

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Condensed Statement of Financial Position
As of September 30, 2022

	Note	2022	2021	Variance
ASSETS				
Current Assets				
Cash and Cash Equivalents	3	14,469,107.60	12,906,177.54	1,562,930.06
Investments	4	80,986,216.39	90,759,396.63	(9,773,180.24)
Receivables	5	9,317,246.26	6,774,268.82	2,542,977.44
Inventories	6	863,851.62	1,044,708.78	(180,857.16)
Other Current Assets	7	3,146,527.77	1,627,799.17	1,518,728.60
Total Current Assets		108,782,949.64	113,112,350.94	(4,329,401.30)
Non-Current Assets				
Investments in Joint Ventures	8	15,000,000.00	15,000,000.00	-
Other Investments	9	15,000.00	15,000.00	-
Investment Property	10	114,830,766.55	93,552,698.57	21,278,067.98
Property, Plant and Equipment	11	11,783,903.08	11,016,518.85	767,384.23
Intangible Assets	12	20,476.90	20,476.90	-
Other Non-Current Assets	13	1,254,265.39	1,254,265.39	-
Total Non-Current Assets		142,904,411.92	120,858,959.71	22,045,452.21
TOTAL ASSETS		251,687,361.56	233,971,310.65	17,716,050.91
LIABILITIES				
Current Liabilities				
Financial Liabilities	14	2,580,454.48	4,764,116.22	(2,183,661.74)
Inter-Agency Payables	15	95,193,135.89	75,467,950.22	19,725,185.67
Trust Liabilities	16	1,853,405.02	1,797,599.38	55,805.64
Deferred Credits	17	17,551,552.01	19,647,830.20	(2,096,278.19)
Other Payables	18	11,344,692.00	9,105,124.05	2,239,567.95
Total Current Liabilities		128,523,239.40	110,782,620.07	17,740,619.33
Non-Current Liabilities				
Inter-Agency Payables	19	18,437,109.76	18,437,109.76	0.00
Total Non-Current Liabilities		18,437,109.76	18,437,109.76	0.00
TOTAL LIABILITIES		146,960,349.16	129,219,729.83	17,740,619.33
EQUITY				
Stockholders' Equity	20	83,143,720.23	83,143,720.23	-
Retained Earnings/(Deficit)		21,583,292.17	21,607,860.59	(24,568.42)
Total Equity		104,727,012.40	104,751,580.82	(24,568.42)
TOTAL LIABILITIES AND EQUITY		251,687,361.56	233,971,310.65	17,716,050.91

See Accompanying Notes to Financial Statements.

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Detailed Statement of Financial Position
As of September 30, 2022

	Notes	2022	2021	Variance
ASSETS				
Current Assets				
Cash and Cash Equivalents				
	3			
Cash in Bank-Local Currency				
Cash in Bank-Local Currency, Current Account		14,469,107.60	12,906,177.54	1,562,930.06
Total		14,469,107.60	12,906,177.54	1,562,930.06
Other Investments				
Investments in Time Deposits-Local Currency	4	80,986,216.39	90,759,396.63	(9,773,180.24)
Receivables				
	5			
Loans and Receivables Account				
Accounts Receivables		1,637,254.84	1,851,063.10	(213,808.26)
Interest Receivable		0.00	0.00	0.00
Inter-Agency Receivables				
Due from Parent Corporation		7,382,595.47	4,552,395.87	2,830,199.60
Other Receivables				
Due from Officers and Employees		297,395.95	370,809.85	(73,413.90)
Total		9,317,246.26	6,774,268.82	2,542,977.44
Inventories				
	6			
Inventory Held for Consumption				
Office Supplies Inventory		863,851.62	1,044,708.78	(180,857.16)
Other Current Assets				
	7			
Advances				
Advances to Officers and Employees		74,850.00	62,900.00	11,950.00
Prepayments				
Advances to Contractors		2,319,569.60	678,981.11	1,640,588.49
Prepaid Registration		0.00	16,913.11	(16,913.11)
Prepaid Insurance		159,503.55	196,246.61	(36,743.06)
Other Prepayments		75,252.86	131,375.72	(56,122.86)
Deposits				
Guaranty deposits		168,884.00	168,884.00	0.00
Withholding Tax at Source				
Withholding Tax at Source		27,716.66	51,747.52	(24,030.86)
Other Assets				
Other Assets		320,751.10	320,751.10	0.00
Total		3,146,527.77	1,627,799.17	1,518,728.60
Total Current Assets		108,782,949.64	113,112,350.94	(4,329,401.30)
Non-Current Assets				
Investments in Joint Venture				
	8			
Investments in Joint Venture		15,000,000.00	15,000,000.00	0.00
Other Investments				
	9			
Investment in Stocks		15,000.00	15,000.00	0.00
Total		15,015,000.00	15,015,000.00	0.00
Investment Property				
	10			
Land and Buildings				
Investment Property, Land		21,441,469.65	21,441,469.65	0.00
Investment Property, Buildings		13,821,515.95	13,821,515.95	0.00
Construction in Progress				
Construction in Progress-Investment Property, Buildings		79,567,780.95	58,289,712.97	21,278,067.98

	Notes	2022	2021	Variance
Total		114,830,766.55	93,552,698.57	21,278,067.98
Property, Plant and Equipment	11			
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		(5,175,495.48)	(4,706,175.38)	(469,320.10)
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		6,542,772.55	5,848,217.13	694,555.42
Accumulated Depreciation-Office Equipment		(5,378,247.43)	(5,128,239.47)	(250,007.96)
Information and Communication Technology (ICT) Equipment		6,610,398.75	4,916,130.66	1,694,268.09
Accumulated Depreciation-ICT Equipment		(3,657,264.91)	(3,495,285.27)	(161,979.64)
Communication Equipment		377,262.20	377,262.20	0.00
Accumulated Depreciation-Communication Equipment		(363,572.95)	(363,572.95)	0.00
Technical and Scientific Equipment		413,387.52	413,387.52	0.00
Accumulated Depreciation-Technical and Scientific Equipment		(366,259.65)	(366,259.65)	0.00
Furniture, Fixtures and Books				
Furniture and Fixtures		2,834,393.10	2,834,393.10	0.00
Accumulated Depreciation-Furniture and Fixtures		(2,475,332.74)	(2,386,235.04)	(89,097.70)
Transportation Equipment				
Motor Vehicle		8,681,939.06	13,723,397.02	(5,041,457.96)
Accumulated Depreciation-Motor Vehicle		(5,872,619.39)	(10,359,843.47)	4,487,224.08
Fixed Asset Accrual		0.00	96,800.00	(96,800.00)
Total		11,783,903.08	11,016,518.85	767,384.23
Intangible Assets	12			
Computer Software		851,469.58	851,469.58	0.00
Accumulated Amortization-Computer Software		(830,992.68)	(830,992.68)	0.00
Total		20,476.90	20,476.90	0.00
Other Non-Current Assets	13			
Other Assets				
Other Assets		1,254,265.39	1,254,265.39	0.00
Total Non-Current Assets		142,904,411.92	120,858,959.71	22,045,452.21
TOTAL ASSETS		251,687,361.56	233,971,310.65	17,716,050.91

LIABILITIES AND EQUITY

Current Liabilities

Financial Liabilities

Accounts Payable	14	2,580,454.48	4,764,116.22	(2,183,661.74)
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Inter-Agency Payables

Due to BIR	15	914,770.60	688,968.47	225,802.13
Due to Pag-ibig		89,100.00	1,650.00	87,450.00
Due to Philhealth		387.38	937.14	(549.76)
Due to SSS		630.00	1,687.50	(1,057.50)
Due to the Treasurer of the Philippines		0.00	0.00	0.00
Due to Parent Corporation		93,107,189.73	73,274,346.12	19,832,843.61
Income Tax Payable		1,081,058.18	1,500,360.99	(419,302.81)
Total		95,193,135.89	75,467,950.22	19,725,185.67

Trust Liabilities

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	Notes	2022	2021	Variance
Trust Liabilities		1,780,405.02	1,724,599.38	55,805.64
Customer's Deposit Payable		41,000.00	41,000.00	0.00
Guaranty/Security Deposits Payable		32,000.00	32,000.00	0.00
Total		1,853,405.02	1,797,599.38	55,805.64
Deferred Credits	17			
Deferred Credits/Unearned Income		17,551,552.01	19,647,830.20	(2,096,278.19)
Other Payables	18			
Other Payables		11,344,692.00	9,105,124.05	2,239,567.95
Total Current Liabilities		128,523,239.40	110,782,620.07	17,740,619.33
Non-Current Liabilities				
Inter-Agency Payables	19			
Due to Parent Corporation		18,437,109.76	18,437,109.76	0.00
Total Non-Current Liabilities		18,437,109.76	18,437,109.76	0.00
TOTAL LIABILITIES		146,960,349.16	129,219,729.83	17,740,619.33
Equity				
Stockholders' Equity	20			
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)		21,583,292.17	21,607,860.59	(24,568.42)
Total		21,583,292.17	21,607,860.59	(24,568.42)
Total Equity		104,727,012.40	104,751,580.82	(24,568.42)
TOTAL LIABILITIES AND EQUITY		251,687,361.56	233,971,310.65	17,716,050.91

See Accompanying Notes to Financial Statements

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Condensed Statement of Comprehensive Income
As of September 30, 2022

	Note	2022	2021	Variance
Income				
Service and Business Income	21	61,038,094.41	63,897,142.65	(2,859,048.24)
Expenses				
Personnel Services	22	40,259,397.17	35,852,749.43	4,406,647.74
Maintenance and Other Operating Expenses	23	8,197,668.99	6,186,181.68	2,011,487.31
Non-Cash Expenses	24	1,165,947.46	903,683.79	262,263.67
Total Expenses		49,623,013.62	42,942,614.90	6,680,398.72
Profit/(Loss) Before Tax		11,415,080.79	20,954,527.75	(9,539,446.96)
Income Tax Expense/(Benefit)	25	2,761,422.67	4,964,110.99 -	2,202,688.32
Comprehensive Income/(Loss)		8,653,658.12	15,990,416.76	(7,336,758.64)

See Accompanying Notes to Financial Statements.

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Detailed Statement of Comprehensive Income
As of September 30, 2022

	Notes	2022	2021	Variance
Income				
Service and Business Income	21			
Service Income				
Permit Fees		2,046,504.62	3,434,742.94	(1,388,238.32)
Business Income				
Management Fees		58,122,207.88	60,002,521.87	(1,880,313.99)
Interest Income		369,386.91	459,877.84	(90,490.93)
Other Business Income		499,995.00	0.00	499,995.00
Total Income		61,038,094.41	63,897,142.65	(2,859,048.24)
Expenses				
Personnel Services	22			
Salaries and Wages				
Salaries and Wages-Regular		26,974,517.22	23,575,391.29	3,399,125.93
Total Salaries and Wages		26,974,517.22	23,575,391.29	3,399,125.93
Other Compensation				
Personnel Economic Relief Allowance (PERA)		1,026,000.00	1,034,333.33	(8,333.33)
Representation Allowance (RA)		607,500.00	607,500.00	0.00
Transportation Allowance (TA)		607,500.00	607,500.00	0.00
Clothing/Uniform Allowance		342,000.00	342,000.00	0.00
Overtime and Night Pay		758,394.51	624,092.95	134,301.56
Year-End Bonus		1,998,279.35	1,969,977.75	28,301.60
Cash Gift		190,000.00	213,750.00	(23,750.00)
OBA-Loyalty Incentive		0.00	30,000.00	(30,000.00)
Mid-year Bonus		2,997,419.00	2,626,637.00	370,782.00
Directors and Committee Members' Fees		1,514,000.00	1,434,000.00	80,000.00
Total Other Compensation		10,041,092.86	9,489,791.03	551,301.83
Personnel Benefit Contributions				
Pag-ibig Contributions		51,300.00	51,600.00	(300.00)
Philhealth Contributions		372,975.80	289,301.18	83,674.62
Employees Compensation Insurance Premiums		14,850.00	15,420.00	(570.00)
Retirement and Life Insurance Premiums		1,051,620.00	1,080,690.00	(29,070.00)
Total Personnel Benefit Contributions		1,490,745.80	1,437,011.18	53,734.62
Other Personnel Benefits				
Terminal Leave Benefits		1,753,041.29	1,350,555.93	402,485.36
Total Other Personnel Benefits		1,753,041.29	1,350,555.93	402,485.36
Total Personnel Services		40,259,397.17	35,852,749.43	4,406,647.74
Maintenance and Other Operating Expenses				
Travelling Expenses	23			
Travelling Expenses-Local		1,375,727.84	720,275.10	655,452.74
Training and Scholarship Expenses				
Training Expenses		125,420.47	120,800.00	4,620.47
Supplies and Materials Expenses				
Office Supplies Expenses		1,765,027.67	1,250,223.97	514,803.70
Utility Expenses				
Electricity Expenses		641,586.12	675,003.06	(33,416.94)
Communication Expenses				
Postage and Courier Services		26,201.58	14,855.58	11,346.00
Telephone Expenses		516,461.31	506,282.79	10,178.52
Internet Subscription Expenses		42,214.53	33,712.58	8,501.95
Confidential, Intelligence and Extraordinary Expenses				
Extraordinary and Miscellaneous Expenses		437,909.02	102,069.17	335,839.85

	Notes	2022	2021	Variance
Professional Services				
Auditing Services		158,072.15	535,435.50	(377,363.35)
General Services				
Janitorial Services		275,931.49	164,284.97	111,646.52
Security Services		686,585.42	756,857.12	(70,271.70)
Repair and Maintenance				
Repair and Maintenance- Buildings & Other Structures		78,092.29	14,000.00	64,092.29
Repair and Maintenance- Transportation Equipment		56,468.50	67,345.00	(10,876.50)
Repair and Maintenance-Furnitures and Fixtures		62,961.00	40,150.00	22,811.00
Taxes, Insurance Premiums and Other Fees				
Taxes, Duties and Licenses		64,525.81	74,235.88	(9,710.07)
Insurance Expenses		173,138.88	182,897.86	(9,758.98)
Other Maintenance and Operating Expenses				
Advertising, Promotional and Marketing Expenses		402,753.58	170,529.00	232,224.58
Representation Expenses		773,307.74	653,910.10	119,397.64
Subscription Expenses		14,674.00	0.00	14,674.00
Other Maintenance and Operating Expenses		520,609.59	103,314.00	417,295.59
Total Maintenance and Other Operating Expenses		8,197,668.99	6,186,181.68	2,011,487.31
Non-Cash Expenses				
Depreciation Expense	24			
Depreciation-Building and Other Structures		351,990.06	236,600.10	115,389.96
Depreciation-Machinery and Equipment		331,462.44	222,767.35	108,695.09
Depreciation-Transportation Equipment		415,671.66	377,493.10	38,178.56
Depreciation-Furniture, Fixtures and Books		66,823.30	66,823.24	0.06
Total Depreciation Expense		1,165,947.46	903,683.79	262,263.67
Total Expenses		49,623,013.62	42,942,614.90	6,680,398.72
NET INCOME/(LOSS) BEFORE TAX		11,415,080.79	20,954,527.75	(9,539,446.96)
Income Tax Expense/(Benefit)	25	2,761,422.67	4,964,110.99	(2,202,688.32)
NET PROFIT/(LOSS) AFTER TAX		8,653,658.12	15,990,416.76	(7,336,758.64)

See Accompanying Notes to Financial Statements

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Statement of Changes in Equity
As of September 30, 2022

	Note	2022	2021	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				
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Balance at Beginning of the Period				
Correction of prior year's errors	-	22,181,794.09	54,140,618.74	(31,958,824.65)
As restated		627,808.79	507,355.69	(120,453.10)
Dividends		21,553,985.30	53,633,263.05	(32,079,277.75)
Net Income (Loss)	27	8,624,351.25	48,015,819.22	39,391,467.97
		8,653,658.12	15,990,416.76	(7,336,758.64)
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Balance at End of the Period		21,583,292.17	21,607,860.59	- 24,568.42
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TOTAL EQUITY		104,727,012.40	104,751,580.82	- 24,568.42
		-	-	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 September 30, 2022

	Notes	2022	2021	Variance
Cash Flow from Operating Activities				
Cash Inflow				
Collection of Income/Revenue		78,278,992.69	79,629,259.64	- 1,350,266.95
Collection of Receivables		21,639,354.80	17,037,164.90	4,602,189.90
Receipt of Inter-Agency Fund Transfers	28	18,634,902.30	7,020,987.04	11,613,915.26
Receipt of proceeds from termination of investment acct.		20,000,000.00	71,881,186.80	- 51,881,186.80
Total Cash Inflow		138,553,249.79	175,568,598.38	- 37,015,348.59
Cash Outflow				
Payment of Expenses		-46,966,320.36	-40,601,919.93	- 6,364,400.43
Purchase of Inventories		-744,723.63	-592,456.29	- 152,267.34
Payment of Accounts Payable		-20,654,127.86	-23,085,786.27	2,431,658.41
Remittance of Personnel Benefit Contributions and Mandatory Deductions		-6,107,961.29	-10,660,376.18	4,552,414.89
Adjustments		-60,000,000.00	-91,278,957.58	31,278,957.58
Total Cash Outflow		-134,473,133.14	-166,219,496.25	31,746,363.11
Net Cash Provided by (used in) Operating Activities		4,080,116.65	9,349,102.13	-5,268,985.48
Cash Flow from Investing Activities				
Cash Inflow				
Receipt of Interest Earned		369,386.91	459,877.84	- 90,490.93
Cash Outflow				
Purchase/Construction of Investment Property		- 17,932,277.14	- 9,665,066.18	- 8,267,210.96
Purchase/Construction of Property, Plant and Equipment		- 1,767,542.51	- 3,468,500.00	1,700,957.49
Total Cash Outflow		- 19,699,819.65	- 13,133,566.18	- 6,566,253.47
Net Cash Provided by (used in) Investing Activities		- 19,330,432.74	- 12,673,688.34	-6,656,744.40
Cash Flow from Financing Activities				
Cash Inflow				
Payment of Dividends		- 8,624,351.25	- 31,445,937.36	22,821,586.11
Net Cash Provided by (used in) Financing Activities		- 8,624,351.25	- 31,445,937.36	22,821,586.11
Net Increase in Cash and Cash Equivalents		-23,874,667.34	-34,770,523.57	10,895,856.23
Add: Cash and Cash Equivalents, Beginning		38,343,774.94	47,676,701.11	-9,332,926.17
Cash and Cash Equivalents, Ending		14,469,107.60	12,906,177.54	1,562,930.06
		0.00	-	0.00

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Detailed Statement of Cash Flows
As of September 30, 2022

	Notes	2022	2021	Variance
Cash Flow from Operating Activities				
Cash Inflow				
Collection of Income/Revenue				
Collection of service and business income		78,278,992.69	79,629,259.64	- 1,350,266.95
Collection of Receivables				
Collection of loans and receivables		-	-	-
Collection of other receivables		21,639,354.80	17,037,164.90	-17,037,164.90
Receipt of Inter-Agency Fund Transfers				
Receipt of funds for other inter-agency transactions	28	18,634,902.30	7,020,987.04	11,613,915.26
Adjustments				
Receipt of proceeds from termination of investment account		20,000,000.00	71,881,186.80	- 51,881,186.80
Total Cash Inflow		138,553,249.79	175,568,598.38	- 58,654,703.39
Cash Outflow				
Payment of Expenses				
Payment of personnel services		-38,768,651.37	-34,415,738.25	-4,352,913.12
Payment of maintenance and other operating expenses		-8,197,668.99	-6,186,181.68	-2,011,487.31
Purchase of Inventories				
Payment of inventories		-744,723.63	-592,456.29	-152,267.34
Payment of Accounts Payable		-20,654,127.86	-23,085,786.27	2,431,658.41
Remittance of Personnel Benefit Contributions and Mandatory Deductions				
Remittance of taxes withheld		-4,617,215.49	-9,223,365.00	4,606,149.51
Remittance of SSS/Pag-ibig/Philhealth		-1,490,745.80	-1,437,011.18	-53,734.62
Adjustments				
Other adjustments-Investment in time deposit acct.		-60,000,000.00	-60,000,000.00	0.00
Other adjustments-Reclassification of time deposit acct.		-	-31,278,957.58	31,278,957.58
Total Cash Outflow		-134,473,133.14	-166,219,496.25	31,746,363.11
Net Cash Provided by (used in) Operating Activities		4,080,116.65	9,349,102.13	-26,908,340.28
Cash Flow from Investing Activities				
Cash Inflow				
Receipt of Interest Earned		369,386.91	459,877.84	-90,490.93
Cash Outflow				
Purchase/Construction of Investment Property				
Construction of Investment Property	-	17,932,277.14	9,665,066.18	8,267,210.96
Purchase/Construction of Property, Plant and Equipment				
Construction of Buildings and Other Structures		-	-	-
Purchase of Machinery and Equipment	-	1,767,542.51	261,500.00	1,506,042.51
Purchase of Furniture, Fixtures and Books		-	-	-
Purchase of Transportation Equipment		-	3,207,000.00	3,207,000.00
Total Cash Outflow		- 19,699,819.65	- 13,133,566.18	- 6,566,253.47
Net Cash Provided by (used in) Investing Activities		- 19,330,432.74	- 12,673,688.34	- 6,656,744.40
Cash Flow from Financing Activities				
Cash Outflow				
Payment of Dividends		- 8,624,351.25	-31,445,937.36	22,821,586.11
Net Cash Provided by (used in) Financing Activities		- 8,624,351.25	- 31,445,937.36	22,821,586.11
Net Increase in Cash and Cash Equivalents		-23,874,667.34	-34,770,523.57	-10,743,498.57
Add: Cash and Cash Equivalents, Beginning		38,343,774.94	47,676,701.11	-9,332,926.17
Cash and Cash Equivalents, Ending		14,469,107.60	12,906,177.54	1,562,930.06
		0.00	-	-

NOTES TO FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2022

1. Corporate Information

BCDA was created under Republic Act (RA) No. 7227 dated March 13, 1993. The 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. 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 on 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 entity, 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 are 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 not more than PhP15,000.00 are recorded under supplies and materials expense upon issue to the end-user pursuant to COA Circular No. 2015-007 dated October 22, 2015. However, items with individual values below the threshold of PhP15,000.00 but which work together in the form of a group of network assets whose total value exceeds the threshold shall be recognized as part of the primary PPE, e.g. computer network.

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.

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	2022	2021
Cash in Bank		
Cash in Bank-Local Currency, CA	14,469,107.60	12,906,177.54
Cash Equivalents		
Time deposits-Local Currency	-	-
Total Cash & Cash Equivalents	14,469,107.60	12,906,177.54

Cash in Bank- Local Currency

This account consists of the following:

	2022	2021
Cash in Bank-Local Currency, LBP Opex Current	8,675,915.13	7,392,496.94
Cash in Bank-Local Currency, LBP Capex Current	5,793,192.47	5,513,680.60
Total Cash In Bank-Local Currency	14,469,107.60	12,906,177.54

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.

Cash Equivalents

This account represents authorized placements of time deposit at the LBP with a maturity of 90 days.

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 180 days as shown below:

Particulars	2022	2021
Investments in Time Deposits		
Investment in Time Deposits-Local Currency	80,986,216.39	90,759,396.63

5. RECEIVABLES

The account is composed of the following:

Particulars	2022	2021
Loans and Receivables Account		
Accounts Receivable	1,637,254.84	1,851,063.10
Interest Receivable	-	-
Intra-Agency Receivables		
Due from BCDA	7,382,595.47	4,552,395.87
Other Receivables		
Due from Officers and Employees	297,395.95	370,809.85
Total Receivables	9,317,246.26	6,774,268.82

ACCOUNTS RECEIVABLES

The accounts receivable pertains to various receivables from vendors/customers and former Officers of PPMC.

INTRA-AGENCY RECEIVABLES

The 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

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

6. INVENTORIES

The office supplies inventory, accountable forms, food supplies, chemical and filtering supplies inventory, construction materials and electrical supplies inventory are based on moving average method.

7. OTHER ASSETS

Other assets is composed of the following:

Particulars	2022	2021
Prepayments		
Advances to Contractors	2,319,569.60	678,981.11
Prepaid Insurance & Registration	159,503.55	213,159.72
Other Prepayments	75,252.86	131,375.72
Deposits		
Guaranty Deposits	168,884.00	168,884.00
Withholding Tax at Source		
Withholding Tax at Source	27,716.66	51,747.52
Other Assets		
Other Assets	320,751.10	320,751.10
Total Other Assets	3,071,677.77	1,564,899.17

The Advances to Contractors account pertains to the advance payment (15% mobilization fees) made to the contractor of the Baywalk with events center project and miscellaneous advances made to other suppliers.

Prepaid registration refers to various prepayments made for the renewal of vehicles, firearm and radio licenses with a minimum coverage period of one (1) year.

Prepaid insurance represents the unexpired portion of insurance premiums of PPMC occupied building, building contents and vehicle insurance.

Other prepayments represent payment to suppliers on a cash on delivery (COD) basis, subject to liquidation upon receipt of the items purchased and preparation of inventory acceptance report (IAR).

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

8. INVESTMENTS

This account includes:

	2022	2021
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.

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

9. INVESTMENT PROPERTY

This account consists of:

	2022	2021
Investment Property-Land	21,441,469.65	21,441,469.65
Investment Property-Building	13,821,515.95	13,821,515.95
Construction in Progress	79,567,780.95	58,289,712.97
Total Investment Property	114,830,766.55	93,552,698.57

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 forty-seven (47) 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.

Investment property-buildings represents finished capital expenditure projects that was already liquidated to BCDA on 19 April 2021. PPMC is awaiting for the issuance by BCDA of accounting instructions to effect the liquidation in the books of PPMC.

Construction in progress held in trust of P79,567,780.95 constitutes capital expenditure projects for the construction of a baywalk with events center, construction of 2019 various infra projects, 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. OTHER INVESTMENTS

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

11. PROPERTY, PLANT AND EQUIPMENT (PPE)

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

	2022	2021
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	13,943,821.02	11,554,997.51
Furniture, Fixtures and Books	2,834,393.10	2,834,393.10
Transportation Equipment	8,681,939.06	13,820,197.02
Total	38,308,519.73	41,057,954.13
Less: Accumulated Depreciation	31,566,069.61	30,041,435.33
Total	6,742,450.12	11,016,518.85

PPE pertain 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.

12. INTANGIBLE ASSETS

This account consists of computer software used by PPMC in its operations.

Particulars	2022	2021
Computer Software	851,469.58	851,469.58
Less: Accumulated Amortization-Computer Software	830,992.68	830,992.68
Total Intangible Asset	20,476.90	20,476.90

13. OTHER ASSETS

This account consists of accounts receivable held in trust by PPMC for BCDA amounting to P1,254,265.39. The accounts receivable-current of P244,540.89 refer to collectibles from airport users representing revenues generated within the PPFZ held

in trust by PPMC for BCDA while non-current trade receivables held in trust of P1,009,724.50 is long outstanding airport fees due from Ace Pilots Aviation Academy subject of a legal move to pursue collection in Court.

14. FINANCIAL LIABILITIES

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

Particulars	2022	2021
Financial Liabilities		
Accounts Payable	2,580,454.48	4,764,116.22

15. INTER-AGENCY PAYABLES

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

Particulars	2022	2021
Due to BIR	914,770.60	688,968.47
Due to Pag-ibig	89,100.00	1,650.00
Due to Philhealth	387.38	937.14
Due to SSS	630.00	1,687.50
Due to the Treasurer of the Philippines	0.00	0.00
Due to Parent Corporation	93,107,189.73	73,274,346.12
Income Tax Payable	1,081,058.18	1,500,360.99
Total Inter-Agency Payables	95,193,135.89	75,467,950.22

16. TRUST LIABILITIES

This account consists of trust liabilities, guaranty deposits and security deposit payables. Trust liabilities refer to bid fees collected from bidders. Performance security payable is posted by a bidder to guarantee the faithful performance of its obligations of an awarded contract, which may be forfeited or refunded in accordance with RA 9184. Balances appearing at year-end are as follows:

Particulars	2022	2021
Trust Liabilities	1,780,405.02	1,724,599.38
Guaranty Deposits Payable	41,000.00	41,000.00
Security Deposit	32,000.00	32,000.00
Total Trust Liabilities	1,853,405.02	1,797,599.38

17. DEFERRED CREDITS/UNEARNED INCOME

This account represents unearned Management Fee for CY 2022.

18. OTHER PAYABLES

This account consists of bid bond payables, retention payables and miscellaneous payables. Bid bond or bid security is posted by a bidder as a guarantee that the latter

will enter into contract with the procuring entity. Retention payable represents the amount due to the contractor which shall be due for release upon final acceptance of its works to PPMC.

Particulars	2022	2021
Other Payables		
Other Payables	11,332,652.38	9,105,024.05

19. INTER-AGENCY PAYABLES -DUE TO PARENT CORPORATION

This account refers to the cash advances from BCDA for the acquisition of private lots within the Wallace Area which amounted to Php18,437,109.76.

Particulars	2022	2021
Intra-Agency Payables		
Intra-Agency Payables	18,437,109.76	18,437,109.76

20. STOCKHOLDER'S EQUITY

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

Particulars	2022	2021
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.

EQUITY IN JOINT VENTURE

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 Poro Point Industrial Corporation (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.

21. BUSINESS INCOME

Particulars	2022	2021
Service and Business Income		
Business Income		
Management Fees	58,122,207.88	60,002,521.87
Interest Income	369,386.91	459,877.84
Other Business Income	499,995.00	0.00
Miscellaneous Income		
Permit Fees	2,046,504.62	3,434,742.94
Total Revenues	61,038,094.41	63,897,142.65

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.

For the period ending September 30, 2022, BCDA/PPMC earned a total zone revenue of Php67,489,398.20, net of Php40,366,734.75 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% amounted to Php24,680,626.80 for the period ending September 30, 2022. This amount represents variable income for BCDA/PPMC on top of the monthly fixed lease rentals of PhP1,797,646.25.

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

MISCELLANEOUS INCOME

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.

22. PERSONAL SERVICES

These include the following expenses of PPMC as presented:

Particulars	2022	2021
Salaries and Wages		
Salaries and Wages-Regular	26,974,517.22	23,575,391.29
Other Compensation		
Personnel Economic Relief Allowance	1,026,000.00	1,034,333.33
Representation Allowance (RA)	607,500.00	607,500.00
Transportation Allowance (TA)	607,500.00	607,500.00
Clothing/Uniform Allowance	342,000.00	342,000.00
Overtime and Night Pay	758,394.51	624,092.95
OBA-Mid-year Bonus	2,997,419.00	2,626,637.00
OBA-Loyalty Incentive	0.00	30,000.00
OBA-Year-end Bonus	1,998,279.35	1,969,977.75
Cash Gift	190,000.00	0.00
Directors' and Committee Members' Fees	1,514,000.00	1,434,000.00
Personnel Benefit Contributions		
Pag-ibig Contributions	51,300.00	51,600.00
Philhealth Contributions	372,975.80	289,301.18
Employees Compensation Insurance Premiums	14,850.00	15,420.00
Retirement and Life Insurance Premiums	1,051,620.00	1,080,690.00
Terminal Leave Benefits	1,753,041.29	1,350,555.93
Total	40,259,397.17	35,852,749.43

23. MAINTENANCE AND OTHER OPERATING EXPENSES

PPMC paid the following expenses as presented:

Particulars	2022	2021
Travelling Expenses		
Travelling Expenses-Local	1,375,727.84	720,275.10
Training and Scholarship Expenses		
Training Expenses	125,420.47	120,800.00
Supplies and Materials Expenses	1,765,027.67	1,250,223.97
Electricity Expenses	641,586.12	675,003.06
Communication Expenses	584,877.42	554,850.95
Extraordinary and Miscellaneous Expenses	437,909.02	102,069.17
Auditing Services	158,072.15	535,435.50
General Services		
Janitorial Services	275,931.49	164,284.97
Security Services	686,585.42	756,857.12
Repair and Maintenance		
Repair and Maintenance- Buildings & Other Structures	78,092.29	14,000.00
Repair and Maintenance-Transportation Equipment	56,468.50	67,345.00
Repair and Maintenance- Furniture and Fixtures	62,961.00	40,150.00
Taxes, Insurance Premiums and Other Fees		
Taxes, Duties and Licenses	64,525.81	74,235.88
Insurance Expenses	173,138.88	182,897.86
Other Maintenance and Operating Expenses		
Advertising, Promotional and Marketing Expenses	402,753.58	170,529.00
Representation Expenses	773,307.74	653,910.10
Subscription Expenses	14,674.00	0.00
Other Maintenance and Operating Expenses	520,609.59	103,314.00
Total MOOE	8,197,668.99	6,186,181.68

24. NON-CASH EXPENSES

Particulars	2022	2021
Depreciation		
Depreciation-Building and Other Structures	351,990.06	236,600.10
Depreciation-Machinery and Equipment	331,462.44	222,767.35
Depreciation-Transportation Equipment	415,671.66	377,493.10
Depreciation-Furniture, Fixtures and Books	66,823.30	66,823.24
Total Non-Cash Expenses	1,165,947.46	903,683.79

25. RETAINED EARNINGS

Correction of Prior Year's Errors charged to Retained Earnings as of September 30, 2022 are shown below:

Date	Reference	Particulars	Amount
1/28/2022	JV 13422	Collection of electricity charges for CY 2021 of JJJ-A Construction & Supply (Contractor for the San Fdo. Airport Slope Protection/Drainage System)	45,004.44
2/3/2022	JV 13488	Reimbursement of prior year's expenses	-1,697.00
2/4/2022	JV 13657	Collection of electricity charges for CY 2021 of JJJ-A Construction & Supply (Contractor for the San Fdo. Airport Slope Protection/ Drainage System)	1,096.40
2/10/2022	JV 13531/13532	Loyalty Incentive for CY 2021	-20,000.00
2/17/2022	JV 13569	Reimbursement of prior year's expenses	-8,460.00
2/22/2022	JV 13643	Reimbursement of prior year's expenses	-14,870.63
2/28/2022	JV 13705	Collection of electricity charges for CY 2021 of R.A. Fanglayan General Construction, Inc. (Contractor for the various repair and maintenance works)	6,005.19
3/18/2022	JV 13735/13959	Reimbursement of prior year's expenses	-15,365.93
3/22/2022	JV 14104	Collection of electricity charges of R. Buffet	6,481.02
3/24/2022	JV 14122/29	Retroactive pay of PPMC Employees-CPCS	-1,436,205.38
4/30/2022	JV 14235/14387/14673	Reimbursement of prior year's expenses	-72,639.02
5/12/2022	JV 14834	PBB 2019 of employees	-1,347,801.40
5/23/2022	JV 14811; 14895; 14896	Collection of electricity charges of prior years from various locators/contractors	115,397.79
5/24/2022	JV 14898	SSS premiums refund (employer share)	43,280.00
6/3/2022	JV 15067	Receipt of funds-CPCS 2021	1,600,932.00
6/3/2022	JV 15068	Receipt of funds-Outstanding obligations	257.00
6/7/2022	JV 15078	Prior period adjustments	-41,404.90
6/9/2022	JV 15078; 15111- 113	PBB 2019 of employees	-26,680.80
6/24/2022	JV 15341	Receipt of PBI 2008-2010 from Atty. Agno-Canuto	150,000.00
6/29/2022	JV 14391	Reclassification of receivables	-75,542.11
6/30/2022	JV 15439	Reclassification of receivables for internet charges-2020-2021	-59,129.75
7/12/2022	JV 15505	Monetization of leaves for CY 2021	-164,727.00
7/26/2022	JV 15755	Janitorial services- Nov to Dec 2021	-72,870.91
9/30/2022	Various reference	Reclassification/adjustment of A/P accts.	761,132.20
		TOTAL	-627,808.79

26. STATUS OF PENDING LITIGATIONS

CASE	STATUS/UPDATE
<p>1. PPMC vs. Ace Pilots Aviation Academy, Inc. Civil Case No. 9007 Collection of Sum of Money PhP1,031,258.80</p>	<p>-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.</p>
<p>2. BCDA/PPMC vs. Lepanto Consolidated Mining Co. and Shippers Incorporated Re: Expropriation Cases (for eminent domain)</p>	<p>-Defendants filed a petition for Certiorari from the decision of the Court of Appeals to remand the case to the trial court. The case is pending in the Supreme Court. 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. No feedback yet from OGCC. No latest feedback from OSG and OGCC.</p>
<p>3. Bulk Handler's Inc. (BHI), Moran, Tan, Venturina and Poro Point Industrial Corporation (PPIC) vs. BCDA and PPMC Re: Petition for Injunction brought under the Interim Rules of Procedure Governing Intra-Corporate Controversies (to prevent implementation of PPMC Resolution No. 2006-01-10 declaring the Pre-Incorporation Agreement null and void <i>ab initio</i>.)</p>	<p>-BCDA opted to wait for the final decision of the higher court and did not approve the proposal to enter into a compromise agreement with BHI. The case is pending in the Supreme Court where BCDA elevated the adverse decision of the Court of Appeals. 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. No feedback yet from OGCC. No latest feedback from the handling lawyers, OGCC and OSG.</p>
<p>4. PPMC vs. Poro Exim Corporation Re: Collection of Sum of Money with damages.</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. Next hearing was set on January 29, 2021.</p> <p>Following the compliance of withdrawal of the in-house counsel, PPMC to hire lawyer outside to handle the case.</p>