

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Condensed Statement of Financial Position
As of December 31, 2022

	Note	2022	2021	Variance
ASSETS				
Current Assets				
Cash and Cash Equivalents	3	24,414,311.69	38,343,774.94	(13,929,463.25)
Investments	4	60,194,133.33	40,533,473.79	19,660,659.54
Receivables	5	6,516,883.31	14,781,618.54	(8,264,735.23)
Inventories	6	766,176.50	1,051,287.03	(285,110.53)
Other Current Assets	7	1,887,422.46	1,319,508.82	567,913.64
Total Current Assets		93,778,927.29	96,029,663.12	(2,250,735.83)
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	107,204,123.83	116,924,764.20	(9,720,640.37)
Property, Plant and Equipment	10	9,030,819.54	10,561,032.03	(1,530,212.49)
Intangible Assets		0.00	20,476.90	(20,476.90)
Other Non-Current Assets	11	1,254,265.39	1,254,265.39	-
Total Non-Current Assets		132,504,208.76	143,775,538.52	(11,271,329.76)
TOTAL ASSETS		226,283,136.05	239,805,201.64	(13,522,065.59)
LIABILITIES				
Current Liabilities				
Financial Liabilities	12	12,272,622.72	10,433,211.22	1,839,411.50
Inter-Agency Payables	13	82,795,907.06	96,670,420.59	(13,874,513.53)
Trust Liabilities	14	1,864,405.02	1,904,599.38	(40,194.36)
Other Payables	15	9,793,145.69	7,034,346.37	2,758,799.32
Total Current Liabilities		106,726,080.49	116,042,577.56	(9,316,497.07)
Non-Current Liabilities				
Inter-Agency Payables	16	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		125,163,190.25	134,479,687.32	(9,316,497.07)
EQUITY				
Stockholders' Equity	17	83,143,720.23	83,143,720.23	-
Retained Earnings/(Deficit)		17,976,225.57	22,181,794.09	(4,205,568.52)
Total Equity		101,119,945.80	105,325,514.32	(4,205,568.52)
TOTAL LIABILITIES AND EQUITY		226,283,136.05	239,805,201.64	(13,522,065.59)
		-	-	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 December 31, 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		24,414,311.69	38,343,774.94	(13,929,463.25)
Total		24,414,311.69	38,343,774.94	(13,929,463.25)
Other Investments				
Investments in Time Deposits-Local Currency	4	60,194,133.33	40,533,473.79	19,660,659.54
Receivables				
	5			
Loans and Receivables Account				
Accounts Receivables		2,109,883.23	1,782,063.10	327,820.13
Interest Receivable		124,421.27	93,217.98	31,203.29
Inter-Agency Receivables				
Due from Parent Corporation		3,986,284.17	12,533,759.87	(8,547,475.70)
Other Receivables				
Due from Officers and Employees		296,294.64	372,577.59	(76,282.95)
Total		6,516,883.31	14,781,618.54	(8,264,735.23)
Inventories				
	6			
Inventory Held for Consumption				
Office Supplies Inventory		766,176.50	1,051,287.03	(285,110.53)
Other Current Assets				
	7			
Advances				
Advances to Officers and Employees		-	-	-
Prepayments				
Advances to Contractors		1,668,343.40	678,981.11	989,362.29
Prepaid Insurance and Registration		0.00	92,256.83	(92,256.83)
Other Prepayments		0.00	6,888.26	(6,888.26)
Deposits				
Guaranty deposits		168,884.00	168,884.00	0.00
Withholding Tax at Source				
Withholding Tax at Source		50,195.06	51,747.52	(1,552.46)
Other Assets				
Other Assets		0.00	320,751.10	(320,751.10)
Total		1,887,422.46	1,319,508.82	567,913.64
Total Current Assets		93,778,927.29	96,029,663.12	(2,250,735.83)
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
Total		15,015,000.00	15,015,000.00	0.00
Investment Property				
	9			
Land and Buildings				
Investment Property, Land		21,441,469.65	21,441,469.65	0.00
Investment Property, Buildings		20,013,190.52	13,821,515.95	6,191,674.57
Construction in Progress				
Construction in Progress-Investment Property, Buildings		65,749,463.66	81,661,778.60	(15,912,314.94)
Total		107,204,123.83	116,924,764.20	(9,720,640.37)

	Notes	2022	2021	Variance
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		(5,292,825.51)	(4,823,505.42)	(469,320.09)
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		2,795,985.91	5,848,217.13	(3,052,231.22)
Accumulated Depreciation-Office Equipment		(2,224,123.19)	(5,175,329.15)	2,951,205.96
Information and Communication Technology (ICT) Equipment		2,992,733.81	4,916,130.66	(1,923,396.85)
Accumulated Depreciation-ICT Equipment		(1,591,718.87)	(3,528,720.75)	1,937,001.88
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		(857,251.90)	(2,408,509.44)	1,551,257.54
Transportation Equipment				
Motor Vehicle		8,681,939.06	13,723,397.02	(5,041,457.96)
Accumulated Depreciation-Motor Vehicle		(6,011,176.61)	(10,498,400.69)	4,487,224.08
Fixed Asset Accrual		0.00	0.00	0.00
Total		9,030,819.54	10,561,032.03	(1,530,212.49)
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	11			
Other Assets		1,254,265.39	1,254,265.39	0.00
Total Non-Current Assets		132,504,208.76	143,775,538.52	(11,271,329.76)
TOTAL ASSETS		226,283,136.05	239,805,201.64	(13,522,065.59)

LIABILITIES AND EQUITY

Current Liabilities

Financial Liabilities

Accounts Payable	12	12,272,622.72	10,433,211.22	1,839,411.50
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Inter-Agency Payables

Due to BIR	13	1,248,841.21	763,756.74	485,084.47
Due to Pag-ibig		2,276.70	600.00	1,676.70
Due to Philhealth		1,185.95	387.38	798.57
Due to SSS		2,317.50	630.00	1,687.50
Due to Parent Corporation		81,541,285.70	95,448,855.98	(13,907,570.28)
Income Tax Payable		0.00	456,190.49	(456,190.49)
Total		82,795,907.06	96,670,420.59	(13,874,513.53)

Trust Liabilities

Trust Liabilities	14	1,785,405.02	1,834,599.38	(49,194.36)
Customer's Deposit Payable		47,000.00	38,000.00	9,000.00

	Notes	2022	2021	Variance
Guaranty/Security Deposits Payable		32,000.00	32,000.00	0.00
Total		1,864,405.02	1,904,599.38	(40,194.36)
Other Payables	15			
Other Payables		9,793,145.69	7,034,346.37	2,758,799.32
Total Current Liabilities		106,726,080.49	116,042,577.56	(9,316,497.07)
Non-Current Liabilities				
Inter-Agency Payables	16			
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		125,163,190.25	134,479,687.32	(9,316,497.07)
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)		17,976,225.57	22,181,794.09	(4,205,568.52)
Total		17,976,225.57	22,181,794.09	(4,205,568.52)
Total Equity		101,119,945.80	105,325,514.32	(4,205,568.52)
TOTAL LIABILITIES AND EQUITY		226,283,136.05	239,805,201.64	(13,522,065.59)
		-	-	0.00

See Accompanying Notes to Financial Statements

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Condensed Statement of Comprehensive Income
As of December 31, 2022

	Note	2022	2021	Variance
Income				
Service and Business Income	18	82,227,857.19	84,466,874.88	(2,239,017.69)
Expenses				
Personnel Services	19	55,496,035.09	48,295,809.72	7,200,225.37
Maintenance and Other Operating Expenses	20	15,186,329.90	12,080,139.56	3,106,190.34
Non-Cash Expenses	21	1,575,612.44	1,262,370.61	313,241.83
Total Expenses		72,257,977.43	61,638,319.89	10,619,657.54
Profit/(Loss) Before Tax		9,969,879.76	22,828,554.99	(12,858,675.23)
Income Tax Expense/(Benefit)		2,357,571.43	5,579,852.49	- 3,222,281.06
Comprehensive Income/(Loss)		7,612,308.33	17,248,702.50	(9,636,394.17)

See Accompanying Notes to Financial Statements.

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Detailed Statement of Comprehensive Income
As of December 31, 2022

	Notes	2022	2021	Variance
Income				
Service and Business Income	18			
Service Income				
Permit Fees		3,502,135.16	3,686,353.79	(184,218.63)
Business Income				
Management Fees		77,599,733.00	80,271,376.07	(2,671,643.07)
Interest Income		539,594.03	509,145.02	30,449.01
Other Business Income		586,395.00	0.00	586,395.00
Total Income		82,227,857.19	84,466,874.88	(2,239,017.69)
Expenses				
Personnel Services	19			
Salaries and Wages				
Salaries and Wages-Regular		36,475,713.89	31,460,529.14	5,015,184.75
Total Salaries and Wages		36,475,713.89	31,460,529.14	5,015,184.75
Other Compensation				
Personnel Economic Relief Allowance (PERA)		1,370,954.53	1,374,200.00	(3,245.47)
Representation Allowance (RA)		810,000.00	810,000.00	0.00
Transportation Allowance (TA)		810,000.00	810,000.00	0.00
Clothing/Uniform Allowance		342,000.00	342,000.00	0.00
Longevity Pay		-	30,000.00	(30,000.00)
Overtime and Night Pay		1,133,231.85	1,047,840.28	85,391.57
Year-End Bonus		3,007,525.19	2,626,637.00	380,888.19
Cash Gift		284,999.81	285,000.00	(0.19)
Mid-year Bonus		2,997,419.00	2,638,609.00	358,810.00
Directors and Committee Members' Fees		1,865,000.00	1,721,000.00	144,000.00
Other Bonuses and Allowances		1,428,000.00	855,000.00	573,000.00
Total Other Compensation		14,049,130.38	12,540,286.28	1,508,844.10
Personnel Benefit Contributions				
Pag-ibig Contributions		68,100.00	68,700.00	(600.00)
Philhealth Contributions		603,834.02	385,555.44	218,278.58
Employees Compensation Insurance Premiums		19,830.00	20,370.00	(540.00)
Retirement and Life Insurance Premiums		1,403,860.00	1,430,932.50	(27,072.50)
Total Personnel Benefit Contributions		2,095,624.02	1,905,557.94	190,066.08
Other Personnel Benefits				
Terminal Leave Benefits		2,875,566.80	2,389,436.36	486,130.44
Total Other Personnel Benefits		2,875,566.80	2,389,436.36	486,130.44
Total Personnel Services		55,496,035.09	48,295,809.72	7,200,225.37
Maintenance and Other Operating Expenses				
Travelling Expenses	20			
Travelling Expenses-Local		2,287,899.21	1,190,169.36	1,097,729.85
Training and Scholarship Expenses				
Training Expenses		173,924.93	140,300.00	33,624.93
Supplies and Materials Expenses				
Office Supplies Expenses		2,505,406.20	2,800,338.06	(294,931.86)
Utility Expenses				
Electricity Expenses		840,356.86	899,129.41	(58,772.55)
Communication Expenses				
Postage and Courier Services		36,398.18	32,878.94	3,519.24
Telephone Expenses		730,221.96	760,111.33	(29,889.37)
Internet Subscription Expenses		55,992.15	44,579.70	11,412.45
Confidential, Intelligence and Extraordinary Expenses				

	Notes	2022	2021	Variance
Extraordinary and Miscellaneous Expenses		142,103.04	248,003.36	(105,900.32)
Professional Services				
Auditing Services		1,095,151.15	1,244,282.00	(149,130.85)
General Services				
Janitorial Services		504,190.13	320,995.55	183,194.58
Security Services		1,199,778.02	1,135,285.68	64,492.34
Repair and Maintenance				
Repair and Maintenance- Buildings & Other Structures		371,165.01	26,991.00	344,174.01
Repair and Maintenance- Transportation Equipment		130,050.24	84,795.00	45,255.24
Repair and Maintenance-Furnitures and Fixtures		88,412.44	67,105.00	21,307.44
Taxes, Insurance Premiums and Other Fees				
Taxes, Duties and Licenses		72,761.81	79,616.38	(6,854.57)
Insurance Expenses		354,906.73	259,847.18	95,059.55
Other Maintenance and Operating Expenses				
Advertising, Promotional and Marketing Expenses		636,902.58	353,572.20	283,330.38
Representation Expenses		1,534,111.80	1,243,119.51	290,992.29
Subscription Expenses		20,631.00	2,346.00	18,285.00
Other Maintenance and Operating Expenses		2,405,966.46	1,146,673.90	1,259,292.56
Total Maintenance and Other Operating Expenses		15,186,329.90	12,080,139.56	3,106,190.34
Non-Cash Expenses				
Depreciation Expense	21			
Depreciation-Building and Other Structures		469,320.09	353,930.14	115,389.95
Depreciation-Machinery and Equipment		466,389.87	303,292.51	163,097.36
Depreciation-Transportation Equipment		554,228.88	516,050.32	38,178.56
Depreciation-Furniture, Fixtures and Books		65,196.70	89,097.64	(23,900.94)
Total Depreciation Expense		1,555,135.54	1,262,370.61	292,764.93
Amortization Expense				
Amortization Expense- Computer Software		20,476.90	0.00	20,476.90
Total Amortization Expense		20,476.90	0.00	20,476.90
Total Non-Cash Expenses		1,575,612.44	1,262,370.61	313,241.83
Total Expenses		72,257,977.43	61,638,319.89	10,619,657.54
NET INCOME/(LOSS) BEFORE TAX		9,969,879.76	22,828,554.99	(12,858,675.23)
Income Tax Expense/(Benefit)		2,357,571.43	5,579,852.49	(3,222,281.06)
NET PROFIT/(LOSS) AFTER TAX		7,612,308.33	17,248,702.50	(9,636,394.17)

See Accompanying Notes to Financial Statements

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Statement of Changes in Equity
As of December 31, 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
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
Balance at End of the Period		15,000,000.00	15,000,000.00	0.00
Retained Earnings				
Balance at Beginning of the Period				
Correction of prior year's errors	22	22,181,794.09	54,140,618.74	(31,958,824.65)
As restated		-	1,191,707.93	(2,001,817.67)
Dividends		18,988,268.49	52,948,910.81	(33,960,642.32)
Net Income (Loss)	23	8,624,351.25	48,015,819.22	39,391,467.97
		7,612,308.33	17,248,702.50	(9,636,394.17)
Balance at End of the Period		17,976,225.57	22,181,794.09	- 4,205,568.52
TOTAL EQUITY		101,119,945.80	105,325,514.32	- 4,205,568.52
		-	-	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 December 31, 2022

	Notes	2022	2021	Variance
Cash Flow from Operating Activities				
Cash Inflow				
Collection of Income/Revenue		81,575,137.31	83,315,613.43	- 1,740,476.12
Collection of Receivables		34,110,592.63	17,107,164.90	17,003,427.73
Receipt of Inter-Agency Fund Transfers	24	21,891,033.32	7,020,987.04	14,870,046.28
Receipt of proceeds from termination of investment acct.		40,835,947.73	122,059,640.03	- 81,223,692.30
Total Cash Inflow		178,412,710.99	229,503,405.40	- 51,090,694.41
Cash Outflow				
Payment of Expenses		68,586,740.97	63,004,621.91	5,582,119.06
Purchase of Inventories		799,760.40	782,705.26	17,055.14
Payment of Accounts Payable		26,238,988.29	8,554,430.51	17,684,557.78
Remittance of Personnel Benefit Contributions and Mandatory Deductions		5,906,619.29	14,482,157.95	- 8,575,538.66
Adjustments		60,000,000.00	91,278,957.58	- 31,278,957.58
Total Cash Outflow		161,532,108.95	178,102,873.21	-16,570,764.26
Net Cash Provided by (used in) Operating Activities		16,880,602.04	51,400,532.19	-34,519,930.15
Cash Flow from Investing Activities				
Cash Inflow				
Receipt of Interest Earned		539,594.03	415,927.04	123,666.99
Cash Outflow				
Purchase/Construction of Investment Property		- 20,957,765.56	- 6,895,704.35	- 14,062,061.21
Purchase/Construction of Property, Plant and Equipment		- 1,767,542.51	- 6,237,861.83	4,470,319.32
Total Cash Outflow		- 22,725,308.07	- 13,133,566.18	- 9,591,741.89
Net Cash Provided by (used in) Investing Activities		- 22,185,714.04	- 12,717,639.14	-9,468,074.90
Cash Flow from Financing Activities				
Cash Inflow				
Payment of Dividends		- 8,624,351.25	- 48,015,819.22	39,391,467.97
Net Cash Provided by (used in) Financing Activities		- 8,624,351.25	- 48,015,819.22	39,391,467.97
Net Increase in Cash and Cash Equivalents		-13,929,463.25	-9,332,926.17	-4,596,537.08
Add: Cash and Cash Equivalents, Beginning		38,343,774.94	47,676,701.11	-9,332,926.17
Cash and Cash Equivalents, Ending		24,414,311.69	38,343,774.94	-13,929,463.25
		-	0.00	-
			0.00	0.00

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Detailed Statement of Cash Flows
As of December 31, 2022

	Notes	2022	2021	Variance
Cash Flow from Operating Activities				
Cash Inflow				
Collection of Income/Revenue				
Collection of service and business income		81,575,137.31	83,315,613.43	- 1,740,476.12
Collection of Receivables				
Collection of receivables		34,110,592.63	17,107,164.90	17,003,427.73
Receipt of Inter-Agency Fund Transfers				
Receipt of funds for other inter-agency transactions	24	21,891,033.32	7,020,987.04	14,870,046.28
Adjustments				
Receipt of proceeds from termination of investment account		40,835,947.73	122,059,640.03	- 81,223,692.30
Total Cash Inflow		178,412,710.99	229,503,405.40	- 51,090,694.41
Cash Outflow				
Payment of Expenses				
Payment of personnel services		53,400,411.07	48,295,809.72	5,104,601.35
Payment of maintenance and other operating expenses		15,186,329.90	14,708,812.19	477,517.71
Purchase of Inventories				
Payment of inventories		799,760.40	782,705.26	17,055.14
Payment of Accounts Payable		26,238,988.29	8,554,430.51	17,684,557.78
Remittance of Personnel Benefit Contributions and Mandatory Deductions				
Remittance of taxes withheld		3,810,995.27	12,576,600.01	-8,765,604.74
Remittance of SSS/Pag-ibig/Philhealth		2,095,624.02	1,905,557.94	190,066.08
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		161,532,108.95	178,102,873.21	-16,570,764.26
Net Cash Provided by (used in) Operating Activities		16,880,602.04	51,400,532.19	-67,661,458.67
Cash Flow from Investing Activities				
Cash Inflow				
Receipt of Interest Earned		539,594.03	415,927.04	123,666.99
Cash Outflow				
Purchase/Construction of Investment Property				
Construction of Investment Property	-	20,957,765.56	6,895,704.35	- 14,062,061.21
Purchase/Construction of Property, Plant and Equipment				
Construction of Buildings and Other Structures	-	-	2,769,361.83	2,769,361.83
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	-	22,725,308.07	13,133,566.18	- 9,591,741.89
Net Cash Provided by (used in) Investing Activities	-	22,185,714.04	12,717,639.14	- 9,468,074.90
Cash Flow from Financing Activities				
Cash Outflow				
Payment of Dividends	-	8,624,351.25	-48,015,819.22	39,391,467.97
Net Cash Provided by (used in) Financing Activities	-	8,624,351.25	48,015,819.22	39,391,467.97
Net Increase in Cash and Cash Equivalents		-13,929,463.25	-9,332,926.17	-37,738,065.60
Add: Cash and Cash Equivalents, Beginning		38,343,774.94	47,676,701.11	-9,332,926.17
Cash and Cash Equivalents, Ending		24,414,311.69	38,343,774.94	-13,929,463.25
		-	0.00	-

NOTES TO FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

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	2022	2021
Cash in Bank		
Cash in Bank-Local Currency, CA	24,414,311.69	38,343,774.94
Total Cash & Cash Equivalents	24,414,311.69	38,343,774.94

Cash in Bank- Local Currency

This account consists of the following:

	2022	2021
Cash in Bank-Local Currency, LBP Opex Current	18,620,322.07	32,829,530.72
Cash in Bank-Local Currency, LBP Capex Current	5,793,989.62	5,514,244.22
Total Cash In Bank-Local Currency	24,414,311.69	38,343,774.94

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	2022	2021
Investments in Time Deposits		
Investment in Time Deposits-Local Currency	60,194,133.33	40,533,473.79

5. RECEIVABLES

The account is composed of the following:

Particulars	2022	2021
Loans and Receivables Account		
Accounts Receivable	2,109,883.23	1,782,063.10
Interest Receivable	124,421.27	93,217.98
Intra-Agency Receivables		
Due from BCDA	3,986,284.17	12,533,759.87
Other Receivables		
Due from Officers and Employees	296,294.64	372,577.59
Total Receivables	6,516,883.31	14,781,618.54

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 CURRENT ASSETS

Other assets is composed of the following:

Particulars	2022	2021
Prepayments		
Advances to Contractors	1,668,343.40	678,981.11
Prepaid Insurance & Registration	-	92,256.83
Other Prepayments	-	6,888.26
Deposits		
Guaranty Deposits	168,884.00	168,884.00
Withholding Tax at Source		
Withholding Tax at Source	50,195.06	51,747.52
Other Assets		
Other Assets	-	320,751.10
Total Other Assets	1,887,422.46	1,319,508.82

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

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:

	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.

OTHER INVESTMENTS

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	20,013,190.52	13,821,515.95
Construction in Progress	65,749,463.66	81,661,778.60
Total Investment Property	107,204,123.83	116,924,764.20

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 PPMC's various 2019 Capex Infrastructure projects with project final acceptance date issued on December 19, 2022. The said completed project will be due for liquidation to BCDA.

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:

	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	6,262,107.24	11,554,997.51
Furniture, Fixtures and Books	901,045.01	2,834,393.10
Transportation Equipment	8,681,939.06	13,723,397.02
Total	28,693,457.86	40,961,154.18
Less: Accumulated Depreciation	19,662,638.32	30,400,122.15
Total	9,030,819.54	10,561,032.03

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. OTHER NON-CURRENT 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.

12. 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	12,272,622.72	10,433,211.22

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 P3,551,566.06.

13. INTER-AGENCY PAYABLES

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

Particulars	2022	2021
Due to BIR	1,248,841.21	763,756.74
Due to Pag-ibig	2,276.70	600.00
Due to Philhealth	1,185.95	387.38
Due to SSS	2,317.50	630.00
Due to Parent Corporation	81,541,285.70	95,448,855.98
Income Tax Payable	-	456,190.49
Total Inter-Agency Payables	82,795,907.06	96,670,420.59

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, construction of 2019 various infrastructure projects, 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 accounts receivable from airport clients of P244,540.89.

14. 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	1,785,405.02	1,834,599.38
Guaranty Deposits Payable	47,000.00	38,000.00
Security Deposit	32,000.00	32,000.00
Total Trust Liabilities	1,864,405.02	1,904,599.38

15. 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	9,793,145.69	7,034,346.37

16. 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

17. 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. 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	2022	2021
Service and Business Income		
Service Income		
Permit Fees	3,502,135.16	3,686,353.79
Business Income		
Management Fees	77,599,733.00	80,271,376.07
Interest Income	539,594.03	509,145.02
Miscellaneous Income		
Miscellaneous Income	586,395.00	-

Total Revenues	82,227,857.19	84,466,874.88
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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 December 31, 2022, BCDA/PPMC earned a total zone revenue of Php101,404,433.47, net of Php53,822,312.00 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 Php34,998,811.15 for the period ending December 31, 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 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	2022	2021
Salaries and Wages		
Salaries and Wages-Regular	36,475,713.89	31,460,529.14
Other Compensation		
Personnel Economic Relief Allowance	1,370,954.53	1,374,200.00
Representation Allowance (RA)	810,000.00	810,000.00
Transportation Allowance (TA)	810,000.00	810,000.00
Clothing/Uniform Allowance	342,000.00	342,000.00
Longevity Pay	-	30,000.00
Overtime and Night Pay	1,133,231.85	1,047,840.28
Year-End Bonus	3,007,525.19	2,626,637.00
Cash Gift	284,999.81	285,000.00

Mid-Year Bonus	2,997,419.00	2,638,609.00
Directors' and Committee Members' Fees	1,865,000.00	1,721,000.00
Other Bonuses and Allowances	1,428,000.00	855,000.00
Personnel Benefit Contributions		
Retirement and Life Insurance Premiums	1,403,860.00	1,430,932.50
Pag-ibig Contributions	68,100.00	68,700.00
Philhealth Contributions	603,834.02	385,555.44
Employees Compensation Insurance Premiums	19,830.00	20,370.00
Other Personnel Benefit Contributions		
Terminal Leave Benefits	2,875,566.80	2,389,436.36
Total	55,496,035.09	48,295,809.72

20. MAINTENANCE AND OTHER OPERATING EXPENSES

PPMC paid the following expenses as presented:

Particulars	2022	2021
Travelling Expenses		
Travelling Expenses-Local	2,287,899.21	1,190,169.36
Training and Scholarship Expenses		
Training Expenses	173,924.93	140,300.00
Supplies and Materials Expenses		
Office Supplies Expense	2,505,406.20	2,800,338.06
Utility Expense		
Electricity Expenses	840,356.86	899,129.41
Communication Expenses		
Postage and Courier Services	36,398.18	32,878.94
Telephone Expenses	730,221.96	760,111.33
Internet Subscription	55,992.15	44,579.70
Confidential, Intelligence and Extraordinary Expenses		
Extraordinary and Miscellaneous Expenses	142,103.04	248,003.36
Professional Services		
Auditing Services	1,095,151.15	1,244,282.00
General Services		
Janitorial Services	504,190.13	320,995.55
Security Services	1,199,778.02	1,135,285.68
Repair and Maintenance		
Repair and Maintenance- Buildings & Other Structures	371,165.01	26,991.00
Repair and Maintenance-Transportation Equipment	130,050.24	84,795.00
Repair and Maintenance- Furniture and Fixtures	88,412.44	67,105.00
Taxes, Insurance Premiums and Other Fees		
Taxes, Duties and Licenses	72,761.81	79,616.38
Insurance Expenses	354,906.73	259,847.18

Other Maintenance and Operating Expenses		
Advertising, Promotional and Marketing Expenses	636,902.58	353,572.20
Representation Expenses	1,534,111.80	1,243,119.51
Subscription Expenses	20,631.00	2,346.00
Other Maintenance and Operating Expenses	2,405,966.46	1,146,673.90
Total MOOE	15,186,329.90	12,080,139.56

OTHER MAINTENANCE AND OTHER OPERATING EXPENSES

This account consists of:

Particulars	2022	2021
SP-ISO Certification	65,897.62	155,680.00
SP-Corporate Social Responsibility	338,288.90	403,572.00
SP-Stakeholder Satisfaction Survey	257,649.60	196,257.60
SP-Environmental Management System	1,065.00	304,976.00
BOD-Meals	394,795.20	86,188.30
SP-Automation of Permit System	11,111.11	-
SP-Website Design and Development	260,000.00	-
SP-Competency-Based HR System	2,049.00	-
Christmas Activities	1,075,110.03	-
Total Other MOOE	2,405,966.46	1,146,673.90

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), Stakeholder Satisfaction, Website Design and Development, Competency-Based HR System, Automation of Permit System and Christmas Activities.

Stakeholder Satisfaction is one of PPMC’s strategic objectives and is one of the metrics used by the Governance Commission for Government Owned or Controlled Corporation (GCG) and BCDA in assessing PPMC’s performance. Saint Louis College make the survey according to the guidelines crafted by GCG.

PPMC aligns with the policy of the State to promote sustainable development by encouraging the business or individual sector to engage in environment improvement activities and advance self-regulation and mandatory compliance with environmental standards. Thus, Macro Vision Consultancy provided technical expertise support to facilitate the establishment of PPMC’s EMS certifiable to ISO 14001:2015 standards.

PPMC gives focus on meeting stakeholders and applicable statutory and legal requirements and commits to continually improve its Quality Management System (QMS). Thus, PPMC has ventured into QMS certification in order to be globally-competitive since ISO certification is a recognized mark for quality worldwide. Once ISO-certified, investors would be assured of quality service which could give PPMC an edge in enticing and retaining investors. PPMC passed the certification audit and surveillance audit conducted by TUV Nord Philippines, Inc. in 2022.

21. NON-CASH EXPENSES

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

Particulars	2022	2021
Depreciation		
Depreciation-Building and Other Structures	469,320.09	353,930.14
Depreciation-Machinery and Equipment	466,389.87	303,292.51
Depreciation-Transportation Equipment	554,228.88	516,050.32
Depreciation-Furniture, Fixtures and Books	65,196.70	89,097.64
Amortization-Computer Software	20,476.90	0.00
Total Non-Cash Expenses	1,575,612.44	1,262,370.61

22. RETAINED EARNINGS

Correction of Prior Year's Errors charged to Retained Earnings as of December 31, 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
11/18/2022	JV 17444-17447	PBI of Board of Directors for CY 2019	-156,875.00
11/30/2022	JV 17775	Adjustment of payables after final confirmation of balances	113,695.14
11/30/2022	JV 17796	Reclassification of Office Equipment due to increase in capitalization threshold per COA Circular No. 2022-004 dated May 31, 2022	-558,084.74
11/30/2022	JV 17796	Reclassification of ICT Equipment due to increase in capitalization threshold per COA Circular No. 2022-004 dated May 31, 2022	-1,478,227.62
11/30/2022	JV 17796	Reclassification of Communication Equipment due to increase in capitalization threshold per COA Circular No. 2022-004 dated May 31, 2022	-5,319.25
11/30/2022	JV 17796	Reclassification of Furniture and Fixtures due to increase in capitalization threshold per COA Circular No. 2022-004 dated May 31, 2022	-265,373.93
12/14/2022	JV 17855; 18407	Reclassification of entries	162,109.61
12/31/2022	JV 18423	Reclassification of Communication Equipment and Furniture and Fixtures due to increase in capitalization threshold per COA Circular No. 2022-004 dated May 31, 2022	-56,889.92
12/31/2022	JV 18424	Reclassification of accounts (SMI-in transit account)	-320,751.10
		TOTAL	-3,193,525.60

23. DIVIDENDS

For the dividends due for CY 2021, PPMC remitted an amount of Php8,624,351.25 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 the CY 2019 Various Capex projects, 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
<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. Defendant ceased operations. Recommend to consider the account as “bad debt” pursuant to the provisions of NIRC.</p>
<p>2. BCDA/PPMC vs. Lepanto Consolidated Mining Co. and Shipperside Incorporated Re: Expropriation Cases (for eminent domain)</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>

CASE	STATUS/UPDATE
	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.