019	2018
Retirement and Life Insurance Premiums	1,667,820.72	1,555,162.88
Pag-IBIG Contributions	45,800.00	45,300.00
PhilHealth Contributions	181,204.31	171,026.50
Employees Compensation Insurance Premiums	45,600.00	45,400.00
Total Personnel Benefit Contributions	1,940,425.03	1,816,889.38

13.4 Other Personnel Benefits

Particulars	2019	2018
Terminal Leave Benefits	427,610.59	698,408.65
Total Other Personnel Benefits	427,610.59	698,408.65

14 Maintenance and Other Operating Expenses

14.1 Traveling Expenses

Particulars	2019	2018
Traveling Expenses - Local	774,142.16	489,769.97
Traveling Expenses - Foreign	-	-
Total Traveling Expenses	774,142.16	489,769.97

14.2 Training and Scholarship Expenses

Particulars	2019	2018
Training Expenses	877,004.97	955,965.30
Scholarship Grants/Expenses		
Total Training and Scholarship Expenses	877,004.97	955,965.30

14.3 Supplies and Materials Expenses

Particulars	2019	2018
Office Supplies Expenses	324,700.09	556,540.80
Drugs and Medicines Expenses	8,644.95	1,580.00
Fuel, Oil and Lubricants Expenses	166,291.79	156,763.30
Textbook and Instructional Materials Expenses	234,277.12	-
Semi-Expendable Machinery and Equipment Expenses	-	31,035.00
Semi-Expendable Furniture and Fixtures	14,000.00	-
Other Supplies and Materials Expenses	1,607,684.78	1,027,703.05
Total Supplies and Materials Expenses	2,355,598.73	1,773,622.15

14.4 Utility Expenses

Particulars	2019	2018
Water Expenses	-	172,735.78
Electricity Expenses	-	910,466.53
Total Utility Expenses	-	1,083,202.31

14.5 Communication Expenses

Particulars	2019	2018
Postage and Courier Services	400.00	1,155.00
Telephone Expenses	25,638.51	52,975.52
Internet Subscription Expenses	-	198,160.00
Cable, Satellite, Telegraph and Radio Expenses	12,350.00	10,402.50
Total Communication Expenses	38,388.51	262,693.02

14.6 Awards/Rewards and Prizes

Particulars	2019	2018
Awards/Rewards Expenses	55,000.00	70,000.00
Total Awards/Rewards and Prizes	55,000.00	70,000.00

14.7 Professional Services

Particulars	2019	2018
Legal Services	9,000.00	2,950.00
Auditing Services	174,709.85	139,126.50
Consultancy Services	-	-
Other Professional Services	1,064,379.67	1,291,194.36
Total Professional Services	1,248,089.52	1,433,270.86

14.8 Other General Services

Particulars	2019	2018
Security Services	626,635.50	552,057.81
Total General Services	626,635.50	552,057.81

14.9 Repairs and Maintenance

Particulars	2019	2018
Repairs and Maintenance - Buildings and Other Structures	-	335,047.75
Repairs and Maintenance - Machinery and Equipment	-	8,400.00

Repairs and Maintenance - Transportation Equipment	4,350.00	131,470.00
Total Repairs and Maintenance	4,350.00	474,917.75

14.10 Taxes, Insurance Premiums and Other Fees

Particulars	2019	2018
Taxes, Duties and Licenses	8,117.18	9,098.07
Fidelity Bond Premiums	-	1,156.25
Insurance Expenses	23,455.29	46,026.30
Total Taxes, Insurance Premiums and Other Fees	31,572.47	56,280.62

14.11 Other Maintenance and Operating Expenses

Particulars	2019	2018
Advertising Expenses		-
Transportation and Delivery Expenses		-
Rent/Lease Expenses	79,645.98	58,677.06
Membership Dues and Contributions to Organizations	5,000.00	5,000.00
Other Maintenance and Operating Expenses	1,270,183.64	1,934,614.28
Total Other Maintenance and Operating Expenses	1,354,829.62	1,998,291.34

15 Non-Cash Expenses

15.1 Depreciation

Particulars	2019	2018
Depreciation-Infrastructure Assets	40,070.76	40,070.76
Depreciation-Buildings and Other Structures	777,396.91	777,396.86
Depreciation-Machinery and Equipment	1,842,213.22	1,695,052.10
Depreciation-Transportation Equipment	63,000.00	72,642.94
Depreciation-Furniture, Fixtures and Books	20,266.20	19,365.68
Depreciation-Other Property, Plant and Equipment	-	
Total Depreciation	2,742,947.09	2,604,528.33

16 Net Financial Assistance/Subsidy

Particulars	2019	2018
Subsidy from National Government	22,016,975.82	20,968,453.57
Subsidy from Regional Office	2,476,460.47	1,177,907.50
Assistance from Local Government Units		
Total Financial Assistance/Subsidy from NGAs, LGUs, GOCCs	24,493,436.29	22,146,361.07

Less: Financial Assistance/Subsidy to NGAs, LGUs, GOCCs, NGOs/POs

Particulars	2019	2018
Financial Assistance to NGAs	-	-
Financial Assistance to Local Government Units	-	-
Budgetary Support to GOCCs	-	-
Total Financial Assistance/Subsidy to NGAs, LGUs, GOCCs	-	-

Net Financial Assistance/Subsidy	24,493,436.29	22,146,361.07
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17 Non-Operating Income/Gain

Particulars	2019	2018
Other Gains	-	4,769.00
Total Non-Operating Income/Gain	-	4,769.00


18 Grants and Donations

Particulars	2019	2018
Income from Grants and Donations in Kind	-	60,900.00
Total Grants and Donation	-	60,900.00

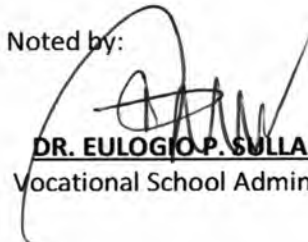
NOTE TO USERS:

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.

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