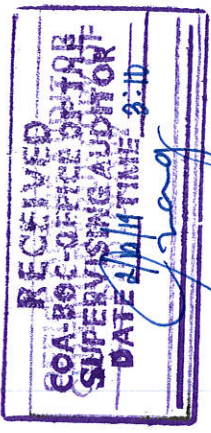




REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

FILE COPY



February 19, 2019

Ms. MARILYN B. MIRAN
Supervising Auditor
State Auditor V
Office of the COA Auditor

Dear Ms. Miran,

In compliance with COA Circular 2015-005 dated July 16, 2015 "Availability of WEB based Annual Financial Reporting System (AFRS), respectfully submitted are the hard copies of the following reports for the year ended December 31, 2018:

A. ALL FUNDS

- Statement of Management Responsibility for FS
- Condensed and Detailed Statement of Financial Position
- Condensed and Detailed Statement of Financial Performance
- Statement of Cash Flows
- Statement of Changes in Net Assets (restated)
- Condensed and Detailed Statement of Financial Position (restated)
- Condensed and Detailed Statement of Financial Performance(restated)
- Statement of Comparison of Budget and Actual Amount
- Notes to Financial Statements

Very truly yours,

MARILOU A. CABIGON

Chief Accountant, Accounting Division
Financial Management Office

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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA

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

The management of the **Bureau of Customs (BOC)** is responsible for all information and representations contained in the accompanying Statement of Financial Position as of December 31, 2018 and the related Statement of Financial Performance, Statement of Cash Flows, Statement of Comparison of Budget and Actual Amounts, Statement of Changes in Net Assets/Equity and the Notes to Financial Statements for the year then ended. The financial statements have been prepared in conformity with the Philippine Public Sector Accounting Standards and 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 that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.

REY LEONARDO B. GUERRERO

Head of Agency/
Authorized Representative

Date Signed

Caroly Cabigon
MARILOU A. CABIGON

OIC/Financial Management Office

2/18/19
Date Signed

JESSIE L. CARDONA

OIC- Financial Service

2/19/2019
Date Signed

**BUREAU OF CUSTOMS
CONDENSED STATEMENT OF FINANCIAL POSITION
ALL FUNDS
AS OF DECEMBER 31, 2018**

ACCOUNT TITLE	Note	2018	2017
ASSETS			
Current Assets			
Cash and Cash Equivalent	6	29,145,137,475.74	7,145,143,598.50
Receivables	7	5,842,409,988.30	6,764,921,030.76
Inventories	8	373,291,773.18	343,193,078.36
Other Current Assets	9	68,321,520.02	62,284,636.43
Total Current Assets		35,429,160,757.24	14,315,542,344.05
Non Current Assets			
Property, Plant and Equipment	10	2,327,090,441.21	2,231,461,259.34
Other Non-Current Assets	9	1,179,396,747.08	2,664,108,568.90
Total Non-Current Assets		3,506,487,188.29	4,895,569,828.24
TOTAL ASSETS		38,935,647,945.53	19,211,112,172.29
LIABILITIES			
Current Liabilities			
Financial Liabilities Payables	11.1	8,237,493,468.89	20,239,570,103.83
Inter-Agency Payables	11.2	108,923,597.57	68,430,505.77
Intra-Agency Payables	11.3	367,805,684.52	370,763,883.52
Trust Liabilities	11.4	3,319,758,372.61	2,694,165,970.93
Other Payables	11.6	(356,552.67)	1,347,938.00
Deferred Credits/Unearned Income	11.5	35,956,926.36	35,956,926.36
Total Current Liabilities		12,069,581,497.28	23,410,235,328.41
Non-Current Liabilities			
Total Non-Current Liabilities		-	-
TOTAL LIABILITIES		12,069,581,497.28	23,410,235,328.41
NET ASSETS/EQUITY			
Accumulated Surplus/(Deficit)		26,866,066,448.25	(4,199,123,156.12)
Total Net Assets/Equity		26,866,066,448.25	(4,199,123,156.12)
TOTAL LIABILITIES AND NET ASSETS/EQUITY		38,935,647,945.53	19,211,112,172.29

**BUREAU OF CUSTOMS
DETAILED STATEMENT OF FINANCIAL POSITION
ALL FUNDS
AS OF DECEMBER 31, 2018**

ASSETS	<u>2018</u>	<u>2017</u>
Current Assets		
Cash and Cash Equivalent	29,145,137,475.74	7,145,143,598.50
Cash on Hand		
Cash - Collecting Officer	280,680,980.84	251,208,319.05
Petty Cash	279,253,202.46	250,122,319.00
	1,427,778.38	1,086,000.05
Cash in Bank - Local Currency		
Cash in Bank - Local Currency, Current Account	2,233,128,345.75	2,469,555,480.04
Cash in Bank - Local Currency, Savings Account	1,745,928,645.75	1,982,355,780.04
	487,199,700.00	487,199,700.00
Treasury/Agency Cash Accounts		
Cash - Treasury/Agency Deposit, Special Account	26,631,328,149.15	4,424,379,799.41
Cash - Treasury/Agency Deposit, Trust	2,616,125,091.26	2,107,923,687.31
	24,015,203,057.89	2,316,454,112.10
Receivables	5,842,409,988.30	6,764,921,030.76
Loans and Receivable Accounts		
Accounts Receivable	750,000.00	750,000.00
	750,000.00	750,000.00
Inter-Agency Receivables		
Due from National Government Agencies	3,739,281,438.14	1,795,679,462.82
Due from Government-Owned and/or Controlled Corporations	1,496,319,578.14	1,795,679,462.82
	2,242,961,860.00	
Intra-Agency Receivables		
Due from Central Office	163,842,313.92	165,641,614.68
Due from Operating Units	163,842,313.92	165,641,614.68
Other Receivables		
Receivables - Disallowances/Charges	1,938,536,236.24	4,802,849,953.26
Due from Officers and Employees	1,906,159,080.31	1,910,043,224.78
Other Receivables	10,068,880.30	9,999,800.11
	22,308,275.63	2,882,806,928.37
Inventories	373,291,773.18	343,193,078.36
Inventory Held for Consumption		
Office Supplies Inventory	344,507,792.37	341,348,143.45
Accountable Forms, Plates and Stickers Inventory	17,819,348.62	32,001,084.23
Drugs and Medicines Inventory	320,869,601.64	304,245,672.06
Medical, Dental and Laboratory Supplies Inventory	2,481,698.57	2,481,698.57
Other Supplies and Materials Inventory	1,337,045.45	1,101,978.50
	2,000,098.09	1,517,710.09
Semi-Expendable		
Semi-Expendable Machinery	28,783,980.81	1,844,934.91
Semi-Expendable Office Equipment	35,416.32	35,416.32
Semi-Expendable Information and Communications Technology Equipment	2,062,225.51	421,778.38
Semi-Expendable Communications Equipment	607,971.96	28,125.00
Semi-Expendable Disaster Response and Rescue Equipment	21,320.00	47,500.01
Semi-Expendable Other Machinery and Equipment	47,500.01	47,500.01
Semi-Expendable Furniture and Fixtures	72,300.00	72,300.00
	25,881,747.01	1,256,615.20
	55,500.00	55,500.00

	<u>2018</u>	<u>2017</u>
ACCOUNT TITLE	68,321,520.02	62,284,636.43
Other Current Assets		
Advances		
Advances for Operating Expenses	20,718,483.69	13,921,058.84
Advances for Payroll	2,248,546.06	2,122,490.75
Advances to Special Disbursing Officer	x 18,180,246.25	10,455,781.11
Advances to Officers and Employees	289,691.38	1,342,786.98
Prepayments		
Advances to Contractors	45,928,440.60	47,369,277.59
Prepaid Rent	45,103,899.24	46,964,952.49
Prepaid Registration	2,894.94	2,894.94
Prepaid Insurance	11,480.00	
Other Prepayments	263,328.92	68,792.66
	546,837.50	332,637.50
Deposits		
Guaranty Deposits	1,674,595.73	994,300.00
	1,674,595.73	994,300.00
Total Current Assets	35,429,160,757.24	14,315,542,344.05
Non Current Assets		
Property, Plant and Equipment	2,327,090,441.21	2,231,461,259.34
Land		
Land	-	-
Buildings and Other Structures		
Buildings	249,381,341.67	237,397,696.94
Accumulated Depreciation - Buildings	285,668,006.74	273,522,854.85
Net Value - Buildings	(49,287,002.95)	(49,134,404.63)
Other Structures	236,401,003.79	224,388,450.22
Accumulated Depreciation - Other Structures	13,144,970.92	13,144,970.92
Net Value - Other Structures	(164,633.04)	(135,724.20)
	12,980,337.88	13,009,246.72
Machinery and Equipment		
Machinery	1,219,815,671.59	1,141,731,677.14
Office Equipment	253,004,050.00	251,657,650.00
Accumulated Depreciation - Office Equipment	144,289,277.11	119,990,526.30
Net Value - Office Equipment	(51,476,285.67)	(51,067,855.51)
Information and Communication Technology Equipment	92,812,991.44	68,922,670.79
Accumulated Depreciation-Information and Communication Technology Equipment	738,603,495.64	669,580,797.80
Net Value-Information and Communication Technology Equipment	(310,454,585.31)	(292,369,927.35)
Communication Equipment	428,148,910.33	377,210,870.45
Accumulated Depreciation - Communication Equipment	7,118,232.95	6,941,200.95
Net Value - Communication Equipment	(1,168,169.88)	(1,076,810.40)
Disaster Response and Rescue Equipment	5,950,063.07	5,864,390.55
Accumulated Depreciation-Disaster Response and Rescue Equipment	2,662,328.44	2,662,328.44
Net Value - Disaster Response and Rescue Equipment	(1,330,327.53)	(1,227,980.73)
Military, Police and Security Equipment	1,332,000.91	1,434,347.71
Accumulated Depreciation - Military, Police and Security Equipment	13,772,255.21	11,957,755.21
Net Value - Military, Police and Security Equipment	(427,538.70)	(427,538.70)
Medical Equipment	13,344,716.51	11,530,216.51
Accumulated Depreciation - Medical Equipment	3,725.00	3,725.00
Net Value - Medical Equipment	(2,123.26)	(2,123.26)
Technical and Scientific Equipment	1,601.74	1,601.74
Accumulated Depreciation - Technical and Scientific Equipment	45,292,667.98	45,292,667.98
Net Value - Technical and Scientific Equipment	(18,267,002.43)	(18,267,002.43)
Other Machinery and Equipment	27,025,665.55	27,025,665.55
Accumulated Depreciation - Other Machinery and Equipment	7,954,689,826.93	7,954,527,446.93
Net Value - Other Machinery and Equipment	(7,556,494,154.89)	(7,556,443,183.09)
	398,195,672.04	398,084,263.84
Transportation Equipment		
Motor Vehicles	27,178,198.75	26,689,187.95
Accumulated Depreciation - Motor Vehicles	43,764,304.12	42,785,704.12
Net Value - Motor Vehicles	(16,586,105.37)	(16,096,516.17)
	27,178,198.75	26,689,187.95
Furniture, Fixtures and Books		
Furniture and Fixtures	164,510,290.22	159,437,758.33
Accumulated Depreciation - Furniture and Fixtures	381,296,749.90	375,406,356.89
Net Value - Furniture and Fixtures	(220,157,296.43)	(218,585,428.91)
Books	161,139,453.47	156,820,927.98
	3,370,836.75	2,616,830.35
Other Property, Plant and Equipment		
Other Property, Plant and Equipment	78,950.00	78,950.00
	78,950.00	78,950.00

ACCOUNT TITLE	2018	2017
Construction in Progress		
Construction in Progress - Infrastructure Assets	666,125,988.98	666,125,988.98
Construction in Progress - Buildings and Other Structures	29,882,341.26	29,882,341.26
	636,243,647.72	636,243,647.72
Other Non-Current Assets	1,179,396,747.08	2,664,108,568.90
Other Assets		
Confiscated Property/Assets	1,179,396,747.08	2,664,108,568.90
Other Assets	236,103,234.50	236,103,234.50
	943,293,512.58	2,428,005,334.40
Total Non-Current Assets	3,506,487,188.29	4,895,569,828.24
TOTAL ASSETS	38,935,647,945.53	19,211,112,172.29
LIABILITIES		
Current Liabilities		
Financial Liabilities Payables	8,237,493,468.89	20,239,570,103.83
Accounts Payable	2,293,534,812.60	5,411,191,195.13
Due to Officers and Employees	611,530,178.37	592,813,784.14
Awards and Rewards Payable	857,755,814.68	1,315,027,209.43
Tax Refunds Payable	4,474,672,663.24	12,920,537,915.13
Intra-Agency Payables	108,923,597.57	68,430,505.77
Due to BIR	81,502,788.06	62,692,902.89
Due to GSIS	16,811,382.81	5,155,547.61
Due to Pag-IBIG	946,277.39	(4,281,477.63)
Due to PhilHealth	5,623,344.14	1,300,061.94
Due to NGAs	3,954,966.30	3,938,001.30
Due to GOCCs	84,547.38	(374,821.83)
Due to LGUs	291.49	291.49
Intra-Agency Payables	367,805,684.52	370,763,883.52
Due to Central Office	158,130,750.03	158,130,750.03
Due to Operating Units	209,674,934.49	212,633,133.49
Trust Liabilities	3,319,758,372.61	2,694,165,970.93
Trust Liabilities	3,257,417,293.38	2,637,834,763.87
Guaranty/Security Deposits Payable	62,341,079.23	56,331,207.06
Other Payables	(356,552.67)	1,347,938.00
Other Payables	(356,552.67)	1,347,938.00
Deferred Credits/Unearned Income	35,956,926.36	35,956,926.36
Other Deferred Credits	35,956,926.36	35,956,926.36
Total Current Liabilities	12,069,581,497.28	23,410,235,328.41
Non-Current Liabilities	-	-
Total Non-Current Liabilities	-	-
TOTAL LIABILITIES	12,069,581,497.28	23,410,235,328.41
NET ASSETS/EQUITY		
Equity		
Government Equity	26,866,066,448.25	(4,199,123,156.12)
Accumulated Surplus/(Deficit)	26,866,066,448.25	(4,199,123,156.12)
NET ASSETS/EQUITY	26,866,066,448.25	(4,199,123,156.12)
TOTAL LIABILITIES AND NET ASSETS/EQUITY	38,935,647,945.53	19,211,112,172.29

**BUREAU OF CUSTOMS
DETAILED STATEMENT OF FINANCIAL PERFORMANCE
ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

ACCOUNT TITLE	2018	2017
Revenue		
Tax Revenue		
Tax Revenue-Goods and Services		
Import Duties	80,361,764,602.43	59,576,254,261.87
Excise Tax	95,938,236,920.39	61,172,856,039.25
Business Tax	426,687,763,996.24	343,940,779,990.44
Total Tax Revenue-Goods and Services	602,987,765,519.06	464,689,890,291.56
Tax Revenue-Others		
Documentary Stamp Tax	475,912,573.50	449,642,182.25
Tax Revenue-Fines and Penalties		
Tax Revenue - Fines and Penalties - Taxes on Goods and Services	72,047,112.06	41,882,051.45
Total Tax Revenue	603,535,725,204.62	465,181,414,525.26
Service and Business Income		
Service Income		
Permit Fees	59,933,287.00	55,997,510.00
Registration Fees	2,777,400.00	2,815,600.00
Clearance and Certification Fees	5,958,300.00	6,825,500.00
Legal Fees	2,729,370.00	950,100.00
Inspection Fees	58,512.00	35,160.00
Verification and Authentication Fees	3,557,400.00	3,240,860.00
Processing Fees	750,208,031.00	678,086,174.00
Other Service Income	1,792,548,832.27	1,489,747,877.23
Total Service Income	2,617,771,132.27	2,237,698,781.23
Business Income		
Rent/Lease Income	3,689,578.87	3,584,923.43
Income from Printing and Publication	10,000.00	5,000.00
Sales Revenue	-	28,322,760.00
Cost of Sales	-	(15,001,941.71)
Net Sales	-	13,320,818.29
Interest Income	21,768.66	28,504.82
Fines and Penalties-Business Income	17,447,632.10	30,073,509.25
Other Business Income	115,652,595.82	59,952,472.81
Total Business Income	136,821,575.45	106,965,228.60
Total Service and Business Income	2,754,592,707.72	2,344,664,009.83
Shares, Grants and Donations		
Grants and Donations		
Income from Grants and Donations in Kind	2,203,119.60	-
Total Shares, Grants and Donations	2,203,119.60	-
Miscellaneous Income		
Miscellaneous Income	67,828.10	-
Total Miscellaneous Income	67,828.10	-
Total Revenue	606,292,588,860.04	467,526,078,535.09
Current Operating Expenses		
Personnel Services		
Salaries and Wages		
Salaries and Wages-Regular	887,753,758.44	783,436,238.15

ACCOUNT TITLE	2018	2017
Salaries and Wages-Casual/Contractual	2,260,080.35	2,672,638.48
Total Salaries and Wages	890,013,838.79	786,108,876.63
Other Compensation		
Personal Economic Relief Allowance (PERA)	65,592,672.41	72,305,603.00
Representation Allowance (RA)	9,926,685.55	5,820,544.50
Transportation Allowance (TA)	8,846,810.55	5,530,044.50
Clothing/Uniform Allowance	16,687,000.00	11,105,000.00
Subsistence Allowance	3,915,320.00	7,076,747.91
Laundry Allowance	11,000.00	11,763.64
Honoraria	33,362.46	128,849.81
Hazard Pay	141,503.95	140,990.76
Overtime and Night Pay	3,619,305.93	2,062,986.35
Year End Bonus	72,549,327.15	66,988,420.00
Cash Gift	15,133,000.00	14,972,250.00
Other Bonuses and Allowances	82,393,926.65	81,230,716.45
Total Other Compensation	278,849,914.65	267,373,916.92
Personnel Benefit Contributions		
Retirement and Life Insurance Premiums	93,955,081.85	91,472,026.74
Pag-IBIG Contributions	2,684,088.86	3,515,185.18
PhilHealth Contributions	10,345,303.78	7,211,220.46
Employees Compensation Insurance Premiums	3,037,907.70	3,450,825.51
Total Personnel Benefit Contributions	110,022,382.19	105,649,257.89
Other Personnel Benefits		
Retirement Gratuity	8,840,664.53	31,441,641.44
Terminal Leave Benefits	158,957,921.59	173,704,684.60
Other Personnel Benefits	72,232.29	4,906,339.69
Total Other Personnel Benefits	167,870,818.41	210,052,665.73
Total Personnel Services	1,446,756,954.04	1,369,184,717.17
Maintenance and Other Operating Expenses		
Traveling Expenses		
Traveling Expenses-Local	22,505,650.21	22,902,412.29
Traveling Expenses-Foreign	6,452,935.92	13,232,211.28
Total Traveling Expenses	28,958,586.13	36,134,623.57
Training and Scholarship Expenses		
Training Expenses	21,771,802.65	18,182,193.39
Total Training and Scholarship Expenses	21,771,802.65	18,182,193.39
Supplies and Materials Expenses		
Office Supplies Expenses	49,735,092.21	164,002,251.67
Accountable Forms Expenses	28,547,579.15	3,960.00
Fuel, Oil and Lubricants Expenses	13,502,563.63	5,383,056.09
Semi-Expendable Machinery and Equipment Expenses	350,266.50	13,295.00
Semi-Expendable Furniture, Fixtures and Books Expenses	73,216.50	-
Other Supplies and Materials Expenses	445,878.42	1,338,866.33
Total Supplies and Materials Expenses	92,654,596.41	170,741,429.09
Utility Expenses		
Water Expenses	21,940,157.16	22,582,722.92
Electricity Expenses	72,625,925.55	67,101,885.62
Total Utility Expenses	94,566,082.71	89,684,608.54
Communication Expenses		
Postage and Courier Services	3,068,714.53	3,168,617.17
Telephone Expenses	9,532,648.16	10,192,794.08
Internet Subscription Expenses	10,162,327.18	10,621,193.17

ACCOUNT TITLE	2018	2017
Cable, Satellite, Telegraph and Radio Expenses	25,720.00	17,105.00
Total Communication Expenses	22,789,409.87	23,999,709.42
Confidential, Intelligence and Extraordinary Expenses		
Confidential Expenses	52,125,000.00	29,250,000.00
Extraordinary and Miscellaneous Expenses	16,949,336.68	12,657,785.99
Total Confidential, Intelligence and Extraordinary Expenses	69,074,336.68	41,907,785.99
Professional Services		
Legal Services	-	3,650.00
Auditing Services	100,968.46	-
Consultancy Services	-	160,000.00
Other Professional Services	164,390,376.03	288,197,126.65
Total Professional Services	164,491,344.49	288,360,776.65
General Services		
Environment/Sanitary Services	-	2,000.00
Janitorial Services	49,453,394.21	47,331,847.31
Security Services	632,658.58	572,332.42
Other General Services	3,985,758.63	17,114,951.05
Total General Services	54,071,811.42	65,021,130.78
Repairs and Maintenance		
Repairs and Maintenance-Buildings and Other Structures	4,656,416.26	391,039,199.29
Repairs and Maintenance-Machinery and Equipment	297,266,726.35	291,709,783.52
Repairs and Maintenance-Transportation Equipment	1,143,691.37	1,589,059.47
Repairs and Maintenance-Furniture and Fixtures	180,226.00	80,752.00
Total Repairs and Maintenance	303,247,059.98	684,418,794.28
Taxes, Insurance Premiums and Other Fees		
Taxes, Duties and Licenses	104,855.58	379,367.05
Fidelity Bond Premiums	2,109,852.25	2,145,689.90
Insurance Expenses	1,491,952.49	4,198,962.21
Total Taxes, Insurance Premiums and Other Fees	3,706,660.32	6,724,019.16
Labor and Wages		
Other Maintenance and Operating Expenses		
Advertising Expenses	822,481.60	1,564,082.40
Printing and Publication Expenses	1,302,100.04	851,593.98
Representation Expenses	134,731.00	2,315,378.28
Transportation and Delivery Expenses	646,209.00	157,108.31
Rent/Lease Expenses	8,763,963.31	55,321,266.23
Membership Dues and Contributions to Organizations	-	16,646.62
Subscription Expenses	28,208,097.65	68,786,149.59
Other Maintenance and Operating Expenses	15,438,256.09	2,020,228,163.24
Total Other Maintenance and Other Operating Expenses	55,315,838.69	2,149,240,388.65
Total Maintenance and Other Operating Expenses	910,647,529.35	3,574,415,459.52
Financial Expenses		
Financial Expenses		
Bank Charges	-	-
Total Financial Expenses	0.00	0.00
Non-Cash Expenses		
Depreciation		
Depreciation-Buildings and Other Structures	161,507.16	161,507.16
Depreciation-Machinery and Equipment	18,737,766.20	263,213,247.84
Depreciation-Transportation Equipment	65,278.56	918,606.13
Depreciation-Furniture, Fixtures and Books	1,571,867.52	1,571,872.92
Total Depreciation	20,536,419.44	265,865,234.05

ACCOUNT TITLE	2018	2017
Total Non-Cash Expenses	20,536,419.44	265,865,234.05
Current Operating Expenses	2,377,940,902.83	5,209,465,410.74
Surplus (Deficit) from Current Operations	603,914,647,957.21	462,316,613,124.35
Financial Assistance/Subsidy		
Financial Assistance/Subsidy from NGAs, LGUs,GOCCs		
Subsidy from National Government	4,351,805,195.16	9,212,375,086.26
Total Financial Assistance/Subsidy from NGAs, LGUs, GCOOCs	4,351,805,195.16	9,212,375,086.26
Less: Financial Assistance/Subsidy to NGAs, LGUs,GOCCs,NGOs/Pos		
Net Financial Assistance/Subsidy	4,351,805,195.16	9,212,375,086.26
Other Non-Operating Income		
Sale of Assets		
Sale of Garnished/Confiscated/Abandoned/Seized Goods and Properties	1,154,420,820.13	273,682,858.21
Total Sale of Assets	1,154,420,820.13	273,682,858.21
Gains and Reversal		
Other Gains	-	7,096.96
Total Gains	-	7,096.96
Total Other Non-Operating Income	1,154,420,820.13	273,689,955.17
Losses		
Total Losses	-	-
Surplus (Deficit) for the Period	609,420,873,972.50	471,802,678,165.78

**BUREAU OF CUSTOMS
STATEMENT OF CASH FLOWS
ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities		
Cash Inflows		
Receipt of Notice of Cash Allocation		
Receipt of Notice of Cash Allocation	13,326,011,086.10	7,971,955,202.50
Receipt of NCA for Trust and Other Receipts	7,762,436,576.12	5,133,894,984.70
Constructive Receipt of NCA for TRA	5,396,134,386.75	2,613,243,778.16
Collection of Income/Revenues		
Collection of tax revenue	167,440,123.23	224,816,439.64
Collection of service and business income	607,468,718,334.16	467,824,704,132.52
Collection of other income	603,535,725,204.62	465,181,414,525.26
Receipt of prior years' income	2,754,313,495.03	2,331,333,734.05
	1,154,420,820.13	302,005,618.21
	24,258,814.38	9,950,255.00
Receipt of Intra-Agency Fund Transfers		
Receipt of funds from CO/Bureaus/ROs/OU's for implementation of programs/proje	1,664,323,721.94	1,656,751,475.04
Receipt of funds for other intra-agency transactions	1,029,781,471.61	1,195,016,750.12
Receipt of Trust Liabilities		
Receipt of bail bonds	634,542,250.33	461,734,724.92
Collection of other trust receipts	682,249,265.15	510,347,350.44
	-	261,861,292.26
	682,249,265.15	248,486,058.18
Other Receipts		
Receipt of refund of cash advances	16,257,827.29	35,666,363.51
Other miscellaneous receipts	16,257,527.29	4,249,890.54
	300.00	31,416,472.97
Adjustments		
Restoration of cash for cancelled/lost/stale checks/ADA	602,146,292,487.73	455,472,741,580.71
Remittance to BTr (Debit to Cash- Treasury/Agency Deposit accounts)	1,962,969,822.09	-
Reversal of unused NCA for Special Account and Trust	564,016,085,721.44	454,572,745,090.70
Other adjustments - inflow	303,527,587.36	-
	35,863,709,356.84	899,996,490.01
Total Cash Inflows	1,225,303,852,722.37	933,472,166,104.72
Cash Outflows		
Remittance to National Treasury		
Remittance of current year's income/revenue	607,547,163,492.41	467,973,195,607.18
Remittance of prior year's income/revenue	606,741,133,146.91	467,811,007,551.52
Remittance of trust receipts	24,254,595.65	9,966,425.00
Remittance of refunds, overpayments and disallowances and other receipts	671,091,500.18	148,191,940.62
	110,684,249.67	4,029,690.04
Payment of operating expenses		
Payment of personnel services	1,944,935,964.53	1,735,235,596.85
Payment of maintenance and other operating expenses	1,153,791,357.07	894,742,698.68
Liquidation of cash advances granted during the year	609,253,598.67	650,822,493.86
Replenishment of Petty Cash	176,305,418.88	188,531,107.45
	5,585,589.91	1,139,296.86
Purchase of Inventories		
Purchase of inventories for distribution	31,750,772.17	5,482,745.34
Purchase of inventories for consumption	25,853,721.47	1,743,236.84
Grant of Cash Advances (Unliquidated During the Year)		
Advances for operating expenses	5,897,050.70	3,739,508.50
Advances for special purpose/time-bound undertaking	18,831,570.73	4,975,817.99
Advances to officers and employees	361,633.10	111,200.00
	18,180,246.25	4,416,694.62
	289,691.38	447,923.37
Prepayments		
Advances to Procurement Service	4,065,089,752.80	882,048,498.42
	2,508,330,630.36	82,278,381.86

	<u>2018</u>	<u>2017</u>
Advances to Other NGAs/LGUs/GOCCs for purchase of goods and services as aut	1,555,391,843.00	797,693,177.00
Advances to Contractors (for Repairs and Maintenance of PPE - not capitalized)	606,318,112	1,917,300.18
Prepaid Rent	2,894.94	2,894.94
Prepaid Registration	11,480.00	-
Prepaid Insurance	532,386.38	156,744.44
Other Prepayments	214,200.00	-
Payment of Deposits	<u>1,236,893.69</u>	<u>9,707,530.63</u>
Payment of guaranty deposits	1,236,893.69	9,707,530.63
Payment of Prior Year's Accounts Payable	<u>153,224,871.00</u>	<u>169,872,906.07</u>
Payment of prior year's Accounts Payable	153,224,871.00	169,872,906.07
Remittance of Personnel Benefit Contributions and Mandatory Deductions	<u>347,695,571.89</u>	<u>465,397,636.39</u>
Remittance of taxes withheld covered by TRA	167,440,123.23	224,816,439.64
Remittance of taxes withheld not covered by TRA	3,760,310.74	1,180,649.05
Remittance of GISIS/Pag-IBIG/PhilHealth	122,678,422.24	166,074,014.61
Remittance of other personnel benefits contributions and mandatory deductions	22,262,055.62	24,328,477.44
Remittance of Other Payables	31,554,660.06	48,998,055.65
Release of Inter-Agency Fund Transfers	<u>-</u>	<u>-</u>
Release of funds for the implementation of projects from NGAs/LGUs/GOCCs	-	-
Release of funds for other inter-agency transactions	-	-
Release of intra-agency fund transfers	<u>1,661,880,721.94</u>	<u>1,655,612,178.18</u>
Release of funds to Bureaus/ROs/OUTs for implementation of programs/projects	1,029,781,471.61	1,195,016,750.12
Release of funds for other intra-agency transactions	632,099,250.33	460,595,428.06
Payment from Trust Liabilities/Fund Transfers	<u>5,503,965,200.46</u>	<u>2,908,702,608.81</u>
Payment for the implementation of other trust receipts/trust funds	5,503,965,200.46	2,908,702,608.81
Other Disbursements	<u>6,325,237.38</u>	<u>75,439,666.05</u>
Refund of Excess Working Fund	6,325,237.38	1,663,956.84
Other miscellaneous disbursements	-	73,775,709.21
Adjustments	<u>581,980,558,878.35</u>	<u>456,963,674,427.43</u>
Reversal of unused NCA	3,326,604,854.87	1,942,061,803.55
Receipt of NCA for Trust and Special Account	5,938,666,986.87	-
Closing of Cash - Treasury/Agency Deposit Regular and Special Account (by Other)	563,277,013,871.55	454,021,239,235.72
Other adjustments - outflow	9,438,273,165.06	1,000,373,388.16
Total Cash Outflows	<u>1,203,262,658,927.35</u>	<u>932,849,345,219.34</u>
Net Cash Provided by (Used in) Operating Activities	<u>22,041,193,795.02</u>	<u>622,820,885.38</u>
Cash Flows from Investing Activities		
Cash Outflows		
Purchase/Construction of Investment Property	<u>41,199,917.78</u>	<u>232,094,432.00</u>
Purchase/Construction of Property, Plant and Equipment	<u>7,650,106.47</u>	<u>5,554,296.05</u>
Construction of buildings and other structures	26,728,317.86	223,670,295.14
Purchase of machinery and equipment	978,600.00	-
Purchase of transportation equipment	5,842,893.45	2,869,840.81
Purchase of furniture, fixtures and books	-	-
Total Cash Outflows	<u>41,199,917.78</u>	<u>232,094,432.00</u>
Net Cash Provided by (Used in) Investing Activities	<u>(41,199,917.78)</u>	<u>(232,094,432.00)</u>
Increase(Decrease) in Cash and Cash Equivalents	<u>21,999,993,877.24</u>	<u>390,726,453.38</u>
Effects of Exchange Rate Changes on Cash and Cash Equivalents	<u>-</u>	<u>-</u>
Cash and Cash Equivalents, January 1,	<u>7,145,143,598.50</u>	<u>6,754,417,145.12</u>
Cash and Cash Equivalents, December 31	<u>29,145,137,475.74</u>	<u>7,145,143,598.50</u>

**BUREAU OF CUSTOMS
STATEMENT OF CASH FLOWS(Restated)
ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities		
Cash Inflows		
Receipt of Notice of Cash Allocation		
Receipt of Notice of Cash Allocation	13,326,011,086.10	7,971,955,202.50
Receipt of NCA for Trust and Other Receipts	7,762,436,576.12	5,133,894,984.70
Constructive Receipt of NCA for TRA	5,396,134,386.75	2,613,243,778.16
Collection of Income/Revenues	167,440,123.23	224,816,439.64
Collection of tax revenue	607,467,186,336.51	467,826,236,130.17
Collection of service and business income	603,535,725,204.62	465,181,414,525.26
Collection of other income	2,754,313,495.03	2,332,865,253.70
Receipt of prior years' income	1,154,420,820.13	302,005,618.21
	22,726,816.73	9,950,733.00
Receipt of Intra-Agency Fund Transfers		
Receipt of funds from CO/Bureaus/ROs/OUTs for implementation of programs/projec	1,664,323,721.94	1,656,751,475.04
Receipt of funds for other intra-agency transactions	1,029,781,471.61	1,195,016,750.12
Receipt of Trust Liabilities	634,542,250.33	461,734,724.92
Receipt of bail bonds	682,249,265.15	510,347,350.44
Collection of other trust receipts	-	261,861,292.26
	682,249,265.15	248,486,058.18
Other Receipts		
Receipt of refund of cash advances	16,257,827.29	35,666,363.51
Other miscellaneous receipts	16,257,527.29	4,249,890.54
	300.00	31,416,472.97
Adjustments		
Restoration of cash for cancelled/lost/stale checks/ADA	602,133,989,245.42	455,485,044,823.02
Remittance to BTr (Debit to Cash- Treasury/Agency Deposit accounts)	1,962,923,121.80	46,700.29
Reversal of unused NCA for Special Account and Trust	564,016,085,721.44	454,572,745,090.70
Other adjustments - inflow	303,527,587.36	-
	35,851,452,814.82	912,253,032.03
Total Cash Inflows	<u>1,225,290,017,482.41</u>	<u>933,486,001,344.68</u>
Cash Outflows		
Remittance to National Treasury		
Remittance of current year's income/revenue	607,523,869,845.24	467,996,489,254.35
Remittance of prior year's income/revenue	606,741,133,146.91	467,834,301,198.69
Remittance of trust receipts	960,948.48	9,966,425.00
Remittance of refunds, overpayments and disallowances and other receipts	671,091,500.18	148,191,940.62
	110,684,249.67	4,029,690.04
Payment of operating expenses		
Payment of personnel services	1,944,935,964.53	1,764,020,219.47
Payment of maintenance and other operating expenses	1,153,791,357.07	904,455,555.31
Liquidation of cash advances granted during the year	609,253,598.67	669,811,466.50
Replenishment of Petty Cash	176,305,418.88	188,613,900.80
	5,585,589.91	1,139,296.86
Purchase of Inventories		
Purchase of inventories for distribution	31,750,772.17	5,482,745.34
Purchase of inventories for consumption	25,853,721.47	1,743,236.84
Grant of Cash Advances (Unliquidated During the Year)		
Advances for operating expenses	5,897,050.70	3,739,508.50
Advances for special purpose/time-bound undertaking	18,831,570.73	4,975,817.99
Advances to officers and employees	361,633.10	111,200.00
	18,180,246.25	4,416,694.62
Prepayments	289,691.38	447,923.37
Advances to Procurement Service	4,065,089,752.80	882,048,498.42
Advances to Other NGAs/LGUs/GOCCs for purchase of goods and services as autho	2,508,330,630.36	82,278,381.86
	1,555,391,843.00	797,693,177.00

	2018	2017
Advances to Contractors (for Repairs and Maintenance of PPE - not capitalized)	606,318.12	1,917,300.18
Prepaid Rent	2,894.94	2,894.94
Prepaid Registration	11,480.00	-
Prepaid Insurance	532,386.38	156,744.44
Other Prepayments	214,200.00	-
Payment of Deposits		
Payment of guaranty deposits	1,236,893.69	9,707,530.63
	<u>1,236,893.69</u>	<u>9,707,530.63</u>
Payment of Prior Year's Accounts Payable		
Payment of prior year's Accounts Payable	94,486,154.71	169,872,906.07
	<u>94,486,154.71</u>	<u>169,872,906.07</u>
Remittance of Personnel Benefit Contributions and Mandatory Deductions		
Remittance of taxes withheld covered by TRA	347,695,571.89	465,397,636.39
Remittance of taxes withheld not covered by TRA	167,440,123.23	224,816,439.64
Remittance of GSIS/Pag-IBIG/PhilHealth	3,760,310.74	1,180,649.05
Remittance of other personnel benefits contributions and mandatory deductions	122,678,422.24	166,074,014.61
Remittance of Other Payables	22,262,055.62	24,328,477.44
	31,554,660.06	48,998,055.65
Release of Inter-Agency Fund Transfers		
Release of funds for the implementation of projects from NGAs/LGUs/GOCCs	-	-
Release of funds for other inter-agency transactions	-	-
	<u>-</u>	<u>-</u>
Release of intra-agency fund transfers		
Release of funds to Bureaus/ROs/OUs for implementation of programs/projects	1,661,880,721.94	1,655,612,178.18
Release of funds for other intra-agency transactions	1,029,781,471.61	1,195,016,750.12
	632,099,250.33	460,595,428.06
Payment from Trust Liabilities/Fund Transfers		
Payment for the implementation of other trust receipts/trust funds	5,503,965,200.46	2,908,702,608.81
	<u>5,503,965,200.46</u>	<u>2,908,702,608.81</u>
Other Disbursements		
Refund of Excess Working Fund	6,325,237.38	105,393,759.72
Other miscellaneous disbursements	6,325,237.38	24,437,049.58
	<u>-</u>	<u>80,956,710.14</u>
Adjustments		
Reversal of unused NCA	581,760,161,347.72	457,184,071,958.06
Receipt of NCA for Trust and Special Account	3,326,604,854.87	1,942,061,803.55
Closing of Cash - Treasury/Agency Deposit Regular and Special Account (by Other I	563,277,013,871.55	454,021,239,235.72
Other adjustments - outflow	9,217,875,634.43	1,220,770,918.79
	<u>1,202,960,229,033.26</u>	<u>933,151,775,113.43</u>
Total Cash Outflows		
	<u>22,329,788,449.15</u>	<u>334,226,231.25</u>
Net Cash Provided by (Used in) Operating Activities		
Cash Flows from Investing Activities		
Cash Outflows		
Purchase/Construction of Investment Property		
Purchase/Construction of Property, Plant and Equipment		
Construction of buildings and other structures	41,199,917.78	232,094,432.00
Purchase of machinery and equipment	7,650,106.47	5,554,296.05
Purchase of transportation equipment	26,728,317.86	223,670,295.14
Purchase of furniture, fixtures and books	978,600.00	-
	5,842,893.45	2,869,840.81
	<u>41,199,917.78</u>	<u>232,094,432.00</u>
Total Cash Outflows		
	<u>(41,199,917.78)</u>	<u>(232,094,432.00)</u>
Net Cash Provided by (Used in) Investing Activities		
	<u>22,288,588,531.37</u>	<u>102,131,799.25</u>
Increase(Decrease) in Cash and Cash Equivalents		
Effects of Exchange Rate Changes on Cash and Cash Equivalents	-	-
Cash and Cash Equivalents, January 1,	6,856,548,944.37	6,754,417,145.12
Cash and Cash Equivalents, December 31	<u>29,145,137,475.74</u>	<u>6,856,548,944.37</u>

BUREAU OF CUSTOMS
CONDENSED STATEMENT OF FINANCIAL PERFORMANCE
ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

ACCOUNT TITLE	Note	2018	2017
Revenue			
Revenue	12	603,535,725,204.62	465,181,414,525.26
Service and Business Income	13	2,754,592,707.72	2,344,664,009.83
Shares, Grants and Donations	14	2,203,119.60	-
Miscellaneous Income	15	67,828.10	-
Total Revenue		<u>606,292,588,860.04</u>	<u>467,526,078,535.09</u>
Less: Current Operating Expenses			
Personnel Services	16	1,446,756,954.04	1,369,184,717.17
Maintenance and Other Operating Expenses	17	910,647,529.35	3,574,415,459.52
Financial Expenses	18	-	-
Non-Cash Expenses	19	20,536,419.44	265,865,234.05
Total Current Operating Expenses		<u>2,377,940,902.83</u>	<u>5,209,465,410.74</u>
Surplus (Deficit) from Current Operations		<u>603,914,647,957.21</u>	<u>462,316,613,124.35</u>
Net Financial Assistance/Subsidy	20	4,351,805,195.16	9,212,375,086.26
Sale of Asset	21	1,154,420,820.13	273,682,858.21
Gains	21	-	7,096.96
Surplus (Deficit) for the Period		<u><u>609,420,873,972.50</u></u>	<u><u>471,802,678,165.78</u></u>

**BUREAU OF CUSTOMS
STATEMENT OF CHANGES IN NET ASSETS (Restated)
ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

PARTICULARS	2018	2017
Balance at January 1, 2018	(11,619,022,753.65)	(20,541,171,993.92)
Add/Deduct:	-	-
Prior Period Adjustments/Unrecorded Income and Expenses	-	(5,603,274,512.27)
Other Adjustments	-	-
Restated Balances (See Pre-Closing Trial Balance)	<u>(11,619,022,753.65)</u>	<u>(26,144,446,506.19)</u>
Add/Deduct:		
Changes in Net Assets/Equity for Calendar Year		
Adjustment of Net Revenue recognized directly in Net Assets/Equity	-	-
Closing of Cash - Treasury/Agency Deposit - Regular	(563,277,013,871.55)	(456,948,830,922.63)
Closing of Cash - Tax Remittance Advice (BIR, BOC and BTr NG only)	(7,658,770,899.05)	(1,439,382,472.26)
Surplus/(Deficit) for the Period	609,420,873,972.50	472,913,637,147.43
Total Recognized Revenue and Expenses for the Period	<u>38,485,089,201.90</u>	<u>14,525,423,752.54</u>
Balance at December 31, 2018	<u>26,866,066,448.25</u>	<u>(11,619,022,753.65)</u>

**BUREAU OF CUSTOMS
CONDENSED STATEMENT OF FINANCIAL POSITION (Restated)
ALL FUNDS
AS OF DECEMBER 31, 2018**

ASSETS	ACCOUNT TITLE	Note	2018	2017
Current Assets				
	Cash and Cash Equivalent	6	29,145,137,475.74	6,856,548,944.37
	Receivables	7	5,842,409,988.30	3,900,399,618.31
	Inventories	8	373,291,773.18	323,275,766.67
	Other Current Assets	9	68,321,520.02	52,269,774.48
	Total Current Assets		35,429,160,757.24	11,132,494,103.83
Non Current Assets				
	Property, Plant and Equipment	10	2,327,090,441.21	2,231,377,548.70
	Other Non-Current Assets	9	1,179,396,747.08	2,239,365,309.10
	Total Non-Current Assets		3,506,487,188.29	4,470,742,857.80
TOTAL ASSETS			38,935,647,945.53	15,603,236,961.63
LIABILITIES				
Current Liabilities				
	Financial Liabilities Payables	11.1	8,237,493,468.89	24,054,633,650.02
	Inter-Agency Payables	11.2	108,923,597.57	65,807,303.45
	Intra-Agency Payables	11.3	367,805,684.52	370,763,883.52
	Trust Liabilities	11.4	3,319,758,372.61	2,693,750,013.93
	Other Payables	11.6	(356,552.67)	1,347,938.00
	Deferred Credits/Unearned Income	11.5	35,956,926.36	35,956,926.36
	Total Current Liabilities		12,069,581,497.28	27,222,259,715.28
Non-Current Liabilities			-	-
Total Non-Current Liabilities			-	-
TOTAL LIABILITIES			12,069,581,497.28	27,222,259,715.28
NET ASSETS/EQUITY				
	Accumulated Surplus/(Deficit)		26,866,066,448.25	(11,619,022,753.65)
	Total Net Assets/Equity		26,866,066,448.25	(11,619,022,753.65)
TOTAL LIABILITIES AND NET ASSETS/EQUITY			38,935,647,945.53	15,603,236,961.63

**BUREAU OF CUSTOMS
DETAILED STATEMENT OF FINANCIAL POSITION (Restated)
ALL FUNDS
AS OF DECEMBER 31, 2018**

ASSETS	2018	2017
Current Assets		
Cash and Cash Equivalent	29,145,137,475.74	6,856,548,944.37
Cash on Hand		
Cash - Collecting Officer	280,680,980.84	240,770,310.18
Petty Cash	279,253,202.46	239,767,103.48
	1,427,778.38	1,003,306.70
Cash in Bank - Local Currency		
Cash in Bank - Local Currency, Current Account	2,233,128,345.75	2,410,911,676.66
Cash in Bank - Local Currency, Savings Account	1,745,928,645.75	1,923,711,976.66
	487,199,700.00	487,199,700.00
Treasury/Agency Cash Accounts		
Cash - Treasury/Agency Deposit, Special Account	26,631,328,149.15	4,204,866,957.53
Cash - Treasury/Agency Deposit, Trust	2,616,123,091.26	2,107,925,687.31
	24,015,203,057.89	2,096,941,270.22
Receivables	5,842,409,988.30	3,900,399,618.31
Loans and Receivable Accounts		
Accounts Receivable	750,000.00	750,000.00
	750,000.00	750,000.00
Inter-Agency Receivables		
Due from National Government Agencies	3,739,281,438.14	1,795,071,247.74
Due from Government-Owned and/or Controlled Corporations	1,496,319,578.14	1,795,071,247.74
	2,242,961,860.00	
Intra-Agency Receivables		
Due from Central Office	163,842,313.92	165,641,614.68
Due from Operating Units	163,842,313.92	165,641,614.68
	-	-
Other Receivables		
Receivables - Disallowances/Charges	1,938,536,236.24	1,938,936,755.89
Due from Officers and Employees	1,906,159,080.31	1,905,817,624.78
Other Receivables	10,068,880.30	10,810,855.48
	22,308,275.63	22,308,275.63
Inventories	373,291,773.18	323,275,766.67
Inventory Held for Consumption		
Office Supplies Inventory	344,507,792.37	321,430,831.76
Accountable Forms, Plates and Stickers Inventory	17,819,348.62	23,794,147.81
Drugs and Medicines Inventory	320,869,601.64	293,233,752.79
Medical, Dental and Laboratory Supplies Inventory	2,481,698.57	2,481,698.57
Other Supplies and Materials Inventory	1,337,045.45	1,101,978.50
	2,000,098.09	819,254.09
Semi-Expendable		
Semi-Expendable Machinery	28,783,980.81	1,844,934.91
Semi-Expendable Office Equipment	35,416.32	35,416.32
Semi-Expendable Information and Communications Technology Equipment	2,062,225.51	421,778.38
Semi-Expendable Communications Equipment	607,971.96	28,125.00
Semi-Expendable Disaster Response and Rescue Equipment	21,320.00	-
Semi-Expendable Other Machinery and Equipment	47,500.01	47,500.01
Semi-Expendable Furniture and Fixtures	72,300.00	-
Semi-Expendable Books	25,881,747.01	1,256,615.20
	53,500.00	55,500.00

ACCOUNT TITLE	2018	2017
	68,321,520.02	52,269,774.48
Other Current Assets		
Advances		
Advances for Operating Expenses	20,718,483.69	2,824,317.30
Advances for Payroll	2,248,546.06	2,122,490.75
Advances to Special Disbursing Officer		392,518.34
Advances to Officers and Employees	18,180,246.25	309,308.21
	289,691.38	
Prepayments		
Advances to Contractors	45,928,440.60	48,451,157.18
Prepaid Rent	45,103,899.24	46,964,952.49
Prepaid Registration	2,894.94	2,894.94
Prepaid Insurance	11,480.00	
Other Prepayments	263,328.92	1,150,672.25
	546,837.50	332,637.50
Deposits		
Guaranty Deposits	1,674,595.73	994,300.00
	1,674,595.73	994,300.00
Total Current Assets	35,429,160,757.24	11,132,494,103.83
Non Current Assets		
Property, Plant and Equipment	2,327,090,441.21	2,231,377,548.70
Land		
Land		
Buildings and Other Structures		
Buildings	249,381,341.67	237,397,696.94
Accumulated Depreciation - Buildings	285,668,006.74	273,522,854.85
Net Value - Buildings	(49,287,002.95)	(49,134,404.63)
Other Structures	236,401,003.79	224,388,450.22
Accumulated Depreciation - Other Structures	13,144,970.92	13,144,970.92
Net Value - Other Structures	(164,633.04)	(135,724.20)
	12,980,337.88	13,009,246.72
Machinery and Equipment		
Machinery	1,219,815,671.59	1,142,072,277.14
Office Equipment	253,004,050.00	251,657,650.00
Accumulated Depreciation - Office Equipment	144,289,277.11	120,331,126.30
Net Value - Office Equipment	(51,476,285.67)	(51,067,855.51)
Information and Communication Technology Equipment	92,812,991.44	69,263,270.79
Accumulated Depreciation-Information and Communication Technology Equipment	738,603,495.64	669,580,797.80
Net Value-Information and Communication Technology Equipment	(310,454,585.31)	(292,369,927.35)
Communication Equipment	428,148,910.33	377,210,870.45
Accumulated Depreciation - Communication Equipment	7,118,232.95	6,941,200.95
Net Value - Communication Equipment	(1,168,169.88)	(1,076,810.40)
Disaster Response and Rescue Equipment	5,950,063.07	5,864,390.55
Accumulated Depreciation-Disaster Response and Rescue Equipment	2,662,328.44	2,662,328.44
Net Value - Disaster Response and Rescue Equipment	(1,330,327.53)	(1,227,980.73)
Military, Police and Security Equipment	1,332,000.91	1,434,347.71
Accumulated Depreciation - Military, Police and Security Equipment	13,772,255.21	11,957,755.21
Net Value - Military, Police and Security Equipment	(427,538.70)	(427,538.70)
Medical Equipment	13,344,716.51	11,530,216.51
Accumulated Depreciation - Medical Equipment	3,725.00	3,725.00
Net Value - Medical Equipment	(2,123.26)	(2,123.26)
Technical and Scientific Equipment	1,601.74	1,601.74
Accumulated Depreciation - Technical and Scientific Equipment	45,292,667.98	45,292,667.98
Net Value - Technical and Scientific Equipment	(18,267,002.43)	(18,267,002.43)
Other Machinery and Equipment	27,025,665.55	27,025,665.55
Accumulated Depreciation - Other Machinery and Equipment	7,954,689,826.93	7,954,527,446.93
Net Value - Other Machinery and Equipment	(7,556,494,154.89)	(7,556,443,183.09)
	398,195,672.04	398,084,263.84
Transportation Equipment		
Motor Vehicles	27,178,198.75	26,264,877.31
Accumulated Depreciation - Motor Vehicles	43,764,304.12	42,785,704.12
Net Value - Motor Vehicles	(16,586,105.37)	(16,520,826.81)
	27,178,198.75	26,264,877.31
Furniture, Fixtures and Books		
Furniture and Fixtures	164,510,290.22	159,437,758.33
Accumulated Depreciation - Furniture and Fixtures	381,296,749.90	375,406,356.89
Net Value - Furniture and Fixtures	(220,157,296.43)	(218,585,428.91)
Books	161,139,453.47	156,820,927.98
	3,370,836.75	2,616,830.35
Other Property, Plant and Equipment		
Other Property, Plant and Equipment	78,950.00	78,950.00
	78,950.00	78,950.00

ACCOUNT TITLE	<u>2018</u>	<u>2017</u>
Construction in Progress		
Construction in Progress - Infrastructure Assets	666,125,988.98	666,125,988.98
Construction in Progress - Buildings and Other Structures	29,882,341.26	29,882,341.26
	636,243,647.72	636,243,647.72
Other Non-Current Assets	1,179,396,747.08	2,239,365,309.10
Other Assets		
Confiscated Property/Assets	1,179,396,747.08	2,239,365,309.10
Other Assets	236,103,234.50	236,103,234.50
	943,293,512.58	2,003,262,074.60
Total Non-Current Assets	3,506,487,188.29	4,470,742,857.80
TOTAL ASSETS	38,935,647,945.53	15,603,236,961.63
LIABILITIES		
Current Liabilities		
Financial Liabilities Payables	8,237,493,468.89	24,054,633,650.02
Accounts Payable	2,293,534,812.60	3,403,708,009.39
Due to Officers and Employees	611,530,178.37	571,906,307.98
Awards and Rewards Payable	857,755,814.68	1,315,027,209.43
Tax Refunds Payable	4,474,672,663.24	18,763,992,123.22
Inter-Agency Payables	108,923,597.57	65,807,303.45
Due to BIR	81,502,788.06	57,260,834.12
Due to GSIS	16,811,382.81	5,155,547.61
Due to Pag-IBIG	946,277.39	(4,281,477.63)
Due to PhilHealth	5,623,344.14	4,108,928.39
Due to NGAs	3,954,966.30	3,938,001.30
Due to GOCCs	84,547.38	(374,821.83)
Due to LGUs	291.49	291.49
Intra-Agency Payables	367,805,684.52	370,763,883.52
Due to Central Office	158,130,750.03	158,130,750.03
Due to Operating Units	209,674,934.49	212,633,133.49
Trust Liabilities	3,319,758,372.61	2,693,750,013.93
Trust Liabilities	3,257,417,293.38	2,637,418,806.87
Guaranty/Security Deposits Payable	62,341,079.23	56,331,207.06
Other Payables	(356,552.67)	1,347,938.00
Other Payables	(356,552.67)	1,347,938.00
Deferred Credits/Unearned Income	35,956,926.36	35,956,926.36
Other Deferred Credits	35,956,926.36	35,956,926.36
Total Current Liabilities	12,069,581,497.28	27,222,259,715.28
Non-Current Liabilities		
Total Non-Current Liabilities		
TOTAL LIABILITIES	12,069,581,497.28	27,222,259,715.28
NET ASSETS/EQUITY		
Equity		
Government Equity	26,866,066,448.25	(11,619,022,753.65)
Accumulated Surplus/(Deficit)	26,866,066,448.25	(11,619,022,753.65)
NET ASSETS/EQUITY	26,866,066,448.25	(11,619,022,753.65)
TOTAL LIABILITIES AND NET ASSETS/EQUITY	38,935,647,945.53	15,603,236,961.63

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**BUREAU OF CUSTOMS
CONDENSED STATEMENT OF FINANCIAL PERFORMANCE (Restated)
ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

ACCOUNT TITLE	<u>Note</u>	<u>2018</u>	<u>2017</u>
Revenue			
Revenue	12	603,535,725,204.62	465,181,830,482.26
Service and Business Income	13	2,754,592,707.72	2,366,781,729.48
Shares, Grants and Donations	14	2,203,119.60	-
Miscellaneous Income	15	67,828.10	-
Total Revenue		<u>606,292,588,860.04</u>	<u>467,548,612,211.74</u>
Less: Current Operating Expenses			
Personnel Services	16	1,446,756,954.04	1,350,536,451.81
Maintenance and Other Operating Expenses	17	910,647,529.35	2,506,497,200.66
Financial Expenses		-	-
Non-Cash Expenses	19	20,536,419.44	265,865,234.05
Total Current Operating Expenses		<u>2,377,940,902.83</u>	<u>4,122,898,886.52</u>
Surplus (Deficit) from Current Operations		<u>603,914,647,957.21</u>	<u>463,425,713,325.22</u>
Net Financial Assistance/Subsidy	20	4,351,805,195.16	9,214,233,867.04
Sale of Asset	21	1,154,420,820.13	273,682,858.21
Gains	21	-	7,096.96
Surplus (Deficit) for the Period		<u>609,420,873,972.50</u>	<u>472,913,637,147.43</u>

**BUREAU OF CUSTOMS
DETAILED STATEMENT OF FINANCIAL PERFORMANCE (Restated)
ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

ACCOUNT TITLE	2018	2017
Revenue		
Tax Revenue		
Tax Revenue-Goods and Services		
Import Duties	80,361,764,602.43	59,576,254,261.87
Excise Tax	95,938,236,920.39	61,172,856,039.25
Business Tax	426,687,763,996.24	343,940,779,990.44
Total Tax Revenue-Goods and Services	602,987,765,519.06	464,689,890,291.56
Tax Revenue-Others		
Documentary Stamp Tax	475,912,573.50	449,642,182.25
Tax Revenue-Fines and Penalties		
Tax Revenue - Fines and Penalties - Taxes on Goods and Services	72,047,112.06	41,882,051.45
Tax Revenue - Fines and Penalties - Other Taxes	-	415,957.00
Total Tax Revenue	603,535,725,204.62	465,181,830,482.26
Service and Business Income		
Service Income		
Permit Fees	59,933,287.00	55,997,510.00
Registration Fees	2,777,400.00	2,815,600.00
Clearance and Certification Fees	5,958,300.00	6,825,500.00
Legal Fees	2,729,370.00	950,100.00
Inspection Fees	58,512.00	35,160.00
Verification and Authentication Fees	3,557,400.00	3,240,860.00
Processing Fees	750,208,031.00	678,086,174.00
Other Service Income	1,792,548,832.27	1,491,279,396.88
Total Service Income	2,617,771,132.27	2,239,230,300.88
Business Income		
Rent/Lease Income	3,689,578.87	3,584,923.43
Income from Printing and Publication	10,000.00	5,000.00
Sales Revenue	-	28,322,760.00
Cost of Sales	-	(15,001,941.71)
Net Sales	-	13,320,818.29
Interest Income	21,768.66	28,504.82
Fines and Penalties-Business Income	17,447,632.10	30,073,509.25
Other Business Income	115,652,595.82	80,538,672.81
Total Business Income	136,821,575.45	127,551,428.60
Total Service and Business Income	2,754,592,707.72	2,366,781,729.48
Shares, Grants and Donations		
Grants and Donations		
Income from Grants and Donations in Kind	2,203,119.60	-
Total Shares, Grants and Donations	2,203,119.60	-
Miscellaneous Income		
Miscellaneous Income	67,828.10	-
Total Miscellaneous Income	67,828.10	-
Total Revenue	606,292,588,860.04	467,548,612,211.74
Current Operating Expenses		
Personnel Services		

ACCOUNT TITLE	2018	2017
Salaries and Wages		
Salaries and Wages-Regular	887,753,758.44	787,142,914.01
Salaries and Wages-Casual/Contractual	2,260,080.35	2,672,638.48
Total Salaries and Wages	890,013,838.79	789,815,552.49
Other Compensation		
Personal Economic Relief Allowance (PERA)	65,592,672.41	72,278,353.03
Representation Allowance (RA)	9,926,685.55	5,825,544.50
Transportation Allowance (TA)	8,846,810.55	5,535,044.50
Clothing/Uniform Allowance	16,687,000.00	11,105,000.00
Subsistence Allowance	3,915,320.00	7,181,237.91
Laundry Allowance	11,000.00	11,763.64
Honoraria	33,362.46	128,849.81
Hazard Pay	141,503.95	140,990.76
Overtime and Night Pay	3,619,305.93	2,062,986.35
Year End Bonus	72,549,327.15	67,247,185.85
Cash Gift	15,133,000.00	14,972,250.00
Other Bonuses and Allowances	82,393,926.65	81,255,716.45
Total Other Compensation	278,849,914.65	267,744,922.80
Personnel Benefit Contributions		
Retirement and Life Insurance Premiums	93,955,081.85	94,904,186.39
Pag-IBIG Contributions	2,684,088.86	3,613,697.32
PhilHealth Contributions	10,345,303.78	7,708,150.45
Employees Compensation Insurance Premiums	3,037,907.70	3,576,168.08
Total Personnel Benefit Contributions	110,022,382.19	109,802,202.24
Other Personnel Benefits		
Retirement Gratuity	8,840,664.53	29,807,959.62
Terminal Leave Benefits	158,957,921.59	148,459,474.97
Other Personnel Benefits	72,232.29	4,906,339.69
Total Other Personnel Benefits	167,870,818.41	183,173,774.28
Total Personnel Services	1,446,756,954.04	1,350,536,451.81
Maintenance and Other Operating Expenses		
Traveling Expenses		
Traveling Expenses-Local	22,505,650.21	24,349,619.19
Traveling Expenses-Foreign	6,452,935.92	14,048,793.03
Total Traveling Expenses	28,958,586.13	38,398,412.22
Training and Scholarship Expenses		
Training Expenses	21,771,802.65	18,863,881.71
Total Training and Scholarship Expenses	21,771,802.65	18,863,881.71
Supplies and Materials Expenses		
Office Supplies Expenses	49,735,092.21	51,568,951.86
Accountable Forms Expenses	28,547,579.15	9,815,513.90
Fuel, Oil and Lubricants Expenses	13,502,563.63	5,682,368.28
Semi-Expendable Machinery and Equipment Expenses	350,266.50	13,295.00
Semi-Expendable Furniture, Fixtures and Books Expenses	73,216.50	-
Other Supplies and Materials Expenses	445,878.42	1,338,866.33
Total Supplies and Materials Expenses	92,654,596.41	68,418,995.37
Utility Expenses		
Water Expenses	21,940,157.16	23,154,290.48
Electricity Expenses	72,625,925.55	69,053,504.68
Total Utility Expenses	94,566,082.71	92,207,795.16
Communication Expenses		
Postage and Courier Services	3,068,714.53	3,374,720.15

ACCOUNT TITLE	2018	2017
Telephone Expenses	9,532,648.16	11,080,429.04
Internet Subscription Expenses	10,162,327.18	10,669,253.32
Cable, Satellite, Telegraph and Radio Expenses	25,720.00	17,105.00
Total Communication Expenses	22,789,409.87	25,141,507.51
Confidential, Intelligence and Extraordinary Expenses		
Confidential Expenses	52,125,000.00	34,125,000.00
Extraordinary and Miscellaneous Expenses	16,949,336.68	13,319,375.55
Total Confidential, Intelligence and Extraordinary Expenses	69,074,336.68	47,444,375.55
Professional Services		
Legal Services	-	3,650.00
Auditing Services	100,968.46	-
Consultancy Services	-	160,000.00
Other Professional Services	164,390,376.03	162,704,425.64
Total Professional Services	164,491,344.49	162,868,075.64
General Services		
Environment/Sanitary Services	-	13,000.00
Janitorial Services	49,453,394.21	48,052,413.57
Security Services	632,658.58	648,532.42
Other General Services	3,985,758.63	17,110,459.05
Total General Services	54,071,811.42	65,824,405.04
Repairs and Maintenance		
Repairs and Maintenance-Buildings and Other Structures	4,656,416.26	42,936,149.15
Repairs and Maintenance-Machinery and Equipment	297,266,726.35	291,433,419.76
Repairs and Maintenance-Transportation Equipment	1,143,691.37	1,622,059.47
Repairs and Maintenance-Furniture and Fixtures	180,226.00	385,161.80
Total Repairs and Maintenance	303,247,059.98	336,376,790.18
Taxes, Insurance Premiums and Other Fees		
Taxes, Duties and Licenses	104,855.58	379,367.05
Fidelity Bond Premiums	2,109,852.25	2,150,943.65
Insurance Expenses	1,491,952.49	3,228,682.62
Total Taxes, Insurance Premiums and Other Fees	3,706,660.32	5,758,993.32
Labor and Wages		
Other Maintenance and Operating Expenses		
Advertising Expenses	822,481.60	1,622,255.20
Printing and Publication Expenses	1,302,100.04	851,593.98
Representation Expenses	134,731.00	2,474,378.28
Transportation and Delivery Expenses	646,209.00	157,108.31
Rent/Lease Expenses	8,763,963.31	55,526,476.36
Membership Dues and Contributions to Organizations	-	16,646.62
Subscription Expenses	28,208,097.65	63,840,798.21
Other Maintenance and Operating Expenses	15,438,256.09	1,520,704,712.00
Total Other Maintenance and Other Operating Expenses	55,315,838.69	1,645,193,968.96
Total Maintenance and Other Operating Expenses	910,647,529.35	2,506,497,200.66
Financial Expenses		
Financial Expenses		
Bank Charges	-	-
Total Financial Expenses	0.00	0.00
Non-Cash Expenses		
Depreciation		
Depreciation-Buildings and Other Structures	161,507.16	161,507.16
Depreciation-Machinery and Equipment	18,737,766.20	263,213,247.84
Depreciation-Transportation Equipment	65,278.56	918,606.13

ACCOUNT TITLE	2018	2017
Depreciation-Furniture, Fixtures and Books	1,571,867.52	1,571,872.92
Total Depreciation	20,536,419.44	265,865,234.05
Total Non-Cash Expenses	20,536,419.44	265,865,234.05
Current Operating Expenses	2,377,940,902.83	4,122,898,886.52
Surplus (Deficit) from Current Operations	603,914,647,957.21	463,425,713,325.22
Financial Assistance/Subsidy		
Financial Assistance/Subsidy from NGAs, LGUs, GOCCs		
Subsidy from National Government	4,351,805,195.16	9,214,233,867.04
Total Financial Assistance/Subsidy from NGAs, LGUs, GOCCs	4,351,805,195.16	9,214,233,867.04
Less: Financial Assistance/Subsidy to NGAs, LGUs, GOCCs, NGOs/Pos		
Net Financial Assistance/Subsidy	4,351,805,195.16	9,214,233,867.04
Other Non-Operating Income		
Sale of Assets		
Sale of Garnished/Confiscated/Abandoned/Seized Goods and Properties	1,154,420,820.13	273,682,858.21
Total Sale of Assets	1,154,420,820.13	273,682,858.21
Gains and Reversal		
Other Gains	-	7,096.96
Total Gains	-	7,096.96
Total Other Non-Operating Income	1,154,420,820.13	273,689,955.17
Losses		
Total Losses	-	-
Surplus (Deficit) for the Period	609,420,873,972.50	472,913,637,147.43

BUREAU OF CUSTOMS
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
ALL FUNDS
For the Year Ended December 31, 2018
(in thousand pesos)

PARTICULARS	Budgeted Amount		Actual Amounts on Comparable Basis	Difference Final Budget and Actual
	Original	Final		
RECEIPTS				
Tax Revenue	585,791,000.00	585,791,000.00	603,535,725.00	(17,744,725.00)
Services and Business Income	5,839,000.00	5,839,000.00	2,754,593.00	3,084,407.00
Shares, Grants and Donations			2,203.00	(2,203.00)
Miscellaneous Income			68.00	(68.00)
Others	1,075,000.00	1,075,000.00	1,154,421.00	(79,421.00)
Total Receipts	592,705,000.00	592,705,000.00	607,447,010.00	(14,742,010.00)
PAYMENTS				
Personnel Services	1,436,681.00	1,491,770.00	1,360,310.00	131,460.00
Maintenance and Other Operating Expenses	1,230,069.00	1,226,919.00	993,226.00	233,693.00
Capital Outlay	2,382,109.00	2,385,259.00	172,993.00	2,212,266.00
Financial Expenses				
Others				
Total Payments	5,048,859.00	5,103,948.00	2,526,529.00	2,577,419.00
NET RECEIPTS/PAYMENTS	587,656,141.00	587,601,052.00	604,920,481.00	(17,319,429.00)

Notes

BUREAU OF CUSTOMS
NOTES TO [CONSOLIDATED] FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2018

1. General Information/Agency Profile

The [consolidated] financial statements of Bureau of Customs (BOC) were authorized for issue on 19 February 2019 as shown in the Statement of Management Responsibility for Financial Statements signed by Rey Leonardo B. Guerrero, Commissioner, BOC.

The BOC is an agency established on 14 July 1902 upon the passage of Public Act No. 430. It was reorganized on 1 July 1947 by virtue of Executive Order (EO) No. 94 and Republic Act (RA) No. 51. It also underwent re-organization when the Ministry of Finance, now Department of Finance was reorganized under EO No. 127 dated 30 January 1987.

The BOC operates primarily by means of the supervision of import and export operations, starting from the discharge of imported goods, storage, documentation, examination and appraisal, collections of duties and taxes, cargo movement, and export of products. Its service, also in part, meets the demands of airline passengers. The primary clients as well as beneficiaries are the importers, exporters and brokers who, through their day to day transactions with the Bureau have to pay the corresponding duties and taxes levied on their cargoes and spend time and effort to have such cargoes cleared from Customs custody. The BOC provides them with assistance in bringing their goods in and out of the country.

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 (COA) per COA Resolution No. 2014-003 dated 24 January 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 an accrual basis in accordance with the PPSAS.

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash in 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 insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

Petty Cash Fund (PCF) account is maintained under the Imprest System. All replenishments are directly charged to the expense account. The PCF is used for emergency purchases and not to purchase regular inventory items for stock.

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.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the BOC.

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 PPE are stated at cost less accumulated depreciation and impairment losses.

When significant parts of PPE are required to be replaced at intervals, the BOC 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 PPE 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 starts on the succeeding month.

Depreciation Method

The straight-line method of depreciation is adopted.

Estimated Useful Life

The BOC uses the Schedule on the Estimated Useful Life of PPE by classification in accordance with COA Circular No. 2003-007 dated 11 December 2003.

The BOC uses a residual value equivalent to at least 10 per cent of the cost of the PPE.

Effective 1 January 2015, the residual value will be adjusted to at least five percent (5%) of the cost of the PPE. The corresponding depreciation will be adjusted accordingly.

Impairment

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

Derecognition

The BOC 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 Provisions

Provisions are recognized when the BOC has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the BOC expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provisions are reversed.

Contingent liabilities

The BOC does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The BOC does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the BOC in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

3.6 Changes in accounting policies and estimates

The BOC recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

The BOC recognizes the effects of changes in accounting estimates prospectively by including in surplus or deficit.

The BOC 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.

3.7 Revenue from non-exchange transactions

Recognition and Measurement of Assets from Non-Exchange Transactions

An inflow of resources from a non-exchange transaction, other than services in-kind, that meets the definition of an asset are recognized as an asset if the following criteria are met:

- It is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and
- The fair value of the asset can be measured reliably.

An asset acquired through a non-exchange transaction is initially measured at its fair value as at the date of acquisition.

Recognition Revenue from Non-Exchange Transactions

An inflow of resources from a non-exchange transaction recognized as an asset is recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.

As BOC satisfies a present obligation recognized as a liability in respect of an inflow of resources from a non-exchange transaction recognized as an asset, it reduces the carrying amount of the liability recognized and recognize an amount of revenue equal to that reduction.

Measurement of Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognized by the entity, unless a corresponding liability is recognized.

Measurement of Liabilities on Initial Recognition from Non-Exchange Transactions

The amount recognized as a liability in a non-exchange transaction is the best estimate of the amount required to settle the present obligation at the reporting date.

Taxes

Taxes and the related fines and penalties are recognized when collected or when these are measurable and legally collectible. The related refunds, including those that are measurable and legally collectible, are deducted from the recognized tax revenue.

Fees and fines not related to taxes

The BOC recognizes revenues from fees and fines, except those related to taxes, when earned and the asset recognition criteria are met. Deferred income is recognized instead of revenue if there is a related condition attached that would give rise to a liability to repay the amount.

Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Gifts and Donations

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

Goods in-kind are recognized as assets when the goods are received, or there is a binding arrangement to receive the goods. If goods in-kind are received without conditions attached, revenue is recognized immediately. If conditions are attached, a liability is recognized, which is reduced and revenue recognized as the conditions are satisfied.

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

Transfers

The BOC recognizes an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset, except those arising from services in-kind.

Services in-Kind

Services in-kind are not recognized as asset and revenue considering the complexity of the determination of and recognition of asset and revenue and the eventual recognition of expenses.

Transfers from other government entities

Revenues from non-exchange transactions with other government entities and the related assets are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the BOC and can be measured reliably.

3.8 Revenue from Exchange transactions

Measurement of Revenue

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

Rendering of Services

The BOC 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 are 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 BOC.

Interest Income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions are recognized when the BOC's right to receive payments is established.

Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

Royalties

Royalties are recognized as they are earned in accordance with the substance of the relevant agreement.

3.9 Budget Information

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

As a result of the adoption of the cash basis for budgeting purposes, a separate Statement of Comparison of Budget and Actual Amounts is presented showing the basis, timing or entity differences. Explanatory comments are provided in the notes to the annual financial statements; first, the reason for overall growth or decline in the budget are stated, followed by details of overspending or underspending on line items.

3.10 Employee benefits

The employees of BOC are member of the Government Service Insurance System (GSIS), which provides life and retirement insurance coverage.

The BOC 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.

The BOC recognizes expenses for accumulating compensated absences when these are paid (commuted or paid as terminal leave benefits). Unused entitlements that has accumulated at the reporting date are not recognized as expense. Non-accumulating compensated absences, like special leave privileges, are not recognized.

4. Changes in Accounting Policies

BOC adopted the following new accounting policies:

4.1 Financial Statements/Reports Preparation

The BOC has adopted the Supplementary guidelines on the preparation of financial statements and other financial reports prescribed under COA Circular No. 2015-002 dated 9 March 2015.

4.2 Revised Chart of Accounts

On 1 January 2014, the BOC adopted the account codes in the Revised Chart of Accounts for National Government Agencies (NGAs) prescribed under COA Circular No. 2013-002 dated 30 January 2013, as amended by COA Circular No. 2014-003 dated 15 April 2014.

5. Prior Period Adjustments

The BOC has determined that there is a significant effect when the Trust Fund account was separated from the Regular Agency (RA) Fund. Trust Fund Accounts were initially recorded as part of the RAS Fund.

As a result, there is a corresponding increase in the Trust Liability account affected in prior year and cumulative effect on opening accumulated surplus/(deficit) in current and prior year.

6. Cash and Cash Equivalents

Accounts	2018		2017	
	Current	Non-Current	Current	Non-Current
Cash on Hand	₱ 280,680,980.84	₱ -	₱ 240,770,310.18	₱ -
Cash in Bank - Local Currency	2,233,128,345.75	-	2,410,911,676.66	-
Treasury/Agency Cash Accounts	26,631,328,149.15	-	4,204,866,957.53	-
Total	₱ 29,145,137,475.74	₱ -	₱ 6,856,548,944.37	₱ -

Cash in Bank - Local Currency is the account used to recognize the release of funds to various Ports/subports for the implementation of programs and projects. The account is credited upon liquidation of fund transfers to Ports and subports thru submission of Reports of Checks Issued and Report of Disbursements.

Treasury/Agency Cash Accounts includes *Cash - Treasury/Agency Deposit, Special Account* and *Cash - Treasury/Agency Deposit, Trust* which are used to recognize the amount of collections remitted to the Bureau of Treasury (BTr) under the Special Account in the General Fund which refers to Container Security Fees (CSF) and Super Green Lane (SGL) and the amount of trust receipts/collections and trust funds remitted to the BTr respectively. The account is credited to recognize receipt of Notice of Cash Allocation NCA.

The BOC Payroll Fund Account was discontinued effective August 2018 per recommendation by BTr, and to remit the balance thereof. Partial remittance were made due to the on-going reconciliation of the account. There was a fund transfer from the BOC Payroll Fund to the Bureau of Treasury amounting to ₱100.835 million last December 2018.

7. Receivables

7.1 Loans and Receivable Accounts

Accounts	2018		2017	
	Current	Non-Current	Current	Non-Current
Accounts Receivable	₱ -	₱ 750,000.00	₱ -	₱ 750,000.00
Allowance for Impairment - Accounts Receivable	-	-	-	-
Net Value - Accounts Receivable	₱ -	₱ 750,000.00	₱ -	₱ 750,000.00

Accounts Receivable to NG account which represents returned check last June 25, 2003 issued by Fully Filipino Enterprises in the amount of ₱750,000.00 as shown below. This was referred to Legal Services for investigation and/or collections.

Entity Name	Check Details	Amount
Fully Filipino Enterprises	Security Bank Ck#327177	₱ 500,000.00
Fully Filipino Enterprises	Security Bank Ck#327192	250,000.00
Total		750,000.00

7.2 Inter-Agency Receivables

Accounts	2018		2017	
	Current	Non-Current	Current	Non-Current
Due from NGA	₱ 568,019,354.02	₱928,300,224.12	₱ 843,966,721.86	₱ 951,104,525.88
Due from GOCCs	2,242,212,360.00	749,500.00	0	0
Total	₱ 2,810,231,714.02	₱ 929,049,724.12	₱ 843,966,721.86	₱ P951,104,525.88

The *Due from NG* includes fund transfer to Procurement Service-Department of Budget and Management (PS-DBM), National Printing Office and Department of Public Works and Highways.

The *Due from GOCCs* represents transfer to Philippine International Trading Corp. in the amount of ₱2.242 billion pertaining to unliquidated funds transferred to as procurement agent of the Bureau to facilitate the purchase of various goods, services and infrastructure projects.

7.3 Intra-Agency Receivables

Accounts	2018		2017	
	Current	Non-Current	Current	Non-Current
Due from Central Office	₱ -	₱ 163,842,313.92	₱ -	₱ 165,641,614.68

7.4 Other Receivables

Accounts	2018		2017	
	Current	Non-Current	Current	Non-Current
Receivables Disallowances/Charges	₱ -	₱ 1,906,159,080.31	₱ -	₱ 1,905,817,624.78
Due from Officers and Employees		10,068,880.30		10,810,855.48
Other Receivables		22,308,275.63		22,308,275.63
Allowance for Impairment - Other Receivables		0		0
Net Value - Other Receivables	₱	22,308,275.63	₱	22,308,275.63
Total	₱	₱ 1,938,536,236.24	₱	₱ 1,938,936,755.89

Other Receivables include accounts which are already over three years and are for request of write-off pending submission/attachments of documentary requirements broken down as follows:

Particulars	Amount
Claims for Dishonored Checks (2002 and prior years)	₱ 7,668,681.20
Customs Management Committee (1973)	1,397,877.13
Balances from 2002 and prior years	13,241,717.30
Total	₱ 22,308,275.63

8. Inventories

Accounts	2018	2017
Inventory Held for Consumption	₱ 344,507,792.37	₱ 321,430,831.76
Office Supplies Inventory	17,819,348.62	23,794,147.81
Accountable Forms, Plates and Stickers Inventory	320,869,601.64	293,233,752.79
Drugs and Medicines Inventory	2,481,698.57	2,481,698.57
Medical, Dental and Laboratory Supplies Inventory	1,337,045.45	1,101,978.50
Other Supplies and Materials Inventory	2,000,098.09	819,254.09
Semi-Expendable Machinery and Equipment	28,783,980.81	1,844,934.91
Semi-Expendable Machinery	35,416.32	35,416.32
Semi-Expendable Office Equipment	2,062,225.51	421,778.38
Semi-Expendable ICT Equipment	607,971.96	28,125.00
Semi-Expendable Communications Equipment	21,320.00	0
Semi-Expendable Disaster Response and Rescue Equipment	47,500.01	47,500.01
Semi-Expendable Other Machinery & Equipment	72,300.00	0
Semi-Expendable Furniture and Fixtures	25,881,747.01	1,256,615.20
Semi-Expendable Books	55,500.00	55,500.00
Total Carrying Amount, December 31, 2018	₱ 373,291,773.18	₱ 323,275,766.67

Accountable Forms, Plates and Stickers Inventory are forms issued to accountable officers for sale, i.e.: Form A - Certificate of Origin; Import Entry Declaration; NAIA Gate Pass, Form 177 Informal Import Declaration entry.

The Port of Manila (POM) building was gutted by fire last 22 February 2019 at around 9:00 pm which is still awaiting Fire Incident Report from the Bureau of Fire Protection (BFP). The POM Supply Officer submitted already to the General Services Division, Office of the Commissioner (GSD-OCOM) the List of Inventory as of 31 December 2018.

9. Other Assets

9.1 Current and Non-Current Assets

Accounts	2018		2017	
	Current	Non-Current	Current	Non-Current
Advances	₱ 20,718,483.69	₱ -	₱ 2,824,317.30	-
Prepayments	45,928,440.60	-	48,451,157.18	-
Deposits	1,674,595.73	-	994,300.00	-
Other Assets	-	1,179,396,747.08	-	2,239,365,309.10
Total	₱ 68,321,520.02	₱ 1,179,396,747.08	₱ 52,269,774.48	₱ 2,239,365,309.10

Advances account amounting to ₱20.718 million includes *Advances for Operating Expenses, Advances for Payroll, Advances to Officers and Employees and Advances to Special Disbursing Officers* which includes unliquidated Confidential Fund for the fourth Quarter of Calendar Year (CY) 2018.

Prepayments account includes *Advances to Contractors, Prepaid Rent, Prepaid Registration, Prepaid Insurance and Other Prepayments.*

10. Property, Plant and Equipment

Particulars	Buildings and Other Structures	Machinery and Equipment	Transportation Equipment	Furniture, Fixtures and Books	Construction in Progress	Other Property, Plant and Equipment	Total
Carrying Amount, January 1, 2018 (restated)	237,397,696.94	1,142,072,277.14	26,264,877.31	159,437,758.33	666,125,988.98	78,950.00	2,231,377,548.70
Adjustments due to Restatement	0	-340,600.00	424,310.64	0	0	0	83,710.64
Additions/ Acquisitions	12,145,151.89	96,858,856.65	978,600.00	6,645,534.41	0	0	116,628,142.95
Total	249,542,848.83	1,238,590,533.79	27,667,787.95	166,083,292.74	666,125,988.98	78,950.00	2,348,089,402.29
Derecognition	0	0	0	0	0	0	0
Disposals	0	-37,096.00	0	-1,135.00	0	0	-38,231
Depreciation	-161,507.16	-18,737,766.20	-489,589.20	-1,571,867.52	0	0	-20,960,730.08
Impairment Loss	0	0	0	0	0	0	0
Carrying Amount, December 31,	249,381,341.67	1,219,815,671.59	27,178,198.75	164,510,290.22	666,125,988.98	78,950.00	2,327,090,441.21

Particulars	Buildings and Other Structures	Machinery and Equipment	Transportation Equipment	Furniture, Fixtures and Books	Construction in Progress	Other Property, Plant and Equipment	Total
Gross Cost	298,812,977.66	9,159,435,859.26	43,764,304.12	384,667,586.65	666,125,988.98	78,950.00	10,552,885,666.67
Less:							
Accumulated Depreciation	49,431,635.99	7,939,620,187.67	16,586,105.37	220,157,296.43	0	0	8,225,795,225.46
Allowance for Impairment	0	0	0	0	0	0	0
Carrying Amount, December 31, 2018	249,381,341.67	1,219,815,671.59	27,178,198.75	164,510,290.22	666,125,988.98	78,950.00	2,327,090,441.21

The Accounting Division is still on process of reconciling the *PPE* Accounts. Hence, various Ports and subports are required to submit their Inventory of PPE.

The POM building was gutted by fire last 22 February 2019 at around 9:00 pm which is still awaiting Fire Incident Report from the BFP. The POM Supply Officer submitted already to the GSD – OCOM the List of Inventory as of 31 December 2018.

11. Current Liabilities

11.1 Financial Liabilities Payables

Accounts	2018		2017	
	Current	Non-Current	Current	Non-Current
Accounts Payable	₱ 1,602,216,489.56	₱ 691,318,323.04	₱ 3,403,708,009.39	₱ 0
Due to Officers and Employees	611,530,178.37	0	571,906,307.98	0
Awards and Rewards Payable	0	857,755,814.68	0	1,315,027,209.43
Tax Refunds Payable	1,287,401,100.77	3,187,271,562.47	843,020,137.67	17,920,971,985.55
Total	₱3,501,147,768.70	₱4,736,345,700.19	₱4,818,634,455.04	₱ 19,235,999,194.98

11.2 Inter-Agency Payables

Accounts	2018		2017	
	Current	Non-Current	Current	Non-Current
Due to BIR	₱ 20,142,829.78	₱ 61,359,958.28	₱ 10,250,932.54	₱ 47,009,901.58
Due to GSIS	15,132,849.58	1,678,533.23	13,654,509.90	-8,498,962.29
Due to Pag-IBIG	5,907,860.91	-4,961,583.52	1,924,554.60	-6,206,032.23
Due to PhilHealth	1,153,622.36	4,469,721.78	541,033.73	3,567,894.66
Due to NGAs	20,941.00	3,934,025.30	3,976.00	3,934,025.30
Due to GOCCs	84,547.38	0	0	-374,821.83
Due to LGUs	0	291.49	0	291.49
Total	₱ 42,442,651.01	₱ 66,480,946.56	₱ 26,375,006.77	₱ 39,432,296.68

The allegedly unremitted portion of taxes withheld amounting to ₱32.423 million is from the cash incentives/rewards under the Attrition Law granted to officers and employees of this Bureau for exceeding the collection target of the calendar year 2006. This Bureau deferred the remittance of the said amount due to the following reasons:

- a. Waiting for the Bureau of Internal Revenue (BIR) reply to our request for tax exemption (Letter to Atty. James Roldan, Chief, Law Division, BIR dated 23 December 2008); and
- b. Due to the Notice of Suspension issued by the COA, that despite compliance of all the requirements indicated therein, the suspension still not yet lifted.

The *Due to PhilHealth* Subsidiary Ledger (SL) per port has been submitted already while the *Due to GOCC* SL per port submission is subject to updating. *Other Accounts* SL will be submitted per communication with the Accounting Division. *Other Accounts* will be subject for further verification/reconciliation with the ports/subports.

11.3 Intra-Agency Payables

Accounts	2018		2017	
	Current	Non-Current	Current	Non-Current
Due to Central Office	₱ 158,130,750.03	₱ -	₱ 158,130,750.03	₱ -
Due to Operating Units	209,674,934.49	-	212,633,133.49	-
Total	₱ 367,805,684.52	₱ -	₱ 370,763,883.52	₱ -

Due to Central Office and *Due to Operating Units* Accounts were used to effect fund transfer for *Payroll Fund* Account for the payment of salaries and wages of BOC employees. These accounts are for adjustments to appropriate accounts. The *Due to Central Office* and *Due to Operating Units* accounts will be closed after reconciliation has been made.

11.4 Trust Liabilities

Accounts	2018		2017	
	Current	Non-Current	Current	Non-Current
Trust Liabilities	₱ 3,257,417,293.38	₱ -	₱ 2,637,418,806.87	₱ -
Guaranty/Security Deposits Payable	62,341,079.23	-	56,331,207.06	-
Total	₱ 3,319,758,372.61	₱ -	₱ 2,693,750,013.93	₱ -

Trust Liabilities pertains to the receipt of amount held in trust for specific purpose. This includes Cash Bond, Auction, Confiscated Currencies, Extra Services. Bid Docs, Remuneration, Informers Reward and President's Social Fund.

11.5 Other Payables

Accounts	2018		2017	
	Current	Non-Current	Current	Non-Current
Other Payables	(₱ 356,552.67)	₱ -	₱ 1,347,938.00	₱ -

The *Other Payables* includes payables to BOC Provident Fund Inc, BOC- Employees Association, Inc, Samahang Nagkakaisang Pulis Aduana Inc , Private Insurances, Health Maintenance Organization, Banks and others.

11.6 Deferred Credits/Unearned Income

Accounts	2018		2017	
	Current	Non-Current	Current	Non-Current
Other Deferred Credits	₱ 35,956,926.36	-	₱ 35,956,926.36	₱ -

12. Tax Revenue

Accounts	2018	2017
Tax Revenue - Goods and Services	₱ 602,987,765,519.06	₱ 464,689,890,291.56
Import Duties	80,361,764,602.43	59,576,254,261.87
Excise Tax	95,938,236,920.39	61,172,856,039.25
Business Tax	426,687,763,996.24	343,940,779,990.44
Tax Revenue – Others	475,912,573.5	449,642,182.25
Documentary Stamp Tax	475,912,573.50	449,642,182.25
Tax Revenue - Fines and Penalties	72,047,112.06	42,298,008.45
Tax Revenue - Fines and Penalties - Taxes on Goods and Services	72,047,112.06	41,882,051.45
Tax Revenue – Other taxes		415,957.00
Total	₱ 603,535,725,204.62	₱ 465,181,830,482.26

The increased amount was due to increased effort in the collection of revenues thru importations and is covered by an appropriate Customs Administrative Order (CAO).

13. Service and Business Income

Accounts	2018	2017
Service Income	₱ 2,617,771,132.27	₱ 2,239,230,300.88
Permit Fees	59,933,287.00	55,997,510.00
Registration Fees	2,777,400.00	2,815,600.00
Clearance and Certification Fees	5,958,300.00	6,825,500.00
Legal Fees	2,729,370.00	950,100.00
Inspection Fees	58,512.00	35,160.00
Verification and Authentication Fees	3,557,400.00	3,240,860.00
Processing Fees	750,208,031.00	678,086,174.00
Other Service Income	1,792,548,832.27	1,491,279,396.88
Business Income	136,821,575.45	127,551,428.60
Rent/Lease Income	3,689,578.87	3,584,923.43
Income from Printing and Publication	10,000.00	5,000.00
Sales Revenue		28,322,760.00
Less: Sales Discounts		(15,001,941.71)
Cost of Sales		13,320,818.29
Net Sales		28,504.82
Interest Income	21,768.66	30,073,509.25
Fines and Penalties - Business Income	17,447,632.10	80,538,672.81
Other Business Income	115,652,595.82	
Total	₱ 2,754,592,707.72	₱ 2,366,781,729.48

All revenues collected were covered by a CAO and Customs Memorandum Order as its legal basis based on the new Customs Modernization and Tariff Act.

Legal Fees is anchored under CAO 2-2001 regarding Protest Cases.

Rent/Lease Income generated thru the rental from Globe Satellite; Offices of Landbank and Philippine National Bank.

For the RA Books, *Other Service Income* pertains to revenue generated from the collections of CSF and SGL while *Other Business Income* pertains to the Sale of Accountable Forms.

14. Shares, Grants and Donations

Account	2018	2017
Income from Grants and Donations in Kind	₱ 2,203,119.60	₱ -

This account was used to recognize the receipt of properties thru donation by and between the BOC and United States Agency for International Development trade related assistance for development.

15. Miscellaneous Income

Account	2018	2017
Miscellaneous Income	₱ 67,828.10	₱ -

16. Personnel Services

16.1 Salaries and Wages

Accounts	2018	2017
Salaries and Wages – Regular	₱ 887,753,758.44	₱ 787,142,914.01
Salaries and Wages - Casual/Contractual	2,260,080.35	2,672,638.48
Total Salaries and Wages	₱ 890,013,838.79	₱ 789,815,552.49

BOC employees for the year ended 31 December 2018:

Particulars	Number
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Officials	22
Executive Managers	19
Rank and File (Permanent)	2,782
Rank and File (Casual)	4
Total	2,827

16.2 Other Compensation

Accounts	2018	2017
Personal Economic Relief Allowance (PERA)	₱ 65,592,672.41	₱ 72,278,353.03
Representation Allowance (RA)	9,926,685.55	5,825,544.50
Transportation Allowance (TA)	8,846,810.55	5,535,044.50
Clothing/Uniform Allowance	16,687,000.00	11,105,000.00
Subsistence Allowance	3,915,320.00	7,181,237.91
Laundry Allowance	11,000.00	11,763.64
Honoraria	33,362.46	128,849.81
Hazard Pay	141,503.95	140,990.76
Overtime and Night Pay	3,619,305.93	2,062,986.35
Year End Bonus	72,549,327.15	67,247,185.85
Cash Gift	15,133,000.00	14,972,250.00
Other Bonuses and Allowances	82,393,926.65	81,255,716.45
Total	₱ 278,849,914.65	₱ 267,744,922.80

Increase in compensations can be attributed to the following:

1. RATA – due to increase in the Reimbursable RATA who were designated in Acting Capacity;
2. Clothing/Uniform Allowance – From ₱5,000.00 to ₱6,000 for CY 2018 and increase in the number of employees;
3. Subsistence Allowance – due to increase in the filled up plantilla position for Special Agents;
4. Increase in personnel rendering overtime services at Airports;
5. Year Bonus and Cash Gift – increase in the filled-up plantilla positions; and
6. Other Bonuses and Allowances – this includes the provision for Mid-Year Bonus and Productivity Enhancement Incentive.

16.3 Personnel Benefit Contributions

Accounts	2018	2017
Retirement and Life Insurance Premiums	₱ 93,955,081.85	₱ 94,904,186.39
Pag-IBIG Contributions	2,684,088.86	3,613,697.32
PhilHealth Contributions	10,345,303.78	7,708,150.45
Employees Compensation Insurance Premiums	3,037,907.70	3,576,168.08
Total	₱ 110,022,382.19	₱ 109,802,202.24

Retirement and Life Insurance Premium pertains to the remittances made to the GSIS for Life & Retirement Premium Government's share and other payables.

Pag-IBIG Contributions represents remittances to the Home Development Mutual Fund for PAG-IBIG premiums pertaining to government share.

PhilHealth Contributions represents payment of PhilHealth premium for government share.

Employees Compensation Insurance Premiums account refers to the remittances made to recognize the government's share in premium contributions to the Employees' Compensation Commission.

16.4 Other Personnel Benefit

Accounts	2018	2017
Retirement Gratuity	₱ 8,840,664.53	₱ 29,807,959.62
Terminal Leave Benefits	158,957,921.59	148,459,474.97
Other Personnel Benefits	72,232.29	4,906,339.69
Total	₱ 167,870,818.41	₱ 183,173,774.28

17. Maintenance and Other Operating Expenses

17.1 Traveling Expenses

Accounts	2018	2017
Traveling Expenses – Local	₱ 22,505,650.21	₱ 24,349,619.19
Traveling Expenses – Foreign	6,452,935.92	14,048,793.03
Total	₱ 28,958,586.13	₱ 38,398,412.22

Traveling Expenses - Local includes airfare, travel per diems and other related travelling expenses of BOC Officials and Employees on official business to attend various activities within the country for the period January to December 2018.

Traveling Expenses - Foreign includes airfare, pre-travel allowance, accommodation and daily subsistence allowance of BOC Officials and employees for their attendance to international conferences/seminars/membership/representing Philippines in other World Customs Organizations for the period January to December 2018.

17.2 Training and Scholarship Expenses

Accounts	2018	2017
Training Expenses	₱ 21,771,802.65	₱ 18,863,881.71

Training Expenses pertains to payment in BOC conduct of in-house trainings/workshop to fully equipped employees in the conduct of their duties and responsibilities. This also includes a three-month course for newly hired employees.

17.3 Supplies and Materials Expenses

Accounts	2018	2017
Office Supplies Expenses	₱ 49,735,092.21	₱ 51,568,951.86
Accountable Forms Expenses	28,547,579.15	9,815,513.90
Fuel, Oil and Lubricants Expenses	13,502,563.63	5,682,368.28
Semi Expendable Machinery and Equipment Expenses	350,266.50	13,295.00
Semi Expendable Furniture, Fixtures and Books Expenses	73,216.50	-
Other Supplies and Materials Expenses	445,878.42	1,338,866.33
Total	₱ 92,654,596.41	₱ 68,418,995.37

There was an increase in *Accountable Forms Expenses* account for the CY 2018 because this account was used in lieu of *Cost of Sales* for the adjustment of *Accountable Forms Inventory* upon sale of Accountable Forms as per instruction of COA-OCOM.

Decrease in the procurement of Office Supplies were sourced from the outstanding balance at the PS-DBM and slow procurement due to change/no signatories.

Fuel, Oil and Lubricants Expenses increased due to cost and increase number of x-ray operations usage due to 100% examination of goods.

17.4 Utility Expenses

Accounts	2018	2017
Water Expenses	₱ 21,940,157.16	₱ 23,154,290.48
Electricity Expenses	72,625,925.55	69,053,504.68
Total	₱ 94,566,082.71	₱ 92,207,795.16

Water Expenses are payments made to Maynilad Water Services, Inc. for the water consumption at the OCOM and Groups. It also includes payment of various Collection Districts and subports for water services.

Electricity Expenses are payments made to MERALCO for the electricity consumption at the OCOM and Groups. It also includes payment to Electric Companies at the Collection Districts and subports for their power services.

17.5 Communication Expenses

Accounts	2018	2017
Postage and Courier Services	₱ 3,068,714.53	₱ 3,374,720.15
Telephone Expenses	9,532,648.16	11,080,429.04
Internet Subscription Expenses	10,162,327.18	10,669,253.32
Cable, Satellite, Telegraph and Radio Expenses	25,720.00	17,105.00
Total	₱ 22,789,409.87	₱ 25,141,507.51

Postage and Courier Services represents payment made to the Philippine Postal Corporation, for mailing services of various communications, door-to-door delivery of

the Bureau. It also includes liquidation of Operating Expenses of the different Collection Districts of the Bureau.

Telephone Expenses are payments made to the Philippine Long Distance Telephone Company for current charges of BOC Telephone (Landlines) lines. These also include Mobile Allowances given to authorized personnel. The decreased amount was due to increased online communication thru the BOC website.

Internet Subscription Expenses are payments made to Globe Telecommunications, Inc. and Smart Communications for the Wireless Internet Service with Wifi Technology for use of BOC and for wireless internet subscription of BOC OCOM and Field Offices.

17.6 Confidential, Intelligence and Extraordinary Expenses

Accounts	2018	2017
Confidential Expenses	₱ 52,125,000.00	₱ 34,125,000.00
Extraordinary and Miscellaneous Expenses (EME)	16,949,336.68	13,319,375.55
Total	₱ 69,074,336.68	₱ 47,444,375.55

For CY 2018, a Congressional Insertion in the amount of P50 million was appropriated for the increase in the Confidential Funds to increase intelligence coverage to curb smuggling.

EME Account increased due to activities engaged to benefit extensively the employees in all Ports and Subports.

17.7 Professional Services

Accounts	2018	2017
Legal Services	₱ -	₱ 3,650.00
Auditing Services	100,968.46	-
Consultancy Services	-	160,000.00
Other Professional Services	164,390,376.03	162,704,425.64
Total	₱ 164,491,344.49	₱ 162,868,075.64

17.8 General Services

Accounts	2018	2017
Environment/Sanitary Services	₱ -	₱ 13,000.00
Janitorial Services	49,453,394.21	48,052,413.57
Security Services	632,658.58	648,532.42
Other General Services	3,985,758.63	17,110,459.05
Total	₱ 54,071,811.42	₱ 65,824,405.04

Janitorial Services are payment made to LBP Service Corporation for janitorial services rendered at BOC OCOM, POM, Manila International Container Port and Ninoy Aquino International Airport including Ports/subports payment of their utility worker.

Other General Services are expenses for payment of consultants, stripping/stuffing costs in the examination of goods and hauling services for confiscated goods.

17.9 Repairs and Maintenance

Accounts	2018	2017
Repairs and Maintenance - Buildings and Other Structures	₱ 4,656,416.26	₱ 42,936,149.15
Repairs and Maintenance - Machinery and Equipment	297,266,726.35	291,433,419.76
Repairs and Maintenance - Transportation Equipment	1,143,691.37	1,622,059.47
Repairs and Maintenance - Furniture and Fixtures	180,226.00	385,161.80
Total	₱ 303,247,059.98	₱ 336,376,790.18

Repairs and Maintenance - Machinery and Equipment includes maintenance contract payment to NUCHTECH under Fund 151 amounting to P293,512,580.00

17.10 Taxes, Insurance Premiums and Other Fees

Accounts	2018	2017
Taxes, Duties and Licenses	₱ 104,855.58	₱ 379,367.05
Fidelity Bond Premiums	2,109,852.25	2,150,943.65
Insurance Expenses	1,491,952.49	3,228,682.62
Total	₱ 3,706,660.32	₱ 5,758,993.32

These expenditures pertain to payment of licenses, vehicle registration, bond premiums for accountable officers and GSIS premiums for insurable assets.

17.11 Other Maintenance and Operating Expenses

Accounts	2018	2017
Advertising Expenses	₱ 822,481.60	₱ 1,622,255.20
Printing and Publication Expenses	1,302,100.04	851,593.98
Representation Expenses	134,731.00	2,474,378.28
Transportation and Delivery Expenses	646,209.00	157,108.31
Rent/Lease Expenses	8,763,963.31	55,526,476.36
Membership Dues and Contributions to Organizations		16,646.62
Subscription Expenses	28,208,097.65	63,840,798.21
Other Maintenance and Operating Expenses (MOOE)	15,438,256.09	1,520,704,712.00
Total	₱ 55,315,838.69	₱ 1,645,193,968.96

Advertising Expenses pertain to the media relations to build positive image to the Bureau which includes printing of annual reports, publications, newsletters and other media coverage.

Subscription Expenses pertain to BOC subscription to index prices for reference value pertaining to rice, steel, motor vehicles and other commodities.

Other MOOE pertains to payment of Lease of K9.

18. Non-Cash Expenses

18.1 Depreciation

Accounts	2018	2017
Depreciation - Buildings and Other Structures	₱ 161,507.16	₱ 161,507.16
Depreciation - Machinery and Equipment	18,737,766.20	263,213,247.84
Depreciation - Transportation Equipment	65,278.56	918,606.13
Depreciation - Furniture, Fixtures and Books	1,571,867.52	1,571,872.92
Total	₱ 20,536,419.44	₱ 265,865,234.05

The amount of depreciation decreased for CY 2018 because most of the assets for depreciation as per schedule were already fully depreciated. The schedule is not yet updated and is still for reconciliation with the Inventory of PPE to be submitted by various Ports, subports and OCOM.

19. Net Financial Assistance/Subsidy

Financial Assistance/Subsidy from NGAs, LGUs, GOCCs

Accounts	2018	2017
Subsidy from National Government	₱ 4,351,805,195.16	₱ 9,214,233,867.04
Less: Financial Assistance/Subsidy to NGAs, LGUs, GOCCs	-	-
Net Financial Assistance/Subsidy	₱ 4,351,805,195.16	₱ 9,214,233,867.04

20. Non-Operating Income, Gain or Losses

20.1 Non-Operating Income/Gain

Accounts	2018	2017
Sale of Garnished/Confiscated/Abandoned/Seized Goods and Properties	₱ 1,154,420,820.13	₱ 273,682,858.21
Other Gains	-	7,096.96
Total	₱ 1,154,420,820.13	₱ 273,689,955.17

This refers to increase in the non-traditional effort in the collection of revenues thru public auction.

21. Statement of Changes in Net Assets

The comparative 2017 Statement of Changes in Net Assets /Equity together with the 2017 Statement of Financial Position and Performance were restated to reflect the prior period adjustments and journal entries that were recorded in CY 2018.

22. Statement of Comparison of Budget and Actual Amount Payments

The Original Budgeted amount refers to the authorized appropriations of the Bureau as reflected in the General Appropriations Act while the Final Budgeted amount pertains to Appropriations Fiscal Year (FY) 2018 and Special Allotment and Release Order releases FY 2018. The Actual Amount on Comparable Basis refers to the current year disbursements based on the Statement of Appropriations, Allotments, Obligations and Disbursements and Balances. The difference between the Final Budgeted Amount and Actual disbursements represents the unobligated and unpaid obligations for the current year, as shown below.

Particulars	Amount
Personnel Services	₱ 131,460,000.00
MOOE	233,693,000.00
Capital Outlay	2,212,266,000.00
Total	₱ 2,577,419,000.00