

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Condensed Statement of Financial Position
As of March 31, 2023

	Note	2023	2022	Variance
ASSETS				
Current Assets				
Cash and Cash Equivalents	3	43,104,717.31	32,587,702.80	10,517,014.51
Investments	4	100,387,677.53	100,662,982.61	(275,305.08)
Receivables	5	5,912,635.56	7,066,919.35	(1,154,283.79)
Inventories	6	753,714.19	957,207.84	(203,493.65)
Other Current Assets	7	3,490,131.89	5,892,706.04	(2,402,574.15)
Total Current Assets		153,648,876.48	147,167,518.64	6,481,357.84
Non-Current Assets				
Investments in Joint Ventures	8	15,000,000.00	15,000,000.00	-
Other Investments		15,000.00	15,000.00	-
Investment Property	9	82,165,633.06	114,830,766.55	(32,665,133.49)
Property, Plant and Equipment	10	8,757,638.35	10,824,192.89	(2,066,554.54)
Intangible Assets		0.00	20,476.90	(20,476.90)
Other Non-Current Assets		0.00	1,254,265.39	(1,254,265.39)
Total Non-Current Assets		105,938,271.41	141,944,701.73	(36,006,430.32)
TOTAL ASSETS		259,587,147.89	289,112,220.37	(29,525,072.48)
LIABILITIES				
Current Liabilities				
Financial Liabilities	11	9,628,089.44	6,881,696.33	2,746,393.11
Inter-Agency Payables	12	63,410,329.02	97,577,152.39	(34,166,823.37)
Intra-Agency Payables		0.00	7,941.16	(7,941.16)
Trust Liabilities	13	10,673,048.66	8,385,859.02	2,287,189.64
Deferred Credits	14	58,389,106.50	52,654,657.01	5,734,449.49
Other Payables	15	416,637.35	34,986.55	381,650.80
Total Current Liabilities		142,517,210.97	165,542,292.46	(23,025,081.49)
Non-Current Liabilities				
Inter-Agency Payables	16	13,411,809.51	18,437,109.76	(5,025,300.25)
Total Non-Current Liabilities		13,411,809.51	18,437,109.76	(5,025,300.25)
TOTAL LIABILITIES		155,929,020.48	183,979,402.22	(28,050,381.74)
EQUITY				
Stockholders' Equity	17	83,143,720.23	83,143,720.23	-
Retained Earnings/(Deficit)		20,514,407.18	21,989,097.92	(1,474,690.74)
Total Equity		103,658,127.41	105,132,818.15	(1,474,690.74)
TOTAL LIABILITIES AND EQUITY		259,587,147.89	289,112,220.37	(29,525,072.48)
		-	-	0.00

See Accompanying Notes to Financial Statements.

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Detailed Statement of Financial Position
As of March 31, 2023

	Notes	2023	2022	Variance
ASSETS				
Current Assets				
Cash and Cash Equivalents				
	3			
Petty Cash Fund		20,000.00	0.00	20,000.00
Cash in Bank-Local Currency				
Cash in Bank-Local Currency, Current Account		23,084,717.31	32,587,702.80	(9,502,985.49)
Time Deposits-Local Currency		20,000,000.00	0.00	20,000,000.00
Total		43,104,717.31	32,587,702.80	10,517,014.51
Other Investments				
Investments in Time Deposits-Local Currency	4	100,387,677.53	100,662,982.61	(275,305.08)
Receivables				
	5			
Loans and Receivables Account				
Accounts Receivables		388,046.55	1,775,063.10	(1,387,016.55)
Interest Receivable		0.00	0.00	0.00
Inter-Agency Receivables				
Due from National Government Agencies		1,009,763.33	0.00	1,009,763.33
Due from Government Corporations		77,058.82	0.00	77,058.82
Intra-Agency Receivables				
Due from Parent Corporation		2,267,936.29	4,928,973.90	(2,661,037.61)
Other Receivables				
Due from Officers and Employees		873,426.17	362,882.35	510,543.82
Other Receivables		1,296,404.40	0.00	1,296,404.40
Total		5,912,635.56	7,066,919.35	(1,154,283.79)
Inventories				
	6			
Inventory Held for Consumption				
Supplies and Materials Inventory		514,097.58	957,207.84	(443,110.26)
Construction Materials Inventory		170,251.46	0.00	170,251.46
Other Supplies and Materials Inventory		69,365.15	0.00	69,365.15
Total		753,714.19	957,207.84	(203,493.65)
Other Current Assets				
	7			
Advances				
Advances to Officers and Employees		22,950.00	54,100.00	- 31,150.00
Prepayments				
Advances to Contractors		1,668,343.40	3,089,596.90	(1,421,253.50)
Prepaid Insurance and Registration		0.00	126,628.99	(126,628.99)
Other Prepayments		10,080.00	676,873.33	(666,793.33)
Deposits				
Guaranty deposits		168,884.00	168,884.00	0.00
Withholding Tax at Source				
Withholding Tax at Source		1,619,874.49	1,455,871.72	164,002.77
Other Assets				
Other Assets		0.00	320,751.10	(320,751.10)
Total		3,490,131.89	5,892,706.04	(2,402,574.15)
Total Current Assets		153,648,876.48	147,167,518.64	6,481,357.84
Non-Current Assets				
	8			
Investments in Joint Venture				
Investments in Joint Venture		15,000,000.00	15,000,000.00	0.00
Other Investments				
Investment in Stocks		15,000.00	15,000.00	0.00

	Notes	2023	2022	Variance
Total		15,015,000.00	15,015,000.00	0.00
Investment Property	9			
Land and Buildings				
Investment Property, Land		16,416,169.40	21,441,469.65	(5,025,300.25)
Investment Property, Buildings		0.00	13,821,515.95	(13,821,515.95)
Construction in Progress				
Construction in Progress-Investment Property, Buildings		65,749,463.66	79,567,780.95	(13,818,317.29)
Total		82,165,633.06	114,830,766.55	(32,665,133.49)
Property, Plant and Equipment	10			
Land Improvements				
Other Land Improvements		276,082.12	276,082.12	0.00
Accumulated Depreciation-Other Land Improvements		(262,278.01)	(262,278.01)	0.00
Infrastructure Assets				
Power Supply Systems		516,605.02	516,605.02	0.00
Accumulated Depreciation-Power Supply Systems		(490,774.77)	(490,774.77)	0.00
Buildings and Other Structures				
Buildings		9,386,403.90	9,386,403.90	0.00
Accumulated Depreciation-Buildings		(5,463,195.95)	(4,940,835.45)	(522,360.50)
Other Structures		2,669,275.51	2,669,275.51	0.00
Accumulated Depreciation-Other Structures		(2,482,771.32)	(2,482,771.32)	0.00
Machinery and Equipment				
Office Equipment		2,847,485.91	6,469,498.13	(3,622,012.22)
Accumulated Depreciation-Office Equipment		(2,227,577.80)	(5,221,852.16)	2,994,274.36
Information and Communication Technology (ICT) Equipment		2,992,733.81	4,916,130.66	(1,923,396.85)
Accumulated Depreciation-ICT Equipment		(1,705,805.19)	(3,562,156.23)	1,856,351.04
Communication Equipment		60,000.00	377,262.20	(317,262.20)
Accumulated Depreciation-Communication Equipment		(57,000.00)	(363,572.95)	306,572.95
Technical and Scientific Equipment		413,387.52	413,387.52	0.00
Accumulated Depreciation-Technical and Scientific Equipment		(392,718.14)	(366,259.65)	(26,458.49)
Furniture, Fixtures and Books				
Furniture and Fixtures		901,045.01	2,834,393.10	(1,933,348.09)
Accumulated Depreciation-Furniture and Fixtures		(833,524.52)	(2,430,783.84)	1,597,259.32
Transportation Equipment				
Motor Vehicle		8,681,939.06	13,723,397.02	(5,041,457.96)
Accumulated Depreciation-Motor Vehicle		(6,071,673.81)	(10,636,957.91)	4,565,284.10
Fixed Asset Accrual		0.00	0.00	0.00
Total		8,757,638.35	10,824,192.89	(2,066,554.54)
Intangible Assets				
Computer Software		0.00	851,469.58	(851,469.58)
Accumulated Amortization-Computer Software		0.00	(830,992.68)	830,992.68
Total		0.00	20,476.90	(20,476.90)
Other Non-Current Assets				
Other Assets		0.00	1,254,265.39	(1,254,265.39)
Total Non-Current Assets		105,938,271.41	141,944,701.73	(36,006,430.32)
TOTAL ASSETS		259,587,147.89	289,112,220.37	(29,525,072.48)
LIABILITIES AND EQUITY				
Current Liabilities				
Financial Liabilities	11			
Accounts Payable		6,531,292.11	3,876,298.44	2,654,993.67
Due to Officers and Employees		3,096,797.33	3,005,397.89	91,399.44
Total		9,628,089.44	6,881,696.33	2,746,393.11

	Notes	2023	2022	Variance
Inter-Agency Payables	12			
Due to BIR		603,759.65	952,573.63	(348,813.98)
Due to Pag-ibig		247,211.78	650.00	246,561.78
Due to Philhealth		54,325.25	462.38	53,862.87
Due to SSS		105,255.56	720.00	104,535.56
Due to Parent Corporation		61,528,095.18	95,765,474.12	(34,237,378.94)
Income Tax Payable		871,681.60	857,272.26	14,409.34
Total		63,410,329.02	97,577,152.39	(34,166,823.37)
Intra-Agency Payables				
Due to Other Funds		0.00	7,941.16	(7,941.16)
Total		0.00	7,941.16	(7,941.16)
Trust Liabilities	13			
Trust Liabilities		1,731,505.02	1,803,488.27	(71,983.25)
Customer's Deposit Payable		62,000.00	41,000.00	21,000.00
Guaranty/Security Deposits Payable		8,879,543.64	6,541,370.75	2,338,172.89
Total		10,673,048.66	8,385,859.02	2,287,189.64
Deferred Credits	14			
Deferred Credits/Unearned Income		58,389,106.50	52,654,657.01	5,734,449.49
Other Payables	15			
Other Payables		416,637.35	34,986.55	381,650.80
Total Current Liabilities		142,517,210.97	165,542,292.46	(23,025,081.49)
Non-Current Liabilities				
Inter-Agency Payables	16			
Due to Parent Corporation		13,411,809.51	18,437,109.76	(5,025,300.25)
Total Non-Current Liabilities		13,411,809.51	18,437,109.76	(5,025,300.25)
TOTAL LIABILITIES		155,929,020.48	183,979,402.22	(28,050,381.74)
Equity				
Stockholders' Equity	17			
Share Capital		68,143,720.23	68,143,720.23	0.00
Other Equity Instruments		15,000,000.00	15,000,000.00	0.00
Total		83,143,720.23	83,143,720.23	0.00
Retained Earnings/(Deficit)				
Retained Earnings/(Deficit)		20,514,407.18	21,989,097.92	(1,474,690.74)
Total		20,514,407.18	21,989,097.92	(1,474,690.74)
Total Equity		103,658,127.41	105,132,818.15	(1,474,690.74)
TOTAL LIABILITIES AND EQUITY		259,587,147.89	289,112,220.37	(29,525,072.48)

See Accompanying Notes to Financial Statements

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Condensed Statement of Comprehensive Income
As of March 31, 2023

	Note	2023	2022	Variance
Income				
Service and Business Income	18	21,008,005.57	17,844,022.15	3,163,983.42
Expenses				
Personnel Services	19	14,274,161.35	13,727,235.89	546,925.46
Maintenance and Other Operating Expenses	20	2,807,451.79	2,112,268.63	695,183.16
Non-Cash Expenses	21	365,058.10	358,120.14	6,937.96
Total Expenses		17,446,671.24	16,197,624.66	1,249,046.58
Profit/(Loss) Before Tax		3,561,334.33	1,646,397.49	1,914,936.84
Income Tax Expense/(Benefit)		871,681.60	401,081.77	470,599.83
Comprehensive Income/(Loss)		2,689,652.73	1,245,315.72	1,444,337.01

See Accompanying Notes to Financial Statements.

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Detailed Statement of Comprehensive Income
As of March 31, 2023

	Notes	2023	2022	Variance
Income				
Service and Business Income	18			
Service Income				
Permit Fees		1,458,382.32	250,399.25	1,207,983.07
Business Income				
Management Fees		19,465,368.50	17,551,552.50	1,913,816.00
Interest Income		74,607.97	42,070.40	32,537.57
Other Business Income		9,646.78	0.00	9,646.78
Total Income		21,008,005.57	17,844,022.15	3,163,983.42
Expenses				
Personnel Services	19			
Salaries and Wages				
Salaries and Wages-Regular		9,056,612.24	8,992,127.08	64,485.16
Total Salaries and Wages		9,056,612.24	8,992,127.08	64,485.16
Other Compensation				
Personnel Economic Relief Allowance (PERA)		340,616.88	342,000.00	(1,383.12)
Representation Allowance (RA)		202,500.00	202,500.00	0.00
Transportation Allowance (TA)		202,500.00	202,500.00	0.00
Clothing/Uniform Allowance		330,000.00	0.00	330,000.00
Overtime and Night Pay		289,204.04	271,080.65	18,123.39
Cash Gift		73,333.33	71,250.00	2,083.33
Mid-year Bonus		1,529,663.50	1,498,709.50	30,954.00
Year-End Bonus		767,883.33	749,354.75	18,528.58
OBA-Anniversary Bonus		168,000.00	0.00	168,000.00
Directors and Committee Members' Fees		546,000.00	636,000.00	(90,000.00)
Total Other Compensation		4,449,701.08	3,973,394.90	476,306.18
Personnel Benefit Contributions				
Pag-ibig Contributions		10,900.00	17,100.00	(6,200.00)
Philhealth Contributions		101,756.18	99,226.92	2,529.26
Employees Compensation Insurance Premiums		3,270.00	4,950.00	(1,680.00)
Retirement and Life Insurance Premiums		303,620.00	350,370.00	(46,750.00)
Total Personnel Benefit Contributions		419,546.18	471,646.92	(52,100.74)
Other Personnel Benefits				
Terminal Leave Benefits		348,301.85	290,066.99	58,234.86
Total Other Personnel Benefits		348,301.85	290,066.99	58,234.86
Total Personnel Services		14,274,161.35	13,727,235.89	546,925.46
Maintenance and Other Operating Expenses				
Travelling Expenses	20			
Travelling Expenses-Local		692,577.56	367,838.30	324,739.26
Training and Scholarship Expenses				
Training Expenses		70,290.76	34,580.47	35,710.29
Supplies and Materials Expenses				
Office Supplies Expenses		296,984.26	427,972.04	(130,987.78)
Fuel, Oil and Lubricants Expenses		63,437.06	17,853.30	45,583.76
Drugs and Medicines Expenses		71,773.50	95,844.00	(24,070.50)
Other Office Supplies and Materials		0.00	11,235.00	(11,235.00)
Utility Expenses				
Electricity Expenses		113,645.48	202,000.34	(88,354.86)
Communication Expenses				
Postage and Courier Services		8,152.20	6,960.38	1,191.82
Telephone Expenses		136,388.47	124,440.22	11,948.25

	Notes	2023	2022	Variance
Internet Subscription Expenses		12,326.85	16,468.70	(4,141.85)
Confidential, Intelligence and Extraordinary Expenses				
Extraordinary and Miscellaneous Expenses		108,308.01	59,010.52	49,297.49
Professional Services				
Auditing Services		111,817.99	8,540.75	103,277.24
General Services				
Janitorial Services		6,110.04	0.00	6,110.04
Security Services		110,537.91	94,463.86	16,074.05
Repair and Maintenance				
Repair and Maintenance- Buildings & Other Structures		10,435.00	16,937.79	(6,502.79)
Repair and Maintenance- Transportation Equipment		40,950.00	10,973.90	29,976.10
Repair and Maintenance-Furnitures and Fixtures		18,090.00	14,150.00	3,940.00
Taxes, Insurance Premiums and Other Fees				
Taxes, Duties and Licenses		23,440.00	21,665.81	1,774.19
Insurance Expenses		110,443.40	75,398.81	35,044.59
Other Maintenance and Operating Expenses				
Advertising, Promotional and Marketing Expenses		212,458.12	134,048.00	78,410.12
Representation Expenses		235,256.58	274,926.48	(39,669.90)
Subscription Expenses		5,405.00	5,428.00	(23.00)
Other Maintenance and Operating Expenses		348,623.60	91,531.96	257,091.64
Total Maintenance and Other Operating Expenses		2,807,451.79	2,112,268.63	695,183.16
Non-Cash Expenses				
Depreciation Expense	21			
Depreciation-Building and Other Structures		117,330.03	117,330.03	0.00
Depreciation-Machinery and Equipment		106,648.00	79,958.49	26,689.51
Depreciation-Transportation Equipment		138,557.22	138,557.22	0.00
Depreciation-Furniture, Fixtures and Books		2,522.85	22,274.40	(19,751.55)
Total Depreciation Expense		365,058.10	358,120.14	6,937.96
Total Non-Cash Expenses		365,058.10	358,120.14	6,937.96
Total Expenses		17,446,671.24	16,197,624.66	1,249,046.58
NET INCOME/(LOSS) BEFORE TAX		3,561,334.33	1,646,397.49	1,914,936.84
Income Tax Expense/(Benefit)		871,681.60	401,081.77	470,599.83
NET PROFIT/(LOSS) AFTER TAX		2,689,652.73	1,245,315.72	1,444,337.01
		0.00	0.00	0.00

See Accompanying Notes to Financial Statements

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Statement of Changes in Equity
As of March 31, 2023

	Note	2023	2022	Variance
Share Capital				
Balance at Beginning of the Period				
Authorized, issued and fully paid		68,143,720.23	68,143,720.23	0.00
800,000 shares, Php100.00 par value				0.00
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Balance at End of the Period		68,143,720.23	68,143,720.23	0.00
Other Equity Investments				
Balance at Beginning of the Period				
Additions		15,000,000.00	15,000,000.00	0.00
Deductions		-	-	0.00
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Balance at End of the Period		15,000,000.00	15,000,000.00	0.00
Retained Earnings				
	22			
Balance at Beginning of the Period				
Correction of prior year's errors	-	17,976,225.57	22,181,794.09	(4,205,568.52)
As restated		151,471.12	1,438,011.89	1,286,540.77
Dividends		17,824,754.45	20,743,782.20	(2,919,027.75)
Net Income (Loss)	23	-	-	0.00
		2,689,652.73	1,245,315.72	1,444,337.01
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Balance at End of the Period		20,514,407.18	21,989,097.92	- 1,474,690.74
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TOTAL EQUITY		103,658,127.41	105,132,818.15	- 1,474,690.74
		-	-	0.00

See Accompanying Notes to Financial Statements.

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Condensed Statement of Cash Flows
As of March 31, 2023

	Notes	2023	2022	Variance
Cash Flow from Operating Activities				
Cash Inflow				
Collection of Income/Revenue		77,765,414.60	69,052,485.05	8,712,929.55
Collection of Receivables		3,395,149.83	11,671,145.86	- 8,275,996.03
Receipt of Inter-Agency Fund Transfers	24	-	2,410,615.79	- 2,410,615.79
Receipt of proceeds from termination of investment acct.				-
Total Cash Inflow		81,160,564.43	83,134,246.70	- 1,973,682.27
Cash Outflow				
Payment of Expenses		-17,081,613.14	-15,367,857.60	- 1,713,755.54
Purchase of Inventories		-310,582.60	-660,932.51	350,349.91
Payment of Accounts Payable		-2,631,657.21	-8,565,964.10	5,934,306.89
Remittance of Personnel Benefit Contributions and Mandatory Deductions		-2,520,913.83	-2,122,687.16	- 398,226.67
Adjustments		-40,000,000.00	-60,000,000.00	20,000,000.00
Total Cash Outflow		-62,544,766.78	-86,717,441.37	24,172,674.59
Net Cash Provided by (used in) Operating Activities		18,615,797.65	-3,583,194.67	22,198,992.32
Cash Flow from Investing Activities				
Cash Inflow				
Receipt of Interest Earned		74,607.97	42,070.40	32,537.57
Cash Outflow				
Purchase/Construction of Investment Property		-	-	-
Purchase/Construction of Property, Plant and Equipment		-	2,214,947.87	2,214,947.87
Total Cash Outflow		-	2,214,947.87	2,214,947.87
Net Cash Provided by (used in) Investing Activities		74,607.97	- 2,172,877.47	2,247,485.44
Cash Flow from Financing Activities				
Cash Inflow				
Payment of Dividends				-
Net Cash Provided by (used in) Financing Activities		-	-	-
Net Increase in Cash and Cash Equivalents		18,690,405.62	-5,756,072.14	24,446,477.76
Add: Cash and Cash Equivalents, Beginning		24,414,311.69	38,343,774.94	-13,929,463.25
Cash and Cash Equivalents, Ending		43,104,717.31	32,587,702.80	10,517,014.51

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Detailed Statement of Cash Flows
As of March 31, 2023

	Notes	2023	2022	Variance
Cash Flow from Operating Activities				
Cash Inflow				
Collection of Income/Revenue				
Collection of service and business income		77,765,414.60	69,052,485.05	8,712,929.55
Collection of Receivables				
Collection of receivables		3,395,149.83	11,671,145.86	-8,275,996.03
Receipt of Inter-Agency Fund Transfers				
Receipt of funds for other inter-agency transactions	24	-	2,410,615.79	- 2,410,615.79
Adjustments				
Receipt of proceeds from termination of investment account		-	-	-
Total Cash Inflow		81,160,564.43	83,134,246.70	- 1,973,682.27
Cash Outflow				
Payment of Expenses				
Payment of personnel services		-14,274,161.35	-13,255,588.97	-1,018,572.38
Payment of maintenance and other operating expenses		-2,807,451.79	-2,112,268.63	-695,183.16
Purchase of Inventories				
Payment of inventories		-310,582.60	-660,932.51	350,349.91
Payment of Accounts Payable		-2,631,657.21	-8,565,964.10	5,934,306.89
Remittance of Personnel Benefit Contributions and Mandatory Deductions				
Remittance of taxes withheld		-2,101,367.65	-1,651,040.24	-450,327.41
Remittance of SSS/Pag-ibig/Philhealth		-419,546.18	-471,646.92	52,100.74
Adjustments				
Other adjustments-Investment in time deposit acct.		-40,000,000.00	-60,000,000.00	20,000,000.00
Other adjustments-Reclassification of time deposit acct.		-	0.00	0.00
Total Cash Outflow		-62,544,766.78	-86,717,441.37	24,172,674.59
Net Cash Provided by (used in) Operating Activities		18,615,797.65	-3,583,194.67	22,198,992.32
Cash Flow from Investing Activities				
Cash Inflow				
Receipt of Interest Earned		74,607.97	42,070.40	32,537.57
Cash Outflow				
Purchase/Construction of Investment Property				
Construction of Investment Property		-	-	-
Purchase/Construction of Property, Plant and Equipment				
Construction of Buildings and Other Structures		-	2,214,947.87	2,214,947.87
Purchase of Machinery and Equipment		-	-	-
Purchase of Furniture, Fixtures and Books		-	-	-
Purchase of Transportation Equipment		-	-	-
Total Cash Outflow		- -	2,214,947.87	2,214,947.87
Net Cash Provided by (used in) Investing Activities		74,607.97	- 2,172,877.47	2,247,485.44
Cash Flow from Financing Activities				
Cash Outflow				
Payment of Dividends		-	0.00	0.00
Net Cash Provided by (used in) Financing Activities		-	-	-
Net Increase in Cash and Cash Equivalents		18,690,405.62	-5,756,072.14	24,446,477.76
Add: Cash and Cash Equivalents, Beginning		24,414,311.69	38,343,774.94	-13,929,463.25
Cash and Cash Equivalents, Ending		43,104,717.31	32,587,702.80	10,517,014.51

NOTES TO FINANCIAL STATEMENTS AS OF MARCH 31, 2023

1. Corporate Information

BCDA was created under Republic Act (RA) No. 7227 dated March 13, 1993. Its main objective is to accelerate the sound and balanced conversion of former military reservations, especially the American Military Bases into alternative productive civilian uses for the benefit of the Filipino people.

Pursuant to this Act, Presidential Proclamation No. 216 was issued creating and designating the area covered by the former Wallace Air Station, the San Fernando Seaport and Airport, and contiguous areas in Poro Point Special Economic and Freeport Zone (PPSEFZ), now the Poro Point Freeport Zone (PPFZ).

On June 29, 1993, Executive Order (EO) No. 103 was issued, establishing the John Hay Development Corporation (JHDC) as a subsidiary and implementing arm of BCDA for Club John Hay.

Subsequently, on October 07, 1998, EO No. 31 was issued amending Sections 1 and 3 of EO No. 103, series of 1993, renaming John Hay Development Corporation (JHDC) to John Hay Poro Point Development Corporation (JPDC) as the authorized operating and implementing arm of the BCDA to manage the John Hay Special Economic Zone (JHSEZ) and the PPFZ and its contiguous areas.

On October 03, 2002, EO No. 132 was issued authorizing the creation of Poro Point Management Corporation (PPMC) as the implementing arm of BCDA over the PPFZ and renaming the John Hay Poro Point Development Corporation (JPDC) as the John Hay Management Corporation (JHMC).

PPMC was registered with the Securities and Exchange Commission (SEC) on January 06, 2003.

On March 20, 2007, Republic Act (RA) No. 9400 was enacted affirming the Freeport status of the PPSEFZ, renaming it as the Poro Point Freeport Zone (PPFZ).

PPMC office is located at Governor Joaquin L. Ortega Avenue, Poro Point, City of San Fernando, La Union.

Performance Agreement

Pursuant to EO No. 62 issued on February 27, 1993 on the prescribed policies and guidelines for the implementation of RA No. 7227, BCDA is mandated to perform oversight over subsidiaries and adopt and implement an oversight mechanism to implement efficient utilization of scarce resources and to ensure that the plans and programs of subsidiaries are proceeding according to national goals and objectives.

In order to carry out this objective, EO No. 62 likewise mandates that BCDA and its subsidiaries enter into a Performance Agreement embodying the performance criteria and target for the year and the desired goals of the succeeding years.

Towards this goal, BCDA and PPMC entered into a Performance Agreement, setting the performance standards in accordance with the policies and programs of BCDA and PPMC which is mutually acceptable to both parties.

Foremost among the features of the Agreement is about the financial undertakings that BCDA and PPMC have to comply with, briefly summarized as follows:

- BCDA as property owner of the PPFZ shall earn from lease rentals, joint venture agreements, and other business arrangements generated in the PPFZ and from dividends to be declared by PPMC. PPMC shall record these revenues as Trust Liability and remit the same to BCDA through a designated bank account solely in the name of BCDA. The same shall now be recorded as income of BCDA.
- PPMC as estate manager shall earn estate management fees due from BCDA either a 50 percent share in the revenues of the PPFZ or fixed amount of PhP60.5 million annually for the next two (2) years beginning 2014 to cover Personal Services (PS) and Maintenance & Other Operating Expenses (MOOE), whichever is higher. In addition, PPMC shall receive a 10 percent share of the net income of the zone.
- PPMC shall ensure that all necessary and appropriate insurance coverage for properties within the zone as well as security services for the property are secured. Insurance coverage, maintenance and depreciation expenses of BCDA properties within the zone, as well as maintenance and security services for the property, however, shall be charged to BCDA as owner of the land.
- PPMC shall formulate an annual work plan and budget to be submitted to BCDA for approval in accordance with Financial Policy No. 502-2.
- PPMC shall submit a rolling five-year OPEX schedule for BCDA funding and approval while maintaining the expected Return on Assets (ROA) and Return on Equity (ROE) targets for BCDA. A yearly submission of the actual OPEX for review and next year's projected OPEX schedule for consideration and approval of BCDA shall be presented during the planning and budgeting deliberations.

2. Summary of Significant Accounting Policies

The significant accounting policies are set forth to facilitate understanding of data presented in the financial statements (FS).

2.1 Basis of preparation

The FS have been prepared in conformity with accounting principles generally accepted in the Philippines. The FS are presented in Philippine peso, which is the functional and reporting currency of PPMC. These are the PPMC first financial statements prepared in accordance with Philippine Financial Reporting Standards (PFRS), where PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards*, was then applied.

The FS comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to Financial Statements.

2.2 Use of Estimates and Judgments

The preparation of the financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. It also requires management to exercise its judgments in the process of applying the accounting policies consistent with that of the BCDA.

PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards*, requires an entity adopting PFRS for the first time (a first-time adopter) to comply with each PFRS that has come into effect at the reporting date for its first PFRS financial statements. It also requires a first-time adopter to prepare an opening PFRS balance sheet at the date of transition to PFRS, the beginning of the earliest adoption to which it represents the full comparative information under PFRS.

PAS 1, *Presentation of Financial Statements*, (a) provides a framework within which an entity assesses how to present fairly the effects of transactions and other events; (b) provides the base criteria for classifying liabilities as current or non-current; (c) prohibits the presentation of items of income and expenses as extraordinary items in the financial statements; and (d) specifies the disclosures

IAS 2 – Inventories. This standard prescribes the accounting treatment for inventories. It provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories.

IAS 16 – Property, Plant and Equipment. This standard prescribes the accounting treatment for property, plant and equipment so that users of the financial statements can discern information about an entity's investment in its property, plant and equipment and the changes in such investment. An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at cost. An entity shall choose either the cost model or the revaluation model as its accounting policy and shall apply that policy to an entire class of property, plant and equipment. The depreciable amount of an asset shall be allocated on a systematic basis over its useful life. The residual value and the useful life of an asset shall be reviewed at least each financial year-end and, if expectations differ from previous estimates, the changes(s) shall be accounted for

as change in an accounting estimate in accordance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

2.3 Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less from date of acquisition.

2.4 Supplies and Materials

This account carries the value of unused supplies and materials in stock using the moving average inventory method.

2.5 Investment in Joint Ventures

PPMC has an interest in joint ventures which are jointly controlled entities, whereby the ventures have a binding arrangement that establishes joint control over the economic activities of the entity. PPMC recognizes its interest in the joint venture using the equity method. Under the equity method, investments in joint ventures are carried in the consolidated statement of financial position at cost plus post acquisition changes in share of net assets of the joint venture.

2.6 Property, Plant and Equipment (PPE)

PPE is stated at cost less accumulated depreciation. Depreciation is measured using the straight-line method with composite rates ranging from 5% to 20%. In accordance with COA Circular No. 2004-3 dated October 4, 2004 and COA Circular No. 2015-002 dated March 9, 2015 the computation of depreciation expense shall start on the following month after the purchase/completion of the PPE, irrespective of date within the month. The current and subsequent month depreciation expense shall be computed as follows:

$$\text{Monthly Depreciation Expense} = \frac{\text{Carrying Amount} - \text{Residual Value}}{\text{Remaining Useful Life}}$$

The effect of the recognition of depreciation as a result of the change in the estimated residual value from 10% to 5% of the cost shall be applied prospectively.

Assets acquired with value of more than PhP50,000.00 are recorded under Property, Plant and Equipment (PPE) pursuant to COA Circular No. 2022-004 dated May 31, 2022. The threshold shall be applied on an individual asset or per item basis. Each item within the bulk acquisition such as library books, small equipment, computer peripherals, work animals, and the like, will need to meet the amount of below PhP50,000.00 to be recognized as semi-expendable property.

Maintenance and repairs of PPE are charged to operations. Improvements and/or major repairs that considerably extend assets life or if the repair costs are material in amount are charged to the appropriate asset account.

For issued tangible items acquired prior to CY 2022 with amounts from Php15,000.00 to below Php50,000.00 previously classified as PPE, the carrying amount shall be expense/charged to Retained Earnings. The corresponding accumulated depreciation shall be closed in the books of accounts.

2.7 Revenue Recognition

Funds released for operating expenditures (OPEX) from BCDA are reflected as Management fees in the Statement of Financial Performance.

2.8 Collections received in trust

PPMC shall remit to BCDA on a regular basis all revenues from contracts and other sources of revenues generated within the PPFZ and are deposited daily to BCDA Land Bank of the Philippines (LBP) Account No. 0202-0177-54 at City of San Fernando, La Union. Results of these activities are being reported to BCDA on a monthly basis.

3. CASH AND CASH EQUIVALENTS

This is composed of the following:

Particulars	2023	2022
Petty Cash Fund	20,000.00	0.00
Cash in Bank		
Cash in Bank-Local Currency, CA	23,084,717.31	32,587,702.80
Time Deposits-Local Currency	20,000,000.00	0.00
Total Cash & Cash Equivalents	43,104,717.31	32,587,702.80

Cash in Bank- Local Currency

This account consists of the following:

	2023	2022
Cash in Bank-Local Currency, LBP Opex Current	17,289,899.53	27,027,812.76
Cash in Bank-Local Currency, LBP Capex Current	5,794,817.78	5,559,890.04
Total Cash In Bank-Local Currency	23,084,717.31	32,587,702.80

Cash in Bank-Local Currency, LBP Opex Current Account

PPMC maintains a current account for its Opex at the LBP. This was the original account of PPMC prior to its transfer to the Philippine National Bank (PNB) on 02 July 2004.

Cash in Bank-Local Currency, LBP Capex Account

On 19 October 2018, PPMC opened a current account for its Capital Expenditures (Capex) at the LBP pursuant to the advice of the Department of Finance (DOF) to wind down PPMC's deposits at PNB and transfer the same to either LBP/DBP.

4. INVESTMENTS

This is composed of Investment in Time Deposits.

INVESTMENTS IN TIME DEPOSITS

This account represents authorized placements of time deposit at the LBP with maturities of more than 180 days as shown below:

Particulars	2023	2022
Investments in Time Deposits		
Investment in Time Deposits-Local Currency	100,387,677.53	100,662,982.61

5. RECEIVABLES

The account is composed of the following:

Particulars	2023	2022
Loans and Receivables Account		
Accounts Receivable	388,046.55	1,775,063.10
Interest Receivable	0.00	0.00
Inter-Agency Receivables		
Due from National Government Agencies	1,009,763.33	0.00
Due from Government Corporations	77,058.82	0.00
Intra-Agency Receivables		
Due from BCDA	2,267,936.29	4,928,973.90
Other Receivables		
Due from Officers and Employees	873,426.77	362,882.35
Other Receivables	1,296,404.40	0.00
Total Receivables	5,912,635.56	7,066,919.35

ACCOUNTS RECEIVABLES

This account pertains to receivable from customers for regulatory fees.

INTER-AGENCY RECEIVABLES

Due from NGAs account pertains to receivables from BIR for tax credits on income tax for the CY 2022 to be applied to the succeeding quarters in CY 2023 and claims for refund of documentary stamp tax paid and other receivables.

Due from Government Corporations pertains to receivables from SSS for the maternity benefit and sickness benefit claim of employees.

INTRA-AGENCY RECEIVABLES

Due from BCDA pertains to reimbursement of expenses for BCDA land related costs such as insurance coverage, maintenance and security services for the property.

OTHER RECEIVABLES

Due from Officers and Employees account are receivables from PPMC personnel for personal calls, prior year taxes due and other miscellaneous charges.

Other Receivables account consists of accounts receivable held in trust by PPMC for BCDA amounting to P1,254,265.39. Out of the Php1,254,265.39 receivables, the amount of P244,540.89 refer to collectibles from airport users while the amount of P1,009,724.50 is long outstanding airport fees due from Ace Pilots Aviation Academy which is subject to a legal move to pursue collection in Court.

Other receivables pertain to the collectibles from PPMC Provident Fund amounting to Php42,139.01 representing various expenses.

6. INVENTORIES

The Supplies and Materials Inventory, Construction Materials Inventory and Other Office Supplies and Materials Inventory are valued at cost using the moving average method.

7. OTHER CURRENT ASSETS

Other asset is composed of the following:

Particulars	2023	2022
Advances		
Advances to Officers and Employees	22,950.00	54,100.00
Prepayments		
Advances to Contractors	1,668,343.40	3,089,596.90
Prepaid Insurance & Registration	-	126,628.99
Other Prepayments	10,080.00	676,873.33
Deposits		
Guaranty Deposits	168,884.00	168,884.00
Withholding Tax at Source		
Withholding Tax at Source	1,619,827.49	1,455,871.72
Other Assets		
Other Assets	-	320,751.10
Total Other Assets	3,490,131.89	5,892,706.04

The Advances to Contractors account pertain to balance of mobilization fees of Contractors for the following projects: Construction of Baywalk with Events Center, Construction of the San Fernando Airport Additional Drainage System and Construction of the San Fernando Airport Runway Slope Protection. Also included is the balance of mobilization fee for the PPMC website project.

Guaranty deposits pertain on payments to service providers such as telephone and electric companies that are refundable upon cancellation/termination of contracts.

Withholding tax at source pertains to tax withheld by customers for services rendered by PPMC to be applied to the income tax due.

8. INVESTMENTS AND EQUITY IN JOINT VENTURE

This account includes:

	2023	2022
Investments in Joint Venture	15,000,000.00	15,000,000.00
Other Investments-Investment in Stocks	15,000.00	15,000.00
Total Investments	15,015,000.00	15,015,000.00

The investment in the joint venture pertains to the 15% investment share of PPMC to Poro Point Industrial Corporation (PPIC) pursuant to the Pre-Incorporation Agreement.

The Pre-Incorporation Agreement entered into on September 24, 1999 by and between the BCDA and JPDC now, PPMC and Bulk Handlers, Inc. (BHI), a corporation duly organized under Philippine laws, created a joint venture corporation under the name of PPIC.

Section 1, paragraph 1.02 of the Pre-Incorporation Agreement provides that the PPIC shall be organized for the principal purpose of undertaking the utilization, development, operation, management, and administration of the seaport and industrial areas as well as all reclamation works within the project area.

Section 1, paragraph 1.03 also provides that the authorized capital stock of PPIC shall initially be in the amount of P100,000,000. BCDA/PPMC shall subscribe to shares equal to P30,000,000 constituting thirty percent (30%) ownership of the total outstanding capital stock. On the other hand, BHI and/or its consortium shall subscribe to and fully pay for shares equal to P70,000,000.00 for a seventy percent (70%) ownership of the total outstanding capital stock of PPIC.

It was likewise provided under the terms of the Agreement that BHI shall fund the thirty percent (30%) equity participation of BCDA/PPMC in exchange for the leasehold rights over the project area and that BHI shall always fund the equity participation of BCDA/PPMC in the event the capital stock of PPIC is increased to avoid dilution of the BCDA/PPMC shares.

To date, PPMC's equity share amounts to P15,000,000.00 equivalent to fifteen percent (15%) of the total authorized capital stock of PPIC.

OTHER INVESTMENTS

The investment in stocks represents subscription of shares of stock to PLDT.

9. INVESTMENT PROPERTY

This account consists of:

	2023	2022
Investment Property-Land	16,416,169.40	21,441,469.65
Investment Property-Building	0.00	13,821,515.95
Construction in Progress	65,749,463.66	79,567,780.95
Total Investment Property	82,165,633.06	114,830,766.55

Investment property-land refers to the validated land held-in trust within the Poro Point Freeport Zone on behalf of BCDA. Acquisition cost was valued at P1,250.00/P2,300.00 per square meter plus documentary stamp taxes & other similar incidental charges.

There are fifty-eight (58) original land titles already forwarded to BCDA out of the seventy-three (73) land titles covering 5.43 hectares, more or less. Titles of the remaining lots are still subject to reconstitution as a result of the fire that gutted the Register of Deeds building on August 26, 2000.

On August 2, 2012, the Land Registration Administration (LRA) informed BCDA/PPMC that the following titles were issued with reconstitution orders: T-52521; T-52526; T-52530; T-52518; T-46198; T-52588. The LRA likewise informed BCDA that the rest of the TCT's with pending applications for reconstitution may have been damaged during the fire that destroyed the LRA office on July 22, 2011. PPMC will file the necessary documents in order to safeguard PPMC's rights to the properties.

Construction in progress held in trust of P65,749,463.66 constitutes capital expenditure projects for the construction of a baywalk with an events center, construction of drainage system and slope protection at the San Fernando Airport and 2021 various repair and maintenance projects which are being funded by BCDA. Upon completion, these projects together with relevant documents will be turned-over to BCDA and the corresponding advances granted to PPMC are liquidated.

10. PROPERTY, PLANT AND EQUIPMENT (PPE)

The details of this group of accounts consist of the following:

	2023	2022
Land Improvements	276,082.12	276,082.12
Infrastructure Assets	516,605.02	516,605.02
Buildings & Other Structures	12,055,679.41	12,055,679.41
Machinery and Equipment	6,313,607.24	12,176,278.51
Furniture, Fixtures and Books	901,045.01	2,834,393.10
Transportation Equipment	8,681,939.06	13,723,397.02
Total	28,744,957.86	41,582,435.18
Less: Accumulated Depreciation	19,987,319.51	30,758,242.29
Total	8,757,638.35	10,824,192.89

PPE pertains to assets acquired and are utilized and directly benefits PPMC which includes among others, properties such as buildings, furniture, fixtures, machineries, equipment and motor vehicles.

11. FINANCIAL LIABILITIES

This is composed of Accounts Payable. It represents the outstanding payables on purchases made from local suppliers and contractors.

Particulars	2023	2022
Accounts Payable	6,531,292.11	3,876,298.44
Due to Officers and Employees	3,096,797.33	3,005,397.89
Total	9,628,089.44	6,881,696.33

Part of the accounts payable is the accrual of percentage of completion of Capex projects such as the drainage system and slope protection at the San Fernando Airport as of December 31, 2022 totaling to P3,551,566.05.

12. INTER-AGENCY PAYABLES

This is composed of statutory/mandatory deductions paid by the PPMC.

Particulars	2023	2022
Due to BIR	603,759.65	952,573.63
Due to Pag-ibig	247,211.78	650.00
Due to Philhealth	54,325.25	462.38
Due to SSS	105,255.56	720.00
Due to Parent Corporation	61,528,095.18	95,765,474.12
Income Tax Payable	871,681.60	857,272.26
Total Inter-Agency Payables	63,410,329.02	97,577,152.39

Due to Parent Corporation pertains to funds released by BCDA for capital expenditure projects such as the construction of a baywalk with an events center, drainage system and slope protection at the San Fernando Airport per accounting instructions issued by BCDA. PPMC will liquidate the advances made by turning over the completed projects to BCDA. Also included in this account are the earned revenues within the PPFZ held in trust by PPMC for BCDA. Collections there from are to be remitted to BCDA through the designated bank account. Part of this account is the outstanding airport fees due from Ace Pilots Aviation Academy in the amount of P1,009,724.50 subject to a legal move to pursue collections in courts; and the other receivable from airport clients of P244,540.89.

13. TRUST LIABILITIES

This account consists of trust liabilities, customer's deposits and guaranty/ security deposit payables. Trust liabilities refer to bid fees collected from bidders. Customer's deposit represents receipt of cleanliness bond for users at the Baywalk area. Guaranty/ Security Deposits payable represents security deposit for the reservation fee of Baywalk lots, performance bond posted by the Contractor to guarantee the faithful performance of its obligations of an awarded contract, which may be forfeited or refunded in accordance with RA 9184 and retention payable which shall be due for release to the Contractor upon final acceptance of its works to PPMC. Balances appearing are as follows:

Particulars	2023	2022
Trust Liabilities	1,731,505.02	1,803,488.27
Customer's Deposit Payable	62,000.00	41,000.00
Guaranty/ Security Deposits Payable	8,879,543.64	6,541,370.75
Total Trust Liabilities	10,673,048.66	8,385,859.02

14. DEFERRED CREDITS

This account represents unearned Management Fee for CY 2023.

15. OTHER PAYABLES

This account consists of payables to Land Bank of the Philippines (LBP) for the amortization of salary loans withheld from employees.

16. INTER-AGENCY PAYABLES -DUE TO PARENT CORPORATION

This account represents funds released by BCDA to PPMC for the acquisition of private lots within the Wallace Area amounting to Php13,411,809.51.

17. STOCKHOLDER'S EQUITY

This account is composed of Share Capital and Other Equity Instruments and presented as follows:

Particulars	2023	2022
Shareholder's Equity		
Share Capital	68,143,720.23	68,143,720.23
Other Equity Instruments	15,000,000.00	15,000,000.00
Total Stockholder's Equity	83,143,720.23	83,143,720.23

SHARE CAPITAL

PPMC was authorized to issue 800,000 shares at P100 cost per share. BCDA has approved an increase of authorized capital stock from Php80 million to Php300 million per letter dated May 4, 2012.

On October 15, 2014, PPMC wrote a letter to the Governance Commission for Government Owned and Controlled Corporation (GCG), requesting for the latter's endorsement/clearance/recommendation for the amendment of the Articles of Incorporation of PPMC prior to submission to the Securities and Exchange Commission (SEC) for approval. On October 27, 2014, GCG directed PPMC to submit documents to be used in the evaluation process of the latter's request. On November 2, 2016, PPMC submitted additional documents required by GCG in the evaluation process. Finally, on November 23, 2016, the GCG approved the request for increase in capitalization of PPMC. PPMC is now reviewing the request for increase in capitalization in coordination with BCDA. The latter has not yet given its final nod on the matter it being the 99% owner of the totality of the stocks of PPMC.

18. SERVICE AND BUSINESS INCOME

Particulars	2023	2022
Service and Business Income		
Service Income		
Permit Fees	1,458,382.32	250,399.25
Business Income		
Management Fees	19,465,368.50	17,551,552.50
Interest Income	74,607.97	42,070.40
Miscellaneous Income		
Miscellaneous Income	9,646.78	0.00
Total Revenues	21,008,005.57	17,844,022.15

MANAGEMENT FEES

This account consists mainly of management fees. PPMC as estate manager of the PPFZ is compensated by BCDA in the form of OPEX fund releases corresponding to the budget for Personal Services (PS) and Maintenance and Other Operating Expenses (MOOE) of PPMC for the year. Such fund releases are recognized as estate management fees in the books of PPMC and are being released by BCDA at the start of the year.

BCDA, as property owner is entitled to the revenues generated from the PPFZ which comprise of lease rentals, airport fees, gaming revenue share, share in the sale of real estate projects and regulatory fees.

As of March 31, 2023, BCDA/PPMC earned a total zone revenue of Php26,655,898.95, net of Php13,455,578.13 uncollectible PPIC account subject to litigation.

The entry of Thunderbird Pilipinas Hotels and Resorts, Inc, whose Casino opened for business on April 28, 2006, provided a significant share in the revenues generated. Total percentage share in net winnings of 4% as of March 31, 2023 is Php11,683,891.76. This amount represents variable income for BCDA/PPMC on top of the monthly fixed lease rentals of Php1,797,646.25.

All collections accruing to BCDA are deposited to BCDA's sole bank account.

PERMIT FEES

This account consists of regulatory fees such as seaport dues and fees, import permits, local purchase permits, gate pass, building permit fees and other fees.

19. PERSONAL SERVICES

These include the following expenses of PPMC as presented:

Particulars	2023	2022
Salaries and Wages		
Salaries and Wages-Regular	9,056,612.24	8,992,127.08

Other Compensation		
Personnel Economic Relief Allowance	340,616.88	342,000.00
Representation Allowance (RA)	202,500.00	202,500.00
Transportation Allowance (TA)	202,500.00	202,500.00
Clothing/Uniform Allowance	330,000.00	0.00
Overtime and Night Pay	289,204.04	271,080.65
Year-End Bonus	767,883.33	749,354.75
Cash Gift	73,333.33	71,250.00
Mid-Year Bonus	1,529,663.50	1,498,709.50
Directors' and Committee Members' Fees	546,000.00	636,000.00
Other Bonuses and Allowances	168,000.00	0.00
Personnel Benefit Contributions		
Retirement and Life Insurance Premiums	303,620.00	350,370.00
Pag-ibig Contributions	10,900.00	17,100.00
Philhealth Contributions	101,756.18	99,226.92
Employees Compensation Insurance Premiums	3,270.00	4,950.00
Other Personnel Benefit Contributions		
Terminal Leave Benefits	348,301.85	290,066.99
Total	14,274,161.35	13,727,235.89

20. MAINTENANCE AND OTHER OPERATING EXPENSES

PPMC paid the following expenses as presented:

Particulars	2023	2022
Travelling Expenses		
Travelling Expenses-Local	692,577.56	367,838.30
Training and Scholarship Expenses		
Training Expenses	70,290.76	34,580.47
Supplies and Materials Expenses		
Office Supplies Expense	296,984.26	427,972.04
Fuel, Oil and Lubricants Expenses	63,437.06	17,853.30
Drugs and Medicines Expenses	71,773.50	95,844.00
Other Office Supplies and Materials	0.00	11,235.00
Utility Expense		
Electricity Expenses	113,645.48	202,000.34
Communication Expenses		
Postage and Courier Services	8,152.20	6,960.38
Telephone Expenses	136,388.47	124,440.22
Internet Subscription	12,326.85	16,468.70
Confidential, Intelligence and Extraordinary Expenses		
Extraordinary and Miscellaneous Expenses	108,308.01	59,010.52
Professional Services		

Auditing Services	111,817.99	8,540.75
General Services		
Janitorial Services	6,110.04	0.00
Security Services	110,537.91	94,463.86
Repair and Maintenance		
Repair and Maintenance- Buildings & Other Structures	10,435.00	16,937.79
Repair and Maintenance-Transportation Equipment	40,950.00	10,973.90
Repair and Maintenance- Furniture and Fixtures	18,090.00	14,150.00
Taxes, Insurance Premiums and Other Fees		
Taxes, Duties and Licenses	23,440.00	21,665.81
Insurance Expenses	110,443.40	75,398.81
Other Maintenance and Operating Expenses		
Advertising, Promotional and Marketing Expenses	212,458.12	134,048.00
Representation Expenses	235,256.58	274,926.48
Subscription Expenses	5,405.00	5,428.00
Other Maintenance and Operating Expenses	348,623.60	91,531.96
Total MOOE	2,807,451.79	2,112,268.63

OTHER MAINTENANCE AND OTHER OPERATING EXPENSES

This account consists of:

Particulars	2023	2022
SP-Corporate Social Responsibility	197,464.60	38,963.96
SP-Environmental Management System	20,164.00	0.00
BOD-Meals	129,700.00	52,568.00
SP-ISO Certification	1,295.00	0.00
Total Other MOOE	348,623.60	91,531.96

Special projects also included community development or inclusive growth which is paramount to PPMC. Alongside the development efforts and creation of business opportunities in the PPFZ, PPMC pursued community development projects to improve the quality of life of the impacted communities. "PPMC HELPS" was institutionalized as a PPMC vehicle to implement the Corporate Social Responsibility Program. HELPS stands for the various components of the program – health, education/environment, livelihood program and strengthening linkages.

Also part of the special projects are the ISO Certification, Environmental Management System (EMS) and BOD meals.

21. NON-CASH EXPENSES

This includes the depreciation expenses taken up on the PPE of PPMC.

Particulars	2023	2022
Depreciation		
Depreciation-Building and Other Structures	117,330.03	117,330.03

Depreciation-Machinery and Equipment	106,648.00	79,958.49
Depreciation-Transportation Equipment	138,557.22	138,557.22
Depreciation-Furniture, Fixtures and Books	2,522.85	22,274.40
Total Non-Cash Expenses	365,058.10	358,120.14

22. RETAINED EARNINGS

Correction of Prior Year's Errors charged to Retained Earnings as of March 31, 2023 are shown below:

Date	Reference	Particulars	Amount
1/31/2023	JV 18434, 18457, 18501, 18505	Prior year's expenses	-37,834.49
2/28/2023	Various JV ref.	Prior year's expenses	-186,195.94
3/31/2023	JV00019722	Application of 5% residual value of PPE items of prior years	154,100.05
3/31/2023	JV00019729	Prior year's depreciation expense of assets whose residual values do not exceed its carrying amount	-113,723.14
3/31/2023	JV00010467; 19842	Prior year's expenses	32,182.40
		TOTAL	-151,471.12

23. DIVIDENDS

For the dividends due for CY 2022, PPMC will remit the amount of Php3,806,154.16 which was based on 50% of Net Income.

24. RECEIPT OF INTER-AGENCY FUND TRANSFERS

This account pertains to funds received from BCDA for capital expenditure projects such as Construction of Drainage System and Slope Protection at the San Fernando Airport. Upon completion of these construction projects, PPMC will liquidate the advances made by turning over the completed projects to BCDA.

25. STATUS OF PENDING LITIGATIONS

CASE	STATUS/UPDATE
1. PPMC vs. Ace Pilots Aviation Academy, Inc. Civil Case No. 9007 Collection of Sum of Money Php1,031,258.80	-The Honorable Court issued a Notice of Garnishment on July 11, 2018 and served upon BPI and BDO head offices, Makati on July 17, 2018 and July 19, 2018 respectively. BPI and BDO in their reply dated 19 July 2018, stated that the defendant had no account with their bank. Thus, the Sheriff failed to execute the judgment against the Defendant corporation. Defendant ceased operations. Recommend to

CASE	STATUS/UPDATE
<p>2. BCDA/PPMC vs. Lepanto Consolidated Mining Co. and Shipperside Incorporated Re: Expropriation Cases (for eminent domain)</p>	<p>consider the account as "bad debt" pursuant to the provisions of NIRC.</p> <p>-Pending in RTC</p>
<p>3. Bulk Handler's Inc. (BHI), Moran, Tan, Venturina and Poro Point Industrial Corporation (PPIC) vs. BCDA and PPMC GR No. 188034 3rd Division</p>	<p>-This case is now pending in the Supreme Court (SC). PPMC is waiting for an update from the Office of the Solicitor General (OSG) and Office of the Government Corporate Counsel (OGCC) as the handling and statutory counsel. Awaiting resolution/decision from the SC for the same is long ripe for resolution/decision.</p>
<p>4. PPMC vs. Poro Exim Corporation Re: Collection of Sum of Money with damages. Civil Case No. 10225 RTC Branch 29, City of San Fernando, La Union</p>	<p>-PPMC filed in court, RTC Branch 26, City of San Fernando, La Union. Summon was served to defendants on 23 November 2018. Mediation failed in Court Annexed Mediation (CAM). Hearing was set for mediation before RTC Branch 26, City of San Fernando, La Union on July 2, 2019. Judicial Dispute Resolution (JDR) is scheduled on February 5, 2020 after several postponements. PPMC presented its first witness on January 8, 2021.</p> <p>Following the withdrawal of the in-house counsel approved by the Court, BCDA and PPMC due to his heavy pressure of work because PPMC has only one lawyer in its department, with the approval of PPMC, BCDA, OGCC and COA, an outside lawyer was hired to handle the case, Plaintiff has rested its case. Defendants' turn to present its second witness.</p>