



Republic of the Philippines  
**COMMISSION ON AUDIT**  
Commonwealth Avenue, Quezon City

## **INDEPENDENT AUDITOR'S REPORT**

### **The Executive Director**

Public-Private Partnership Center of the Philippines  
National Economic and Development Authority  
Quezon City

### **Unqualified Opinion**

We have audited the financial statements of **Public-Private Partnership Center of the Philippines**, which comprise the statement of financial position as at December 31, 2018, and the statement of financial performance, statement of cash flows, statement of changes in net assets/equity, statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the **Public-Private Partnership Center of the Philippines** as at December 31, 2018, and its financial performance, statement of cash flows, statement of changes in net assets/equity, statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies in accordance with Philippine Public Sector Accounting Standards (PPSASs).

### **Basis for Unqualified Opinion**

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

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial

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


### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

Our audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risk of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

### **COMMISSION ON AUDIT**

**By:**

  
**JULIANA F. LAZO**  
State Auditor IV  
OIC-Supervising Auditor

March 15, 2019

**PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES**  
**STATEMENT OF FINANCIAL POSITION**  
**ALL FUNDS**  
**AS AT DECEMBER 31, 2018**  
(In Philippine Peso)

	<u>Note</u>	<u>2018</u>	<u>2017</u> (As Restated)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	4	2,146,408,917.15	2,109,240,980.57
Receivables	5	1,571,386,648.05	1,393,254,526.92
Inventories	6	1,805,388.85	1,598,320.58
Other Current Assets	7	12,465,343.21	10,629,811.01
<b>Total Current Assets</b>		<u>3,732,066,297.26</u>	<u>3,514,723,639.08</u>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	8	32,084,719.22	35,041,420.52
Intangible Assets	9	8,359,868.57	10,044,084.71
<b>Total Non - Current Assets</b>		<u>40,444,587.79</u>	<u>45,085,505.23</u>
<b>Total Assets</b>		<u>3,772,510,885.05</u>	<u>3,559,809,144.31</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Financial Liabilities	10	1,086,366.43	686,499.42
Inter-Agency Payables	11	15,844,481.53	7,182,508.33
Intra-Agency Payables	12	46,200.65	-
Trust Liabilities	13	46,097,388.66	-
Other Payables	14	1,152,978.85	1,113,627.20
<b>Total Current Liabilities</b>		<u>64,227,416.12</u>	<u>8,982,634.95</u>
<b>Total Liabilities</b>		<u>64,227,416.12</u>	<u>8,982,634.95</u>
<b>Total Assets less Total Liabilities</b>		<u>3,708,283,468.93</u>	<u>3,550,826,509.36</u>
<b>NET ASSETS / EQUITY</b>			
Accumulated Surplus (Deficit)	25	3,708,283,468.93	3,550,826,509.36
<b>Total Net Assets / Equity</b>		<u>3,708,283,468.93</u>	<u>3,550,826,509.36</u>

---

*This statement should be read in conjunction with the accompanying notes.*

**PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**ALL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(In Philippine Peso)

	<u>Note</u>	<u>2018</u>	<u>2017</u> (As Restated)
<b>Revenue</b>			
Service and Business Income	16	<b>8,239,458.04</b>	57,351,898.37
Shares, Grants and Donations	17	-	1,307,895.15
		<u>8,239,458.04</u>	<u>58,659,793.52</u>
<b>Total Revenue</b>			
<b>Less: Current Operating Expenses</b>			
Personnel Services	18	<b>98,827,301.00</b>	78,495,483.30
Maintenance & Other Operating Expenses	19	<b>62,382,529.77</b>	53,241,590.33
Financial Expenses	20	<b>2,074.32</b>	1,557.95
Non-Cash Expenses	21	<b>16,377,223.14</b>	14,652,801.39
		<u>177,589,128.23</u>	<u>146,391,432.97</u>
<b>Total Current Operating Expenses</b>			
<b>Surplus/(Deficit) from Current Operations</b>		<b>(169,349,670.19)</b>	(87,731,639.45)
Net Financial Assistance / Subsidy	22	<b>238,046,454.19</b>	235,913,901.01
Other Non-Operating Income		<b>165.00</b>	-
Gains	23	<b>89,477,576.58</b>	9,419,234.98
Losses		-	(11,751.63)
		<u>158,174,525.58</u>	<u>157,589,744.91</u>
<b>Surplus/(Deficit) for the period</b>		<b>158,174,525.58</b>	157,589,744.91

---

*This statement should be read in conjunction with the accompanying notes.*

**PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES**  
**STATEMENT OF CHANGES IN NET ASSETS/EQUITY**  
**ALL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(In Philippine Peso)

	<u>2018</u>	<u>2017</u> (As Restated)
<b>Balance at January 1</b>	<u>3,550,826,509.36</u>	<u>3,396,767,020.40</u>
<b>Add/(Deduct):</b>		
<b>Changes in Net Assets/Equity for the Calendar Year</b>		
Surplus for the period	158,174,525.58	157,589,744.91
Others	<u>(717,566.01)</u>	<u>(3,530,255.95)</u>
<b>Total recognized revenue and expense for the period</b>	<u>157,456,959.57</u>	<u>154,059,488.96</u>
<b>Balance at December 31</b>	<u><u>3,708,283,468.93</u></u>	<u><u>3,550,826,509.36</u></u>

---

*This statement should be read in conjunction with the accompanying notes.*

**PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES**  
**STATEMENT OF CASH FLOWS**  
**ALL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(In Philippine Peso)

	<u>2018</u>	<u>2017</u>
<b>Cash Flows from Operating Activities</b>		
<b>Cash Inflows</b>		
Receipt of Notice of Cash Allocation	239,459,182.41	283,789,177.98
Collection of Income/Revenues	3,892,672.96	4,436,741.27
Collection of Receivables	57,050,721.44	22,878,869.46
Receipt of Inter-Agency Fund Transfers	6,200,000.00	-
Receipt of Trust Liabilities	59,259,331.17	-
Other Receipts (Refund of Excess Cash Advance)	310,347.38	128,812.16
<b>Total Cash Inflows</b>	<b>366,172,255.36</b>	<b>311,233,600.87</b>
<b>Cash Outflows</b>		
Remittance to National Treasury	752,225.84	4,347,341.35
Payment of Expenses	141,003,456.47	100,649,191.61
Purchase of Inventories	260,695.00	2,606,227.96
Grant of Cash Advances	1,007.00	153,627.58
Prepayments	6,726,365.59	4,247,413.44
Payment of Accounts Payable	669,506.91	9,350,230.09
Remittance of Personnel Benefits Contributions and Mandatory Deductions	22,901,764.41	28,352,108.92
Grant of Financial Assistance/Subsidy	-	46,100,000.00
Other Disbursements	146,082,305.47	51,123,864.76
Reversal of Unutilized NCA	1,422,695.36	1,448,223.75
Adjustments	-	6,526.24
<b>Total Cash Outflows</b>	<b>319,820,022.05</b>	<b>248,384,755.70</b>
<b>Net cash Provided by (Used in) Operating Activities</b>	<b>46,352,233.31</b>	<b>62,848,845.17</b>
<b>Cash Flows from Investing Activities</b>		
<b>Cash Outflows</b>		
Purchase/Construction of Property, Plant and Equipment	9,143,305.49	5,568,784.69
Purchase of Intangible Assets	2,646,642.00	1,512,118.30
<b>Total Cash Outflows</b>	<b>11,789,947.49</b>	<b>7,080,902.99</b>
<b>Net cash Provided by (Used in) Investing Activities</b>	<b>(11,789,947.49)</b>	<b>(7,080,902.99)</b>
<b>Increase / (decrease) in Cash and Cash Equivalents</b>	<b>34,562,285.82</b>	<b>55,767,942.18</b>
<b>Effects of Exchange Rate Changes on Cash and     Cash Equivalents</b>	<b>2,605,650.76</b>	<b>105,093.47</b>
<b>Cash and Cash Equivalents, January 1</b>	<b>2,109,240,980.57</b>	<b>2,053,367,944.92</b>
<b>Cash and Cash Equivalents, December 31</b>	<b>2,146,408,917.15</b>	<b>2,109,240,980.57</b>

---

*This statement should be read in conjunction with the accompanying notes.*

**PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**ALL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(In Philippine Peso)

Expenses	Note	Budgeted Amounts		Actual Amounts on Comparable Basis	Difference Final Budget and Actual
		Original	Final		
<b>RECEIPTS</b>					
Services and Business Income		48,500.00	48,500.00	48,500.00	-
Shares, Grants and Donations		-	-	-	-
Trust Receipts		-	-	-	-
Reimbursement of Project Costs		-	-	-	-
<b>Total Receipts</b>		<b>48,500.00</b>	<b>48,500.00</b>	<b>48,500.00</b>	<b>-</b>
<b>PAYMENTS</b>					
Personnel Services	24	81,124,000.00	99,053,904.00	98,741,145.11	312,758.89
Maintenance and Other Operating Expenses	24	69,258,000.00	66,741,500.00	54,123,620.99	12,617,879.01
Capital Outlay	24	3,752,000.00	3,752,000.00	3,677,519.29	74,480.71
Financial Expenses		-	-	-	-
<b>Total Payments</b>		<b>154,134,000.00</b>	<b>169,547,404.00</b>	<b>156,542,285.39</b>	<b>13,005,118.61</b>
<b>NET RECEIPTS/PAYMENTS</b>		<b>(154,085,500.00)</b>	<b>(169,498,904.00)</b>	<b>(156,493,785.39)</b>	<b>(13,005,118.61)</b>

*This statement should be read in conjunction with the accompanying notes.*