



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  
8<sup>th</sup> 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 (PPPCCP)**, which comprise the statement of financial position as at December 31, 2022, 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 **PPPCCP** as at December 31, 2022, 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 disclosures 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 28, 2023

**PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES**  
**STATEMENT OF FINANCIAL POSITION**  
**ALL FUNDS**  
**AS AT DECEMBER 31, 2022**  
**(In Philippine Peso)**

	<u>Note</u>	<u>2022</u>	<u>2021</u> (As restated)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5	1,507,958,106.83	1,208,653,474.03
Receivables	6	927,812,423.03	1,309,409,070.52
Inventories	7	948,589.28	671,131.34
Other Current Assets	8	10,660,419.00	14,062,438.02
<b>Total Current Assets</b>		<u>2,447,379,538.14</u>	<u>2,532,796,113.91</u>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	9	26,555,299.97	36,493,822.84
Intangible Assets	10	9,831,143.79	8,278,944.78
<b>Total Non-Current Assets</b>		<u>36,386,443.76</u>	<u>44,772,767.62</u>
<b>Total Assets</b>		<u>2,483,765,981.90</u>	<u>2,577,568,881.53</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Financial Liabilities	11	3,024,757.17	2,207,737.23
Inter-Agency Payables	12	4,783,869.53	3,639,348.78
Intra-Agency Payables		-	-0.01
Trust Liabilities	13	34,117,367.69	34,035,214.70
Deferred Credits	14	62,745.94	19,542.18
Other Payables	15	33,695.75	62,559.58
<b>Total Current Liabilities</b>		<u>42,022,436.08</u>	<u>39,964,402.46</u>
<b>Total Liabilities</b>		<u>42,022,436.08</u>	<u>39,964,402.46</u>
<b>Total Assets Less Total Liabilities</b>		<u>2,441,743,545.82</u>	<u>2,537,604,479.07</u>
<b>NET ASSETS / EQUITY</b>			
Accumulated Surplus (Deficit)	26	2,441,743,545.82	2,537,604,479.07
<b>Total Net Assets / Equity</b>		<u>2,441,743,545.82</u>	<u>2,537,604,479.07</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, 2022**  
**(In Philippine Peso)**

	<u>Note</u>	<u>2022</u>	<u>2021</u> (As restated)
<b>Revenue</b>			
Service and Business Income	17	<b>15,267,477.59</b>	45,732,852.59
Shares, Grants and Donations	18		12,123,849.65
<b>Total Revenue</b>		<b><u>15,267,477.59</u></b>	<u>57,856,702.24</u>
<b>Less: Current Operating Expenses</b>			
Personnel Services	19	<b>132,611,381.64</b>	135,157,665.26
Maintenance and Other Operating Expenses	20	<b>158,096,724.11</b>	110,415,649.74
Financial Expenses	21	-	48.50
Non-Cash Expenses	22	<b>9,567,651.78</b>	11,318,023.77
<b>Total Current Operating Expenses</b>		<b><u>300,275,757.53</u></b>	<u>256,891,387.27</u>
<b>Surplus (Deficit) from Current Operations</b>		<b><u>(285,008,279.94)</u></b>	<u>(199,034,685.03)</u>
Net Assistance/Subsidy	23	<b>207,962,788.21</b>	211,968,738.60
Non-Operating Income	24	<b>30,000.00</b>	-
Gains	24	<b>6,942,083.96</b>	1,209,950.07
Losses	24	<b>(7,919,305.48)</b>	(4,475,531.29)
<b>Surplus/(Deficit) for the period</b>		<b><u>(77,992,713.25)</u></b>	<u>9,668,472.35</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 CHANGES IN NET ASSETS/EQUITY**  
**( ALL FUNDS )**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
**(In Philippine Peso)**

	<u>2022</u>	<u>2021</u> (As restated)
<b>Balance at January 1</b>	<b>2,537,604,479.07</b>	2,584,749,097.75
<b>Add/(Deduct):</b>		
Changes in accounting policy		
Prior Period Adjustments / Unrecorded Income and Expenses		1,309,987.05
Other Adjustments		
<b>Restated balance</b>	<b>2,537,604,479.07</b>	2,586,059,084.80
<b>Add/(Deduct):</b>		
<b>Changes in Net Assets/Equity for the Calendar Year</b>		
Adjustment of net revenue recognized directly in		
Net Assets/Equity	<b>(1,534,119.36)</b>	(58,123,078.08)
Surplus (Deficit) for the period	<b>(77,992,713.25)</b>	9,668,472.35
Others	<b>(16,334,100.64)</b>	-
<b>Balance at December 31</b>	<b>2,441,743,545.82</b>	2,537,604,479.07

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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, 2022**  
**(In Philippine Peso)**

	<u>2022</u>	<u>2021</u>
<b>Cash Flows from Operating Activities</b>		
<b>Cash Inflows</b>		
Receipt of Notice of Cash Allocation(NCA)	227,888,332.77	262,848,800.76
Collection of Income/Revenues	509,258.34	501,781.78
Collection of Receivables	389,327,250.04	128,301,734.52
Receipt of Intra-Agency Fund Transfers	2,419,241.41	6,053,535.58
Other Receipts (Refund of Excess Cash Advance)	140,466.04	133,202.58
Adjustments	-	3,048,173.48
<b>Total Cash Inflows</b>	<u>620,284,548.60</u>	<u>400,887,228.70</u>
<b>Cash Outflows</b>		
Remittance to National Treasury	512,602.82	2,217,326.48
Payment of Expenses	215,395,950.34	197,079,415.08
Purchase of Inventories	1,035,244.04	4,219,264.76
Grant of Cash Advances	1,562,001.34	310,677.00
Prepayments	2,970,984.31	3,316,044.42
Payment of Accounts Payable	8,733,600.75	844,881.93
Remittance of Personnel Benefits Contributions and Mandatory Deductions	58,083,237.33	92,496,200.58
Release of Inter-Agency Fund Transfers	3,223,320.41	806,777.30
Other Disbursements	25,300.00	1,635.75
Reversal of Unutilized NCA	19,925,544.56	6,384,393.04
Adjustments	7,917,431.35	40,463,299.00
<b>Total Cash Outflows</b>	<u>319,385,217.25</u>	<u>348,139,915.34</u>
<b>Net cash Provided by (Used in) Operating Activities</b>	<u>300,899,331.35</u>	<u>52,747,313.36</u>
<b>Cash Flows from Investing Activities</b>		
<b>Cash Outflows</b>		
Purchase/Construction of Property, Plant and Equipment	1,594,698.55	9,815,827.61
Purchase of Intangible Assets	-	504,634.20
<b>Total Cash Outflows</b>	<u>1,594,698.55</u>	<u>10,320,461.81</u>
<b>Net cash Provided by (Used in) Investing Activities</b>	<u>(1,594,698.55)</u>	<u>(10,320,461.81)</u>
<b>Increase / (decrease) in Cash and Cash Equivalents</b>	<b>299,304,632.80</b>	<b>42,426,851.55</b>
<b>Cash and Cash Equivalents, January 1</b>	<u>1,208,653,474.03</u>	<u>1,166,226,622.48</u>
<b>Cash and Cash Equivalents, December 31</b>	<u>1,507,958,106.83</u>	<u>1,208,653,474.03</u>

**PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**ALL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
**(In Philippine Peso)**

Particulars	Note	Budgeted Amounts		Actual Amounts on Comparable Basis	Difference Final Budget and Actual Amount
		Original	Final		
	25				
<b>RECEIPTS</b>					
Services and Business Income		-	-	135,000.00	(135,000.00)
Others		579,968,000.00	579,968,000.00	397,596,712.26	182,371,287.74
<b>Total Receipts</b>		<b>579,968,000.00</b>	<b>579,968,000.00</b>	<b>397,731,712.26</b>	<b>182,236,287.74</b>
<b>PAYMENTS</b>					
Personnel Services	25.2	127,975,000.00	135,444,104.00	132,000,825.65	3,443,278.35
Maintenance and Other Operating Expenses		89,639,628.18	82,189,628.18	66,096,222.71	16,093,405.47
Capital Outlay		6,501,283.60	11,401,283.60	2,367,265.50	9,034,018.10
<b>Total Payments</b>		<b>224,115,911.78</b>	<b>229,035,015.78</b>	<b>200,464,313.86</b>	<b>28,570,701.92</b>
<b>NET RECEIPTS/PAYMENTS</b>		<b>355,852,088.22</b>	<b>350,932,984.22</b>	<b>197,267,398.40</b>	<b>153,665,585.82</b>