I. DEFINITION

II. CHART OF ACCOUNTS - refers to the classified list of accounts by which the financial data are gathered or collected. It facilitates accounting work and preparation of financial statements.

III. MAJOR GROUPINGS

For easy referral and proper classification, the Chart of Accounts shall be divided into major groupings, as follows:

1. Asset Accounts
2. Liability Accounts
3. Stockholders' Equity Accounts
4. Revenue Accounts
5. Expense Accounts
6. Contingent Accounts

IV. DESCRIPTION OF ACCOUNTS

ASSETS

Current Assets

Cash and Cash Equivalent

are the most liquid assets found within the asset portion of a company's balance sheet. Cash Equivalent are assets that are readily convertible into cash such as money market holdings, short term government bonds or Treasury bills, marketable securities and commercial papers.

Revolving Fund

Is a fixed amount of money used to funds several amounts of purchases or other operational expenses, like small cash advance etc. The utilization of which is based on guidelines approved by the LBRDC Board.

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Cash in Bank – Current Account

Non-interest-bearing bank account which allows the account holder to write checks against the funds. All withdrawals by checks and deposit are recorded here. The reported balances are supported by a bank reconciliation prepared monthly.

Cash in Bank – Trust Account

an account in which a bank or trust company holds funds for specific purposes. All matured/withdrawals of investment are transacted from this bank account.

Marketable Securities

Are securities or debts that are to be sold or redeemed within a year. These are financial instruments that can be easily converted to cash such as government bonds, common stock or certificates of deposit. Marketable securities are very liquid as they tend to have maturities of less than one year.

Contract Receivable

amount due for billed services rendered or to be rendered, actions taken or to be taken or a promise to refrain from taking certain action in accordance with the terms of a legally binding agreement between the corporation and one other party. An example would be amounts billed to customers under contracts but not paid as of the balance sheet date.

Accounts Receivable - Trade

amount billed by a business to its customers when it delivers goods or services to them in the ordinary course of business. These billings are typically documented on formal invoices which are summarized in an accounts receivable aging report.

Accounts Receivable - Others

An asset designation applicable to all debts, unsettled transaction or other monetary obligations owed to a company by its debtors or customers.

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Retention Receivable

Is the amount withheld by a customer until a contract is completed and to answer for the defects that may later on be discovered on the projects. The release of said amount shall be subject to the satisfying completion/acceptance of the project to be supported by a Certificate of Completion (COC) and Turn Over and Acceptance (TOA)

Installment Contract Receivable

Is the amount of receivable from sale made on installment basis with a predetermined contract price. The installment receivable is created by the contract usually classified as current asset

Advances to Officers and Employees

An asset account used to record amounts given to an employee/officer with the expectation of repayment. A cash advances to an employee/officer is recorded with a debit to an account such as Advance to Employees/Officers or to Other Receivables.

Advances to Contractor

any type of payment that is made ahead of its normal schedule, such as paying for a good or service before you actually receive the good or service. Advance payments are sometimes required by sellers as deposit for goods to be completed/ordered from another company or customized items which cannot be included in their regular inventory.

Advances to Client

Sums paid or received before the fulfillment of an obligation, such as supply of goods or provision of services. Any type of payment that is made ahead of its normal schedule.

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Allowances for Doubtful Accounts

A contra-asset account that records the portion of a company's receivables, which it expects may not be collected. The allowance for doubtful accounts is only an estimate of the amount of account receivables which are expected to not be paid which is computed per approved policies of the corporation.

Contract in Progress

Is the amount of materials, labor and other expenses directly identified to building presently under construction. An estimate or allocation of cost to the reporting period.

Stationery and Supplies on Hand

is the amount of unused office supplies as of the balance sheet date. General purpose consumable items which commonly have a shorter life span in use than equipment and machined and which are stocked for recurring use.

Janitorial Supplies on Hand

Is the amount of unused janitorial supplies as of the balance sheet date. General purpose consumable items which commonly have a shorter life span in use than equipment and machined and which are stocked for recurring use.

Construction Materials Inventory

A detailed, itemized list, report or record of things in one's possession especially a periodic survey of all goods and materials in stock. Construction purchases of materials for use in its ongoing construction projects.

Prepaid Expenses

Is an expenditure that is paid for in one accounting period, but which the underlying asset will not be entirely consumed until a future period.

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Prepaid Insurance

A current asset which indicates the cost of the insurance contract (premiums) that have been paid in advance. It represents the amount has been paid but not yet expired as of the balance sheet date.

Input Tax

A tax that is added to goods and services that is a business buys to make its own goods or provides its own services. It is an indirect tax levied on capital goods, raw materials, services etc. which a business consumes or uses in its operations.

Prepaid Income Tax

Is defined as an asset listed on the balance sheet that represents taxes that have been already paid or withheld by the clients not yet due in accordance with Revenue Regulations despite not yet having been incurred. Prepaid income tax is also called a deferred income tax asset.

Prepaid Percentage Tax

Is defined as an asset listed on the balance sheet that represents final tax or the amount of tax withheld by the client not yet due in accordance with Revenue Regulations.

Creditable Withholding VAT (Final = 5%)

Is an amount of value added tax that is withheld from collection of sales of goods and services in the ordinary course of business.

Land

Also called real property, is the earth on which the company's office building or manufacturing facilities sit. A long-term asset account that reports the cost of real property exclusive of the cost of any constructed assets on the property. The cost of the land plus any improvements the company has to make to the land to use it for business operations reflects on the balance sheet at historic cost.

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Buildings

Is a structure that is permanently attached to the land, has a roof, is partially or completely enclosed by walls and is not intended to be transportable or movable. It a noncurrent or long-term asset accounts which shows the cost of a building (excluding the cost of the land). Buildings will be depreciated over their useful lives by debiting the income statement account Depreciation Expense and crediting the balance sheet account Accumulated Depreciation.

Condominium Property

In the case of a building, a space that is situated within a building and described as a unit in a condominium plan by reference to floors, walls and ceilings within the building. A noncurrent or long-term asset accounts which shows the cost of a condominium property and other incidental expenses related thereto.

Furniture, Fixtures and Equipment

Furniture, Fixtures & Equipment (FFE) are movable furniture fixture or other equipment that have no permanent connection to the structure of a building or utilities.

Office Equipment

A long-term asset account reported on the balance sheet under the heading of property, plant and equipment. Included in this account would be copiers, computers, printer an accounting term used in valuing, selling or liquidating a company or a building.

Transportation Equipment

A long term asset account containing the cost of delivery equipment acquired by a company and used in its business. The account will appear on the balance sheet under the heading of Property, Plant and Equipment. There will be a related contra asset account Accumulated Depreciation: Delivery Equipment where the depreciation expenses is accumulated.

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Utilities and Other Equipment

Represents cost of equipment including expenditures of major repairs and maintenance of utilities and other equipment acquired by the corporation which can be classified under the other fixed asset accounts.

Library Materials

Represents cost of reference materials acquired by the company such as books, magazines and bulletin board.

Construction Equipment

Represents cost of construction equipment including expenditures for major repairs and maintenance which prolong the life of these assets beyond their original estimated useful life.

IT Equipment

Represents cost of various IT equipment such as computers, printers and JDE Oracle Servers.

Guarantee Deposit/Refundable Deposit

Represents deposits made to proper agencies for the acquisition of telephone and water line and rental of tools/equipment.

Deferred Tax Assets

Represents expenditure that is paid from in one accounting period, but for which the underlying asset will not be entirely consumed until one or more future periods have been completed. Consequently, a deferred charge is carried on the balance sheet, as an asset until it is consumed. Once consumed, a deferred charge is classified as an expense.

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Accounts Payable – Trade

Represent all trade payables arising from purchase of merchandise or services.

Accounts Payable – Others

Represents amount of payable from non-trade transactions.

Retention Payable

Represents a certain percentage of the contractor's billing which is temporarily retained by the Corporation to answer for the defects that may later on be discovered on the projects. The release of said portion shall be within one (1) year after the acceptance of the projects.

Advances from Clients

Represents deposit as mobilization fund made by client for their construction project to be handled by LBRDC.

Due to Government Entities

Represents obligation to various government agencies for income tax, SSS, Philhealth and employee compensation premiums, Pag-ibig contribution, salary loan and other related expenses.

Customer's Rental Deposit

Represents amount deposited by the lessee for the units/properties being rented where the unpaid bills or repair to the property will be changed, the balance of which will be returned to the lessee.

Customer's Deposit

Represents the deposit made by the customers of real estate developed by LBRDC for sale.

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Contractor's Deposit

Represents deposit made by the contractor for the project's plans and specifications, bidder's bond and performance bond.

Accrued Expenses

Represents amount of administrative expenses already incurred but not yet paid.

Output Tax

Represents amount of value added taxes charged to the selling price of goods and services and remitted to Bureau of Internal Revenue (BIR) in accordance with BIR Regulations.

Miscellaneous Liabilities

This refers to the items/transaction which cannot be appropriately classified under any of the foregoing liability accounts.

Deferred Tax Liability

Represents a liability recorded on the balance sheet that results from income already earned and recognized for accounting, but the tax is not yet due. Also a difference between tax laws and accounting methods can result in a temporary reconciling balance in the amount of income tax payable by a company. This difference is recorded as deferred income tax.

Lease Payable

Represents a line item under long-term debt on a balance sheet that indicates the value of future lease payments due.

Mortgage Payable

Represents liability on a long-term promissory note secured by a mortgage on the Corporation's property.

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Capital Stock, 501 Authorized,

Represent the par or stated value of shares issued or, in the case of no-par stock without stated value, the aggregate price paid for the shares issued.

Capital in Excess of Par Value

Represents the amount received in excess of the par or stated value of shares of stocks.

Revaluation Increment Property

Represent the difference between the original cost and fair value of the property.

Retained Earnings – Appropriated

Represent that portion of the Retained Earnings which has been set aside for a specific use.

Retained Earnings – Unappropriated

Represents that portion of the Retained Earnings which is still free or which has not been set aside for a specific purpose.

Prior Period Adjustment

Represent the prior period errors to be adjusted against Retained Earnings-Unappropriated.

Net Income/(Loss)

This is the bottom line of the income statement. It is the mathematical result of revenues and gains minus the cost of goods sold and all expenses and losses (including income tax expense if the company is a regular corporation) provided the result I s positive amount. If the net amount is a negative amount, it is referred to as a net loss.

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Construction Income

Represents income derived by the Corporation from constructing/renovating a building for its clients.

Sales

Represent the gross proceeds resulting from the transfer of goods and services to buyers.

Rental Income

Represents rental earned for the lease of facilities or equipment belonging to the Corporation.

Commission Income

Represent the income derived from broker's commission

Property Management Fee

Represents revenue received from Land Bank and other clients for the management of LBP ROPA as provided in the contract.

Manpower Service Income

Represents income realized for managing the manpower service for its clients.

ACU Maintenance Service Income

Represents income realized for the services rendered for the repairs and maintenance of the air-conditioned unit.

Interest Income

Represents income realized from deposits, marketable securities, bonds and from amount collected or earned from installment buyers.

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Dividend Income

Represents dividend income earned from stock investments.

Miscellaneous Income

Represents revenue earned from transactions other than those previously listed.

Gain on Disposal of Fixed Asset

Represents income realized from disposal of fixed assets (selling price exceeds the book value.)

Construction Cost

Represents costs incurred by LBRDC as contractor, which are directly identifiable to the construction projects of clients.

Liquidated Damages

Represents penalty charges or deductive amount from contract price due to delay of completion of project.

Cost of Sales

Represents total project cost and any other incidental expenses incurred in the construction of the building for sale.

Salaries, Wages and Allowances

Represents the gross remuneration of employees for regular and overtime services rendered.

Taxes and Licenses

Represents actual amount of property tax, privileges tax and other taxes and licenses paid or accrued to local or national government.

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Employee Benefits

Represents fringe benefits extended by the Corporation to its employees in accordance with management policy, which include rice subsidy, clothing allowance, hospitalization benefits, etc.

Raffle Expense

Represents Christmas raffle given to employees and officers.

Rental Expense

Represents expense for building/space, system furniture and equipment leased by the Corporation, including monthly amortization of rent paid in advance.

Directors and Corporate Officers Reimbursement

Represent reimbursement of expense supported by receipt in connection of their performance of duties as detailed officers.

Board per Diem

Represents per diems granted to members of the Board of Director and officers.

Business Development Expense

Represents representation and entertainment expense of the President and Chief Executive Officer (CEO) and other officers of the corporation.

Stationery and Supplies

Represents office supplies that are consumed within an office during the normal business operation such as forms, record books, pencils, ball pens and other related items.

Insurance Expense

Represents monthly premium amortization of insurance taken on building units, equipment, etc.

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Security & Janitorial Services

Represents expenses incurred for the services rendered by security and janitorial agencies.

Depreciation Expense

Represents the allocation of cost of fixed assets (excluding land) over their estimated useful lives.

Telephone, Cable and Postage

Represents cost of cable, postage, telephone installation charges and other related expenses.

Amortization Expense

Represents the allocation of cost of intangible asset/software acquired over the estimated useful life.

SSS, PHIC and EC Premiums

Represents the Corporation's share in the Social Security System. Philhealth and Employee Compensation premiums of its employee.

Ex-com/Audit Com per Diem

Represents per diems granted to members of the executive/audit committee.

Representation & Entertainment

Represents expenses incurred for public relations activities which are directly related to the promotion of business development and enhancement of the prestige of the Corporation.

Repairs and Maintenance

Represents expenses incurred for repairs and maintenance of office premises, furniture and equipment, which do not prolong the life of the asset beyond its original estimated useful life.

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Light and Water

Represents expenses for light and water consumption.

Bank Charges

Represents all charges and fees made by the bank to their clients.

Audit Fee

Represents expenses incurred for external audit services availed by the Corporation, such as salaries, traveling expenses, supplies, etc.

Miscellaneous Expense

Represents expenses incurred which cannot be appropriately classified under any of the foregoing expense accounts.

Gasoline and Oil

Represents expenses incurred for gasoline, diesel fuel and lubricants used for the Corporation owned/leased vehicles and other equipment.

Seminar and Trainings

Represents the cost or training/seminar fee incur for the

Travel and Transportation

Represents expenses incurred for the official travel of officers and employees in accordance with allowances set by management. This shall also include expenses for gasoline/diesel fuel and minor repairs incurred by the officers and employees using their own vehicles for the official travel.

Pag-ibig Fund Contribution

Represents the Corporation's share in the Pag-ibig fund contribution of its employees/officers.

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Subscription & Publication

Represents expenses incurred for magazines, periodicals and other publications.

Printing and Mimeographing

Represents cost of printing and mimeographing and other related expenses.

Advertising Expense

Represents expenses incurred for advertising and publicity in the newspapers, magazines, television, radio and other media, including those incurred for handbills, pamphlets, billboards, brochures and give away.

Professional Fees

Represents incurred for services rendered by individual/firms on a retainer/contractual basis such as the managing company, legal counsel and consultants.

Donations and Contributions

Represents donation and contribution in cash or in kind to religious, charitable, educational, business, service organizations and public institutions.

Membership Fees and Dues

This refers to the expenses incurred for membership fee and dues to any association or professional organization wherein the company, its officers and employees are members.

Officers Honoraria

Represents fees given to officers for services rendered in accordance with management policy.

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Property Management Expenses

Represents expenses incurred related to the management of LBP ROPA.

Bad Debts

Represents uncollectible portion of the Corporation's receivables.

Fines, Penalties and Other Charges

Represents amount of charges executed by the regulatory bodies like BIR, SEC and other government agencies.

Project Incentive Program Expense

Represents incentives released to employees, officers and board under the Project Incentive Program (PIP).

Commission Expense

Represents commission paid to the contractor or broker.

Manpower Services Expense

Represents expenses incurred for the services rendered by the manpower staff by the manpower staff to its client and all other related expenses.

ACU Maintenance Services Expense

Represents salaries and other benefits incurred for the services rendered by the ACU Maintenance staff its client and all other related expenses.

Income Tax Expense

Represents amount of tax paid on income earned by the Corporation.

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Income Tax Final

Represents amount of tax paid on interest income earned by the Corporation.

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