



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

National Government Audit Sector
Cluster 2 - Oversight and Public Debt Management Agencies

INDEPENDENT AUDITOR'S REPORT

The Executive Director

Public-Private Partnership Center of the Philippines
8th Floor, One Cyberpod Centris, EDSA cor. Quezon Avenue
Barangay Pinyahan, Quezon City

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of **Public-Private Partnership Center of the Philippines (PPPCP)**, which comprise the statement of financial position as at December 31, 2021, 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 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 **PPPCP** as at December 31, 2021, and its financial performance, changes in net assets/equity, cash flows, comparison of budget and actual amounts for the year then ended, and notes to the financial statements, in accordance with International Public Sector Accounting Standards (IPSASs).

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with IPSASs, 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 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.

As part of an audit in accordance with ISSAIs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

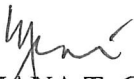
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by management.
- Evaluate the overall presentation structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit observations, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

COMMISSION ON AUDIT

By:



EMILIANA T. CASTILLO

State Auditor IV

OIC-Supervising Auditor

Date:

March 14, 2022

PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES
STATEMENT OF FINANCIAL POSITION
ALL FUND
AS AT DECEMBER 31, 2021
(In Philippine Peso)

	<u>Note</u>	<u>2021</u>	<u>2020</u> (As Restated)
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	1,208,653,474.03	1,166,226,622.48
Receivables	6	1,307,568,857.41	1,427,863,465.41
Inventories	7	671,131.34	1,764,334.94
Other Current Assets	8	11,598,971.31	8,091,483.46
Total Current Assets		<u>2,528,492,434.09</u>	<u>2,603,945,906.29</u>
Non-Current Assets			
Property, Plant and Equipment	9	34,352,401.60	34,733,112.75
Intangible Assets	10	3,043,477.72	3,950,412.96
Total Non - Current Assets		<u>37,395,879.32</u>	<u>38,683,525.71</u>
Total Assets		<u>2,565,888,313.41</u>	<u>2,642,629,432.00</u>
LIABILITIES			
Current Liabilities			
Financial Liabilities	11	993,849.53	900,689.58
Inter-Agency Payables	12	3,415,540.62	27,377,354.60
Intra-Agency Payables		(0.01)	-
Trust Liabilities	13	34,035,214.70	27,112,306.21
Deferred Credits	14	19,542.18	19,542.18
Other Payables	15	62,559.58	1,160,454.63
Total Current Liabilities		<u>38,526,706.60</u>	<u>56,570,347.20</u>
Total Liabilities		<u>38,526,706.60</u>	<u>56,570,347.20</u>
Total Assets Less Total Liabilities		<u>2,527,361,606.81</u>	<u>2,586,059,084.80</u>
NET ASSETS / EQUITY			
Accumulated Surplus (Deficit)		<u>2,527,361,606.81</u>	<u>2,586,059,084.80</u>
Total Net Assets / Equity		<u>2,527,361,606.81</u>	<u>2,586,059,084.80</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, 2021
(In Philippine Peso)

	<u>Note</u>	<u>2021</u>	<u>2020</u> (As Restated)
Revenue			
Service and Business Income	17	43,892,639.48	26,111,793.15
Shares, Grants and Donations	18	-	13,800,000.00
Total Revenue		<u>43,892,639.48</u>	<u>39,911,793.15</u>
Less: Current Operating Expenses			
Personnel Services	20	134,852,740.57	119,508,015.87
Maintenance & Other Operating Expenses	21	106,999,383.93	126,132,446.72
Financial Expenses	22	48.50	494.07
Non-Cash Expenses	23	11,318,023.77	8,705,356.56
Total Current Operating Expenses		<u>253,170,196.77</u>	<u>254,346,313.22</u>
Surplus (Deficit) from Current Operations		<u>(209,277,557.29)</u>	<u>(214,434,520.07)</u>
Net Financial Assistance / Subsidy	24	211,968,738.60	254,998,670.56
Other Non-Operating Income	19	-	12,850.00
Gains		1,209,950.07	-
Losses		(4,475,531.29)	(1,917,175.83)
Surplus (Deficit) for the period		<u>(574,399.91)</u>	<u>38,659,824.66</u>

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 31,2021
(In Philippine Peso)

	<u>Note</u>	<u>2021</u>	<u>2020</u> (As Restated)
Balance at January 1		2,584,749,097.75	3,603,134,587.88
Add/(Deduct):			
Prior Period Adjustments / Unrecorded Income and Expenses		1,309,987.05	
Restated balance		<u>2,586,059,084.80</u>	<u>3,603,134,587.88</u>
Add/(Deduct):			
Changes in Net Assets/Equity for the Calendar Year			
Adjustment of net revenue recognized directly in net assets/equity		(58,123,078.08)	(535,805.62)
Surplus (Deficit) for the period		(574,399.91)	38,659,824.66
Other Adjustments			(1,055,199,522.12)
Total recognized revenue and expense for the period		<u>(58,697,477.99)</u>	<u>(1,017,075,503.08)</u>
Balance at December 31		<u># 2,527,361,606.81</u>	<u>2,586,059,084.80</u>

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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, 2021
(In Philippine Peso)

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Cash Inflows		
Receipt of Notice of Cash Allocation	262,848,800.76	274,762,941.69
Collection of Income/Revenues	501,781.78	9,895,537.84
Collection of Receivables	128,301,734.52	22,230,767.95
Receipt of Intra-Agency Fund Transfers	6,053,535.58	-
Receipt of Trust Liabilities	-	13,747,133.80
Other Receipts (Refund of Excess Cash Advance)	133,202.58	20,265,016.47
Adjustments	3,048,173.48	422,175.63
Total Cash Inflows	<u>400,887,228.70</u>	<u>341,323,573.38</u>
Cash Outflows		
Remittance to National Treasury	2,217,326.48	535,805.62
Payment of Expenses	197,079,415.08	263,508,263.58
Purchase of Inventories	4,219,264.76	810,339.85
Grant of Cash Advances (Unliquidated during the Year)	310,677.00	-
Prepayments	4,122,821.72	3,400,699.10
Payment of Accounts Payable	844,881.93	-
Remittance of Personnel Benefits Contributions and Mandatory	92,496,200.58	50,144,136.56
Other Disbursements	1,635.75	-
Reversal of Unutilized NCA	6,384,393.04	19,764,271.13
Adjustments	40,463,299.00	1,056,139,932.39
Total Cash Outflows	<u>348,139,915.34</u>	<u>1,394,303,448.23</u>
Net cash Provided by (Used in) Operating Activities	<u>52,747,313.36</u>	<u>(1,052,979,874.85)</u>
Cash Flows from Investing Activities		
Cash Outflows		
Purchase/Construction of Property, Plant and Equipment	9,815,827.61	7,878,467.54
Purchase of Intangible Assets	504,634.20	-
Adjustments	-	-
Total Cash Outflows	<u>10,320,461.81</u>	<u>7,878,467.54</u>
Net cash Provided by (Used in) Investing Activities	<u>(10,320,461.81)</u>	<u>(7,878,467.54)</u>
Increase / (decrease) in Cash and Cash Equivalents	42,426,851.55	(1,060,858,342.39)
Effects of Exchange Rate Changes on Cash and Cash Equivalents		(2,835,463.82)
Cash and Cash Equivalents, January 1	<u>1,166,226,622.48</u>	<u>2,229,920,428.69</u>
Cash and Cash Equivalents, December 31	<u><u>1,208,653,474.03</u></u>	<u><u>1,166,226,622.48</u></u>

PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Philippine Peso)

Expenses	Note	Budgeted Amounts		Actual Amounts on Comparable Basis	Difference: Final Budget and Actual Amount
		Original	Final		
RECEIPTS					
Services and Business Income		21,292,469.30	21,292,469.30	43,892,639.48	(22,600,170.18)
Shares, Grants and Donations		41,953,901.00	41,953,901.00	4,569,230.88	37,384,670.12
Total Receipts		63,246,370.30	63,246,370.30	48,461,870.36	14,784,499.94
PAYMENTS					
Personnel Services		123,357,229.00	120,204,032.00	119,410,361.52	793,670.48
Maintenance and Other Operating Expenses		162,868,257.73	143,488,040.73	111,452,617.31	32,035,423.42
Capital Outlay		9,358,847.28	8,423,947.28	5,680,548.00	2,743,399.28
Financial Expenses			-	48.50	(48.50)
Total Payments		295,584,334.01	272,116,020.01	236,543,575.33	35,572,444.68
NET RECEIPTS/PAYMENTS		(232,337,963.71)	(208,869,649.71)	(188,081,704.97)	(20,787,944.74)

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