



Philippine Statistics Authority  
Bangsamoro Autonomous Region in Muslim Mindanao  
Notes to [Consolidated] Financial Statements  
For the quarter ended December 31, 2020

**1. General Information/Agency Profile**

**PPSAS  
1.63(b)  
PPSAS 14.26**

The [Consolidated] financial statements of Philippine Statistics Authority - BARMM were authorized for issue on January 29, 2021 as shown in the Statement of Management Responsibility for Financial Statement signed by Engr. Naser S. Usman, MBA (OIC-Regional Director) & Rufaidah T. Ibrahim (Accountant III).

The **Philippine Statistics Authority- Bangsamoro Autonomous Region in Muslim Mindanao** shall primarily be responsible for the implementation of the objectives and provisions of R.A. 10625.

**PPSAS 1.150  
PPSAS,**

It shall plan, develop, prescribe, disseminate and enforce policies, rules and regulations and coordinate government-wide programs governing the production of official statistics, general-purpose statistics, and civil registration services.

It shall primarily be responsible for all national censuses and surveys, sectoral statistics, consolidation of selected administrative recording systems and compilation of national accounts.

It was formerly known as **National Statistics Office (NSO)** which was also first called **Bureau of the Census and Statistics (BCS)** when **Commonwealth Act (C.A.) No. 591** was approved on **August 19, 1940**.

**Executive Order No. 314** transferred to the BCS the powers, functions, duties, personnel, appropriations, property and records of other statistical agencies effective **January I, 1941**. Among these were the functions of the Division of Labor and Statistics of the Department of Labor and of the Section of Vital Statistics of the Bureau of Health, Department of Instruction.

During the creation of PSA-BARMM, it only consists of Province of Lanao del Sur, Province of Maguindanao, Province of Sulu and Province of Tawi-Tawi. Starting January 1, 2017 Province of Basilan became part of PSA-BARMM.

**PPSAS 1.29  
PPSAS 2  
PPSAS 6**

**2. Statement of Compliance and Basis of Preparation of Financial Statements**

The [consolidated] 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 [consolidated] financial statements 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 [consolidated] financial statements are prepared on accrual basis in accordance with the Philippine Public Sector Accounting Standards (PPSAS).

**PPSAS 1, 6**

## 3.2 Consolidation

PPSAS 6

### a. Consolidated Entities/Controlled Entities

#### Consolidated Entities

The [consolidated] financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity and all controlled entities.

#### Controlled Entities

The controlled entities are all those (including special purpose)

PPSAS 2.8  
PPSAS 2.9  
PPSAS 2.56

## 3.3 Cash and Cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to significant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consists of cash and short term deposits as defined above, net of outstanding bank overdrafts.

PPSAS 12.15  
PPSAS  
12.17(a)

## 3.4 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.

PPSAS 12.16  
PPSAS 12.18

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw material: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of costs and current replacement cost.

PPSAS 12.35  
PPSAS 12.20  
PPSAS 12.21

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimate costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

PPSAS 12.9

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the [Name of the Entity].

PPSAS 17.13

### 3.4 The characteristics of PPE are **Property, Plant and Equipment**

**PPSAS 17.13**

#### ***Recognition***

An item is recognized as property, plant, and equipment (PPE) if it meets the characteristic and recognition criteria as a PPE 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.

**PPSAS 17.26**

#### ***Measurement at Recognition***

**PPSAS 17.27**

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.

**PPSAS 17.37**

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 recognition date.

**PPSAS 17.30**

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 attribute 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***

**PPSAS 17.43  
PAG2**

After recognition, all property, plant, and equipment are stated at cost less accumulated depreciation and impairment losses.

**PPSAS 17  
PPSAS 17.24  
PPSAS 17.25**

When significant parts of Property, Plant and Equipment are required to be replaced at intervals, the PSA-BARMM 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.

**PPSAS 17.23**

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.

**PPSAS 17.59**

The depreciation charge for each period is recognized as expense unless it is included in the cost of another asset.

**PPSAS 17.64**

***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.

**PAG3 of  
PPSAS 17**

For simplicity and to avoid proportionate computation, the depreciation is for one month if the PPE is available for use on or before the 15<sup>th</sup> of the month. However, if the PPE is available for use after 15<sup>th</sup> 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***

**PAG4 of  
PPSAS 17**

The PSA-BARMM uses the Schedule on the Estimated Useful Life of PPE by classification prepared by the Central Office per OFFICE MEMORANDUM 2018-86.

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

**PAG5 of  
PPSAS 17**

***Impairment***

**PAG6of  
PPSAS 17**

An asset's carrying amount is written down to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable service amount.

***Derecognition***

The PSA-BARMM 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.

**PPSAS 17.82  
PPSAS 17.83  
PPSAS 17.86**

### **3.6 Changes in accounting policies and estimates**

The PSA-BARMM recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy were applied prospectively if retrospective application is impractical.

The PSA-BARMM recognizes the effects of change in accounting estimates prospectively by including in surplus or deficit.

The PSA-BARMM 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 before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

### **3.7 Budget Information**

The annual budget is prepared on 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. The negative net amounting to Php 390,855.36 is the negative RLIP and to be requested by the Budget Division to DBM as our additional allotment.

The annual budget figures included in the financial statements were for the controlling entity RSSO-BARMM and therefore exclude the budget for its Provincial offices. The budgets of the Provincial Offices were not made publicly available. These budget figures were those approved by the governing body both at the beginning and during the year following a period of consultation with the public.

## **4. Changes in Accounting Policies**

Philippine Statistics Authority- BARMM did not adopt any new accounting policy as of this reporting date.

## **5. Prior Period Adjustments**

The PSA-ARMM has determined the following reason for prior period adjustments:

- (1) Stale Checks/Cancelled Checks for P.Y.
- (2) Due to BIR 2019
- (3) Liquidated P.Y. advances

6. Cash and Cash Equivalents

Accounts	As of December 31, 2020 (GENERAL FUND)	As of December 31, 2020 (TRUST FUND)
Petty Cash Fund	-	-
Cash- Treasury, Regular	-	-
Cash in Bank-Local Currency	-	108,662.18
Cash-MDS, Regular	-	-
Cash- Tax Remittance Advice	-	-
<b>Total Cash and Cash Equivalents</b>	<b>-</b>	<b>108,662.18</b>

7.1 Inter-Agency Receivables

Accounts	As of December 31, 2020 (TRUST FUND)		
	Current	Non- Current	Total
Due from National Government Agencies	-	-	-
Due from Government-Owned or Controlled Corporations	-	-	-
Due from Local Government Units	-	-	-
Due from Operating Unit	-	-	-
<b>TOTALS</b>	<b>-</b>	<b>-</b>	<b>-</b>

7.2 Other Receivables

Accounts	As of December 31, 2020 (TRUST FUND)		
	Current	Non- Current	Total
Due from Officers and employees	-	236,809.82	-
<b>TOTALS</b>	<b>-</b>	<b>236,809.82</b>	<b>-</b>

*This pertains to the estimated residual value of lost property of PSA-Lanao del Sur brought by Marawi Siege. Request for relief not yet granted by COA.*

## 8. Inventories

Accounts	As of December 31, 2020 (GENERAL FUND)			
	Inventories carried at the lower cost and net realizable	Inventories carried at fair value less cost to sell	Inventory write down recognized during the year	Reversal of Inventory write-down recognized during the year
<b>Inventory Held for Office Use</b>				
Carrying amount, January 1, 2020	-	2,465.17	-	-
Additions/Acquisitions during the year	-	20,432,347.56	-	-
Acquisition of Semi-Expendable Inventory-F&F		-		
Expensed during the year except write-down	-	18,350,986.14	-	-
Write-down during the year	-	-	-	-
Reversal of Write-down during the year	-	-	-	-
<b>Carrying Amount, December 31, 2020</b>	-	<b>2,081,361.42</b>	-	-

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Most of these office supplies were used for CPH 2020.

## 9. Property, Plant and Equipment (GENERAL FUND)

Accounts	Machinery and Equipment	Transportation Equipment	FURNITURE & FIXTURES	Other PPE	Total
Carrying amount, January 1, 2020	4,015,721.97	2,913,331.55	150,724.28	272,570.02	7,352,347.82
Additional Acquisitions	3,784,461.15	308,282.88	112,401.92	347,077.34	4,682,420.03
Net Increase Adjustment	-	-	-	-	-
<b>Total</b>	<b>7,800,183.12</b>	<b>3,221,614.43</b>	<b>383,322.94</b>	<b>619,647.36</b>	<b>12,034,767.85</b>
Less: Disposals		-	-	-	-
Depreciation ( As per Statement of Financial Performance)	1,195,581.79	803,537.76	58,383.16	93,715.52	2,151,218.23
Impairment Loss (As per Statement of Financial Performance)	-	-	-	-	-
Net Decrease Adjustment	-	-	-	-	-
<b>Carrying Amount, December 31, 2020 (As per Statement of Financial Position)</b>	<b>6,604,601.33</b>	<b>2,418,076.67</b>	<b>324,939.78</b>	<b>535,931.84</b>	<b>9,883,549.62</b>

<b>Accounts</b>	<b>Machinery and Equipment</b>	<b>Transportation Equipment</b>	<b>Furniture &amp; Fixtures</b>	<b>Other PPE</b>	<b>Total</b>	
Gross Cost (Asset Account Balance per Statement of Financial Position)	<b>13,491,530.93</b>	<b>10,851,766.40</b>	<b>547,900.00</b>	<b>824,763.30</b>	<b>25,715,960.63</b>	
<b>Less:</b> Accumulated depreciation Allowance for impairment	6,886,929.60	8,433,689.73	222,960.22	288,831.46	15,832,411.01	
<b>Carrying Amount, December 31, 2020</b> (As per Statement of Financial Position)	<b>6,604,601.33</b>	<b>2,418,076.67</b>	<b>324,939.78</b>	<b>535,931.84</b>	<b>9,883,549.62</b>	

## 10. Other Assets

### 14.1 Current and Non-current other Assets

<b>Particulars</b>	<b>As of December 31, 2020 (GENERAL FUND)</b>		
	<b>Current</b>	<b>Non- Current</b>	<b>Total</b>
<b>Advances</b>	1,971,380.77	-	1,971,380.77
<b>Prepayments</b>	5,051.12	-	5,051.12
<b>Deposits</b>	-	-	-
<b>Other Assets</b>	-	-	-
<b>TOTALS</b>	<b>1,976,431.89</b>	<b>-</b>	<b>1,976,431.89</b>

## 11. Financial Liabilities

<b>Particulars</b>	<b>As of December 31, 2020 (GENERAL FUND)</b>		
	<b>Current</b>	<b>Non- Current</b>	<b>Total</b>
<b>Due to Officers &amp; Employees</b>	-	-	-
<b>TOTALS</b>	<b>-</b>	<b>-</b>	<b>-</b>



**12. Inter-Agency payables (General Fund)**

Particulars	2020		2019	
	Current	Non-Current	Current	Non- Current
Due to BIR	-	-	960,952.49	-
Due to GSIS	-	-	-	-
Due to Pag-IBIG	-	-	-	-
Due to Phil health	-	-	-	-
Due to NGAs	-	-	-	-
Due to GOCCs	-	-	-	-
Due to LGUs	-	-	-	-
Due to Joint Venture	-	-	-	-
<b>Total Inter-Agency Payables</b>	-	-	<b>960,952.49</b>	-

**13. Intra-Agency payables (Trust Fund)**

Particulars	2020		2019	
	Current	Non-Current	Current	Non-Current
Due to Central Office	-	-	172,553.38	-
Due to Regional Office	-	-	68,700.00	-
<b>Total Inter-Agency Payables</b>	-	-	<b>241,253.38</b>	-

**14. Other Payables**

Particulars	2020		2019	
	Current	Non-Current	Current	Non- Current
General Fund	-	-	-	-
Trust Fund	15,000.00	60,000.00	35,000.00	50,000.00
<b>Total Other Payables</b>	<b>15,000.00</b>	<b>60,000.00</b>	<b>35,000.00</b>	<b>50,000.00</b>

*Other Payables of 60,000 in trust fund refers to the maintaining balance of RSSO & 4 PSO in their trust fund account. The 15,000.00 for current other payables pertains to bid collections.*

*P2,069,127.36 (Not yet Due and Demandable) is reflected in FAR 3 Aging of Unpaid Obligations for Phylsis and Machine processing related expenses.*

**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.*

