REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
LANDBANK Countryside Development Foundation, Inc.
14th Floor, LANDBANK Plaza
1598 M. H. Del Pilar cor. Dr. J. Quintos Sts.
Malate, Manila 1004

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **LANDBANK Countryside Development Foundation, Inc. (LCDFI)**, a non-stock, non-profit organization, which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of financial performance, statements of changes in net assets/equity, statements of cash flows for the years then ended, and statement of comparison of budget and actual amount for the year ended December 31, 2024, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the LCDFI as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended, and comparison of budget and actual amount for the year ended December 31, 2024 in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

We conducted our audits in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the LCDFI in accordance with the Revised Code of Conduct and Ethical Standards for Commission on Audit Officials and Employees (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IPSASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the LCDFI's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the LCDFI or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the LCDFI's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the LCDFI's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the LCDFI's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the LCDFI to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under the Revenue Regulations 15-2010 in Note 25 and Revised Securities Regulation Code Rule 68 in Note 28 to the CY 2024 financial statements are presented for purposes of filing with the Bureau of Internal Revenue and the Securities and Exchange Commission, respectively, and are not a required part of the basic financial statements. Such supplementary information are the responsibility of management and have been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

COMMISSION ON AUDIT

MARIE FRANCES HAZEL S. ACEBEDO
Supervising Auditor

March 5, 2025

LANDBANK Countryside
Development Foundation, Inc.

BAGONG PILIPINAS

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of LANDBANK Countryside Development Foundation, Inc. is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the year(s) ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing LANDBANK Countryside Development Foundation, Inc.'s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the LANDBANK Countryside Development Foundation, Inc. or to cease operations, or has no realistic alternative to do so.

The Board of Trustees is responsible for overseeing LANDBANK Countryside Development Foundation, Inc. financial reporting process.

The Board of Trustees reviews and approves the financial statements including the schedules attached therein, and submits the same to the members.

The Commission on Audit has audited the financial statements of the LANDBANK Countryside Development Foundation, Inc. in accordance with International Standards of Supreme Audit Institutions, and its report to the Board of Trustees, has expressed its opinion on the fairness of presentation upon the completion of such audit.

CONSUELO N. PADILLA
Chairperson of the Board

ROY C. OSCILLADA
Executive Director

ANNALENE M. BAUTISTA
Corporate Treasurer

February 12, 2025

LANDBANK COUNTRYSIDE DEVELOPMENT FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
As at DECEMBER 31, 2024 and 2023
(In Philippine Peso)

	Note	2024	2023
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	1,166,472	1,874,931
Receivables	5	36,774,086	34,081,609
Financial Assets - Held-to-maturity	6	9,658,017	16,598,220
Inventories	7	9,360	13,440
Other Current Assets	8	2,755	85,683
Total Current Assets		47,610,690	52,653,883
Non-Current Assets			
Receivables	5	486,017	457,250
Financial Assets - Held-to-maturity	6	8,797,291	22,482,820
Intangible Assets	9	34,667	50,667
Property and Equipment,net	10	585,482	310,522
Total Non-Current Assets		9,903,457	23,301,259
Total Assets		**57,514,147**	**75,955,142**
LIABILITIES			
Current Liabilities			
Financial Liabilities	11	7,853,946	5,529,681
Inter-Agency Payables	12	394,572	309,431
Provisions	13	4,091,219	3,840,258
Total Current Liabilities		12,339,737	9,679,370
Total Liabilities		**12,339,737**	**9,679,370**
Net Assets		**45,174,410**	**66,275,772**
NET ASSETS/EQUITY			
Accumulated Surplus/(Deficit)	23	29,495,726	25,757,279
Retained Earnings	15, 23	15,678,684	40,518,493
Total Net Assets/ Equity		**45,174,410**	**66,275,772**

The Notes on pages 10 to 35 form part of these financial statements.

LANDBANK COUNTRYSIDE DEVELOPMENT FOUNDATION, INC.
STATEMENTS OF FINANCIAL PERFORMANCE
For the years ended DECEMBER 31, 2024 AND 2023
(In Philippine Peso)

	Note	2024	2023
REVENUE			
Grants and Donations	16	44,754,985	37,075,100
Business Income	17	1,661,905	1,448,362
Other Non-Operating Income	18	3,341	0
Total Revenue		46,420,231	38,523,462
EXPENSES			
Personnel Services	19	16,218,504	16,565,302
Maintenance and Other Operating Expenses	20	36,830,279	20,683,392
Non-Cash Expenses	21	101,040	63,540
Financial Expenses	22	7,353	18,504
Total Expenses		53,157,176	37,330,738
Net Income/(Deficit) for the Period		**(6,736,945)**	**1,192,724**

The Notes on pages 10 to 35 form part of these financial statements.

LANDBANK COUNTRYSIDE DEVELOPMENT FOUNDATION, INC.
STATEMENTS OF CHANGES IN NET ASSETS/EQUITY
For the years ended DECEMBER 31, 2024 AND 2023
(In Philippine Peso)

	Accumulated Surplus/ (Deficit) (Note 23)	Retained Earnings (Notes 15 & 23)	Total
BALANCE AT JANUARY 1, 2023	**26,684,845**	**40,373,657**	**67,058,502**
Add/(Deduct):			
Net Surplus for the Year	1,192,724	0	1,192,724
Appropriation of Retained Earnings	(144,836)	144,836	0
Other Adjustments	(1,975,454)	0	(1,975,454)
BALANCE AT DECEMBER 31, 2023	**25,757,279**	**40,518,493**	**66,275,772**
Add/(Deduct):			
Net Surplus for the Year	(6,736,945)	0	(6,736,945)
Appropriation of Retained Earnings	(160,191)	160,191	0
Other Adjustments	10,635,583	(25,000,000)	(14,364,417)
BALANCE AT DECEMBER 31, 2024	**29,495,726**	**15,678,684**	**45,174,410**

The Notes on pages 10 to 35 form part of these financial statements.

LANDBANK COUNTRYSIDE DEVELOPMENT FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
For the years ended DECEMBER 31, 2024 AND 2023
(In Philippine Peso)

	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Inflows			
Cash receipts from donors		29,098,513	25,970,226
Cash receipts from advances of employees		2,237,334	1,059,700
Cash Receipts from Employees		5,568	8,821
Income from trainings		60,000	0
Other Receivables		909,859	672,646
Total Cash Inflows		**32,311,274**	**27,711,393**
Cash Outflows			
Cash payment to Government, suppliers and employees		(54,263,750)	(45,610,554)
Total Cash Outflows		**(54,263,750)**	**(45,610,554)**
Net Cash used in Operating Activities		**(21,952,476)**	**(17,899,161)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Inflows			
Proceeds from matured investments	6	41,500,000	25,000,000
Interest Received		104,017	467,139
Total Cash Inflows		**41,604,017**	**25,467,139**
Cash Outflows			
Placements in investments	6	(20,000,000)	(15,000,000)
Purchases of Property and Equipment		(360,000)	(174,995)
Total Cash Outflows		**(20,360,000)**	**(15,174,995)**
Net Cash provided by Investing Activities		**21,244,017**	**10,292,144**
Net Decrease in Cash and Cash Equivalents		**(708,459)**	**(7,607,017)**
Cash and Cash Equivalents, January 1	**4**	**1,874,931**	**9,481,948**
Cash and cash Equivalents, December 31	**4**	**1,166,472**	**1,874,931**

The Notes on pages 10 to 35 form part of these financial statements.

LANDBANK COUNTRYSIDE DEVELOPMENT FOUNDATION, INC.
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
For the year ended December 31, 2024
Budget on Cash Basis

	Budgeted Amounts		Actual Amounts on Comparable Basis	Difference Final Budget and Actual (Note 24)
	Original	**Final**		
RECEIPTS				
Donation	72,106,635	47,399,883	13,200,000	34,199,883
Interest Income	354,400	500,000	104,017	395,983
Training Fees	0	0	60,000	(60,000)
Other Income	0	0	3,341	(3,341)
	72,461,035	**47,899,883**	**13,367,358**	**34,532,525**
PAYMENTS				
Personnel Services	24,776,000	18,797,000	15,670,464	3,126,536
Maintenance and Operating Expenses	47,719,000	36,527,000	32,002,460	4,524,540
Capital Outlay	250,000	180,000	180,000	0
Financial Expense	0	3,000	6,253	(3,253)
	72,745,000	**55,507,000**	**47,859,177**	**7,647,823**
NET RECEIPTS/(PAYMENTS)	**(283,965)**	**(7,607,117)**	**(34,491,819)**	**26,884,702**

The Notes on pages 10 to 35 form part of these financial statements.

LANDBANK COUNTRYSIDE DEVELOPMENT FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023
(Amounts in Philippine Peso unless otherwise stated)

1. GENERAL INFORMATION

LANDBANK Countryside Development Foundation, Inc. (LCDFI) formerly Land Bank of the Philippines Educational Foundation, Inc. is a non-stock, non-profit foundation that was incorporated in 1983 under the provisions of the Corporation Code. The amended Articles of Incorporation was registered with the Securities and Exchange Commission on January 5, 1993 under Registration No. 110790, embodying Land Bank of the Philippines' commitment to spur development in the countryside particularly among its priority sectors such as the small farmers and fisherfolks, agrarian reform beneficiaries (ARBs), Countryside Financial Institutions, small and medium enterprises and Overseas Filipino Workers (OFWs).

The registered office of LCDFI is located at the 14th floor LANDBANK Plaza, M.H. Del Pilar cor Dr. J. Quintos Sts., Malate, Manila.

The financial statements of LCDFI were authorized for issue by the Board of Trustees on January 31, 2025 and were signed on February 12, 2025 by the LCDFI Chairperson of the Board of Trustees, President and Chief Executive Officer and Corporate Treasurer as shown in the Statement of Management Responsibility for Financial Statements.

2. STATEMENT OF COMPLIANCE AND BASIS OF FINANCIAL STATEMENTS PREPARATION

2.1. Statement of Compliance

The financial statements have been prepared in compliance with the International Public Sector Accounting Standards (IPSASs) prescribed for adoption by the Commission on Audit through COA Resolution No. 2014-003 dated January 24, 2014.

2.2. Basis of Financial Statements Preparation

The financial statements have been prepared based on historical cost, unless stated otherwise. The Statements of Cash Flows are prepared using the direct method. The financial statements are prepared on an accrual basis in accordance with the IPSASs.

The financial statements are presented in Peso (P) which is also the country's functional currency. Amounts are rounded off to the nearest peso, unless otherwise stated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the presentation of the Financial Statements are set out below. These policies have been consistently applied throughout the year presented.

3.1. Financial Instruments

a. Recognition / Measurement

i. Initial Recognition

The LCDFI recognizes a financial asset or a financial liability in its statements of financial position when, and only when, the LCDFI becomes a party to the contractual provisions of the instrument.

ii. Initial measurement

The financial asset or financial liability is recognized initially at its fair value. The initial measurement of the financial asset or financial liability, except for those not at fair value through surplus or deficit, includes transaction cost that are directly attributable to the acquisition or issue of the financial asset and financial liability.

b. Financial Assets

i. Classification of financial assets

Financial assets within the scope of IPSAS 41- Financial Instruments: Recognition and Measurement, LCDFI shall classify financial assets as subsequently measured at amortized cost, fair value through net assets/ equity or fair value through surplus or deficit on the basis of both:

a) The entity's management model for financial assets and

b) The contractual cash flow characteristics of the financial asset.

The LCDFI's financial assets include: cash and cash equivalents, quoted and unquoted financial instruments.

ii. Subsequent measurement

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the LCDFI has the positive intention and ability to hold it to maturity.

After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method. Amortized cost is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

iii. Derecognition

The LCDFI derecognizes a financial asset when, and only when:

a) The contractual rights to the cash flows from the financial asset expire or are waived.

b) The LCDFI has transferred its contractual rights to receive the cash flows of the financial assets; or retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets the conditions set forth in paragraph 16 of IPSAS 41-Financial Instruments: Recognition and Measurement; and if, and only if, LCDFI has met all of the following three conditions:

- The entity has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the entity with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition.

- The entity is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.

- The entity has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the entity is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents during the settlement period from the collection date to the date required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

iv. Impairment of financial assets

The LCDFI assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred “loss event”) and that loss event has an impact on the estimated future cash flows of the financial assets or the group of financial assets that can be reliably estimated.

Evidence of impairment may include the following indicators:

1. The debtors or a group of debtors are experiencing significant financial difficulty

2. Default or delinquency in interest or principal payments

3. The probability that debtors will enter bankruptcy or other financial reorganization

4. Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

For financial assets carried at amortized cost, the LCDFI first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the LCDFI determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assessed the impairment for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or transferred to the LCDFI. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in surplus or deficit.

c. Financial Liabilities

i. **Classification of financial liabilities**

Financial Liabilities within the scope of IPSAS 41- Financial Instruments: Recognition and Measurement are classified as financial liabilities at fair value through surplus or deficit, or financial liabilities at amortized cost, as appropriate. The entity determines the classification of its financial liabilities at initial recognition.

The LCDFI's financial liabilities include the accounts payable, inter-agency payable and other payables.

ii. **Subsequent measurement**

After initial recognition, the LCDFI measures its financial liabilities at amortized cost using the effective interest method, except for:

a) Financial liabilities at fair value through surplus or deficit;

b) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;

c) Financial guarantee contracts;

d) Commitments to provide a loan at a below-market interest rate; and

e) Contingent consideration recognized by an acquirer in a public sector combination to which IPSAS 40 applies.

iii. **Derecognition**

An entity shall remove a financial liability from its statement of financial position when, and only when, it is extinguished.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liability assumed, shall be recognized in surplus or deficit.

d. Offsetting a financial asset and financial liability

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when, and only when, an entity:

a) Currently has a legally enforceable right to set off the recognized amounts; and

b) Intends either to settle on a net basis, or to realize the asset and settle liability simultaneously.

e. Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

3.2. Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash in bank and cash on hand.

3.3. Inventories

Inventory is measured at cost upon initial recognition.

Inventories are recognized as an expense when consumed in the ordinary course of operations.

3.4. Property, Plant and Equipment

a. Recognition

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

The characteristics of PPE are as follows:

i. Tangible items;

ii. Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and

iii. Are expected to be used during more than one reporting period.

An item of PPE is recognized as an asset if:

i. it is probable that future economic benefits or service potential associated with the item will flow to the entity;

ii. the cost of fair value of the item can be measured reliably; and

iii. the cost is at least P50,000.00

b. Measurement at recognition

An item recognized as property, plant and equipment is measured at cost.

Cost includes the following:

i. Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

ii. Expenditures that are directly attributable to the acquisition of the items.

c. Subsequent Measurement

After recognition, all PPE are stated at cost less accumulated depreciation and impairment losses.

When a major repair/replacement is done, its cost is recognized in the carrying amount of the PPE 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.

d. Depreciation

The depreciation charge for each period is recognized as expense.

Depreciation of an asset begins when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

The straight-line method of depreciation is adopted.

The LCDFI uses the life span of PPE prescribed by COA in determining the specific estimated useful life (EUL) for each asset based on its experience, details below:

Classification	EUL
1. Office Equipment * IT- Equipment, Furniture and Fixtures * Furniture and Fixtures	 5 10
2. Leasehold Improvements * Land * Building - Wood - Mixed - Concrete	 10 10 20 30
3. Transportation Equipment * Motor Vehicles	 7

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

e. 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 amount or recoverable service amount.

f. Derecognition

The LCDFI derecognizes items of PPE 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. Budget Information

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

In preparing the Statement of Comparison of Budget and Actual Amounts (SCBAA), the following were observed:

a. In cases where there is no estimated revenue reflected on the approved budget, the actual collections shall be considered as the estimated revenue (Final).

b. Only those collections pertaining to current year's revenue/income shall be considered.

c. Only disbursements pertaining to current year's utilizations shall be considered.

3.6. Related Parties

The LCDFI regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the LCDFI, or vice versa.

3.7. Employee Benefits

The LCDFI employees are now part of the Government Insurance Service System (GSIS), offering life and retirement insurance coverage. The transition from Social Security System (SSS) membership for LCDFI employees began in January 2023.

The LCDFI recognizes the undiscounted amount of short-term employee benefits, like salaries, wages, bonuses, allowance, etc., as expense and as a liability after deducting the amount paid.

3.8. Measurement Uncertainty

The preparation of financial statements in conformity with IPSAS requires management to make estimates and assumptions that affect the reporting amount of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenue and expenses during the period. Items requiring the use of significant estimates include the useful life of a capital asset, estimated employee benefits, and rates of amortization.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

3.9. Changes in Accounting Policies and Estimates

The LCDFI 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 LCDFI recognizes the effects of changes in accounting estimates prospectively through surplus or deficit.

The LCDFI corrects material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by:

a. Restating the comparative amounts for prior period(s) presented in which the error occurred; or
b. 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.

3.10. Revenue from Non-exchange Transactions

a. Recognition and measurement of assets from non-exchange transactions

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

i. It is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and

ii. 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 the date of acquisition.

b. Recognition of 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 LCDFI 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 recognizes an amount of revenue equal to that reduction.

c. 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.

d. 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.

e. Gifts and donations

The LCDFI recognizes the 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 are 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 values are ascertained by reference to quoted prices in an active and liquid market.

f. Transfers

The LCDFI 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.

g. 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.

h. Transfers from other government entities

Revenue 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 LCDFI and can be measured reliably.

3.11. Revenue from Exchange Transactions

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

The LCDFI 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 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.

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 the asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

4. CASH AND CASH EQUIVALENTS

This comprises the following:

	2024	**2023**
Cash in bank- Local Currency	1,146,472	1,844,992
Petty cash fund	20,000	20,000
Cash collecting officer	0	9,939
	1,166,472	**1,874,931**

5. RECEIVABLES

This comprises the following:

	2024			2023		
	Current	Non-Current	Total	Current	Non-Current	Total
Inter-Agency Receivables	35,399,995	0	35,399,995	26,102,696	0	26,102,696
Other Receivables	1,374,091	486,017	1,860,108	7,978,913	457,250	8,436,163
Total	**36,774,086**	**486,017**	**37,260,103**	**34,081,609**	**457,250**	**34,538,859**

Inter-Agency Receivables

	2024	2023
Current		
Due from Parent Corporation	31,554,985	17,574,377
Due from NGAs	3,845,010	8,528,319
Total	**35,399,995**	**26,102,696**

Other Receivables

	2024			2023		
	Current	Non-Current	Total	Current	Non-Current	Total
Receivables-Disallowances/ Charges	0	457,250	457,250	0	457,250	457,250
Due from Officers and Employees	79,091	0	79,091	73,801	0	73,801
Other Receivables	1,295,000	28,767	1,323,767	7,905,112	0	7,905,112
Total	**1,374,091**	**486,017**	**1,860,108**	**7,978,913**	**457,250**	**8,436,163**

The amount of P457,250 recorded under Receivables-Disallowances/Charges forms part of the P561,000 disallowed payments made to LCDFI Officers and Board of Directors. This disallowance was affirmed under COA Decision No. 2012-018 dated February 16, 2012. The difference between the recorded amount and the disallowed amount is under reconciliation.

Aging/Analysis of Receivables

As at December 31, 2024

Accounts	Total	Not Past Due	Past Due		
			<30 days	30-60 days	>60 days
Due from Parent Corporation	31,554,985	31,554,985	0	0	0
Due from NGA	3,845,010	1,507,450	0	0	2,337,560
Receivables- Disallowances/ Charges	457,250	0	0	0	457,250
Due from Officers and Employees	79,091	9,899	0	0	69,192
Other Receivables	1,323,767	0	0	0	1,323,767
Total	**37,260,103**	**33,072,334**	**0**	**0**	**4,187,769**

6. FINANCIAL ASSETS- HELD TO MATURITY (FA-HTM)

This comprises the following:

	2024	2023
HTM	18,455,308	39,057,380
Interest Receivable	0	23,660
	18,455,308	**39,081,040**

Breakdown of the HTM, including interest receivable

	2024	2023
HTM- Investment in Trust	18,455,308	30,457,820
HTM- Investment in Bonds- Local	0	8,623,220
	18,455,308	**39,081,040**

	2024			2023		
	Current	Non-Current	Total	Current	Non-Current	Total
HTM- Investment in Trust	9,658,017	8,797,291	18,455,308	7,975,000	22,482,820	30,457,820
HTM- Investment in Bonds- Local	0	0	0	8,623,220	0	8,623,220
Total	**9,658,017**	**8,797,291**	**18,455,308**	**16,598,220**	**22,482,820**	**39,081,040**

Reconciliation of carrying amounts of FA-HTM:

Particulars	Amount
Beginning Balance as at January 1, 2024	**39,081,040**
Additional investment	20,000,000
Collection of matured investment	(41,500,000)
Amortization of discount /(premium) on the acquisition of investment	874,269
Interest Receivable	0
Balance as at December 31, 2024	**18,455,309**

Particulars	Amount
Beginning Balance as at January 1, 2023	**48,132,317**
Additional investment	15,000,000
Collection of matured investment	(25,000,000)
Amortization of discount /(premium) on the acquisition of investment	925,063
Interest Receivable	23,660
Balance as at December 31, 2023	**39,081,040**

7. INVENTORIES

This comprises the following:

	2024	2023
Accountable Forms	9,360	13,440
	9,360	**13,440**

8. OTHER CURRENT ASSETS

This comprises the following:

	2024	2023
Prepayments	789	0
Other Deposits	1,966	85,683
Total	**2,755**	**85,683**

9. INTANGIBLE ASSETS

In February 28, 2022, the LCDFI's website in the amount of P80,000.00 was purchased and became operational. The amortization expense amounted P16,000 each for CY 2024 and CY 2023.

	2024	2023
Carrying Amount, January 1	50,667	66,667
Amortization	16,000	16,000
Carrying Amount, December 31	**34,667**	**50,667**

10. PROPERTY AND EQUIPMENT

Reconciliation of carrying amounts:

As at December 31, 2024

Particulars	Office Equipment	Vehicle	Info & Communication Technology	Total
Carrying Amount, January 1, 2024	**48,400**	**88,220**	**173,902**	**310,522**
Additions/Acquisitions	0	0	360,000	360,000
Total	**48,400**	**88,220**	**533,902**	**670,522**
Depreciation	(9,900)	0	(75,140)	(85,040)
Carrying Amount, December 31, 2024	**38,500**	**88,220**	**458,762**	**585,482**

Gross Cost	**55,000**	**882,200**	**592,255**	**1,529,455**
Additions/Acquisitions	0	0	360,000	360,000
Accumulated Depreciation	(16,500)	(793,980)	(493,493)	(1,303,973)
Carrying Amount, December 31, 2024	**38,500**	**88,220**	**458,762**	**585,482**

As at December 31, 2023

Particulars	Office Equipment	Vehicle	Info & Communication Technology	Total
Carrying Amount, January 1, 2023	**0**	**88,220**	**94,847**	**183,067**
Additions/Acquisitions	55,000	0	119,995	174,995
Total	**55,000**	**88,220**	**214,842**	**358,062**
Depreciation	(6,600)	0	(40,940)	(47,540)
Carrying Amount, December 31, 2023	**48,400**	**88,220**	**173,902**	**310,522**

Gross Cost	**55,000**	**882,200**	**592,255**	**1,529,455**
Accumulated Depreciation	(6,600)	(793,980)	(418,353)	(1,218,933)
Carrying Amount, December 31, 2023	**48,400**	**88,220**	**173,902**	**310,522**

11. FINANCIAL LIABILITIES

This comprises the following accounts:

	2024	2023
Accounts Payable	7,774,390	5,375,058
Due to Officers and Employees	79,556	154,623
	7,853,946	**5,529,681**

12. INTER AGENCY PAYABLES

This comprises the following accounts:

	2024	2023
Due to GSIS	235,729	175,928
Due to BIR	54,915	51,593
Due to PhilHealth	62,595	50,095
Due to Pag-IBIG	22,498	18,058
Due to Parent Corporation	14,302	0
Due to SSS	4,533	13,757
	394,572	**309,431**

13. PROVISIONS

	2024	2023
Leave Benefits Payable	3,344,472	3,093,511
Retirement Gratuity Payable	746,747	746,747
	4,091,219	**3,840,258**

14. ACCUMULATED SURPLUS

This account is the cumulative results of normal and continuous operations of LCDFI including prior period adjustments, effect of changes in accounting policy and other capital adjustments.

The significant adjustment primarily stems from the submission of the liquidation report by Financial Literacy Program training partners for previous years.

15. RETAINED EARNINGS

	2024	2023
Reserve Fund	678,684	25,518,493
Restricted Fund	15,000,000	15,000,000
	15,678,684	**40,518,493**

a. Reserve fund – This represents the 10 per cent portion of earnings from investments set aside as reserve for future technology upgrading and other contingencies.

b. Restricted fund – This represents the seed fund donated by LBP in the amount of Five Million pesos (P5,000,000.00) which must be kept intact and invested in safe and high yield securities and only the earnings thereof shall be used for the purpose for which LCDFI was created. The Bangko Sentral ng Pilipinas also donated Ten Million pesos (P10,000,000.00) as seed fund.

16. GRANTS AND DONATIONS

This account represents donations from the following donor:

	2024	2023
Land Bank of the Philippines	44,754,985	37,075,100
	44,754,985	**37,075,100**

The recognition of donation income was in accordance with the provisions of IPSAS 23.

17. BUSINESS INCOME

This account comprises Interest Income and collection of fees for customized trainings conducted.

	2024	2023
Interest income	1,601,905	1,448,362
Seminar/Training Fees	60,000	0
	1,661,905	**1,448,362**

The Interest Income pertains to earnings in the following financial assets:

	2024	2023
Treasury Investments	81,319	480,048
Trust Account	1,498,213	955,621
AR Bonds	20,476	10,555
Current Account	1,897	2,138
	1,601,905	**1,448,362**

18. OTHER NON-OPERATING INCOME

This account comprises collection from various suppliers of liquidation damages.

19. PERSONNEL SERVICES

This comprises the following:

	2024	2023
Salaries and Wages	10,471,860	10,406,974
Other Compensation	3,584,551	3,631,403
Personnel Benefit Contributions	1,614,053	1,500,312
Other Personnel Benefits	548,040	1,026,613
	16,218,504	**16,565,302**

Salaries and Wages

	2024	2023
Salaries and Wages- Regular	9,227,719	10,267,572
Salaries and Wages- Casual/Contractual	1,244,141	139,402
	10,471,860	**10,406,974**

Other Compensation

	2024	2023
Year End Bonus	915,841	865,324
Personnel Economic Relief Allowance	497,614	481,779
Clothing/Uniform Allowance	138,266	74,880
Representation Allowance	253,500	312,000
Transportation Allowance	253,500	312,000
Cash Gift	110,000	100,000
Productivity Incentive Allowance	107,500	95,000
Overtime and Night Pay	111,344	47,086
Mid Year Bonus	734,336	903,334
Other Bonuses and Allowances	462,650	440,000
	3,584,551	**3,631,403**

Personnel Benefit Contributions

	2024	2023
Retirement and Life Premiums	1,268,407	1,258,723
PhilHealth Contributions	250,089	192,989
Pag-IBIG Contributions	70,257	24,300
Employees Compensation Insurance Premiums	25,300	24,300
	1,614,053	**1,500,312**

Other Personnel Benefits

	2024	2023
Retirement Gratuity	0	0
Terminal Leave Benefits	548,040	1,026,613
	548,040	**1,026,613**

Employee Future Benefits

In compliance with the provisions of the Retirement Law [Republic Act (RA) No. 7641] which requires corporation to provide retirement benefits for their employees, and the National Internal Revenue Code (RA No. 8424), which allows tax deductibility of employer's contributions for the retirement benefits of its employees, the LCDFI has established a retirement fund pursuant to Board Resolution No. 10-011 dated July 09, 2010.

In July 2010 to June 2016, prior to the opening of an Employee Retirement Plan with LBP-Trust Banking Group (TBG), the LCDFI accrued on a monthly basis 5 per cent of the basic salary of employees and this was taken up as Other Payables. In July 2016 the monthly accrual was increased to 6.3 per cent pursuant to Board Resolution No. 16-021 and 2016 Actuarial Valuation Report.

The LCDFI's retirement plan is a funded non-contributory defined benefit plan with a single lump sum payment covering retirement and ancillary benefits. The normal retirement benefit is a percentage of final monthly salary per year of service equal to one-half month basic salary, where one-half month salary shall mean fifteen days salary based on the latest salary rate, five days of service incentive leaves, and one-twelfth (1/12) of the 13th month pay or 22.5 days pay for every year of service after satisfying certain age and service requirements.

In March 2022, the LCDFI commissioned the services of an independent appraiser to perform an actuarial valuation on the retirement plan of LCDFI.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation are as of March 31, 2022. The employee data used in the March 31, 2022 valuation is composed of 23 employees with an average age of 39.4 years, average past service of 7.6 years and average expected future service of 13.5 years. The actuarial valuation report was performed with the objective to recommend a contribution amount for the year following the March 31, 2022 valuation date.

The retirement plan is 45 per cent funded with a deficit of P3.8 million. The figures were obtained by comparing the Accrued Liability and Plan Assets illustrated in the table below.

Valuation Date	March 31, 2022
Accrued Liability	6.9 million
(Plan Asset)	(3.1 million)
Funding Deficit (Surplus)	3.8 million
Funding Ratio	45 per cent

The Accrued Liability of the Projected Unit Credit method is the part of the actuarial present value of benefits allocated to all periods prior to the valuation date.

For the year following the valuation date, the recommended contribution amounts to P1.4 million or 10.5 per cent of payroll. This recommended contribution for the current year is composed of the following:

a) Normal Cost, amounting to 7.8 per cent of payroll, represents the actuarial present value of benefits allocated to the valuation year.

b) Amortization cost, amounting to 2.7 per cent of payroll, represents the amount intended to amortize the funding deficit over 14 years – the average expected future service years of the employees.

The table summarizes the composition of the recommended contribution.

	Amount (P)	% Payroll (12 mos.)
Normal Cost	1.0 million	7.8
Amortization Cost	0.4 million	2.7
Recommended Contribution	1.4 million	10.5

Actuarial cost method and assumptions

A. Details

1. Valuation Date	March 31, 2022
2. Actuarial Cost Method	Projected Unit Credit Method
3. Retirement Date	Age 60 with at least five years of service
4. Expected Return Rate on Assets	4.00 per cent compounded annually
5. Salary Increase Rate	4.00 per cent compounded annually
6. Currency	Peso (P), unless otherwise specified
7. Mortality Table	2017 Philippine Intercompany Mortality Table – Age Last Birthday Basis, published by the Actuarial Society of the Philippines
8. Disability Table	2013 SS Total Disability Rates (Baseline Scenario), published in the 2015 Actuarial Valuation of the Social Security System of the Philippines
9. Turnover Table	Representative rates:

Service Years	Annual Rate
0	10.0%
1	9.5%
2	9.0%
3	8.6%
4	8.2%
5	7.7%
10	4.6%
15	2.0%
20+	1.0%

The turnover rate is set to one per cent for ages 50 and above

The Projected Unit Credit method or Accrued Benefit Allocation method was used and it complies with the Actuarial Society of the Philippines Guidance Note GN 2016-01. The Accrued Liability or Present Value of Defined Benefit Obligation is the part of the Actuarial Present Value of Benefits allocated to all periods prior to the valuation date. The Normal Cost or Current Service Cost is the part of the Actuarial Present Value of Benefits allocated to the valuation year.

Allocation of Plan Assets

Cash and Cash Equivalents	25.6%
Government Securities	74.6%
Trust Fee Payables	(0.1%)
Other Payables	(0.1%)

The LCDFI's Retirement Fund is being administered by LBP-TBG, responsible for the investment strategy of the Plan. The Statement of Financial Position as at December 31, 2024 prepared by LBP-TBG showed that the Net Assets balance of the Retirement Fund amounted to P2,986,100. The Net Assets balance is composed of Principal of P2,985,888 and Accumulated Income of P169,644, with Net Unrealized Gain amounting to P9,781 as at December 31, 2024.

In CY 2023, as a result of the implementation of the Compensation and Position Classification System (CPCS) outlined in Executive Order No. 150, s. 2021, LCDFI suspended the accrual and contribution to the employee retirement plan. LCDFI and other LBP Subsidiaries are currently awaiting clarification from the Governance Commission for GOCCs (GOCCs) regarding this issue.

In 2024, LCDFI received clarification from GCG confirming that it may continue implementing its retirement plan, provided it complies with RA No. 7641. LCDFI will engage actuarial services to update the actuarial valuation.

20. MAINTENANCE AND OTHER OPERATING EXPENSES

This comprises of the following expenses:

	2024	2023
Training and Scholarship Expenses	28,230,594	17,442,489
Confidential, Intelligence and Extraordinary Expenses	576,230	555,356
Communication Expenses	398,465	428,942
Supplies and Materials Expense	1,478,638	865,550
Travelling Expenses	192,383	65,215
Survey Expense	2,999,883	116,558
Labor and Wages	496,953	0
Professional Services	1,027,149	477,015
Repairs and Maintenance	46,144	27,971
Taxes, Insurance Premiums and Other Fees	37,295	52,636
Other Maintenance and Operating Expenses	1,346,545	651,660
	36,830,279	**20,683,392**

Communication Expenses

	2024	2023
Telephone Expenses	263,402	246,848
Internet Subscription Expenses	112,028	156,518
Postage and Courier Services	23,035	25,576
	398,465	**428,942**

Supplies and Materials Expense

	2024	2023
Office Supplies Expenses	1,184,780	410,136
Semi-Expendable Machinery and Equipment	281,280	341,564
Fuel, Oil and Lubricants Expenses	4,800	2,700
Accountable Forms Expenses	5,880	4,920
Other Supplies and Materials	1,898	106,230
	1.478,638	**865,550**

Professional Services

	2024	2023
Auditing Services	977,570	426,544
Consultancy Services	0	0
Legal Services	49,579	16,971
Other Professional Services	0	33,500
	1,027,149	**477,015**

Repairs and Maintenance

	2024	2023
Repairs and Maintenance-Transportation Equipment	46,144	10,192
Repairs and Maintenance-Machinery and Equipment	0	17,779
	46,144	**27,971**

Taxes, Insurance Premiums and Other Fees

	2024	2023
Taxes, Duties and Licenses	22,719	23,296
Fidelity Bond Premium	10,611	20,457
Insurance Expenses	3,965	8,883
	37,295	**52,636**

Other Maintenance and Operating Expenses

	2024	2023
Membership Dues and Contributions to Organizations	25,000	25,000
Representation Expenses	475,635	441,363
Major Events and Conference	841,484	175,857
Subscription Expenses	3,946	8,410
Documentary Stamps	220	0
Other Maintenance and Operating Expenses	260	1,000
	1,346,545	**651,660**

21. NON-CASH EXPENSES

	2024	2023
Depreciation Expense	85,040	47,540
Amortization- Intangible Assets	16,000	16,000
	101,040	**63,540**

22. FINANCIAL EXPENSES

This represents the bank charges amounting to P7,353 and P18,504 in CY 2024 and 2023, respectively.

23. FUND BALANCES

	Accumulated Surplus/ (Deficit)				**Retained Earnings**			
	Program Dev't. Fund	**Gen& Admin Fund**	**Program Fund**	**Total Acc. Surplus/ (Deficit)**	**Reserve Fund**	**Restricted fund**	**Total RE**	**Total**
Revenues				**0**				
Donation		10,112,665	34,642,320	**44,754,985**			0	**44,754,985**
Interest Income	961,143	480,571		**1,441,714**	160,191		160,191	**1,601,905**
Seminar/ Training Fees			60,000	**60,000**			0	**60,000**
Other Income		3,341		**3,341**				**3,341**
TOTAL	961,143	10,596,577	34,702,320	**46,260,040**	160,191	0	160,191	**46,420,231**
Expenses								
PS		7,114,574	9,103,930	**16,218,504**	0	0	0	**16,218,504**
MOOE		2,814,971	34,015,308	**36,830,279**	0	0	0	**36,830,279**
Financial expense		3,120	4,233	**7,353**	0	0	0	**7,353**
Non-cash Expense		101,040		**101,040**	0	0	0	**101,040**
TOTAL	0	10,033,705	43,123,471	**53,157,176**	0	0	0	**53,157,176**
Excess of revenue over expenses	961,143	562,872	(8,421,151)	**(6,897,136)**	160,191	0	160,191	**(6,736,945)**
RE-App.	0	0	0	**0**	0	0	0	**0**
Fund Balance, 12/31/2023	2,435,621	390,511	22,931,147	**25,757,279**	25,518,493	15,000,000	40,518,493	**66,275,772**
Prior Period Adjustment	(407,668)	(79,972)	(13,876,777)	**(14,364,417)**		0	0	**(14,364,417)**
Transfer			25,000,000	**25,000,000**	(25,000,000)		(25,000,000)	**0**
Fund Balance, End 12/31/2024	**2,989,096**	**873,411**	**25,633,219**	**29,495,726**	**678,684**	**15,000,000**	**15,678,684**	**45,174,410**

24. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT

The difference between the final budget and actual amounts are presented as follows:

a. Donation

The variation stems from the actual donation receipt differing from the expected amount from the donor.

b. Personnel Services

23 of 24 budgeted plantilla were filled as of December 31, 2024.

c. Maintenance and Other Operating Expenses

In CY 2024, cost savings were achieved through the simultaneous scheduling of activities (such as training and monitoring on the same date), and certain events were conducted online, contributing to reduced expenses.

25. SUPPLEMENTARY INFORMATION ON REVENUE REGULATION

In compliance with the requirements set forth by Revenue Regulation No. 15-2010, hereunder are the information on taxes, licenses and fees paid or accrued during the taxable year:

A. Local

	2024	**2023**
Mayor’s permit	20,009	19,986
Barangay clearance	0	0
	20,009	**19,986**

B. National

	2024	**2023**
BIR registration	0	500
Registration of Vehicle	6,675	6,703
	6,675	**7,203**

C. Withholding taxes paid/accrued for the year:

	2024	**2023**
Taxes on compensation and benefits	799,221	877,510
Creditable withholding Tax	307,573	276,371
Final VAT and Percentage Tax	257,254	154,155
	1,364,048	**1,308,036**

26. RISK DISCLOSURE

The LCDFI management maintains the same investment policy.

a. Credit risk

LCDFI's credit risk exposures emanated from its placements. With investments limited to fixed income securities and other financial instruments issued by the Government and its instrumentalities, the risk of non-collection is very remote.

b. Liquidity Risk

Liquidity risk is likewise insignificant as investments can easily be liquidated when the need arises to meet maturing or current obligations.

27. RELATED PARTY DISCLOSURES

The LCDFI is a corporate foundation whose parent bank is the LBP. The following table provides the total amount of transactions which have been entered into with related parties for CY 2024:

Related Party	Transactions	Amount
Land Bank of the Philippines	Donations	13,200,000
LBP-Trust Banking Group	Investments in government securities	18,455,309

Allowances and other benefits of Key Management Personnel

	2024	2023
Board of Trustees (BOTs)	395,018	327,331
Extraordinary and Miscellaneous (Reimbursable Expenses)		
Corporate Officers		
Representation and Transportation Allowance	497,000	504,000
Extraordinary and Miscellaneous (Reimbursable Expenses)	190,951	243,762
Other Benefit and Bonuses	462,043	889,503
	1,545,012	**1,964,596**

28. SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

RATIO	FORMULA	2024	2023
Current ratio	Current assets / Current Liabilities	4.07	5.44
Acid Test ratio	(Cash + Short Term Investments + A/R)/ Current Liabilities	4.07	5.43
Solvency Ratios	(Net Income + Non-Cash Expense)/Total Liabilities	(0.32)	0.13
Debt-to-equity ratio	Total Liabilities/Total Equity	0.26	0.15
Asset-to-equity ratio	Total Assets/Total Equity	1.26	1.15
Return on equity	Net Income/Total Equity	(9%)	2%
Return on Assets	Net Income/ Total Assets	(7%)	2%
Net profit margin	Net Income / Revenue	(8%)	3%