PHILIPPINE PORTS AUTHORITY

PROMOTING

GOOD GOVERNANCE

2015 ANNUAL REPORT

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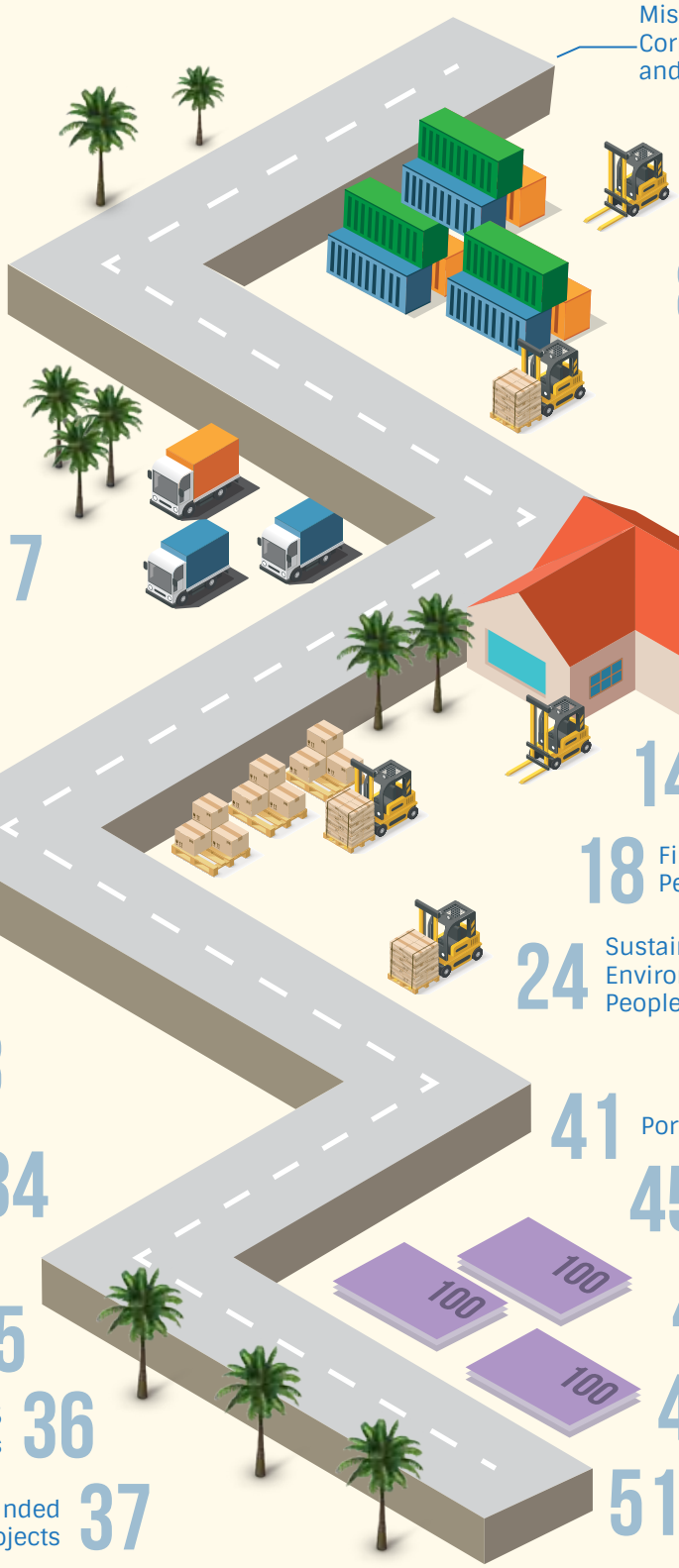
2015 ANNUAL REPORT



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MISSION

1. Provide reliable and responsive services in ports, sustain development of communities and the environment, and be a model corporate agency of the government.

2. Establish a mutually beneficial, equitable, and fair relationship with partners and service providers.

3. Provide meaningful and gainful employment while creating a nurturing environment that promotes continuous learning and improvement.

4. Establish a world-class port operation that is globally competitive, adding value to the country's image and reputation.

VISION

By 2020, PPA shall have provided globally competitive port services in the Philippines characterized by increased productivity, efficiency, connectivity, comfort, safety, security, and environmental sustainability.

MANDATE

To establish, develop, regulate, manage, and operate a rationalized national port system in support of trade and national development.

CORPORATE VALUES

Excellence.
Professionalism, Efficiency

Creativity.
Innovation, Adaptability

Customer Satisfaction.
Customer Focus

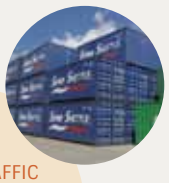
Responsible Citizenship.
Sustainability, Accountability, Risk Management

Ethics.
Integrity within moral bounds.

Sincerity.
Commitment to fulfill mandate.

Teamwork.
Synergy of working together. Esprit de corps

PERFORMANCE
AT A GLANCE

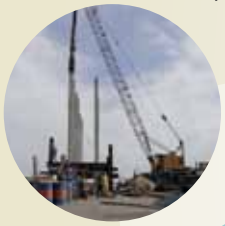


CONTAINER TRAFFIC
5.862M
TEUs
UP BY 6.09%
FROM 2014

CARGO THROUGHPUT
223.672
MMTs
UP BY 4.12%
FROM 2014

164
REPAIRS AND MAINTENANCE PROJECTS

Completed in 2015 valued at Php1.610 Billion



38
LOCALLY-FUNDED PROJECTS

Completed in 2015 valued at Php1.238 Billion

PHP13.287B
GROSS EARNINGS
UP BY 5.72% FROM 2014

PHP9.230B
EXPENSES
UP BY 10.94%
FROM 2014

PHP4.057B
NET INCOME
DOWN BY
4.49%
FROM 2014

PHP2.2 B

REMITTED TO THE NATIONAL GOVERNMENT CASH DIVIDEND

UP BY Php358,946,166.43 or 19.95% from Php1,799,516,116.00 in 2014

CURRENT RATIO

measures the ability of the Authority to meet current obligations. Resultant ratio must be >1.

2.81:1
in 2015
versus
2.84:1
in 2014

This year's ratio decreased to 2.81 from last year's 2.84; meaning PPA has Php2.81 current assets to cover every Php1.00 current obligation.

RETURN ON ASSETS (ROA)

indicates the degree of profits realized in relation to the amounts invested in assets. Resultant percentage must be >7%

18.48%
in 2015
versus
19.54%
in 2014

This year's ROA decreased to 18.48% from last year's 19.54% due to decrease in net operating income with a corresponding increase in average operating fixed assets.

PORT OPERATING RATIO

measures the effectiveness of management in terms of keeping down costs in relation to revenue. Resultant ratio must be <70-75%

54.10%
in 2015
versus
54.42%
in 2014

This year's port operating ratio decreased to 54.10% from last year's 54.42% which is still within the threshold.

DEBT TO EQUITY RATIO

in compliance with PD 857, total indebtedness of the PPA in principal amount on local and foreign currency shall not at any time exceed the net worth of the PPA at the relevant time. Resultant ratio must be <1.

0.083:1
in 2015
versus
0.085:1
in 2014

This year's ratio of 0.083:1 which barely declined from 2014 is safely within the required limit.

A WORD

FROM OUR GENERAL MANAGER

I am pleased to report that we have marked another resilience-driven performance in 2015. We exceeded our targets in the volume of transaction activities in most of our gateways and other high volume ports. During the year in review, the recorded cargo volume of 223.672 million metric tons (MMTs) moderately improved by 4.12 percent on the back of weak external demand. The continuing strong domestic consumption fuelled the better-than-expected rise in both conventional and containerized domestic cargo, and to a certain extent offset the lacklustre performance of foreign cargo. Ship calls progressed by 8.84 percent, with domestic shipping showing stronger growth while passenger volume escalated by 12.10 percent demonstrating the renewed interest of the sea-travelling public in inter-island Ro-Ro travel. The goal to secure the comfort, safety, and convenience of the sea-travelling public underpins our continuing efforts to provide facilities and amenities meeting established benchmarks particularly for cruise ship travel. The sector comprising cruise ship liners is one opportunity that we can tap as a growth area.

Through the years, we remain committed to our responsibility of contributing to the national development efforts by maintaining our capability to generate revenues sufficient to fund our operations and fulfill our development mandate. We continue to post increasing revenues year-on-year and 2015 is no exception, with our recorded revenues reaching Php13.287 billion or an improvement of 5.72 percent, higher than our targeted revenues of Php11.533 billion. By and large, we have to intensify our efforts in seeking other growth areas to widen our revenue base while exercising fiscal prudence and diligence in the management of resources.

If healthy operational and financial indicators are the gauges upon which to assess our performance, then we can conclude that promoting good governance in every facet of our operations has made them possible. In every stage of our operations, we have made significant strides in adhering to established benchmarks and best practices in good governance. Remaining compliant particularly to oversight bodies reviewing our performance, chiefly, the Governance Commission for GOCCs or GCG, gives us assurance that we are faithfully doing our mandated responsibility in running this organization and directing our efforts towards the requirements of our stakeholders in a transparent and accountable manner. We are proud to note that in 2015, we have complied with the GCG good governance conditions. Among 90 GOCCs that were assessed by GCG based on the initial run of the new Corporate Governance Scorecard, we ranked 33rd and 2nd out of 18 GOCCs classified under the Utilities & Communications Sector, based on three main parameters – Stakeholder Relationship, Disclosure and Transparency, and Responsibilities of the Board. We obtained good scores in terms of Stakeholder Relationship, and Disclosure and Transparency; and we aim to deliver a much improved performance in terms of the last parameter – Responsibilities of the Board.

In terms of best practices, I am pleased to note the significant strides we made in the Quality Management System (QMS) certifications of our most frequently used frontline process – Facilitation of Vessel Entrance and Clearance. Since 2012, we have already nine (9) major gateways obtaining ISO 9001:2008 certification - Batangas, Cagayan de Oro,

223.672 MMTs
MILLION METRIC TONS

PHP 13.3B
GROSS REVENUES

Davao, General Santos, Zamboanga, Iloilo, Ozamiz, Legazpi, and Puerto Princesa – with the latter three ports certified in 2015. It is our vision to see all our PMO baseports getting their certification as scheduled.

To do this and to achieve a quality culture throughout the organization, we will remain committed to capacitating our management team and the workforce with development interventions and training both here and abroad to enable them to run the organization more efficiently and effectively. Our record of deeply established global ties with port and maritime organizations as well as learning institutions will assure us a continuing availability of empowered human capital.

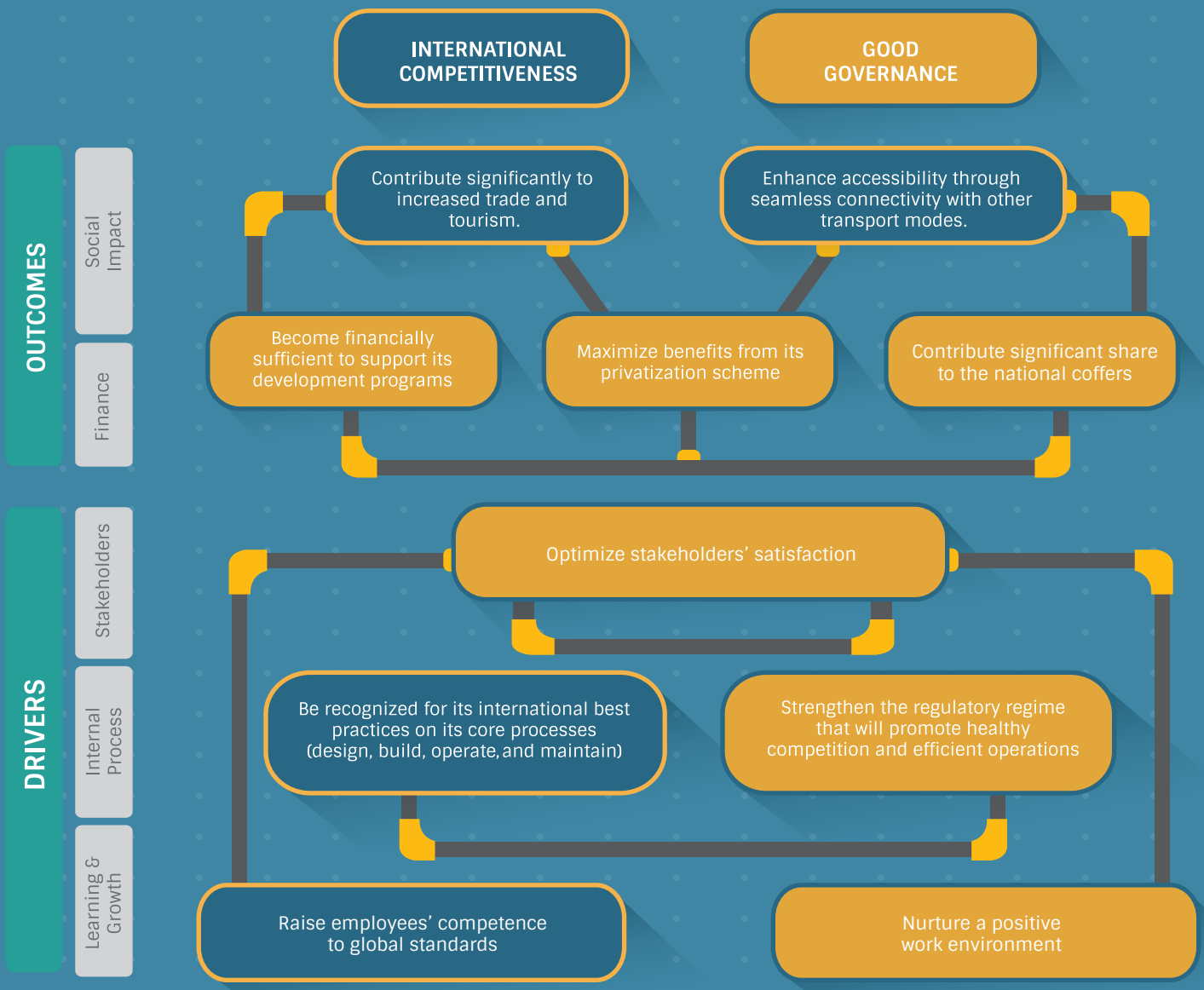
Meanwhile, our achievements in physical infrastructure and development continued at an intensified pace in 2015. We completed 38 major infrastructure projects valued at Php1.238 billion which have provided nine (9) additional Ro-Ro ramps, 307.30 meters of berth, and 26,583.87 square meters of back-up area to support operations and accommodate increased traffic.

In looking forward, we will remain firm on our vision of providing world-class services and facilities to the satisfaction of our clients and stakeholders. Our 3.92 Customer Satisfaction Rating, was well above the minimum requirement of 3.50 Satisfactory Rating, based on our Port Users' Needs and Satisfaction Survey conducted by the Development Academy of the Philippines (DAP) in 2015. Knowing where we are strong and weak will give us the necessary focus to address the needs of our clients and in this process attain progressively higher performance rating in the future.

We extend our appreciation to our Board who continue to motivate, support, and empower us in our day-to-day operation as well as inspire us to be more innovative and remain steadfast amidst the challenges and complexities in planning our future course of action. Equally, we acknowledge the dedication, passion, and hard work of the PPA workforce which made significant contributions towards the continuing success of our organization.

JUAN C. STA. ANA
General Manager

PPA STRATEGY MAP



CORPORATE SOCIAL RESPONSIBILITY (CSR) STATEMENTS

As a leading GOCC, PPA continues to work towards upholding the highest standards of corporate governance by simply being a responsible corporate citizen. This entails (i) developing and operating ports that cater to the needs of local and/or global clients in accordance with best practices and state-of-the-art technologies; (ii) promoting the growth of communities by linking them to the mainstream of economic activities; (iii) establishing fair and equitable business relationships which are beneficial to both port stakeholders and the government; and, (iv) uplifting the lives of its employees by giving them a work environment that is conducive and offers opportunities for career advancement.

PHILIPPINE PORTS AUTHORITY

SHIPPING & TRADE PERFORMANCE

CARGO, PASSENGER, AND SHIP TRAFFIC

CARGO

Trade Performance

The Philippines posted a GDP growth of 5.8 percent in 2015 despite weak external demand and the lingering El Niño phenomenon. The sustained economic growth is evident in the total cargo volume handled at the ports nationwide which registered at 223.67 million metric tons (MMTs) or a 4.12 percent improvement over the previous year's record of 214.81 MMTs. Growth indicators for cargo, containers, passengers, and ship calls showed sustained momentum. Container traffic in TEUs rose by 5.17 percent while ship calls grew by 8.84 percent. Meanwhile, passenger traffic leaped by 12.10 percent or an increase of 6.77 million passengers despite the continuing competition posed by budget airline carriers. The jump is also partly attributable to the government's aggressive eco-tourism program largely through social media campaign highlighting promotional and affordable sea travel.

Overall trade performance is shown in the following table:

	2015	2014	Inc/(Dec)	
			Volume	%
Cargo (m.t)	**223,672,070**	**214,812,620**	**8,859,450**	**4.12%**
Domestic	89,051,207	79,713,233	9,337,974	11.71%
Foreign	134,620,863	135,099,387	(478,524)	-0.35%
Import	73,765,548	66,633,058	7,132,490	10.70%
Export	60,855,315	68,466,329	(7,611,014)	-11.12%
Container (in TEUs)	**5,861,830**	**5,525,121**	**336,709**	**6.09%**
Domestic	2,379,708	2,171,163	208,545	9.61%
Foreign	3,482,122	3,353,958	128,164	3.82%
Import	1,737,873	1,712,206	25,667	1.50%
Export	1,744,249	1,641,752	102,497	6.24%
Passenger	**62,762,732**	**55,990,029**	**6,772,703**	**12.10%**
Disembarked	32,194,820	28,746,341	3,448,479	12.00%
Embarked	30,567,912	27,243,688	3,324,224	12.20%
Shipcalls	**395,095**	**362,994**	**32,101**	**8.84%**
Domestic	384,897	353,323	31,574	8.94%
Foreign	10,198	9,671	527	5.45%

Cargo

Total cargo for the year was higher by 4.12 percent or 8.86 MMTs more than the previous year, indicative of a sustained movement of cargo passing through the ports. Domestic cargo went up by 9.34 MMTs or 11.71 percent while foreign was slightly down by 0.48 MMT or 0.35 percent.

The import component of foreign cargo notably increased by 10.70 percent, softening the impact of the decrease in export. The low volume exportation of river sand, magnetite sand, crude minerals, nickel ore, and limestone ore at the private ports in Visayas and Mindanao was responsible for the poor performance of export sector.

Container (in TEUs)

Container traffic posted a respectable improvement of 6.09 percent or about 336,709 TEUs higher compared to the previous year. Domestic container traffic showed better performance at 9.61 percent versus foreign container traffic which posted a lesser than impressive growth of 3.82 percent on the back of weak global demand. The import component of foreign container traffic inched by a slim 1.50 percent, in part attributable to the slowing down in the manufacturing sector, in contrast with the 6.24 percent growth exhibited by the export component.

Passengers

Passenger traffic for the year reached 62.76 million, a favorable improvement of 12.10 percent over the previous year's 55.99 million passenger volume. The sea-travelling public has apparently responded positively to the government's domestic eco-tourism programs promoted through social media encouraging leisure inter-island Ro-Ro travel to heavily endorsed tourism sites such as Batangas, Boracay, Coron, and other emerging tourist destinations.

Ship Calls

The country's ports serviced 395,095 vessels during the year, up by 8.84 percent compared to last year. Domestic and foreign ship calls increased by 8.94 percent and 5.45 percent, respectively. The better performance of domestic ship calls validates the success of the government's domestic eco-tourism campaign.

PHILIPPINE PORTS AUTHORITY

PORT SERVICES

CLEARANCE TO DEVELOP PRIVATE PORTS/ SPECIAL PERMIT TO OPERATE

Private port facilities which provide bulk handling facilities and cater to the specific logistics requirements of private industries and business operators continue to complement PPA operations. Cargo traffic at the private ports with specialized bulk handling facilities lessen the impact of port congestion at government ports, particularly bulk cargoes requiring large operational space which can pose both physical, operational, and safety challenges. As of end 2015, 12 Clearances to Develop private port facilities were approved by PPA in various locations nationwide. Most of the applications, now lodged thru the Online Permit System recently launched by the Authority, involved private port facilities for power/energy, port services, and mineral bulk cargo.

PRIVATE PORT OWNER/OPERATOR	LOCATION
Atimonan One Energy, Inc.	Brgy, Villa Ibaba, Atimonan, Quezon
PMR Group Retirement Plan, Inc.	Brgy. Alas-Asin, Mariveles, Bataan
Ten Knots Philippines, Inc.	Brgy. Villa Libertad, El Nido, Palawan
Seafront Shipyard and Port Terminal Services Corporation	Brgy. Cawag, Subic, Zambales
Omnico Natural Resources, Inc.	Brgy. Gabut Norte, Badoc, Ilocos Norte
Sinophil Mining and Trading Corporation	Brgy. Tiblawan, Governor Generoso, Davao Oriental
Arky Port and Allied Services, Inc.	Brgy. Maingaran, Masbate City, Masbate
Emerging Power, Inc.	Brgy. Melgar B, Naujan, Oriental Mindoro
Pagbilao Energy Corporation	Brgy. Ibabang Polo, Pagbilao, Quezon
Orion Dockyard, Inc.	Brgy. Sta. Elena, Orion, Bataan
AC Energy Holdings, Inc.	Brgy. Libertad, Kauswagan, Lanao del Norte
San Ramon Power Incorporated	Sitio San Ramon, Brgy. Talisayan, Zamboanga City

LEASE CONTRACTS

Approved during the year were lease applications of Oroport Cargo Handling Services, Inc. and TAO Commodity Traders, Inc. both located at the Port of Cagayan de Oro.

CARGO HANDLING SERVICE CONTRACTS & PERMITS

Partnerships between the private sector and the government have long served their purpose of providing reliable and responsive services to the public. PPA, as a matter of policy, has continuously delegated the provision of cargo handling services to private firms to allow streamlined cargo handling operation in the country.

PPA awarded a total of 19 cargo handling contracts/permits/hold-over authorities with varying duration from six (6) months to five (5) years during the year.

COMPANY	PORT
6-months HOA	
Prudential Customs Brokerage Services, Inc.	Liloan
Prudential Customs Brokerage Services, Inc.	San Isidro
1-year HOA	
Magdiwang Arrastre Stevedoring Services, Inc.	Ambulong
Roadbook Center, Inc.	Azagra
MLD Brokerage Arrastre & Stevedoring Services	Bauan
Prudential Customs Brokerage Services, Inc.	Coron
Visayan Vets Port Services	Iloilo
Ubay Arrastre & Stevedoring Corp.	Ubay
Prudential Customs Brokerage Services, Inc.	Lipata
Buenaflor Arrastre & Stevodoring Services	Kalamansig
3-year Permit	
Bansud Waterfront Arrastre Services	Bansud
Pearl's Port Services	Mansalay
3-year Contract	
MBL Port Resources & Service, Inc.	Puerto Princesa
North Eastern Mindanao Handlers & Forwarders, Inc.	Aras-Asan
FTM Brokerage & Port Services, Inc.	Glan
Sanito Arrastre & Stevedoring Corp.	Ipil
Arrastre Services of Malangas	Malangas
BP Shipping Brokerage A&S Services	Pagadian
5-year Contract	
Prudential Customs Brokerage Services, Inc.	Balingoan

VELCOME
PORT OF TAGBILARAN

CERTIFICATE OF REGISTRATION / PERMIT TO OPERATE

In 2015, the Authority issued 34 Certificates of Registration or Permits to Operate (COR/PTO) to various corporations nationwide.

	PRIVATE PORT OWNER/OPERATOR	LOCATION
1.	Liberty Flour Mills, Inc.	J.P. Rizal St., Brgy. Vergara, Mandaluyong City
2.	Berong Nickel Corporation	Brgy. Berong, Quezon, Palawan
3.	Huang Construction Corporation	Brgy. Sto. Niño, Cabangan, Zambales
4.	Cagdianao Mining Corporation	Brgy. Valencia, Cagdianao, Dinagat Islands
5.	Cagdianao Mining Corporation	Brgy. Valencia, Cagdianao, Dinagat Islands
6.	SR Metals, Inc.	Berth 5 - Brgy. La Fraternidad, Tubay, Agusan del Norte
7.	Ilocos Norte Mining Co., Inc.	Brgy. 20-A, Gabut Norte, Badoc, Ilocos Norte
8.	Tagum Agricultural Development Company, Inc.	Brgy. Banawa, San Pedro, Panabo City, Davao del Norte
9.	Hijo International Port Services, Inc.	Brgy. Madaum, Tagum City, Davao del Norte
10.	North Luzon Renewable Energy Corporation	Brgy. Caparispisan, Pagudpud, Ilocos Norte
11.	Sinosteel Philippines H.Y. Mining	Brgy. Esperanza, Loreto, Dinagat Islands
12.	Island Integrated Offshore Services, Inc.	Pasig River, Cristobal, Paco, Manila
13.	VTP Mining and Construction, Inc.	Kaayongan, Adlay, Carrascal, Surigao del Sur
14.	Jetti Petroleum, Inc.	Brgy. Lucanin, Mariveles, Bataan
15.	Hinatuan Mining Corporation	Brgy. Buenavista, Guiuan, Eastern Samar
16.	San Miguel Mills, Inc.	Brgy. Bulacan, Mabini, Batangas
17.	AgriPacific Corporation	Brgy. Amaya, Tanza, Cavite
18.	Marala Vitas Central Terminal and Shipyards Corporation	Vitas, Tondo, Manila
19.	Bluemax Tradelink, Inc.	Bucao River, Botolan, Zambales
20.	Isla LPG Corporation	Brgy. Rabon, Rosario, La Union
21.	Pilmico Foods Corporation	Kiwalan Cove, Dalipuga, Iligan City
22.	Pilipinas Shell Petroleum Corporation	Tabangao, Batangas
23.	Kazenbar Ventures Management, Inc.	Sitio Mangas, Brgy. Baquioen, Sual, Pangasinan
24.	Papaya Yacht Charters & Services, Inc.	Brgy. Papaya, Nasugbu, Batangas
25.	Iloilo Jar Corporation	Brgy. Obrero, La Paz, Iloilo City
26.	Terminal Facilities & Services Corporation	Brgy. Ilang, Tibungco, Davao City
27.	Phoenix Petroleum Phils., Inc.	Lazareto, Calapan, Mindoro
28.	Pagbilao Energy Corporation	Brgy. Ibabang Polo, Pagbilao, Quezon
29.	Lucky One Realty Ventures, Inc.	Brgy. Pulong Balibaguhan, Mabini, Batangas
30.	Macroserve Mining Exchange, Inc.	Brgy. Cato, Infanta, Pangasinan
31.	Sevenstar, Inc.	Brgy. Masipag, Puerto Princesa City
32.	Shangfil Mining & Trading Corporation	Brgy. Bolitoc, Sta. Cruz, Zambales
33.	Pacific Nickel Philippines, Inc.	Mineral Reservation Area, Surigao del Norte
34.	Wellington Investment and Manufacturing Corporation	Pasig River Bank, Brgy. Pineda, Pasig City

HARBOR PILOTS

For the year in review, PPA issued ten (10) probationary appointments and seven (7) regular appointments at various pilotage districts. The process of pilot selection and appointment is expected to be rationalized with the ongoing formulation of an Omnibus Pilotage regulations to address issues and concerns hounding the sector for quite some time.

PHYSICAL INFRASTRUCTURE DEVELOPMENT & MAINTENANCE

Completed and Ongoing Locally-Funded Projects

In 2015, PPA spent a total of Php6.522 billion for 145 locally-funded projects (LFPs) nationwide, in various stages of development, as follows: 38 completed amounting to Php1.238 billion; 64 ongoing (Php5.091 billion); 2 suspended (Php74.680 million); and, 41 in various stages of procurement (Php119.326 million).

The order of distribution of capital investment per island group in terms of number of projects is Mindanao, Visayas, and Luzon with 54, 51, and 40 projects, respectively.

Below is the Project Implementation Status as of yearend:

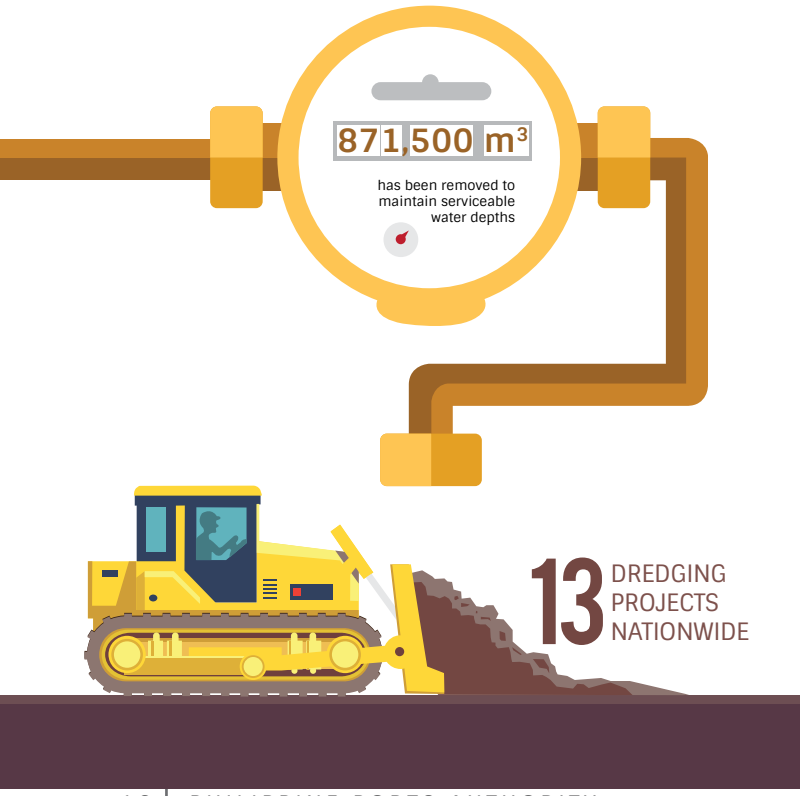
	Luzon			Visayas			Mindanao			Total
	Head Ofc	Field Ofc	Sub-Total	Head Ofc	Field Ofc	Sub-Total	Head Ofc	Field Ofc	Sub-Total	
Completed	5	5	10	5	5	10	7	11	18	38
Ongoing	15	8	23	14	10	24	10	7	17	64
Terminated	0	0	0	0	0	0	0	0	0	0
Suspended	0	0	0	1	1	2	0	0	0	2
Under Procurement (Under DE/POW/etc.)	2	5	7	1	14	15	1	18	19	41
Total	22	18	40	21	30	51	18	36	54	145

Below are the big-ticket infrastructure projects completed within the year:

Port/Location	Project Description	Project Cost (in million)	Status as of yearend
Tacloban	Port Improvement/Rehabilitation, Phase 2	Php235.44	Completed
Currimao, Ilocos Norte	Rehabilitation/Upgrading & Extension of RC Pier	Php120.44	Completed
Basco, Batanes	Construction of Back-up Area and Extension of Pier	Php97.44	Completed
Aras-Asan, Surigao del Sur	Port Improvement	Php73.39	Completed
Glan, Sarangani	Port Improvement	Php72.11	Completed

Still falling under the big-ticket category are the following ongoing projects as of yearend which are expected to be completed within 2016-2017:

Port/Location	Project Description	Project Cost (in million)	Status as of Yearend
Lucena, Lucena City	Construction of Breakwater	Php240.89	Ongoing (7.78%)
Bulalacao, Oriental Mindoro	Port Expansion	Php108.61	Ongoing (61.61%)
Calapan, Oriental Mindoro	Construction of Back-up Area and Fastcraft Pier	Php183.52	Ongoing (26.23%)
San Jose, Caminawit, Occ. Mindoro	Port Expansion	Php117.81	Ongoing (95.51%)
Legazpi, Albay	Rehabilitation/Upgrading of Damaged Wharf	Php154.70	Ongoing (21.81%)
Sorsogon, Sorsogon City	Port Expansion	Php100.17	Ongoing (74.78%)
Tabaco, Tabaco City	Rehabilitation/Upgrading of Damaged Wharf	Php192.59	Ongoing (3.02%)
Puerto Princesa, Palawan	Construction of Back-up Area	Php199.99	Ongoing (87.87%)
Puerto Princesa, Palawan	Port Expansion	Php309.39	Ongoing (64.48%)
Larena, Siquijor	Port Expansion	Php157.02	Ongoing (30.23%)
Culasi, Roxas City	Widening of RC Wharf and Relocation of Roro Ramp	Php145.47	Ongoing (26.34%)
Dumangas, Iloilo	Port Expansion Project	Php110.80	Ongoing (86.91%)
Iloilo Commercial Port Complex, Iloilo City	Extension of RC Wharf	Php271.60	Ongoing (86.15%)
Tacloban, Tacloban City	Port Improvement/Rehabilitation	Php375.30	Ongoing (73.63%)
Tubigon, Bohol	Port Expansion	Php206.42	Ongoing (5.08%)
Iligan, Lanao del Norte	Construction of Alternate Access Road	Php115.60	Ongoing (10.40%)
Surigao del Norte	Port Improvement	Php182.10	Ongoing (68.01%)
Masao, Butuan City, Agusan del Norte	Wharf Extension	Php130.91	Ongoing (77.30%)
Makar, General Santos, South Cotabato	Rehabilitation/Upgrading of Western Wharf	Php102.16	Ongoing (52.20%)



Dredging Operations

To maintain serviceable water depths at the ports, PPA has programmed under the privatized set-up the removal of 871,500 cubic meters covering 13 projects nationwide with a budget of Php975.80 million.

Despite certain factors beyond PPA's control, 90.87 percent of the programmed dredging volume was attained equivalent to 791,891 cubic meters of silts removed from the following areas: South Harbor Entrance Channel & Fairway leading to Pier 15 & Pier 18, North Harbor; Tabaco Port, Albay; Fort San Pedro, Iloilo; Bulan; San Andres; El Codo; Sta. Cruz, Marquez; Nasipit Port; and, Zamboanga Port.

Hydrographic/Topographic/Facility Surveys

Hydrographic, topographic, and facility surveys are implemented through GPS-enabled survey instruments and equipment to support port planning, project development, and identification of areas for port zone delineation. The technology-enabled complement of survey equipment and instruments have allowed the desired level of accuracy in PPA-led survey missions which occasionally have been used by third parties as acceptable reference.

In 2015, PPA completed 33 hydrographic, topographic, and facility surveys. Twelve (12) of these were programmed during the start of the calendar year while 21 unprogrammed surveys were accommodated in response to identified and valid requests outside of the regular scheduled survey activities.

Repair and Maintenance Program

Routine and preventive maintenance are carried out to ensure that all port facilities under PPA's jurisdiction are maintained at serviceable and safe condition to allow 24-hour operation. For CY 2015, PPA has allotted a total of Php3.311 billion for its Repair and Maintenance (R&M) Program covering Php1.602 billion or 48.38 percent for carry-over projects; Php135.44 million or 4.09 percent for routine maintenance projects; and, Php1.574 billion or 47.53 percent for new repair projects.

As of yearend, 164 projects have been accomplished with a value of Php1.610 billion equivalent to about 66.80 percent of the Php2.410 billion released budget for R&M.

Consultancy Services for Engineering-Related Studies

PPA hired the consultancy services for the formulation of master plan and conduct of feasibility study of selected ports to determine the long-term direction in their development as well as to evaluate their technical soundness, operational and economic feasibility, and financial viability should there be any proposed short-term improvements and/or expansion. In 2015, 11 ports were subjected to feasibility studies by PPA-engaged consultants, namely: Pier 18 (North Harbor), Limay, Balatero (Puerto Galera), Tandoc (Camarines Sur), Caramoan, Poctoy, Dumangas, Ajuy (Culasi), Brooke's Point, Cuyo, and Catagbacan. This study was completed in December 2015.

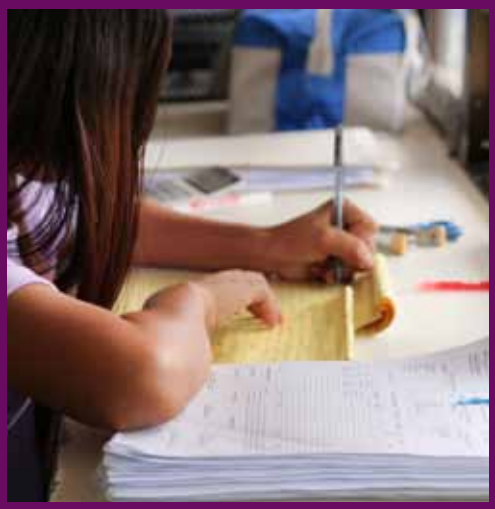
To provide the needed information for foundation design analysis and for the evaluation of alternative type of structures, technical services for the conduct of soil investigation at 24 identified ports were undertaken. The work covered drilling and testing of soil samples at the following ports: Basco, El Codo Canal, Lucena, Calapan, Matnog, Castilla, Sta. Teresita, Buliluyan, Iloilo, Caticlan, Lipata, Siquijor, Siaton, San Carlos, Tagbilaran, Ubay, Ormoc, Jasaan, Iligan, Ozamiz, Jimenez, Nasipit, General Santos, and Dapitan. This study was completed in November 2015.

To determine the present structural soundness and capacity of the existing structural components, e.g., wharf/pier, crane beams, etc., and to check whether the existing crane beams can accommodate the wheel load of the proposed Quay Crane, consultancy services for the conduct of structural survey at the Ports of Iloilo, General Santos, and Zamboanga were procured involving a contract amount of Php12.19 million for a duration of seven (7) months. As of October 2015, this project, undertaken by E.H. Sison Engineers, Co., had already been completed.

Consultancy services for the Architectural and Detailed Engineering Design of the proposed Passenger Terminal Building (PTB) at the Port of Cagayan de Oro were also engaged by PPA for the year in review, thru the consultant Filipinas Dravo Corporation/CPI Total Corporation. The study was expected to provide the planning, architectural, structural, mechanical, electrical, and site development design as well as to prepare the working drawings and tender documents for the bidding of the project. This was completed in November 2015 with a contract amount of Php7.34 million. Construction of the terminal is now ongoing.

Other consultancy services which have been approved by Management and procured during the year in review are as follows: Consultancy Services for the Conduct of the Structural Investigation Survey of the Port of San Jose (Caminawit, Occidental Mindoro); Consultancy for the Formulation of Master Plans and Feasibility Studies for selected ports in Mindanao; and, Technical Services for the Conduct of Soil Investigation at Selected Ports (Package 6).

FINANCIAL PERFORMANCE



OVERVIEW

The Authority continues to perform along with the sustained pace of economic growth for the year in review. This is evident in its registered positive improvement in revenue performance of more than 5 percent. Driven by the strong domestic demand, revenue from foreign traffic contributed in no small measure to the stream of profits, complemented by the steady contributions from domestic traffic. Increased revenue was accompanied by heightened spending in operational activities in response to the increasing demand for efficient port facilities and services associated with global market requirements.

By and large, the positive outcome in PPA performance stemmed chiefly from improved and streamlined business procedures as part of the ease of doing business with the Authority. Likewise, measures targeted at improved port productivity and effective administration of resources enabled the Authority to hand over a significant portion of its net earnings to the national coffers.

A generally optimistic economic landscape, and upbeat market and business environment over the near-term are expected anew to provide the platform for continuing favorable performance. Accordingly, as PPA continues to hurdle innumerable and mounting challenges in its business environment, it shall remain proactive in its efforts to promote fiscal discipline and operational controls meeting industry benchmarks as well as the requirements for good governance imposed by oversight bodies.

Revenue

For the financial year December 31, 2015, the Port Authority generated Total Revenue of Php13,286.77 million, an improvement of Php719.31 million (5.72%) from the Php12,567.46 million registered revenue in 2014. The increase in earnings was propelled by the strong domestic demand which is seen in the sustained progression in the volume of vessel and cargo traffic at the seaports, particularly the Ports of NCR North, NCR South, Batangas, Davao, Surigao, Bataan/Aurora, and Panay/Guimaras.

The Php13,286.77 million Total Revenue is the summation of PPA's Operating Revenue and the Fund Management Income (FMI). Operating Revenue in particular, which accounted for Php13,197.79 million (99.33%) of total earnings, grew by Php727.96 million (5.84%). The major sources of revenue as well as their contribution to Total Revenue are ICTSI Fees with Php3,960.32 million (29.81%), Wharfage Dues with Php2,296.11 million (17.28%), Vessel Charges (Port Dues, Dockage Fees, Port Usage Fees, and Lay-up Fees) with Php1,938.07 (14.58%), Storage Charges with Php1,527.49 million (11.50%), and ATI Fees with Php1,437.60 million (10.82%), which altogether account for approximately 84.00% of the Total Revenue of the Authority.

Revenues from all sources moved in an upward direction with the exception of Storage Charges, ATI fees, and Lay-up Fees. The 10.82 percent decline in Storage Charges is seen as a positive impact of several port decongestion measures implemented by PPA in coordination with the transport sector and stakeholders to hasten movement (ingress and egress), particularly of inbound and outbound containers at South Harbor and Manila International Container Terminal or MICT. In particular, the full impact of the implementation of the Terminal Appointment Booking System or TABS is expected to also contribute to the further decline in the level of Storage Charges. TABS, which was rolled-out in October 2015 by Asian Terminals, Inc. (ATI) and International Container Terminal Services, Inc. (ICTSI), is a web-based container booking system that enables supply-chain stakeholders to make timeslot bookings for the delivery and withdrawal of containers at South Harbor and MICT.

On the other hand, collections from ATI declined by Php7.08 million (0.49%) during the year due to the decrease in volume of vessel and cargo traffic handled by the terminal operator, notwithstanding the increase in currency exchange rate from Php44.45:$1.00 in 2014 to Php45.38:$1.00 in 2015. Lay-up Fees, likewise, registered a negative digression brought about by the decrease in the number and/or the length of stay of vessels authorized to temporarily lay-up and anchor at the ports resulting in lesser transaction activities.

FMI during the year in review was Php88.97 million (0.67%) of Total Revenue, a deceleration of Php8.66 million (8.87%) from the Php97.63 million realized in the prior year. Such decrease in FMI primarily resulted from the continued decline in the prevailing market interest rates for special, high-yield, and premium savings deposits. FMI is entirely a passive income derived from interest earnings on temporary/short-term investments placed under PPA's depository banks, Philippine Veterans Bank (PVB) and Land Bank of the Philippines (LBP).

Shown hereunder is a comparative examination of revenue by source:

	2015 Php'M	2014 Php'M	Increase/(Decrease)		% Share of 2015 Revenue
			Amount Php'M	%	
Operating Revenue					
Port Dues	519.88	469.69	50.19	10.69	3.91
Dockage Fees	1,051.34	945.39	105.95	11.21	7.91
Usage Fees	364.68	336.34	28.34	8.43	2.74
Lay-up Fees	2.17	12.46	(10.29)	(82.58)	0.02
Wharfage Dues	2,296.11	1,986.61	309.50	15.58	17.28
Storage	1,527.49	1,712.83	(185.34)	(10.82)	11.50
Arrastre/ Stevedoring	861.33	783.05	78.28	10.00	6.48
Pilotage	52.17	47.07	5.01	10.82	0.39
ICTSI Fees	3,960.32	3,723.03	237.29	6.37	29.81
ATI Fees	1,437.60	1,444.68	(7.08)	(0.49)	10.82
MNHPI	203.90	196.05	7.85	4.00	1.53
Other Income	712.64	622.26	90.38	14.52	5.36
VTMS	17.90	15.69	2.21	14.11	0.13
Terminal/RoRo Fees	190.26	174.69	15.57	8.92	1.43
Total Operating Revenue	**13,197.80**	**12,469.83**	**727.96**	**5.84**	**99.33**
Fund Management Income	**88.97**	**97.63**	**(8.66)**	**(8.87)**	**0.67**
Total Revenue	**13,286.77**	**12,567.46**	**719.31**	**5.72**	**100.00**

Revenue by Port Aggrupation

Combined revenue by Port Aggrupation during the period in review reached Php13,185.39 million or 5.81 percent higher compared with earnings in 2014. Of the aggregate amount, 66.41 percent was generated by PMOs comprising Manila/ Northern Luzon while Southern Luzon Ports poured in 14.01 percent. Contributions of other Port Aggrupations were as follows: Northern Mindanao with 7.46 percent, Southern Mindanao with 6.79 percent and Visayas with 5.33 percent.

All five (5) Port Aggrupation showed improvement over last year's level of performance with Southern Luzon Ports posting the highest recorded growth at 15.15 percent. This was followed by Ports of Northern Mindanao at 12.76 percent, Southern Mindanao at 9.11 percent, Visayas at 4.64 percent, and Manila/Northern Luzon at 3.11 percent.

Shown below is the revenue generated per Port Aggrupation for the year 2015 with comparative figures for 2014:

COMPARATIVE REVENUE BY PORT AGGRUPATION, 2015 vs 2014 (in million pesos)

District	2015	2014	Deviation (%)
Manila/ Northern Luzon	8,756.86	8,492.64	3.11
Southern Luzon	1,847.12	1,604.16	15.15
Visayas	703.01	671.91	4.64
Northern Minadanao	983.71	872.38	12.76
Southern Mindanao	894.68	819.99	9.11
TOTAL	**13,185.39**	**12,461.09**	**5.81**

Expenses

Total Expenditures for the year was Php7,347.81 million which posted an increase of Php232.57 million (3.27%) over the Php7,115.24 million expended for 2014. Of the Total Expenditures, Operating Expenses, which consisted of Php4,755.51 million on cash operating activities and Php2,432.80 on non-cash – Depreciation Expenses and Amortization Charges, accounted for Php7,188.31 million (97.83%). When compared with the prior year's disbursements. Operating Expenses incurred during the year grew by Php381.05 million (5.60%) due mainly to costs associated with the Authority's intensified Dredging projects and progressive R&M regime of calamity stricken ports.

Conversely, Non-operating Expenses for the period showed a reduction of Php148.48 million (48.21%) when compared with that incurred in 2014, which was due primarily to the reduction in Financial Expenses, particularly in Guarantee Fees and Interest Expense on Foreign Loans.

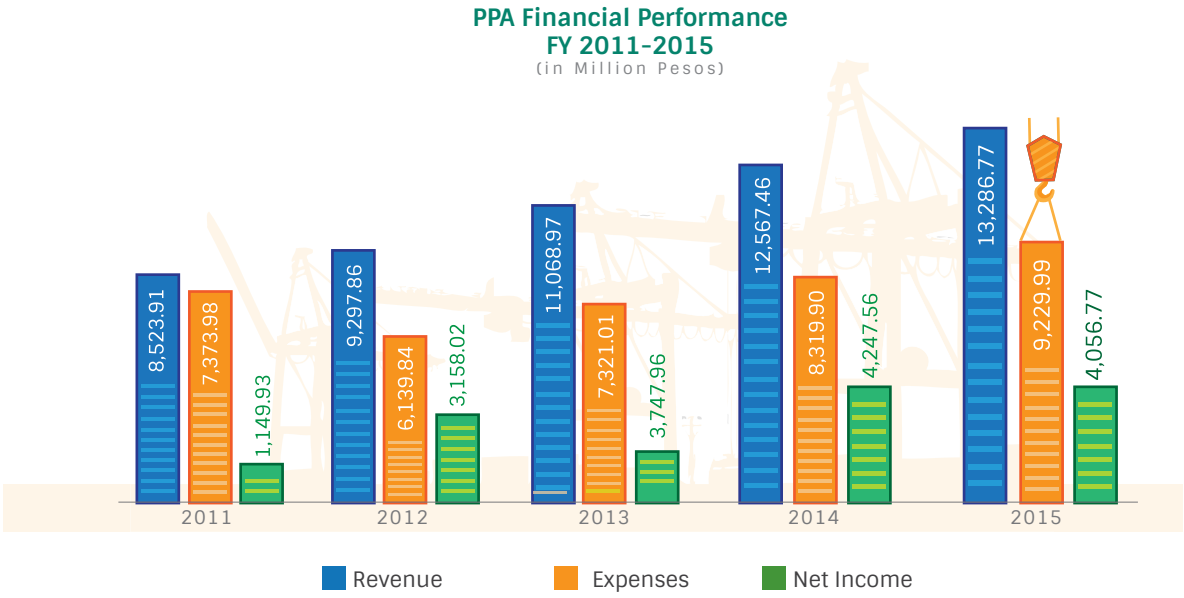
A comparative analysis of expenditures for CY 2015 and 2014 is exhibited below:

	2015 Php'M	2014 Php'M	Increase/(Decrease)		% Share of 2015 Expenses
			Amount Php'M	%	
Operating Expenses					
Personal Services	1,225.21	1,348.52	(123.30)	(9.14)	16.67
Repairs & Maintenance	1,906.70	1,266.52	640.18	50.55	25.95
Dredging Costs	344.98	103.06	241.92	234.74	4.70
Other Administrative Costs	1,278.62	1,348.41	(69.79)	(5.18)	17.40
Depreciation	2,291.67	2,599.63	(307.96)	(11.85)	31.19
Amortization	141.13	141.13	0.00	0.00	1.92
Total Operating Expenses	**7,188.31**	**6,807.26**	**381.05**	**5.60**	**97.83**
Non-Operating Expenses					
Financial Expenses	126.92	277.17	(150.24)	(54.21)	1.73
Other Losses	32.08	31.91	0.17	0.54	0.44
(Gain)/Loss on Sale of Assets	0.49	(1.10)	1.59	(144.64)	0.01
Total Non-Operating Expenses	**159.50**	**307.98**	**(148.48)**	**(48.21)**	**2.17**
Total Expenses	**7,347.81**	**7,115.24**	**232.57**	**3.27**	**100.00**

Net Income

With net increase in expenses from operations activities being lower than the Total Revenue generated during the period, Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA) was established at Php8,531.26 million. EBITDA is a tool used to evaluate the performance of a business before taking into account the impact of financing decisions. Consequently, the Authority's Net Income of Php4,056.77 million, which was arrived at after recognizing Depreciation of Php2,291.67 million, Amortization of Php141.13 million, Non-operating Expenses of Php159.31 million, net effect of losses from revaluation of foreign loans and foreign currency deposit accounts of Php233.73 million, and the Corporate Income Tax of Php1,648.46 million, showed a decline of Php190.79 million (4.49%) over the previous year's net earnings of Php4,247.56 million.

The Authority's financial performance over the last 5 years is exemplified below:



As shown in the graph above, PPA's financial performance remains to be strongly optimistic as signified by the upward trajectory of Gross Earnings during the five-year period, notwithstanding the marginal regression in Net Income for 2015.

	2015 Php'M	2014 Php'M	Increase/ (Decrease)	
			Amount Php'M	%
Assets				
Current Assets	13,870.01	11,407.27	2,462.74	21.59
Non-current Assets	104,286.17	103,125.21	1,160.96	1.13
Total Assets	**118,156.18**	**114,532.48**	**3,623.71**	**3.16**
Liabilities				
Current Liabilities	4,933.81	4,014.02	919.79	22.91
Non-current Liabilities	4,783.24	4,979.14	(195.90)	(3.93)
Total Liabilities	**9,717.05**	**8,993.16**	**723.89**	**8.05**
Equity	**108,439.14**	**105,539.32**	**2,899.82**	**2.75**
Total Liabilities and Equity	**118,156.18**	**114,532.48**	**3,623.71**	**3.16**

FINANCIAL POSITION

Total Assets during the year stood at Php118,156.18 million which relatively increased by Php3,623.71 million (3.16%) primarily as a result of higher Property and Equipment, and higher Prepayments. Property and Equipment continues to hold the largest segment of PPA asset base accounting for 87.37 percent of total assets, representing a sustained level of physical infrastructure and development of major gateways and secondary ports.

The net increase of Php1,235.77 million (1.21%) in Property and Equipment was due primarily to the additional investments in Fixed Assets during the period particularly on Buildings & Other Structures and Land Improvements. From CY 2014 to CY 2015, various port equipment and machineries at the MICT were turned over to the Authority by ICTSI upon the expiration of their contract for the management, operation, and development of MICT.

Also, the completion of various R&M projects which were capitalized and adjusted during the year to comply with the recommendations of the Commission on Audit (COA) likewise contributed to the increase in fixed assets. By the same token, higher Prepayments of Php1,273.17 million (149.40%) were attributed to the transfer of funds to the Philippine International Trading Corporation (PITC) for the procurement of additional Baggage X-Ray Machines and Walkthrough Metal Detectors and for the upgrading of the Vessel Traffic Management System (VTMS).

Meanwhile, Total Liabilities resulted in a net increase of Php723.89 million (8.05%) over the previous year's Php8,993.16 million total payables due mainly to higher trade and business payables incurred in 2015.

The Authority's net worth as of yearend rose to Php108,439.14 million which was Php2,899.82 million or 2.75 percent more than last year's record of Php105,539.32 million. Such net increase in Equity was due primarily to the following:

Net Profit for 2015	Php 4,056.77
Donations Received	82.51
Prior Year's Adjustment	677.40
Dividends Paid (CY 2014)	(1,799.52)
Adjustments in Assets Appraised Values	(0.99)
Cost of Projects transferred to DPWH	(116.36)
Net Increase in Equity	**Php 2,899.82**

DIVIDEND REMITTANCE TO THE NATIONAL GOVERNMENT

Dividends remitted to the Bureau of the Treasury (BTr) amounted to Php2,158.46 million which showed improvement of Php358.95 million (19.95%) compared with the Php1,799.52 million remittance for 2014. Pursuant to Section 5 of Republic Act (R.A.) 7656, the Authority declares and remits to the National Government at least 50 percent of its annual net earnings in either cash, stock, or property dividends. Since its first remittance in 1986, PPA has traditionally remitted in cash the mandatory dividends to the national treasury, having the sustained capability to do so through this mode.

CASH FLOW

The Authority managed to maintain a comfortable level of Cash on Hand and in Banks of Php9,788.66 million as at 31 December 2015, higher by Php437.32 million (5.24%) from the Php8,351.34 million account balance as at 31 December 2014. Net increase in cash, however, fell by Php722.83 million (33.46%) to Php1,437.32 million from the Php2,160.15 million during the immediately preceding year.

The net cash inflow from operating activities, however, diminished by Php108.07 million (1.59%) to Php6,691.98 million over the Php6,800.05 million in 2014 as result of higher cash outlays for operating expenditures.

Net cash outflow from investing activities of Php3,150.88 million grew considerably by Php3,015.24 million (2,223%) compared to the recorded outflows last year of Php135.64 million due primarily to payments for ongoing construction projects.

Inversely, net cash outflow from financing activities shrank by Php2,401.51 million (53.32%) to Php2,102.63 million against the Php4,504.14 million outflows of the previous year as a result of the decline in loan repayments in 2015. Decline in loan repayments represents the continuing ability of the Authority to manage its loan portfolio by successfully meeting loan repayments as they fall due. It is noteworthy to mention that because of fiscal discipline and prudent management of resources, PPA has not once defaulted on its foreign loan obligations.

SUSTAINABILITY, & ENVIRONMENT, & PEOPLE

PORT SAFETY, SECURITY, AND ENVIRONMENT PROTECTION

Implementation of International Ship & Port Facility Security (ISPS) Code

As of end 2015, 102 ports were declared compliant to the ISPS Code (with existing Statement of Compliance of a Port Facility), while 18 other ports have pending application and have already submitted the Port Facility Security Plan/Port Facility Security Assessment required by the Office for Transportation Security (OTS) for evaluation.

To complement the ISPS Code, PPA issued updated guidelines and procedures on the conduct of internal security audit of port facilities and the supervision of private security agencies operating within PPA jurisdiction.

As of end 2015, 12 units of Baggage X-ray Machines (BXM) and 26 units of Walk-Thru Metal Detectors (WTMD) are in actual operation to support PPA's ISPS security compliance. The remaining 30 units BXM and 16 units WTMD are non-operational but are scheduled for either repair/refurbishment/ upgrading or replacement.

Security related cases/incidents handled by the PPA Port Police nationwide reached a total of 833 in 2015.

Vessel Traffic Management System (VTMS)

PPA operates jointly with the Philippine Coast Guard the VTMS Control Center, a state-of-the-art vessel monitoring facility on a 24/7 basis in compliance with the requirements of the International Maritime Organization (IMO) on the Safety of Navigation. Since its installation at designated ports, the VTMS has effectively provided round-the-clock assistance to concerned government agencies on cases involving vessel distress, accidents, piracy, and other security and navigational incidents.

The installation of additional facilities at Davao, Zamboanga, Iloilo, and Dangay (Roxas) will complement the existing VTMS facilities at Batangas, Manila, and Corregidor (Bataan). A total of Php500 million was transferred to the Philippine International Trading Corporation (PITC) which will handle the procurement of new security equipment and additional VTMS at said ports.

Quality Management System (QMS)

Consistent with the government's Quality Management Program per Executive Order No. 605 issued on 23 February 2007, PPA continues to undertake the ISO QMS Certification on Vessel Entrance/Clearance (VEC) at its major gateways and frontline units.

The Ports of Puerto Princesa and Legazpi passed the Stage 2 Certification/External Audits in December 2015. This is the final requirement for the acquisition of ISO 9001:2008 certificate on the Facilitation of Vessel Entrance and Clearance. This will bring to nine (9) the total number of PPA ports with certification as exhibited on the following page:

Name of NGA	Scope of Certification/ Recertification	SItes Covered by the Certification	Date of Issuance of the Certification/ Recertification		Certification/ Recertification Body
PPA	Facilitation of Vessel Entrance Clearance	Port of Batangas	1st Cert: 2nd Cert:	4 June 2011 14 May 2014	TÜV Rheinland
PPA	Facilitation of Vessel Entrance Clearance	Port of Cagayan de Oro	1st Cert: 2nd Cert:	18 July 2012 6 August 2015	TÜV Rheinland
PPA	Facilitation of Vessel Entrance Clearance	Port of Davao	1st Cert: 2nd Cert:	14 June 2013 12-13 November 2015	TÜV Rheinland
PPA	Facilitation of Vessel Entrance Clearance	Port of General Santos	1st Cert: 2nd Cert:	25 June 2013 Procurement Ongoing	TÜV Rheinland
PPA	Facilitation of Vessel Entrance Clearance	Port of Zamboanga	1st Cert: 2nd Cert:	14 May 2014 N/A	TÜV Rheinland
PPA	Facilitation of Vessel Entrance Clearance	Port of Iloilo	1st Cert: 2nd Cert:	29 July 2015 N/A	TÜV Rheinland
PPA	Facilitation of Vessel Entrance Clearance	Port of Ozamiz	1st Cert: 2nd Cert:	6 August 2015 N/A	TÜV Rheinland
PPA	Facilitation of Vessel Entrance Clearance	Port of Legazpi	1st Cert: 2nd Cert:	3-4 December 2015 N/A	AJA Registrar
PPA	Facilitation of Vessel Entrance Clearance	Port of Puerto Princesa	1st Cert: 2nd Cert:	10-11 December 2015 N/A	AJA Registrar

Moreover, the application for ISO QMS certification on core processes for the PPA Head Office is ongoing while the conduct of the training component was already completed in 2015.

Port Safety, Health and Environmental Management System (PSHEMS)

The PSHEMS is a port management system designed to ensure safety in port operations, protection of human life and property, health of port workers, and the protection of the environment. It also integrates the essentials of other international standards such as ISO 9001 (QMS), the ISO 14001 (Environmental Management Systems), and the OHSAS 18001 (Occupational Health and Safety Assessment Series.

The PSHEMS is a tripartite project of the Partnerships in Environmental Management for the Seas (PEMSEA) composed of the Association of Southeast Asian Nations (ASEAN), the ASEAN Ports Association (APA), and the German Technical Cooperation (GTZ).

The Ports of Iloilo and Cagayan de Oro received their Certificates of Recognition from PEMSEA in June 2013 and April 2014, respectively, while audits leading to possible accreditation were conducted on December 2015 at PMO Batangas and PMO SOCSARGEN which have satisfied all the requirements for PSHEMS recognition. The ports of General Santos and Batangas were audited on December 2015 and were recommended for PSHEMS recognition after satisfying all the requirements.

Meanwhile, among the private ports, Shell Philippines Corp. and First Gas Power have complied with the requirements resulting in the renewal of its certification on Environmental Management System (ISO 14001:2004), Occupational Health and Safety Assessment Series (OHSAS 18001:2007), and Quality Management System (ISO 9001:2008) issued by TÜV SÜD Asia Pacific and AJA Registrars Ltd., respectively.

MAINTAINING CORPORATE STRUCTURE

Privatization Initiatives: Existing Passenger Terminal Buildings (PTBs)

Contracts were awarded to the winning bidders for the operation and management of PTBs at the Ports of Dapitan, Dumangas, Basilan, Zamboanga, and Ozamiz (new PTB), while the negotiated contract for the lease and management of the old PTB at Ozamiz was also signed. The BAC has also recommended for award three (3) PTBs in PMO Mindoro.

Community Support Program thru Gender and Development (GAD) Focal Points

Efforts geared towards addressing gender-related issues cited below were undertaken by PPA through its GAD Focal Points:

- Lack of capacity among PPA technical staff to design, implement, and monitor gender-responsive PPA programs;
- Need to highlight the role of women in the homes, offices, society, and country;
- Inadequate support services to address issues on gender;
- Lack of compliance with specifications for gender-sensitive PTB facilities and amenities by PTB operators;
- Lack of PTB operator in new PTBs;
- Lack of comprehensive program for establishing and updating the Sex-Disaggregated Database (SDD);
- Weak/lack of mechanism to deter trafficking in persons in the ports;
- Indifference of society to culture of violence; and,
- Design of new PTBs may not incorporate facilities that are gender-responsive and persons with special need-friendly.

To address these issues, PPA GAD Focal Points in 2015 had accomplished the following:

- Conduct of gender and sensitivity trainings for newly-hired PPA personnel;
- Conduct of GAD training programs on new laws and issuances pertaining to GAD, e.g., PCW, NEDA, DBM Circular and other latest issuances;
- Conduct of various GAD-related forums/seminars on health and wellness for the enhancement/continuing education of personnel;
- Participation in Women's Month Celebration;
- Maintenance and improvement of existing GAD facilities, e.g., GAD center, GAD corner, library, etc.;
- Review of the Terms of Reference for the privatization of the PTB at the Port of Surigao to ensure that the said PTB remains gender-responsive specifically to persons with special needs;
- Implementation of on-the-spot inspections and upkeep of PTBs, port facilities, and Halfway Houses;
- Conduct of dialogues/briefings with the LGUs, cargo handling operators, and PTB operators regarding programs and activities to improve port facilities and services;
- Conduct of training for stakeholders and other concerned individuals on how to deter and handle trafficking of persons using the ports as transit points;
- Conduct of trainings/seminars on Violence Against Women and Children (VAWC);
- Dissemination of anti-VAWC campaign materials; and,
- Review/amendment of the standard design of PTBs and other port facilities based on Surveys conducted.

Human Resource Development Program

In 2015, a total of 3,751 graduates benefited from 334 courses successfully undertaken by PPA in cooperation with various sponsoring institutions. Likewise, a total of 29 non-organic courses conducted by PPA benefited 619 participants from the private port community. These courses focused on various subjects ranging from management, operations, safety, equipment, and maintenance, among others, and also includes those related to Modern Port Management under the UNCTAD TrainforTrade program.

Moreover, 35 courses related to QMS and PSHEMS were implemented and benefitted 903 participants, while 22 GAD-related trainings/workshops were successfully completed for 429 participants from PPA and the private port community. These figures do not include those that were implemented in the outports.

Maintaining Global Ties

PPA is an active member of various international maritime associations such as the International Association of Ports and Harbors (IAPH), International Maritime Organization (IMO), Asia-Pacific Economic Cooperation (APEC), ASEAN Port Authorities (APA), APEC Port Services Network (APSN), Organization for Economic Cooperation and Development (OECD), Permanent International Association of Navigation Congresses (PIANC), and the Brunei-Indonesia-Malaysia-Philippines East Asia Growth Association (BIMP-EAGA), among others. It has closely engaged with its global and regional counterparts through meetings, conferences, policy-making, capacity building, and dialogues on common endeavors related to port facility standards, anti-terrorism, anti-human trafficking, environmental protection, port security and safety, and a host of other common areas of concern.

For the year in review, at total of 141 PPA officials and employees, in their capacity as PPA's official representatives, trainees, and scholars, attended 71 meetings/conferences/forums, technical visits, plant & laboratory inspection/materials testing, and scholarships – in Belgium, United Kingdom, Germany, Portugal, Norway, Sweden, Switzerland, Ireland, Israel, Turkey, USA, Canada, China, Cambodia, Malaysia, Singapore, South Korea, Indonesia, Japan, Thailand, and Vietnam - to tackle common regional and global endeavors, to ensure the quality, integrity and adherence to standards of port equipment acquisition, and to keep abreast with global maritime trends and developments.

PPA also successfully hosted in 2015 two (2) major global events, namely, the 8th Philippine Ports and Shipping Conference and the APEC Port Services Network (APSN) Workshop. The former was held on 12-13 February 2015 at the Manila Peninsula Hotel in Makati and the latter on 9-13 November 2015 at the Radisson Blu Hotel in Cebu City.

Internal Audit Program

In 2015, the Head Office Internal Audit Department together with PMO Internal Control staff conducted a total of 36 audits in various ports nationwide as shown in the accompanying table:

QMS Audits

1. PMO Misamis Oriental/Cagayan de Oro
2. PMO Davao
3. PMO Palawan
4. PMO Zamboanga
5. PMO Bicol
6. PMO Panay/Guimaras
7. PMO Misamis Occidental/Ozamiz
8. PMO Batangas

PSHEMS Recognition/ Renewal/ Maintenance Audit

9. PMO Panay/Guimaras
10. PMO Misamis Oriental/Cagayan de Oro
11. PMO SOCSARGEN
12. PMO Batangas

Management Systems and Contract Compliance of Harbor Pilots

13. Manila Harbor Pilots Company
14. Batangas Harbor Pilots Partnership
15. Legazpi Pilot Harbor Associates
16. Bohol Harbor Pilots Association
17. Masinloc-Sta. Cruz-Sual Harbor Pilots Corp.
18. Iligan Harbor Pilot Association
19. North Panay Pilots Partnership Co.
20. Dumaguete Pilot Association
21. Zamboanga Harbor Pilot Asociates and Co.
22. Cagayan de Oro Harbor Pilot Inc.
23. Palawan Harbor Pilots Co.
24. Tacloban Harbor Pilots Assoc.
25. General Santos Harbor Pilots Multi Purpose Coop.
26. Catbalogan Harbor Pilots Assoc.
27. Iloilo Harbor Pilot Assoc. and Co.
28. Butuan Nasipit Harbor Pilot Services Co.
29. Surigao Maasin-Bislig Harbor Pilot Assoc.
30. Quezon Harbor Pilots Co., Inc.
31. Aparri Harbor Pilots
32. San Fernando Pilots Assoc. Co.
33. Davao Pilots, Inc.

Management Systems and Contract Compliance of the Permitees and Lessees to PTO/PTOc

34. PMO Panay/Guimaras
35. PMO Batangas
36. PMO Misamis Oriental/Cagayan de Oro

MIS Computerization

Three years since taking over the responsibility for resolving implementation issues under the MIS Computerization Project, PPA continues to further improve system performance for major computerized components. System utilization is determined at 100 percent.

For the e-Payment System, only one (1) of the 5 e-Payment gateway providers was able to comply with the system requirements of PPA. Under existing procurement laws, however, only one of them will end up as winning bidder. The Board, however, has directed PPA to allow more than one e-Payment gateway providers in ports where the system will be implemented, i.e. ports that can support on-line systems such as baseports. To comply with the Board directive, PPA is studying the system of accreditation of service providers to establish whether it is consistent with existing procurement guidelines. If legally feasible, the system will be pilot-tested in 2016.

On e-Permit Management System, roll-out was completed for PMOs Batangas, Western Leyte/Biliran, Misamis Oriental/Cagayan de Oro, Bohol, Palawan, and Panay/Guimaras. The remaining PMOs are expected to complete their roll-out activities by 2016.

PPA Rationalization (RatPlan)

On March 25, 2014, GCG has approved the PPA Rationalization Plan per Memorandum Order No. 2014-10. This involves the approval 298 organizational units of the PPA, the filling-up of 3,151 positions and the abolition of the five (5) Port District Offices.

The PPA RatPlan will be completed through a staggered filling-up plan to be implemented over a period of five (5) years or until 2018. The PPA is authorized to fill 25 percent of its vacant positions every year subject to placement guidelines of the Civil Service Commission (CSC). It shall also adopt and offer the retirement and separation package for the affected personnel as stipulated under Executive Order Nos. 366-2004 and 77-2012.

As of December 31, 2015, PPA personnel totalled 1,814 with 1,407 assigned at the outports and 407 stationed at the Head Office. Since its implementation, some 514 personnel were promoted and/or transferred to new work stations. This figure also includes newly hired personnel. PPA also outsourced a total of 1,112 personnel to augment the present PPA manpower complement.

Corporate Governance

On October 08, 2015, the GCG issued Memorandum Circular 2015-07 establishing within the GOCC sector covered by RA 10149 (GOCC Governance Act of 2011) a Corporate Governance Scorecard (CGS). The CGS for GOCCs was developed using a methodology benchmarked against the Principles of Corporate Governance of the Organization for Economic Co-operation and Development (OECD) and the ASEAN Corporate Governance Scorecard. The CGS, as a quantitatively-driven evaluation tool, aims to annually assess the Corporate Governance performance of GOCCs and recognize well-governed GOCCs; identify and assess the latter's strengths and weaknesses compared to existing corporate governance provisions and level of adherence to best practices and international standards of corporate governance; and, ensure improvement of transparency of GOCCs' corporate governance initiatives and practices.

The CGS assesses each GOCC's governance policies and practices on the basis of three main parameters: (1) Stakeholder Relationships (15%): (2) Disclosure and Transparency (35%); and, (3) Responsibilities of the Board (50%). The biggest point score assigned to the last parameter is based on the underlying premise that the GOCCs' governing boards is expected to competently carry out their functions, fully accountable to and always acting for the best interest of the State as its fiduciary.

The first released CGS results for 2014 shows the PPA complying with good governance conditions and ranking 33rd out of 90 GOCCs that were assessed and 2nd out of 18 GOCCs classified under the Utilities & Communications Sector . PPA scored well in terms of Stakeholder Relationship and Disclosure and Transparency and is aiming to deliver a much improved performance in terms of the last parameter – Responsibilities of the Board.

Moreover, PPA is in the process of complying with the whistle-blowing policy and procedures as prescribed by GCG. This is consistent with the high standards of corporate governance, promoting transparency in the internal and external workings of the Authority.

Port Users Needs and Satisfaction Survey

The PPA, in partnership with the technical service provider, Development Academy of the Philippines (DAP), has conducted the 3rd Port Users Needs and Satisfaction Survey (PUNSS 3) this year. The said survey was implemented for eight (8) months covering all baseports.

The PUNSS was first initiated in 2002, also in partnership with DAP, as a tool to gather customers' perception on the organization's services and facilities. It provided the PPA with benchmarks on customer service so these can be translated to improved services and facilities. The PUNSS 2, on the other hand, was conducted in 2003 by the University of the Philippines Statistical Center.

The conduct of customer satisfaction surveys through an external party is actually one of the requirements of the GCG for GOCCs' compliance with good governance conditions per Memorandum Circular No. 2013-02.

Based on the Draft Final Report submitted by DAP, PPA attained a rating of 3.92 which is above the minimum requirement of 3.50 (Satisfactory).

INCOMING
GENERAL MANAGER

Atty. Jay Daniel R. Santiago was recently appointed by President Rodrigo Roa Duterte as General Manager of the Philippine Ports Authority (PPA) on 01 July 2016.

Prior to his present post at PPA, GM Santiago was Senior Managing Partner of the law firm of Feria Tantoco Robeniol Santiago specializing in corporate and commercial law, banking and finance, securities regulation, telecommunications and new technologies, tax, immigration, general business advisory, and special projects.

GM Santiago's previous government stint was at the Philippine Amusement and Gaming Corporation or PAGCOR where he served as Vice-President, Chief Legal Counsel, and Corporate Secretary. He had extensive practice in gaming laws and regulations as well as government biddings and procurement.

GM Santiago graduated with degrees in Bachelor of Arts in Humanities and Bachelor of Laws from the University of the Philippines.

OUR LEADERS
BOARD OF DIRECTORS

JOSEPH EMILIO A. ABAYA
Chairman/Secretary
Department of Transportation and Communications

Academic Qualifications:
- Juris Doctor, Ateneo de Manila University School of Law
- Master of Engineering in Electrical Engineering, Cornell University, Ithaca, New York, USA, 1990
- Bachelor of Science in Electrical Engineering, University of the Philippines, Diliman, Quezon City
- Philippine Military Academy, Class 1988
- Bachelor of Science in Mathematics, US Naval Academy, Annapolis, Maryland, USA, 1988

Professional Qualifications:
Government Posts
- Congressman, First District of Cavite
- Lieutenant Commander, Philippine Navy
- Aide-de-Camp of Former President Corazon Aquino
- Operations Officer, BRP Bacolod City (LC-550)
- Engineering Officer, BRP Negros Occidental (PS-29)
- Deck and Gunnery Officer, BRP Ang Pangulo (AT-25)
- Presidential Services Officer, BRP Ang Pangulo (AT-25)
- Mess and Supply Officer, BRP Ang Pangulo (AT-25)

Other Positions Held
- Legal Assistant, Abaya and Elias Law Offices

JUAN C. STA. ANA
Vice-Chairman/
General Manager
Philippine Ports Authority

Academic Qualifications:
- Master of Business Economics, University of Asia and the Pacific
- Bachelor of Laws, Ateneo de Manila University
- Earned a Bachelor's Degree at the Colegio de San Juan de Letran

Professional Qualifications:
Government Posts
- Member of the Board of Philippine National Lines, Philippine National Railway, Toll Regulatory Board and the Maritime Industry Authority
- Corporate Board Secretary to the Manila International Airport Authority, Philippine National Line, Philippine National Railway, Toll Regulatory Board and the Maritime Industry Authority
- Executive Director of the Office of Transportation Cooperatives under the Department of Transportation and Communications
- Division Manager of the Regulatory and Legal Affairs Division and later as Manager of the Port Operations and Services Department, Port District Manager of PDO Manila, Acting Assistant General Manager for Operations - PPA
- Project Officer & Coordinator of the Human Settlements Regulatory Commission

Other Positions Held
- Sr. Vice-President of F.F. Cruz & Co., Inc.
- Executive Vice-President of F.F. Maritime Corp.
- Vice-President, F.F. Shipping Corp.
- Vice-President, Freyssinet Filipinas, Inc.
- Vice-President, Filmetrics Corp.
- Vice-President, Philipps Technical Consultants Corp.
- President, Forex Hongkong, Forex Britania, Ltc., Forex Singapura
- President Sta. Ana Aggregates Corp

GREGORY L. DOMINGO
Secretary
Department of Trade and Industry

Academic Qualifications:
- Master of Science in Operations Research, Wharton School – University of Pennsylvania
- Master of Business Administration, Asian Institute of Management
- Bachelor of Science in Management Engineering, Ateneo de Manila University

Professional Qualifications:
Government Posts
- Undersecretary, Industry and Investment Group, Department of Trade and Industry
- Managing Head, Board of Investments

Other Positions Held
- President, Carmelray – JTCI Corp. (CJC)
- Served as Managing Director, Head of Portfolio Manager, and Treasurer, Chase Manhattan Bank
- Managing Director, Chemical Bank in New York
- Started out in various financial institutions in the United States – First Boston, Drexel Burnham Lambert, and Mellon Bank)
- Vice-Chairman and Director, Belle Corporation
- Chairman, Outsource2Philippines Inc.
- Chairman and Member, Philippine Advisory Board of Epixtar Corp.
- Served as Director, SM Investments Corp., BDO Private Bank, PASUDECO, Manila Electric Corp., Pico de Loro Beach and Country Club, Wharton-Penn Club, and Foreign Exchange Association of the Philippines (BAP)

CESAR V. PURISIMA
Secretary
Department of Finance

Academic Qualifications:
- Doctor of Humanities, Honoris Causa, Angeles University
- Master of Business Administration, JL Kellogg Graduate School of Management
- Bachelor of Science in Accounting and Management of Financial Institutions, De La Salle University

Professional Qualifications:
Government Posts
- Secretary, Department of Finance, 2005
- Secretary, Department of Trade and Industry, 2004-2005

Other Positions Held
- Chairman and Managing Partner, Sycip, Gores and Velayo (SGV) & Co.
- Member, Board of Trustees, Makati Business Club
- Independent Director, Alterra Capital Partners, Inc.
- Director, Benguet Corp.
- Director, Integrated Microelectronics, Inc.

RAMON J.P. PAJE
Secretary
Department of Environment and Natural Resources

Academic Qualifications:
- Doctor of Public Administration, University of the Philippines
- Master of Arts in Urban and Regional Planning, University of the Philippines
- Bachelor of Science in Forestry, University of the Philippines
- Certificate on Environmental Economics and Policy Analysis, Harvard University
- Diploma on Human Resources Development and Management, Australian National University

Professional Qualifications:
Government Posts
- Undersecretary for Forestry, Department of Environment and Natural Resources
- Undersecretary for Field Operations, Department of Environment and Natural Resources
- Undersecretary for Environment and Natural Resources Operations, Department of Environment and Natural Resources
- Undersecretary for Policy and Technical Services, Department of Environment and Natural Resources
- Undersecretary, Environment and Programs Development, Department of Environment and Natural Resources
- Assistant Secretary for Management Service, Department of Environment and Natural Resources
- Director for Human Resource Development Service, Department of Environment and Natural Resources
- Junior Forester, Bureau of Forest Development (now Forest Management Bureau)

ROGELIO L. SINGSON
Secretary
Department of Public Works and Highways

Academic Qualifications:
- Master of Public and Business Management, De La Salle University
- Bachelor of Science in Industrial Engineering, University of the Philippines

Professional Qualifications:
Government Posts
- Chairman and President, Bases Conversion and Development Authority
- Chairman, John Hay Poro point Development Corporation
- Chairman, North Luzon Railways Corporation
- Director, Clark Development Corporation
- Director, Clark International Airport Corporation
- Director, Fort Bonifacio Development Corporation
- Member of the Board, Subic Bay Metropolitan Authority
- Member of the Board, National Power Corporation
- Member of the Board, Metropolitan Waterworks & Sewerage System
- Executive Director, Coordinating Council of the Philippine Assistance Program
- Assistant Cabinet Secretary, Office of the President, 1987-1991

Other Positions Held
- President and Chief Executive Officer, Maynilad Water Services, Inc.
- Sr. Vice-President for Business Development, Citadel holdings, Inc.
- Director, Metro Pacific Investments Corporation
- Director, Clark Development Corporation

ARSENIO M. BALISACAN
Director-General
National Economic and Development Authority

Academic Qualifications:
- Doctor of Philosophy in Economics, University of the Philippines
- Bachelor of Science in Agriculture, Mariano Marcos State University

Professional Qualifications:
Government Posts
- Dean and Professor, School of Economics, University of the Philippines
- Executive Director, Philippine Center for Economic Development
- Undersecretary, Policy, Planning, and Research, Department of Agriculture

Other Positions Held
- Director, Southeast Asian regional Center for Graduate Study & Research in Agriculture (SEARCA)
- President, Human Development Network
- Professor, Australian National University
- Research Fellow, East-West Center
- Economist, World Bank

MAXIMO Q. MEJIA, JR.
Administrator
Maritime Industry Authority

Academic Qualifications:
- Doctor of Philosophy, Lund University
- Master of Arts in Law and Diplomacy, Fletcher School, Tufts University
- Master of Science in Maritime Safety Administration, World Maritime University
- Earned Bachelor of Science at the United States Naval Academy

Professional Qualifications:
Government Posts
- Commissioned Officer in the Philippine Navy and Philippine Coast Guard
- Among his notable assignments were Deputy Executive Director, Assistant Chief of Staff for Navigational Safety, CG-10, Station Commander of Coast Guard Station-Iligan, and Commanding Officer of Port State Control Manila

Other Positions Held
- Professor and Head of Maritime Law and Policy Program, World Maritime University
- Exchange Professor, United States Coast Guard Academy

APOLLO S. ENRIQUEZ
Private Sector Representative

Academic Qualifications:
- Master of Engineering, Asian Institute of Technology
- Bachelor of Science in Civil Engineering, University of the Visayas

Professional Qualifications:
Government Posts
- Chairman, Board of Civil Engineering, Professional Regulation Commission, 2009 to present
- Member, Board of Civil Engineering, Professional Regulation Commission, 2002-2009

Other Positions Held
- Director, Confederation of Filipino Consulting Organizations, Inc. (COFILCO)
- Vice-President, Construction Project Management Association of the Philippines (CPMAP)
- Vice-President, Association of Consulting Civil Engineers of the Philippines (ACCEP)
- Director, Urban Conservation Resource Center
- President/General Manager, AS Enriquez Consultancy
- Director, Mindanao Dream Ventures
- Board of Trustee, Cebu Chamber of Commerce and Industry (CCCI)

HECTOR E. MIOLE
Corporate Board Secretary
Philippine Ports Authority

Academic Qualifications:
- Master in Port Management and Harbor Administration, State University Center, Antwerp, Belgium
- Certificate in Business Economics, University of Asia and the Pacific

Professional Qualifications:
Government Posts
- Assistant to the General Manager for Special Projects
- Department Manager, Port Management Systems and Organization Development Department
- Designated in a concurrent capacity as Corporate Board Secretary, Cagayan Economic Zone Authority (CEZA)
- Port District Manager of Luzon
- Served as Port Manager of Zamboanga, Surigao, Cagayan de Oro, and General Santos and was even designated as Superintendent of the Port Police Department

PPA ALTERNATE BOARD MEMBERS, OBSERVERS, AND TECHNICAL WORKING GROUP

ALTERNATE BOARD MEMBERS

JULIANITO G. BUCAYAN, JR.
Undersecretary for Project Implementation & Special Concern
Department of Transportation and Communications

KENNETH V. TANATE
Assistant Director-General
National Economic and Development Authority

VICTORIO MARIO A. DIMAGIBA
Undersecretary for Consumer Protection Group
Department of Trade and Industry

ALBERTO D. LINA
Commissioner
Department of Finance - Bureau of Customs

ROMEO S. MOMO
Undersecretary for Regional Operations
Department of Public Works and Highways

ERNESTO D. ADOBO, JR.
Undersecretary for Administration and Information Systems
Department of Environment and Natural Resources

BOARD TECHNICAL WORKING GROUP

JONATHAN B. TARIMAN
Department of Transportation and Communications

ATTY. ANGELITO G. URSABIA
Department of Finance - Bureau of Customs

ENGR. ABDULFATAK S. PANDAPATAN
Department of Public Works and Highways

EMMA A. PANOPIO
Department of Trade and Industry

ATTY. ANSELMO C. ABUNGAN †
Department of Environment and Natural Resources

PABLITO M. ABELLERA
National Economic and Development Authority

ATTY. GLORIA J. VICTORIA-BAÑAS
Maritime Industry Authority

ATTY. MA. SUSANA B. GARCIA
Office of the Government Corporate Counsel

EVANGELINE D. SALAZAR
Private Sector

OBSERVERS

JUSTICE ELPIDIO J. VEGA
Office of the Government Corporate Counsel

JUDGE ROY CHRISTIAN L. MALLARI
Office of the Government Corporate Counsel

REAR ADMIRAL RODOLFO D. ISORENA
Philippine Coast Guard

OUR LEADERS

EXECUTIVE OFFICERS

Juan C. Sta. Ana
General Manager

Raul T. Santos
Asst. General Manager, Operations

Tomas B. Carlos
Asst. General Manager, Engineering

Armando L. Guzman
Asst. General Manager, Finance & Administration

Hector E. Miole
Asst. to the General Manager for Special Projects, and Corporate Board Secretary

PORT MANAGEMENT OFFICE MANAGERS

Manila/Northern Luzon PMOs

PMO NCR South	Francisquiel O. Mancile
PMO NCR North	Clarissa S. Ignacio
PMO Northern Luzon	Marietta G. Odicta
PMO Bataan/Aurora	German P. Tuguigui

Southern Luzon PMOs

PMO Batangas	Leopoldo C. Biscocho, Jr.
PMO Bicol	Fernando B. Claveria
PMO Palawan	Jose Cesario O. Bautista
PMO Mindoro	Annie Lee F. Manese
PMO Marinduque/Quezon	Marcelino D. Manatad, Jr.
PMO Masbate	Fernando B. Claveria (concurrent)

Northern Mindanao PMOs

PMO Misamis Oriental/ Cagayan de Oro	Isidro V. Butaslac, Jr.
PMO Lanao Del Norte/Iligan	Necitas G. Layola, Jr.
PMO Agusan	Carmelito Fabian C. Abitona
PMO Surigao	Mildred J. Padilla
PMO Misamis Occidental/ Ozamiz	Noeme W. Calderon

Visayas PMOs

PMO Negros Oriental/Siquijor	Sarah R. Mijares
PMO Panay/Guimaras	Rosenda G. Sumagaysay
PMO Eastern Leyte/Samar	Dominador D. Licayan
PMO Negros Occidental/ Bacolod/Banago/BREDCO	Enrique H. Fuentebaja
PMO Western Leyte/Biliran	Manuel A. Boholano
PMO Bohol	James J. Gantalao

Southern Mindanao PMOs

PMO Davao	Leonilo E. Miole
PMO SOCSARGEN	Luis A. Cuison
PMO Cotabato	Asterio C. Gallardo, Jr.
PMO Zamboanga Del Norte	Roseller T. Deloria
PMO Zamboanga	Liberto C. Dela Rosa

DEPARTMENT MANAGER

Office of the General Manager

Internal Audit Dept.	Venicius V. Villaseñor
Legal Services Dept.	Ma. Asuncion Hiyasmin H. De Los Santos
Information and Communications Technology Dept.	Elizabeth C. Follosco
Port Management Systems & Organization Development Dept.	Hector E. Miole
Corporate Planning Dept.	Amelia M. Aquino
Corporate Board Secretary	Hector E. Miole (concurrent)

Operations Office

Port Operations & Services Dept.	Roberto C. Aquino
Commercial Services Dept.	Emma L. Susara
PPA Training Institute	Marjorie R. Rola
Port Police Dept.	Armando L. Guzman (concurrent)

Engineering Services Office

Port Construction & Maintenance Dept.	Carlito M. Castillo
Dredging and Survey Dept.	Rolando K. Perez
Port Planning and Design Dept.	Reynand C. Parafina

Finance & Administration Office

Controllership Dept.	Virginia S. Valero
Treasury Dept.	Remedios D. Vercasi
Human Resource Management Dept.	Lilian T. Javier
Administrative Services Dept.	Antonio C. Ignacio, Jr.

PPA POLICY ISSUANCES FOR CY 2015

As part of its regulatory function, PPA issued new rules and regulations, and reviewed/updated some of the existing policies to keep its operation aligned with the thrusts and priorities of the national government and current business trends and best practices in the water transport industry. It also issued a number of circulars and internal regulations aimed at enhancing organizational efficiency.

PPA Memorandum Circulars

001-2015	Dated January 27, 2015 re: Passenger Terminal Fees at the Ports of Negros Oriental/Siquijor
002-2015	Dated March 3, 2015 re: Amendments to PPA Memorandum Circular No. 07-97 and Item 3.2 of PPA Administrative Order No. 072013 on the Ancillary Services Permit and Regulatory Fees
003-2015	Dated March 19, 2015 re: Guidelines in the Preparation of Gender and Development (GAD) Plans and Budget for CY 2015 and Accomplishment Reports
004-2015	Dated April 17, 2015 re: Forced Ranking of Personnel for the Grant of Performance Based Bonus
005-2015	Dated May 8, 2015 re: Strategic Performance Management System v.4
006-2015	Dated May 21, 2015 re: Implementation of PPA Quality Management System (QMS) on Facilitation of Vessel Entrance and Clearance Processes (Legazpi)
007-2015	Dated June 8, 2015 re: Implementation of PPA Quality Management System (QMS) on Facilitation of Vessel Entrance and Clearance Processes (Puerto Princesa)
008-2015	Dated August 17, 2015 re: Amendments to PPA MC No. 31-2002 re: Revised Guidelines in the Evaluation and Monitoring of Audit Reports and Clarifying Audit Coordinative Linkages
009-2015	Dated August 20, 2015 re: Amendment to PPA MC No. 05-2014 re: Provisional Changes in the Present Revised Delegation of Authority
010-2015	Dated August 24, 2015 re: Approved Cargo Increase in Cargo Handling Charges at the Baseport of Cagayan de Oro
011-2015	Dated August 27, 2015 re: Port Safety, Health and Environmental Management System (PSHEMS) Project at the Port of Batangas
012-2015	Dated September 3, 2015 re: Port Safety, Health and Environmental Management System (PSHEMS) Project at the PMO Socsargen
013-2015	Dated September 14, 2015 re: 2015 National Maritime Week Celebration
014-2015	Dated November 26, 2015 re: Upward Adjustment for Cost-Recovery on Vessel and Cargo Charges and Other Related Handling Charges for Foreign Containerized and Non-Containerized Cargoes at South Harbor and MICT
015-2015	Dated November 26, 2015 re: Amended Guidelines on Decentralized Revolving Fund Payment Scheme

PPA Operations Memorandum Circular

001-2015	Dated January 6, 2015 re: Approved Eight Percent (8%) Additional Increase in Cargo Handling (CH) Tariff at the Manila North Harbor
003-2015	Dated August 27, 2015 re: Bagging/Rebagging Operations of Bulk Cargoes
004-2015	Dated December 4, 2015 re: Revised Schedule of Cargo Handling Tariff at South Harbor and MICT

PPA Memorandum Order

001-2015	Dated February 13, 2015 re: Establishment of an Extension Training Facility at the PPA Training Institute at the Former PDO-Visayas Admin Building and the Designation of a Temporary Personnel Complement Thereat
003-2015	Dated February 18, 2015 re: Guidelines and Procedures on the Conduct of Internal Security Audit of Port Facilities
014-2015	Dated October 05, 2015 re: Guidelines on the Management of Funds for DOTC Tourism and Social Reform Related Ports for Implementation by PPA

PPA Administrative Order

001-2015	Dated February 20, 2015 re: Modification of Section IV.2 and Section V.1.1 of PPA Administrative Order No. 44-2009 re: Revised General Pass Control System and Access Regulations
002-2015	Dated March 18, 2015 re: Amendment to PPA Administrative Order No. 03-2013 re: Simplification on Procedures in the Issuance of Private Port Permits
003-2015	Dated March 20, 2015 re: Amendment to PPA Administrative Order No. 05-2014 Pertaining to the Composition of BAC and COSEC for Cargo Handling
004-2015	Dated March 20, 2015 re: Amendment to PPA Administrative Order No. 06-2014 Pertaining to the Composition of BAC for PTB Operations
005-2015	Dated March 20, 2015 re: Amendment to PPA Administrative Order No. 07-2014 Pertaining to the Composition of BAC for Ro-Ro Services
009-2015	Dated Dec. 29, 2015 re: Expanding the Jurisdiction of Iloilo Pilotage District to Include the Port of Conception
007-2015	Dated Dec. 21, 2015 re: Guidelines on the Implementation of the PPA Orange Book on Safety, Health, Environmental Management and Handling of Dangerous Goods in Ports
008-2015	Dated Dec. 21, 2015 re: Regulation on Compulsory Tug Assistance at the Baseport of Surigao and Other Government Ports within the Jurisdiction of PMO-Surigao

LOCALLY-FUNDED PROJECTS for 2015

(Carry-Over & New Projects)
Head Office-implemented
Status as of December 2015, in pesos

	Port/Location	Implementing Office	Project Description	Date Started	Completion/ Target	Project Cost/ Contract Amount	Status
	PMO Northern Luzon						
1	Basco, Batanes	HO	Construction of Back-up Area & Extension of Pier	Dec 10 2013	Mar 10 2015	97,436,150.94	Completed
2	Currimao, Ilocos Norte	HO	Rehabilitation/Upgrading & Extension of RC Pier	Dec 10 2013	Jul 2 2015	120,439,884.84	Completed
	PMO Batangas						
3	Ambulong, Romblon	HO	Construction of Back-up Area (RC Platform)	Dec 3 2014	Jun 5 2015	18,679,323.68	Completed
	PMO Marquez						
4	Balanacan, Mariinduque	HO	Construction of RC Wharf, Roro Ramp and Back-up Area	Jul 9 2014	Dec 25 2015	76,661,582.16	Ongoing-95.899%
5	Lucena, Lucena City	HO	Construction of Breakwater	Nov 4 2015	Mar 27 2017	240,885,746.22	Ongoing-7.776%
	PMO Mindoro						
6	Balatero, Puerto Gal., Or. Min.	HO	Construction of Back-up Area, PTB and RORO Ramp	Feb 20 2015	Apr 14 2016	82,834,616.08	Ongoing- 47.012%
7	Bulalacao, Oriental Mindoro	HO	Port Expansion Project	Feb 5 2015	Mar 30 2016	108,606,056.68	Ongoing-61.608%
8	Calapan, Oriental Mindoro	HO	Construction of Passenger Terminal Building	Jun 15 2015	Jun 9 2016	53,878,873.85	Ongoing-31.011%
9	Calapan, Oriental Mindoro	HO	Construction of Port Operations Building	Aug 5 2015	Jul 29 2016	51,328,888.00	Ongoing-30.197%
10	Calapan, Oriental Mindoro	HO	Construction of Back-up Area & Fastcraft Pier	Sept 11 2015	Jan 2 2017	183,522,920.47	Ongoing-26.233%
11	Mansalay, Oriental Mindoro	HO	Widening of Causeway, Construction of RORO Ramp & RC Platform	Jan 27 2015	Dec 15 2015	25,707,228.02	Completed
12	San Jose, Caminawit, Occ. Min.	HO	Port Expansion Project	Jan 10 2014	Oct 28 2015	117,812,269.00	Ongoing-95.509%
	PMO Masbate						
13	Esperanza, Masbate	HO	Proposed Expansion/Improvement Project	Mar 25 2015	Dec 26 2015	29,709,815.70	Completed
	PMO Bicol						
14	Castilla, Sorsogon	HO	Port Expansion Project				For submission of docs
15	Legazpi, Albay	HO	Rehabilitation/Upgrading of Damaged Wharf	Aug 24 2015	Dec 15 2016	154,701,297.82	Ongoing-21.807%
16	Matnog, Sorsogon	HO	Port Expansion & Upgrading Project				For bidding
17	Sorsogon, Sorsogon City	HO	Port Expansion Project	Mar 11 2015	Mar 4 2016	100,169,359.33	Ongoing-74.783%
18	Tabaco, Tabaco City	HO	RC Wharf Extenstion and Construction of Back-up Area	Aug 21 2014	Aug 1 2016	97,510,725.52	Ongoing-66.775%
19	Tabaco, Tabaco City	HO	Rehabilitation/Upgrading of Damaged Wharf	Jul 31 2015	Nov 21 2016	192,588,909.00	Ongoing-3.018%
20	Virac, Catanduanes	HO	Construction of Back-up Area	Sept 16 2015	Jul 11 2016	51,176,243.40	Ongoing-32.674%
	PMO Puerto Princesa						
21	Puerto Princesa, Palawan	HO	Cosntruction of Back-up Area	Feb 3 2015	Mar 28 2016	199,988,098.58	Ongoing-87.867%
22	Puerto Princesa, Palawan	HO	Port Expansion Project	Aug 17 2015	Dec 8 2016	309,388,778.31	Ongoing-64.483%
					Luzon Ports	**2,313,026,767.60**	
	PMO Negros Occidental/Bacolod/Banago-BREDCO						
23	Tandayag, Negros Occidental	HO	Port Improvement Project	Aug 18 2014	Oct 7 2015	37,000,070.73	Ongoing-84.336%
	PMO Negros Oriental/Siquijor						
24	Larena, Siquijor	HO	Port Expansion Project	Sept 16 2015	Mar 8 2017	157,022,007.61	Ongoing-30.229%
25	Siaton, Negros Oriental	HO	Port Improvement Project	Sept 22 2015	June 17 2016	45,331,608.26	Ongoing-19.370%
	PMO Panay/Guimaras						
26	Alegria, Buruanga, Aklan	HO	Port Expansion Project	Mar 30 2015	Feb 22 2016	56,200,000.00	Ongoing-46.553%
27	Culasi, Roxas City	HO	Removal of Existing RC Pier and Expansion of Back-up Area	Dec 9 2014	Sept 30 2015	37,992,864.25	Completed
28	Culasi, Roxas City	HO	Widening of RC Wharf and Relocation of Roro Ramp	Jul 31 2015	Nov 21 2016	145,467,052.00	Ongoing-36.340%
29	Dumangas, Iloilo	HO	Port Expansion Project	Jan 22 2015	Feb 8 2016	110,800,000.00	Ongoing-86.910%
30	Iloilo Commercial Port Complex, Iloilo City	HO	Extension of RC Wharf	Feb 9 2015	Aug 31 2016	271,600,397.99	Ongoing-86.145%
	PMO Western/Southern Leyte						
31	Baybay, Leyte	HO	Construction of Back-up Area and RC Pier Extension	Jul 28 2015	Jul 21 2016	77,369,025.69	Ongoing-39.015%
32	Ormoc, Leyte	HO	Removal of Existing Roro Ramp and Widening of RC Pier	Jan 27 2015	Jan 21 2016	60,362,289.50	Suspended-4.463%
33	Guadalupe, Maasin City	HO	Port Development Project (Causeway, R.C. Trestle, Roro Ramp & Breasting Dolphin, Port Lighting System)	Sept 4 2013	Oct 15 2015	60,677,344.64	Completed
	PMO Eastern Leyte/Samar						
34	Maguino-o, Samar	HO	Port Improvement Project	Dec 8 2014	Dec 11 2015	39,905,390.38	Ongoing-84.988%
35	Tacloban, Tacloban City	HO	Port Improvement/Rehabilitation, Phase 2	Feb 25 2014	Jun 15 2015	235,443,743.73	Completed
36	Tacloban, Tacloban City	HO	Port Improvement/Rehabilitation, Phase 3	May 6 2015	Oct 26 2016	375,296,970.51	Ongoing-73.627%

	Port/Location	Implementing Office	Project Description	Date Started	Completion/ Target	Project Cost/ Contract Amount	Status
	PMO Bohol						
37	Jagna, Bohol	HO	Construction of Roro Ramp, RC Platform and Back-up Area	May 26 2015	May 19 2016	91,580,791.12	Ongoing-95.090%
38	Tagbilaran, Bohol	HO	Construction of Passenger Terminal Building	Aug 18 2014	Sept 7 2015	58,910,382.27	Completed
39	Tagbilaran, Bohol	HO	Construction of Administration Building	Apr 24 2015	May 17 2016	53,267,968.00	Ongoing-60.497%
40	Tagbilaran, Bohol	HO	Construction of Back-up Area w/ Roro Ramp-on-fill				For bidding
41	Talibon, Bohol	HO	Extension of Back-up Area & Construction of Passenger Terminal Building	Apr 9 2014	Aug 10 2015	60,247,259.28	Completed
42	Tapal, Ubay, Bohol	HO	Port Expansion Project	Nov 3 2015	Nov 26 2016	76,685,241.83	Ongoing-13.255%
43	Tubigon, Bohol	HO	Port Expansion Project	Jul 17 2015	Jan 6 2017	206,421,785.88	Ongoing-6.390%
					Visayas Ports	**2,257,582,193.67**	
	PMO Misamis Oriental/Cagayan de Oro						
44	Balingoan, Misamis Oriental	HO	Rehabilitation/Upgrading of RC Pier	Dec 27 2013	Jan 4 2015	23,046,848.64	Completed
45	Cagayan de Oro, Cagayan	HO	Construction of one (1) storey Passenger Terminal Bldg.				Bidding postponed until further notice
46	Cagayan de Oro, Cagayan	HO	Wharf Extension	Feb 3 2015	Nov 29 2015	58,675,045.71	Completed
47	Jasaan, Misamis Oriental	HO	Port Development Project	Sept 17 2015	Aug 11 2016	67,055,808.53	Ongoing-5.084%
	PMO Lanao del Norte/Iligan						
48	Iligan, Lanao del Norte	HO	Construction of Transit Shed	Apr 7 2014	Mar 10 2015	34,161,755.68	Completed
49	Iligan, Lanao del Norte	HO	Construction of Alternate Access Road	Nov 12 2015	Jan 4 2017	115,596,431.05	Ongoing-10.404%
	PMO Misamis Occidental/Ozamiz						
50	Ozamis, Misamis Occidental	HO	Construction of Transit Shed	Mar 19 2014	Mar 25 2015	30,777,685.95	Completed
51	Plaridel, Misamis Occidental	HO	Port Improvement	Apr 2 2015	Mar 26 2016	92,903,436.45	Ongoing-78.336%
	PMO Surigao						
52	Aras-Asan, Surigao del Sur	HO	Port Improvement Project	June 23 2014	June 21 2015	73,389,675.00	Completed
53	Dapa, Surigao del Norte	HO	Construction of Back-up Area, Roro Ramp, Site Development & Cargo Shed	July 14 2014	May 7 2016	45,531,105.71	Ongoing-44.717%
54	Hayanggabon, Claver, Surigao DN	HO	Port Development Project	Jul 15 2015	May 9 2016	65,412,846.27	Ongoing-68.351%
55	San Jose, Dinagat Island	HO	Port Improvement Project	June 23 2015	Apr 17 2016	41,415,919.33	Ongoing-67.640%
56	Surigao, Surigao del Norte	HO	Port Improvement Project	Mar 17 2015	June 8 2016	182,099,984.36	Ongoing-68.007%
	PMO Agusan						
57	Masao, Butuan City, Agusan del Norte	HO	Wharf Extension Project	Jul 21 2015	Aug 13 2016	130,910,540.00	Ongoing-77.295%
	PMO SOCSARGEN						
58	Glan, Srangani Province	HO	Port Improvement Project	Dec 10 2014	Nov 4 2015	72,113,144.41	Completed
59	Makar, General Santos, South Cotabato	HO	Rehabilitation/Upgrading of Western Wharf	Dec 1 2014	Jan 24 2016	102,155,817.65	Ongoing-52.204%
	PMO Zamboanga						
60	Solar, Olutanga, Zamboanga	HO	Rehabilitation of Wharf and Trestel and Extension of Wharf	Mar 19 2014	Dec 28 2015	30,712,952.05	Completed
	PMO Zamboanga del Norte						
61	Sta. Maria, Siocon, Zamboanga del Norte	HO	Port Improvement Project	Jul 15 2015	Aug 7 2016	81,992,483.53	Ongoing-2.362%
					Mindanao Ports	**1,247,951,480.32**	
					Grand Total	**5,818,560,441.59**	

LOCALLY-FUNDED PROJECTS for 2015

(Carry-Over & New Projects)
Field Office-implemented
Status as of December 2015, in pesos

	Port/Location	Implementing Office	Project Description	Date Started	Completion/ Target	Project Cost/ Contract Amount	Status
	PMO Bataan/Aurora						
1	Dingalan, Aurora	FO	Extension of RORO Ramp & Construction of Breasting Dolphin at Finger Pier	Dec 30 2015	Oct 16 2016	28,904,602.75	Ongoing-0.43%
	PMO Northern Luzon						
2	Currimao/Aparri/Masinloc/San Fernando La Union	FO	Installation of Lighting Protection System and Power Surge Suppresors	June 29 2015	Jul 23 2015	2,780,100.00	Completed
	PMO Batangas						
3	Banton, Romblon	FO	Extension of RC Pier and Roro Ramps				For issuance of Notice to Proceed
4	Batangas, Batangas	FO	Construction of Perimeter Fence, Welcome Arch, Covered Walkway & Parking Shed including provision of Solar Powered Lighting	Dec 7 2015	May 4 2016	27,501,018.00	Ongoing-0.00%
5	Bauan, Batangas	FO	Widening and Extension of RC Pier	Nov 18 2015	May 15 2016	24,166,132.57	Ongoing-45.00%
6	Nasugbu, Batangas	FO	Construction of Back-up Area, PTB, Welcome Arch, Steel Gate, Guardhouse & Cyclone Wire Fence	Oct 7 2015	Apr 3 2016	15,397,128.64	Ongoing-36.00%
7	Romblon, Rombon	FO	Construction of 2 units Roro Ramp	Nov 23 2015	Mar 21 2016	17,723,233.59	Ongoing-31.00%
8	San Agustin, Tablas Island, Romblon	FO	Extension of RC Pier w/ Roro Ramps	Sept 11 2015	Mar 8 2016	23,578,888.88	Ongoing-43.00%
9	Tablas, Odiongan, Romblon	FO	Extension and Improvement of PTB				For issuance of NTP
	PMO Marquez						
10	Lucena, Talao Talo, Lucena City	FO	Expansion of PTB and Construction of Perimeter Fence covered walk	Oct 27 2015	June 22 2016	18,697,007.76	Ongoing-21.90%
	PMO Mindoro						
11	Abra de Ilog, Occidental Mindoro	FO	Construction of New Comfort Room	Nov 2 2015	Dec 11 2015	1,457,781.20	Completed
	PMO Bicol						
12	Codon, San Andres, Catanduanes	FO	Construction of Passenger Shed with CR	Nov 23 2015	Feb 7 2016	2,047,316.61	Ongoing-72.76%
13	Pio Duran, Albay	FO	Supply & Installation of Distribution Transformer 75 KVA, CT/PT & Line Extension of Primary Line				POW for revision
	PMO Masbate						
14	Castilla, Sorsogon	FO	Solar Powered Port Lighting System				POW under evaluation
	PMO Palawan						
15	Brooke's Point, Palawan	FO	Installation of Solar Power Port Lighting System	Nov 2 2015	Dec 24 2015	3,063,563.55	Completed
16	Culion, Palawan	FO	Construction of Steel Matting Fence and Gate	Nov 2 2015	Dec 31 2015	1,947,616.69	Completed
17	El Nido, Palawan	FO	Installation of Solar Power Port Lighting System	Nov 2 2015	Dec 23 2015	3,052,509.28	Completed
18	Puerto Princesa, Palawan	FO	Expansion of PTB				For Post-Qualification
					Luzon Ports	**170,316,899.52**	
	PMO Panay/Guimaras						
19	Culasi, Roxas City	FO	Additional Facilities for PTB			4,678,686.00	For contract signing
20	Culasi, Roxas City	FO	Demolition of Old Port Terminal Building/PTB and Paving of Existing Sunken Area Occupied			2,355,811.49	For contract signing
21	Dumangas, Iloilo City	FO	Additional Facilities for PTB	Nov 19 2015	May 17 2016	15,617,644.85	Ongoing-9.360%
22	Lipata, Culasi, Antique	FO	Construction of PTB	Nov 29 2015	Jul 6 2016	7,234,294.67	Ongoing-7.020%
23	Iloilo River Wharf, Iloilo City	FO	Site Development: Fence and Gates, Construction of New Guardhouse	Mar 21 2014	Jul 6 2015	24,582,604.10	Completed
24	Iloilo Commercial Port Complex, Iloilo City	FO	Provision Solar Power System				POW for revision
25	Iloilo Commercial Port Complex, Iloilo City	FO	Proposed Fencing of newly Reclaimed Area				Revised POW under evaluation
26	Iloilo Commercial Port Complex, Iloilo City	FO	Provision of Water Supply connection to Local Source				Revised POW under evaluation
27	Iloilo Commercial Port Complex, Iloilo City	FO	Provision for the supply of electrical for the port user at newly paved Container Yard				POW under evaluation
28	Progreso, Lapuz, Iloilo City	FO	Additional Facilities for Roro and Fastcraft Terminal @ IRW, Lapuz Wharf	Jul 24 2014	Jan 19 2015	13,254,158.85	Suspended-20.60%
29	Progreso, Lapuz, Iloilo City	FO	Proposed Additional Development Terminal Hall & Reception Area & Fastcraft Terminal	Jul 20 2015	Mar 12 2016	18,543,513.64	Ongoing-72.69%
30	Sitio Nalu-oyan, Sapao, Dumangas, Iloilo	FO	Widening of Port Road			19,649,136.51	For contract signing
	PMO Negros Oriental/Siquijor						
31	Dumaguete, Negros Oriental	FO	Proposed Wave deflector and Passenger Walkway	Feb 4 2015	Dec 23 2015	27,161,843.47	Ongoing-87.20%
32	Dumaguete, Negros Oriental	FO	Refurbishing of PTB			24,743,877.17	For issuance of NTP
33	Guihulngan, Negros Oriental	FO	Demolition and Removal of damaged RC Pier (866 sq.m.)	Nov 14 2014	Jan 24 2015	3,936,120.16	Completed
34	Siquijor, Siquijor	FO	Construction of PTB	Jan 5 2015	Jan 20 2016	21,949,467.62	Ongoing-65.07%
35	Tandayag, Amlan, N. Oriental	FO	Construction of PTB				POW for revision
	PMO Eastern Leyte/Samar						
36	Brgy. Sto. Niño, Biri, Northern Samar	FO	Improvement of Berthing Facilities and Back-up Area	Sept 11 2015	Dec 1 2015	6,389,903.65	Completed
37	Catbalogan, Samar	FO	Improvement of Transit Shed No. 2	Dec 25 2015	Jul 12 2016	18,399,852.12	With NTP
38	Lavezares, Northern Samar	FO	Improvement of Berthing Facilities and Back-up Area	Sept 11 2015	Feb 15 2016	8,463,360.39	Ongoing-50.50%
39	Maguino-o, Calbayog, Samar	FO	Additional Port Facilities Port Improvement	Aug 26 2015	Jan 7 2016	6,661,546.45	Ongoing-92.09%
40	San Jose, Northern Samar	FO	Construction of two (2) Breasting Dolphin & Improvement of Back-up Area	Dec 25 2015	Jul 12 2016	12,899,259.57	With NTP
41	San Vicente, Biri, Northern Samar	FO	Extension/Repair of Causeway	Sept 3 2015	Apr 21 2016	11,306,396.30	Ongoing-53.97%
42	Victoria, Northern Samar	FO	Improvement of Berthing Facilities	Sept 3 2015	Jan 10 2016	6,991,579.56	Ongoing-82.19%
43	Vinisitahan, San Antonio, Dalupiri, Northern Samar	FO	Proposed Shore Protection Wall			8,587,057.12	With Notice of Award (NOA)

	Port/Location	Implementing Office	Project Description	Date Started	Completion/ Target	Project Cost/ Contract Amount	Status
	PMO Western/Southern Leyte						
44	Babatngon, Leyte	FO	Improvement of Babatngon Municipal Port			9,577,897.54	With NOA
45	Sogod, Southern Leyte	FO	Port Improvement & Roro Construction	Dec 25 2015	Jan 22 2016	18,434,340.16	With NTP
46	Tacloban, Leyte	FO	Provision of Powerhouse, Transformer Pedestal and Ductbank	Jan 27 2014	Apr 16 2014	1,063,133.37	Completed
	PMO Bohol						
47	Tagbilaran, Bohol	FO	Provision of Temporary Public Toilet	Mar 1 2015	May 15 2015	935,509.68	Completed
48	Ubay, Bohol	FO	Concrete Paving of Back-up Area			34,684,055.85	Ongoing-2.00%
					Visayas Ports	**328,101,050.29**	
	PMO Misamis Oriental/Cagayan de Oro						
49	Cagayan de Oro, Misamis Occidental	FO	Construction of Perimeter Fence at Newly Paved Area at Berth 12 to 13				Ongoing-0.00%
50	Cagayan de Oro, Misamis Occidental	FO	Expansion of Back-up Area at Portion of Area Q at Berth 12-13	Oct 23 2015	Dec 7 2015	16,748,429.33	Completed
51	Cagayan de Oro, Misamis Occidental	FO	Installation of Power Line in the Temporary PTB & Upgrading of Pre-Departure Area				Procurement is ongoing
52	Guinsiliban, Camuiguin	FO	Rehabilitation of RC Pier				POW is under evaluation
	PMO Lanao del Norte/Iligan						
53	Iligan, Lanao del Norte	FO	Construction of Multi-Purpose/Seminar Hall at PMO Admin	June 26 2015	Nov 22 2015	8,464,214.61	Completed
54	Iligan, Lanao del Norte	FO	Rehabilitation of Roro Ramp No. 3				Procurement is ongoing
55	Iligan, Lanao del Norte	FO	Demolition of old buidling and Site Development	Nov 3 2014	Aug 7 2015	15,864,472.06	Completed
56	Iligan, Lanao del Norte	FO	Construction of Pedestrian Walkway from Entrance Gate to PMO Bldg. - 35m				Procurement is ongoing
	PMO Agusan						
57	Masao, Agusan del Norte	FO	Rehabilitation of Power System	Aug 25 2015	Sept 10 2015	273,138.00	Completed
58	Masao, Agusan del Norte	FO	Construction of Water Supply System				Revised POW under evaluation
59	Nasipit, Agusan del Norte	FO	Construction of Secondary Containment System of Dangerous Cargoes				For issuanceo NTP
60	Nasipit, Agusan del Norte	FO	Improvement of Power Syste				For issuanceo NTP
61	Nasipit, Agusan del Norte	FO	Provision of Prayer Room at PTB				Procurement is ongoing
	PMO Misamis Occidental/Ozamiz						
62	Jimenez, Misamis Occidental	FO	Installation of 2 cluster breasting dolphin at Nine (9) Pile Cluster				For bidding
63	Ozamis, Misamis Occidental	FO	Installation of 2 cluster breasting dolphin at Nine (9) Pile Cluster				For bidding
64	Ozamis, Misamis Occidental	FO	Asphalt Overlay at Queuing area	Nov 14 2014	May 7 2015	13,366,055.08	Completed
65	Plaridel, Misamis Occidental	FO	Construction of PTB				POW for revision
	PMO Surigao						
66	Brgy. Caub Port, Siargao Island, Surigao del Norte	FO	Extension of Causeway				POW under evaluation
67	Brgy. Halian Port, Siargao Island, Surigao del Norte	FO	Completion of Barangay Port-Causeway				POW under evaluation
68	Brgy. N. Sering Port, Socorro Bucas Grande Island, Surigao del Norte	FO	Completion of Barangay Port-Causeway RC Pier				POW under evaluation
69	Brgy. Pamusaingan Port, Socorro Bucas Grande Island, Surigao del Norte	FO	Completion of Barangay Port-Causeway RC Pier				POW under evaluation
70	Brgy. San Fernando Port, Del Carmen, Siargao Island, Surigao del Norte	FO	Completion of Barangay Port Widening of Causeway				POW under evaluation
71	Doña Helen Soccoro, Bucas Grande Is., Surigao del Norte	FO	Additional Development & Construction of Roro Port Phase 2				Revised POW under evaluation
72	Gen. Luna, Siargao Island, Surigao del Norte	FO	Port Development-Improvement of existing jetty & constructionof passenger shed	June 24 2015	Jan 19 2016	19,250,004.87	Ongoing-70.83%
73	San Jose, Dinagat Island	FO	Construction of PTB	Nov 13 2014	Feb 26 2015	5,670,405.80	Completed
74	Sta. Monica, Siargao Island, Surigao del Norte	FO	Improvement of Causeway Phase 2 with Lighting Facilities and Repair of Passenger Shed	June 12 2015	June 5 2016	14,905,114.06	Ongoing-80.12%
75	Surigao, Surigao del Norte	FO	Construction of Perimeter Fence along Borromeo St.	Oct 23 2013	Jan 21 2015	19,358,618.66	Completed
76	Surigao, Surigao del Norte	FO	Construction of Gen Set and Provision of Electrical System	Nov 10 2015	Jul 6 2016	10,010,504.04	Ongoing-0.54%
	PMO Zamboanga del Norte						
77	Dapitan, Zamboanga del Norte	FO	Construction of R.C. Landing and RORO Ramp (9m x 11m)	Sept 1 2014	Dec 8 2015	19,027,358.00	Ongoing-64.48%
78	Sindangan, Zamboanga del Norte	FO	Construction of six (6) units Breasting Dolphins	Oct 28 2015	Apr 5 2016	13,664,902.32	Ongoing-13.47%
	PMO Socsksargen						
79	Glan, Sarangani Province	FO	Construction of PTB & Lighting System	Aug 26 2015	May 21 2016	7,780,170.58	Ongoing-46.93%
80	Sultan Kudarat, Kalamansig	FO	Construction of RC Wharf and Improvement of Back-up Area				POW under evaluation
	PMO Zamboanga						
81	Balas, Aurora, Zamboanga del Sur	FO	Port Improvement-Boat Landing Extension	Nov 3 2014	Nov 8 2015	4,899,646.71	Completed
82	Lintugop, Aurora, Zamboanga del Sur	FO	Construction of Open Transit Shed	Nov 3 2014	Mar 12 2015	3,615,141.03	Completed
83	Margosatubig, Zamboanga Sibugay	FO	Construction of RC landing (15m x 12m) and Roro Ramp	Dec 15 2014	Jul 24 2015	19,195,668.59	Completed
84	Zamboanga, Zamboanga del Sur	FO	Construction of Travelers Hub	Mar 19 2014	Jan 12 2015	13,067,090.69	Completed
					Mindanao Ports	**205,160,934.43**	
					Grand Total	**703,578,884.24**	

CARGO THROUGHPUT (in M.T.)

By Port Management Office
At Berth/Anchorage

PMO	GRAND TOTAL	2015		GRAND TOTAL	2014	
		DOMESTIC	FOREIGN		DOMESTIC	FOREIGN
MNL/NORTHERN LUZON	**88,137,963**	**31,693,579**	**56,444,384**	**79,004,354**	**25,957,112**	**53,047,242**
NCR North	28,301,824	23,067,594	5,234,230	22,304,714	17,530,556	4,774,158
NCR South	7,472,825	2,044,083	5,428,742	7,297,102	2,201,370	5,095,732
- M.I.C.T.	21,573,324	0	21,573,324	21,430,567	405,015	21,025,552
Bataan/ Aurora	22,101,235	6,147,846	15,953,389	17,923,771	5,180,855	12,742,916
Northern Luzon	8,688,755	434,056	8,254,699	10,048,200	639,316	9,408,884
SOUTHERN LUZON	**39,547,216**	**14,564,485**	**24,982,731**	**37,785,824**	**12,497,695**	**25,288,129**
Batangas	22,612,133	10,117,677	12,494,456	24,931,942	8,938,483	15,993,459
Mindoro	443,146	443,146	0	325,482	325,482	0
Bicol	1,901,353	1,405,927	495,426	2,172,722	1,624,990	547,732
Palawan	9,846,537	1,753,374	8,093,163	10,355,678	1,608,740	8,746,938
Marinduque/ Quezon*	4,327,929	440,906	3,887,023	0	0	0
Masbate*	416,118	403,455	12,663	0	0	0
VISAYAS	**26,247,612**	**19,629,294**	**6,618,318**	**28,057,623**	**19,868,160**	**8,189,463**
Negros Oriental/Siquijor	1,993,334	1,745,734	247,600	1,733,819	1,629,495	104,324
Panay/Guimaras	8,508,897	4,789,775	3,719,122	9,820,302	4,338,253	5,482,049
Western Leyte/Biliran	3,316,369	2,213,679	1,102,690	2,990,065	2,013,122	976,943
Negros Occidental (NBB)	6,351,940	5,739,698	612,242	7,690,993	7,096,858	594,135
Eastern Leyte/Samar	1,851,741	1,756,614	95,127	1,893,053	1,781,549	111,504
Bohol	4,225,331	3,383,794	841,537	3,929,391	3,008,883	920,508
NORTHERN MINDANAO	**48,979,777**	**12,682,794**	**36,296,983**	**51,489,092**	**11,715,225**	**39,773,867**
Misamis Oriental/Cagayan de Oro	8,440,777	6,790,545	1,650,232	7,848,443	6,520,182	1,328,261
Lanao del Norte/Iligan	2,579,350	1,495,586	1,083,764	2,265,129	1,429,012	836,117
Agusan	6,188,521	1,648,192	4,540,329	4,742,824	1,402,037	3,340,787
Misamis Occidental/Ozamiz	1,237,760	1,121,211	116,549	1,197,560	1,125,446	72,114
Surigao	30,533,369	1,627,260	28,906,109	35,435,136	1,238,548	34,196,588
SOUTHERN MINDANAO	**20,759,502**	**10,481,055**	**10,278,447**	**18,475,727**	**9,675,041**	**8,800,686**
Cotabato	98,912	98,912	0	87,199	87,199	0
Zamboanga del Norte	976,734	719,486	257,248	897,594	636,423	261,171
Davao	12,999,706	4,860,856	8,138,850	11,602,108	4,628,362	6,973,746
SOCSKSARGEN	3,575,941	1,928,202	1,647,739	3,089,764	1,751,879	1,337,885
Zamboanga	3,108,209	2,873,599	234,610	2,799,062	2,571,178	227,884
TOTAL	**223,672,070**	**89,051,207**	**134,620,863**	**214,812,620**	**79,713,233**	**135,099,387**

*Newly created PMO

PASSENGER TRAFFIC

By Port Management Office
At Berth/Anchorage

PMO	GRAND TOTAL	2015		GRAND TOTAL	2014	
		DISEMBARKED	EMBARKED		DISEMBARKED	EMBARKED
MNL/NORTHERN LUZON	**1,267,948**	**623,528**	**644,420**	**1,189,587**	**591,781**	**597,806**
NCR North	1,225,533	602,698	622,835	1,162,574	578,325	584,249
NCR South	29,970	14,985	14,985	27,013	13,456	13,557
- M.I.C.T.	0	0	0	0	0	0
Bataan/ Aurora	0	0	0	0	0	0
Northern Luzon	12,445	5,845	6,600	0	0	0
SOUTHERN LUZON	**20,502,685**	**10,477,703**	**10,024,982**	**18,208,839**	**9,353,220**	**8,855,619**
Batangas	7,067,444	3,677,977	3,389,467	7,395,317	3,816,993	3,578,324
Mindoro	6,629,921	3,441,981	3,187,940	5,802,152	3,091,188	2,710,964
Bicol	4,130,112	1,978,474	2,151,638	4,614,138	2,238,460	2,375,678
Palawan	508,953	259,864	249,089	397,232	206,579	190,653
Marinduque/ Quezon*	1,231,145	662,285	568,860	0	0	0
Masbate*	935,110	457,122	477,988	0	0	0
VISAYAS	**22,836,447**	**11,878,029**	**10,958,418**	**19,892,400**	**10,383,937**	**9,508,463**
Negros Oriental/Siquijor	4,820,167	2,482,369	2,337,798	3,823,359	2,000,014	1,823,345
Panay/Guimaras	3,231,906	1,735,925	1,495,981	2,927,106	1,528,139	1,398,967
Western Leyte/Biliran	2,849,904	1,478,986	1,370,918	2,721,166	1,435,107	1,286,059
Negros Occidental (NBB)	4,229,717	2,166,432	2,063,285	3,696,853	1,909,813	1,787,040
Eastern Leyte/Samar	3,365,913	1,743,641	1,622,272	3,046,361	1,592,528	1,453,833
Bohol	4,338,840	2,270,676	2,068,164	3,677,555	1,918,336	1,759,219
NORTHERN MINDANAO	**10,927,090**	**5,598,647**	**5,328,443**	**9,846,305**	**5,001,623**	**4,844,682**
Misamis Oriental/Cagayan de Oro	2,467,868	1,292,012	1,175,856	2,198,358	1,144,280	1,054,078
Lanao del Norte/Iligan	3,090,972	1,541,504	1,549,468	2,763,095	1,363,688	1,399,407
Agusan	291,222	151,289	139,933	269,150	131,890	137,260
Misamis Occidental/Ozamiz	3,393,239	1,762,057	1,631,182	3,058,959	1,557,367	1,501,592
Surigao	1,683,789	851,785	832,004	1,556,743	804,398	752,345
SOUTHERN MINDANAO	**7,228,562**	**3,616,913**	**3,611,649**	**6,852,898**	**3,415,780**	**3,437,118**
Cotabato	0	0	0	0	0	0
Zamboanga del Norte	827,473	421,604	405,869	700,780	350,336	350,444
Davao	2,180,509	1,090,560	1,089,949	2,211,138	1,105,962	1,105,176
SOCSKSARGEN	0	0	0	0	0	0
Zamboanga	4,220,580	2,104,749	2,115,831	3,940,980	1,959,482	1,981,498
TOTAL	**62,762,732**	**32,194,820**	**30,567,912**	**55,990,029**	**28,746,341**	**27,243,688**

*Newly created PMO

NUMBER OF SHIPCALLS

By Port Management Office
At Berth/Anchorage

PMO	GRAND TOTAL	2015		GRAND TOTAL	2014	
		DOMESTIC	FOREIGN		DOMESTIC	FOREIGN
MNL/NORTHERN LUZON	**18,802**	**14,357**	**4,445**	**17,597**	**13,463**	**4,134**
NCR North	6,067	5,697	370	5,209	4,819	390
NCR South	3,855	2,330	1,525	3,883	2,513	1,370
- M.I.C.T.	1,531	0	1,531	1,350	42	1,308
Bataan/ Aurora	6,187	5,483	704	5,749	5,137	612
Northern Luzon	1,162	847	315	1,406	952	454
SOUTHERN LUZON	**113,340**	**111,485**	**1,855**	**97,785**	**96,028**	**1,757**
Batangas	44,113	42,794	1,319	44,416	43,179	1,237
Mindoro	28,682	28,682	0	23,517	23,517	0
Bicol	18,390	18,307	83	22,366	22,276	90
Palawan	8,274	7,887	387	7,486	7,056	430
Marinduque/ Quezon*	8,643	8,581	62	0	0	0
Masbate*	5,238	5,234	4	0	0	0
VISAYAS	**152,478**	**151,887**	**591**	**143,507**	**142,879**	**628**
Negros Oriental/Siquijor	40,864	40,836	28	38,326	38,300	26
Panay/Guimaras	27,130	26,923	207	24,834	24,590	244
Western Leyte/Biliran	15,817	15,703	114	15,116	15,026	90
Negros Occidental (NBB)	29,880	29,746	134	26,676	26,535	141
Eastern Leyte/Samar	14,536	14,497	39	13,714	13,667	47
Bohol	24,251	24,182	69	24,841	24,761	80
NORTHERN MINDANAO	**58,564**	**57,369**	**1,195**	**53,965**	**52,807**	**1,158**
Misamis Oriental/Cagayan de Oro	15,379	15,114	265	13,572	13,360	212
Lanao del Norte/Iligan	15,893	15,785	108	14,872	14,773	99
Agusan	1,281	1,193	88	1,021	966	55
Misamis Occidental/Ozamiz	15,610	15,554	56	14,802	14,773	29
Surigao	10,401	9,723	678	9,698	8,935	763
SOUTHERN MINDANAO	**51,911**	**49,799**	**2,112**	**50,140**	**48,146**	**1,994**
Cotabato	157	157	0	125	125	0
Zamboanga del Norte	3,276	3,244	32	2,790	2,750	40
Davao	32,063	30,476	1,587	32,372	30,826	1,546
SOCSKSARGEN	1,306	905	401	1,177	851	326
Zamboanga	15,109	15,017	92	13,676	13,594	82
TOTAL	**395,095**	**384,897**	**10,198**	**362,994**	**353,323**	**9,671**

* Newly created PMO

NO. OF CONTAINERS HANDLED (in T.E.U)

By Port Management Office
At Berth/Anchorage

PMO	GRAND TOTAL	2015		GRAND TOTAL	2014	
		DOMESTIC	FOREIGN		DOMESTIC	FOREIGN
MNL/NORTHERN LUZON	3,976,254	1,137,851	2,838,403	3,811,092	1,079,350	2,731,742
NCR North	1,137,455	1,137,455	0	1,043,705	1,043,705	0
NCR South	877,593	0	877,593	889,464	0	889,464
- M.I.C.T.	1,960,699	0	1,960,699	1,877,268	35,085	1,842,183
Bataan/ Aurora	507	396	111	655	560	95
Northern Luzon	0	0	0	0	0	0
SOUTHERN LUZON	**249,973**	**116,986**	**132,987**	**182,284**	**84,558**	**97,726**
Batangas	188,077	55,090	132,987	135,164	37,438	97,726
Mindoro	0	0	0	31	31	0
Bicol	0	0	0	16	16	0
Palawan	61,896	61,896	0	47,073	47,073	0
Marinduque/ Quezon*	0	0	0	0	0	0
Masbate*	0	0	0	0	0	0
VISAYAS	**382,702**	**382,522**	**180**	**341,220**	**341,220**	**0**
Negros Oriental/Siquijor	29,247	29,247	0	30,754	30,754	0
Panay/Guimaras	148,438	148,258	180	133,538	133,538	0
Western Leyte/Biliran	9,897	9,897	0	10,503	10,503	0
Negros Occidental (NBB)	139,054	139,054	0	118,942	118,942	0
Eastern Leyte/Samar	29,289	29,289	0	22,864	22,864	0
Bohol	26,777	26,777	0	24,619	24,619	0
NORTHERN MINDANAO	**326,392**	**326,392**	**0**	**289,236**	**289,236**	**0**
Misamis Oriental/Cagayan de Oro	237,720	237,720	0	208,631	208,631	0
Lanao del Norte/Iligan	14,777	14,777	0	12,453	12,453	0
Agusan	34,442	34,442	0	32,150	32,150	0
Misamis Occidental/Ozamiz	32,510	32,510	0	30,574	30,574	0
Surigao	6,943	6,943	0	5,428	5,428	0
SOUTHERN MINDANAO	**875,308**	**411,749**	**463,559**	**901,289**	**376,799**	**524,490**
Cotabato	0	0	0	0	0	0
Zamboanga del Norte	10,709	10,709	0	11,344	11,344	0
Davao	594,497	220,871	373,626	651,448	200,185	451,263
SOCSKSARGEN	184,108	94,175	89,933	159,445	86,218	73,227
Zamboanga	85,994	85,994	0	79,052	79,052	0
TOTAL	**5,810,629**	**2,375,500**	**3,435,129**	**5,525,121**	**2,171,163**	**3,353,958**

* Newly created PMO

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of Philippine Ports Authority is responsible for the information and representations contained in its Financial Statements for the year ended December 31, 2015. The Financial Statements have been prepared in conformity with applicable laws and regulations and generally accepted accounting principles applied on a consistent basis and reflect amounts that are based on the best estimates and informed judgment of Management with appropriate consideration for materiality.

The Authority maintains a system of accounting and reporting which provides for the necessary internal control to ensure that transactions are authorized and recorded assets are safeguarded against unauthorized use or disposition and liabilities are properly recognized.

ARMANDO L. GUZMAN
Assistant General Manager
Finance and Administration

RAUL T. SANTOS
Officer-In-Charge

INDEPENDENT AUDITOR'S REPORT

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

THE BOARD OF DIRECTORS
Philippine Ports Authority
Bonifacio Drive, Port Area, Manila

Report on the Financial Statements
We have audited the accompanying financial statements of the Philippine Ports Authority (PPA), which comprise the statement of financial position as at December 31, 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with state accounting principles generally accepted in the Philippines, 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 Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks 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 entity'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 entity's internal control. An 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.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion
Cancelled disbursement vouchers involving the total amount of P1.02 billion, due to erroneous charging of accounts or incorrect amounts encoded in the computerized accounting system created doubt on the reliability of reported financial information.

The unbilled value of physical accomplishment for Locally-funded Projects (LFP) was recognized as Construction in Progress (CIP) and Accounts Payable in the total amount of P1.15 billion as at year-end, inconsistent with AFMS Manual and the Conceptual Framework for Financial Reporting. Furthermore, the reported year-end balance of the CIP account of P2.72 billion was doubtful due to numerous cancellation of accounting entries and different/conflicting data on the reported costs of on-going projects. Moreover, the correctness of the amount of Investment in Fixed Assets under CIP for the year amounting to P2.75 billion claimed as special deduction from income tax payable to the BIR pursuant to Section 25 of PD 857 cannot be ascertained. The Schedule of Property and Equipment disclosed in the Notes to FS the amount of P2.62 billion as Additions/Investment in Fixed Assets, resulting in a difference of P129.85 million. Also, the accounting of CIP exclusive of the VAT considered in the computation of the ABC and the contracted project cost is not in accordance with PAS 16 and the accounting treatment by other GOCCs.

Of the year-end consolidated balance of Property, Plant and Equipment (PPE) account totalling P103.24 billion, unreconciled variance of P27.25 million was found between the recorded balance of PPE per books compared to the balance per physical inventory reports of the Head Office and some PMOs; balances of PPE in PMOs Ozamis and Lanao totalling P1.30 billion were without complete supporting documents to establish validity; and demolished property of P74.96 million and unserviceable assets of P18.20 million were included in the account. Further, costs of major repairs and maintenance of five PMOs with a total amount of P229.66 million were not capitalized, contrary to PAS 16 resulting in understatement of appropriate PPE accounts, its Accumulated Depreciation and Retained Earnings and overstatement of repairs and maintenance expenses by the same amount.

Existing controls on Cash in Bank were inadequate as either no bank reconciliation statements were accomplished or the submission for audit was delayed; dormant depository account existed; and, there was delay in crediting bank deposits. These resulted in unreconciled balances per books and per bank statement of the different PMOs, hence, the correctness of the consolidated year-end balance of P9.72 billion could not be ascertained.

Qualified Opinion
In our opinion, except for the effects of the matters discussed in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Philippine Ports Authority as at December 31, 2015, and of its financial performance and its cash flows for the year then ended in accordance with state accounting principles generally accepted in the Philippines.

Emphasis of Matter
We draw attention to Note 45 and 46 of the Notes to Financial Statements, which describes the uncertainty related to the outcome of the pending lawsuits and the Draft Substitute Bill (House Bill No. 4312) entitled "An Act Creating the Manila Ports and Special Economic Recommendatory (MP-SER) Administration; as well, as the disputed deficiency tax assessment for FY 2007 of P4.9 billion which may affect the future financial condition of the PPA. Our opinion is not qualified in respect of this matter.

Report on the Supplementary Information Required Under BIR Revenue Regulations 15-2010
Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees paid or accrued during the taxable year described in Note 44 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

COMMISSION ON AUDIT

By:

MAYOLA PAREDES-SALITA
Supervising Auditor

June 1, 2016

STATEMENT OF FINANCIAL POSITION

December 31, 2015
(With Comparative Figures as of December 31, 2014)
(In Philippine Peso)

	Notes	2015	As Restated 2014
ASSETS			
Current Assets			
Cash on hand and in banks	5	**9,788,659,896**	8,351,341,818
Receivables - net	6	**1,686,045,655**	1,987,612,607
Prepayments	7	**2,125,357,083**	852,185,423
Inventories	8	**62,137,820**	68,633,861
Other current assets	9	**207,814,015**	147,499,545
Total Current Assets		**13,870,014,469**	11,407,273,254
Non-Current Assets			
Property and equipment - net	10	**103,237,061,959**	102,001,295,100
Investments in securities	11	**301,130,362**	301,787,534
Other non-current assets	12	**747,977,659**	822,122,407
Total Non-Current Assets		**104,286,169,980**	103,125,205,041
		118,156,184,449	114,532,478,295
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable	13	**2,780,731,880**	1,815,823,417
Payables to other government agencies	14, 42	**1,148,727,724**	1,019,782,648
Current portion of foreign loans payable	15	**386,178,016**	365,095,849
Other current liabilities	16	**618,174,883**	813,319,829
Total Current Liabilities		**4,933,812,503**	4,014,021,743
Non-Current Liabilities			
Loans payable - foreign	17	**3,916,279,136**	4,067,578,114
Retirement payable	18	**275,346,798**	243,177,745
Deferred credits	19	**591,609,431**	668,383,501
Total Non-Current Liabilities		**4,783,235,365**	4,979,139,360
Total Liabilities		**9,717,047,868**	8,993,161,103
Equity		**108,439,136,581**	105,539,317,192
		118,156,184,449	114,532,478,295

See accompanying Notes to Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended December 31, 2015
(With Comparative Figures for the Year Ended December 31, 2014)
(In Philippine Peso)

	Notes	2015	As Restated 2014
REVENUES			
Wharfage dues	24	**2,781,079,118**	2,442,259,442
Share in arrastre/stevedoring Income	25	**5,752,115,156**	5,484,865,230
Storage charges	26	**1,527,490,720**	1,712,825,970
Dockage fees	27	**1,191,040,478**	1,071,743,258
Port dues	28	**606,244,324**	549,589,053
Port usage fees	29	**364,677,752**	336,375,956
Terminal fees	30	**190,263,795**	174,685,206
Pilotage	31	**52,165,251**	47,071,896
Vessel traffic management service fees	32	**17,904,286**	15,692,875
Lay-up fees	33	**2,169,936**	12,460,249
Other income	34	**681,378,499**	595,457,889
		13,166,529,315	12,443,027,024
OPERATING EXPENSES			
Personal services	35	**1,225,214,985**	1,348,517,117
Maintenance and other operating expenses	36	**5,995,174,863**	5,490,659,394
		7,220,389,848	6,839,176,511
PROFIT FROM OPERATIONS		**5,946,139,467**	5,603,850,513
OTHER INCOME(EXPENSES)			
Fund management income	37	**88,973,550**	97,629,678
Other general income	38	**31,262,470**	26,802,155
Foreign exchange gain(loss) on revaluation	39	**(233,729,314)**	638,009,154
Financial expenses	40	**(126,925,914)**	(277,168,174)
Gain(loss) on sale of disposed assets	41	**(490,875)**	1,099,709
		(240,910,083)	486,372,522
NET INCOME BEFORE INCOME TAX		**5,705,229,384**	6,090,223,035
INCOME TAX EXPENSE	42	**1,648,456,773**	1,842,661,559
NET PROFIT		**4,056,772,611**	4,247,561,476

See accompanying Notes to Financial Statements.

STATEMENT OF CHANGES IN EQUITY

For the Year Ended December 31,2015
(With Comparative Figures as of December 31,2014)
(In Philippine Peso)

	Notes	2015	As Restated 2014
CAPITAL CONTRIBUTION	20		
Balance at beginning of year		**4,312,337,376**	4,312,337,376
Cost of projects transferred to DPWH		**(116,359,871)**	0
Balance at end of year		**4,195,977,505**	4,312,337,376
DONATED SURPLUS	21		
Balance at beginning of year		**2,100,499,872**	1,220,596,414
Donations from DOLE		**65,635,000**	0
Donations from PACINTER and Pilipinas Shell		**16,420,576**	0
Donations to PMO Northern Luzon		**455,400**	0
Donations from ICTSI		**0**	799,918,677
Donations from PILMICO Foods Corporation		**0**	79,635,005
Donations from DOST		**0**	349,776
Balance at end of year		**2,183,010,848**	2,100,499,872
APPRAISAL SURPLUS	22		
Balance at beginning of year		**72,548,666,028**	65,354,911,161
Adjustments in assets appraised values		**(987,411)**	7,193,754,867
Balance at end of year		**72,547,678,617**	72,548,666,028
RETAINED EARNINGS	23		
Balance at beginning of year		**26,577,813,916**	23,317,954,601
Prior year's adjustment		**677,399,200**	488,231,034
Net profit during the year		**4,056,772,611**	4,247,561,476
Dividends paid during the year		**(1,799,516,116)**	(1,475,933,195)
Balance at end of year		**29,512,469,611**	26,577,813,916
TOTAL EQUITY		**108,439,136,581**	105,539,317,192

See accompanying Notes to Financial Statements.

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2015
(With Comparative Figures for the Year Ended December 31, 2014)
(In Philippine Peso)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection of port revenues	**12,661,760,356**	11,443,543,011
Receipt of other income	**712,640,970**	622,260,044
Fund management income	**88,973,550**	97,629,678
Receipt (refund) of depository liabilities	**55,824,123**	25,796,060
Receipt (refund) of guaranty deposits, net	**(1,302,237)**	(567,159)
Receipt of trust liabilities	**174,103,044**	239,035,620
Receipt (payment) of miscellaneous liabilities	**(76,774,069)**	95,856,481
Payment of operating expenses	**(6,803,349,480)**	(5,440,228,376)
Payment of accrued Interest	**(119,900,018)**	(283,278,369)
Net Cash from Operating Activities	**6,691,976,239**	6,800,046,990
CASH FLOWS FROM INVESTING ACTIVITIES		
Net inflows (outflows) from investments	**0**	1,745,468,452
Payments for construction in progress	**(3,067,762,107)**	(1,788,216,653)
Acquisition of property and equipment	**(83,114,698)**	(92,887,592)
Net Cash Used in Investing Activities	**(3,150,876,805)**	(135,635,793)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan repayments	**(365,095,849)**	(3,042,635,397)
Dividend payments	**(1,799,516,116)**	(1,475,933,195)
Collection of repayments on calamity loans	**61,980,333**	14,424,029
Net Cash Used in Financing Activities	**(2,102,631,632)**	(4,504,144,563)
EFFECT OF EXCHANGE RATE CHANGES IN CASH ON HAND AND IN BANKS	**(1,149,724)**	(119,981)
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS	**1,437,318,078**	2,160,146,653
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR	**8,351,341,818**	6,191,195,165
CASH ON HAND AND IN BANKS AT END OF YEAR	**9,788,659,896**	8,351,341,818

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Philippine Ports Authority (PPA) is a government-owned and controlled corporation originally created under Presidential Decree (PD) No. 505 dated July 11, 1974 which was revised by substitution on December 23, 1975 by PD 857. It is attached to the Department of Transportation and Communications for policy and program coordination. Subsequent amendments under Executive Order (EO) No. 513 dated November 16, 1978, EO No. 546 dated July 23, 1979 and Letter of Instruction (LOI) No. 1005-A dated April 11, 1980 further enhanced PPA's corporate powers to be more responsive to the requirements of optimum port utilization, development and operation. In Executive Order No. 159 dated April 13, 1987, corporate autonomy was reverted to the PPA to ensure the rapid development of port or the port system directly under it. Authority was granted to execute port projects under its port program.

In line with its mandate to establish, develop, regulate, manage and operate a national port system in support of trade and development, the PPA Board of Directors approved on September 30, 2013 the PPA Mission Statement, Strategy Map and Performance Scorecard. Attainment of the PPA vision, originally targeted in year 2030, was revised during the year setting 2020 as the new target year.

The corporate powers of the Authority are vested in its Board of Directors composed of nine (9) members; namely, (i) DOTC Secretary as Chairperson, (ii) PPA General Manager as Vice-Chairperson, (iii) and its members composed of NEDA, DPWH, DTI, DOF and DENR Secretaries, MARINA Administrator and a private sector representative. On October 6, 2015, the *Revised PPA Manual of Corporate Governance* that will govern board actions and limitations was approved by the PPA Board per Board Resolution No. 2469. Recommendations on the results of review conducted by the GCG were incorporated in the manual.

In conformity with the PPA Manual of Good Governance, seven committees in addition to the Executive Committee were created under Board Resolution No. 2448 dated June 8, 2015. Created to assist the board in the discharge of functions are: (1) Audit Committee, (2) Governance Committee, (3) Nomination and Remuneration Committee, (4) Risk Management Committee, (5) Information Technology Committee, (6) Project/Technical Committee and (7) Legal Committee. The same board resolution also authorized the change in the composition of the Executive Committee with representatives from DTI, DENR and DOF added as new members aside from the MARINA Administrator, and representatives from NEDA, DPWH and the Private Sector. The PPA General Manager continues as chairperson.

The GCG approved PPA Rationalization Plan (RP) provided for the same composition of top management headed by a General Manager and three Assistant General Managers for Engineering Services, Operations, and, AGM for Finance, Legal and Administrative Services. Among the major measures executed in 2015, as part of the transition process in the implementation of the rationalization plan and to support the changes in organizational structure are the following:

- district offices ended up operations effective March 31, 2015 with PPA Memorandum Order No. 15-2014 on the Guidelines on the Wind up Activities for District Office issued to ensure proper closing of the district operations and turn over/safekeeping of all documents.

- the provisional changes in the Revised Delegation of Authority (RDA) was approved by the Board under Board Resolution No. 2466

- the creation of new PMOs and renaming of other PMOs, as follows:

From Port Management Office of		To Port Management office of
South Harbor		NCR South
North Harbor		NCR North
Limay		Bataan / Aurora
San Fernando		Northern Luzon
Batangas		Batangas
Calapan		Mindoro
Legazpi		Bicol
Puerto Prinncesa		Palawan
Iloilo		Panay/Guimaras
Dumaguete		Negros Oriental/Siquijor
Tagbilaran		Bohol
Tacloban		Eastern Leyte/Samar
Pulupandan		Negros Occidenta/Bacolod/ Banago/Bredco
Ormoc		Western Leyte/Biliran
Cagayan de Oro		Misamis Oriental Cagayan de Oro
Iligan		Lanao del Norte/Iligan
Nasipit		Agusan
Surigao		Surigao
Ozamis		Misamis Occidental / Ozamis
Dapitan		Zamboanga del Norte
Davao		Davao
Zamboanga		Zamboanga
General Santos		Sockdargen
Cotabato		Cotabato
-		Marquez
-		Masbate

- vacant positions were filled up towards the last quarter of 2015. The PPA RP provided for 298 organizational units which reduced the DBM authorized number of plantilla positions from 3,900 to 3,151 positions. As of December 31, 2015, PPA personnel totaled 1,814 with 407 assigned at the Head Office and 1,407 for the outports. For uninterrupted port services, a total of 1,112 personnel were outsourced to augment the present PPA manpower complement.

To ensure PPA's compliance to the requirements of RA No. 10149, Good Governance Act of 2010, the creation of a Compliance Office under the Office of the General Manager was approved on June 8, 2015 by the PPA Board per Board Resolution No. 2449. PPA Special Order No. 531-2015 dated June 2, 2015 was issued designating the Assistant General Manager for Special Projects as Compliance Officer.

In the letter dated November 3, 2015, the GCG based on the assets and revenues of the Authority for the last three years classified the Philippine Ports Authority as Class "A" GOCC pursuant to Section 6(e) of Executive Order No. 24.

2. HIGHLIGHTS OF CY 2015 ACCOMPLISHMENTS

2.1. Physical Infrastructure Development and Maintenance

2.1.1 Completed and Ongoing Locally-Funded Projects (LFPs)

- PPA Head Office programmed 61 major infrastructure projects for CY2015. As of year-end, 16 of the projects were completed; 40 are undergoing construction; one was suspended for implementation; while, four are on procurement/detailed engineering process.

- PPA Field Offices lined up 84 projects during the year, 19 of which were completed; 26 are ongoing; two have been suspended; and, the remaining 37 are under procurement/detailed engineering preparation, as of December 2015.

- The value of physical accomplishments combined for Head Office and Field Office infrastructure projects amounted to P1.192 billion.

- Completion of the projects provided four additional ro-ro ramps, 196.30 meters of berth and 21,359.88 square meters of back-up area currently available in port operations.

2.1.2 Dredging Operations

To ensure the safe navigation of large vessels calling at the ports, PPA spent P174.40 million for its CY 2015 Dredging Program. The amount covered the removal of 791,500 cu. m. of silts from the Ports of Tabaco, Pier 18, Nasipit, South Harbor Fairway Channel, Zamboanga, Fort San Pedro, Bulan, San Andres, El Codo and Sta. Cruz in Marinduque.

2.1.3 Hydrographic and Topographic Surveys

Hydrographic and topographic surveys are implemented to support port planning, project development and identification of areas for port zone delineation. In 2015, PPA completed 55 hydrographic and topographic surveys. Of the total surveys conducted, 14 were programmed during the start of the year; while, 41 were not programmed but were accommodated valid requests outside of the regular scheduled survey activities.

2.1.4 Repair and Maintenance Program

To maintain port service and safety of existing port facilities nationwide, PPA allocated P2,560.74 million for repair and maintenance in CY 2015. Of the total amount allocated, P2,287.68 million or 87.31% have been released for utilization.

2.2 Port Services

2.2.1 Service Improvement through:

- procurement/installation of additional Vessel Traffic Management System (VTMS) facilities at Davao, Zamboanga, Panay (Guimaras) and Dangay (Roxas) will complement the existing VTMS at Batangas, Manila, and Corregidor (Bataan)

- accreditation of Batangas and General Santos (Socsargen) to Port Safety Health Environment Management System (PSHEMS) plus two private ports

- conduct 36 audits in various ports nationwide by the Internal Audit Department (IAD) of PPA Head Office and Internal Control Staff of PMOs

- certification of PMO Palawan and Bicol as ISO certified in 2015 as part of the compliance to E.O. 605 – Quality Management System (QMS). There are nine PPA ports with ISO certification.

  For Head Office, documentation for application of ISO QMS certification on core processes is ongoing and is 50% completed as of year-end. PPA's commitment for 2015 involved only training which has already been completed.

- Port Users Needs and Satisfaction Survey (PUNSS) 3 was conceived as a reliable survey tool in gathering customers' perception on the organization's services and facilities. It provided the PPA with benchmarks on customer service which are translated to improved services and facilities.

  The PUNSS 3 was implemented in coordination with the Development Academy of the Philippines (DAP). Based on the Draft Final Report submitted by DAP, PPA attained a rating of 3.93 which is above the commitment with GCG of 3.5 rating of satisfactory.

2.2.2 Privatization Initiatives

- PPA awarded a total of 19 Cargo Handling Service Contracts/Hold-Over Authority (CHO/HOA) with varied duration from six months to five years.

- Contract was awarded to the winning bidder for the operation and management of Passenger Terminal Buildings (PTBs) at the Ports of Dapitan, Dumangas, Basilan, Zamboanga and Ozamiz (new PTB); a negotiated contract for the lease and management of the old PTB at Ozamiz was also signed; and, the BAC recommended for the award of three PTBs in PMO Mindoro.

2.2.3 Approval of lease contracts involving Oroport Cargo Handling Services Inc. and TAO Commodity Traders, Inc. for the Port of Cagayan de Oro.

2.3 Regulatory and Enforcement

- As of December 2015, 12 Permit/Clearance to Develop private port facilities were approved by PPA in various locations nationwide.

- In 2015, the Authority issued 34 Certificates of Registration/Permits to Operate (COR/PTO) to various corporations nationwide

2.4 Management Information System (MIS) Computerization

Since the expiration in June 12, 2012 of the 1-year warranty period for the MIS Computerization Project of Providing Reliable Operations and Management of Ports thru Technology or PROMPT, PPA in-house personnel have taken over the responsibility in resolving issues on implementation and developing strategies to further improve system performance. System utilization is determined at 100 percent.

On the e-Payment System, only one of the five e-Payment gateway providers was able to comply with the system requirements of PPA. Under existing procurement laws, only one will end up as winning bidder. The PPA Board has directed to allow more than one e-Payment gateway provider in ports where the system will be implemented, i.e. ports that can support on-line systems as in baseports. To comply with the Board directive, PPA's Legal Services Department is currently studying the system of accreditation for service providers to establish whether it is consistent with existing procurement guidelines. If legally feasible, the system will be pilot-tested within the year.

On e-Permit Management System, roll-out was completed for PMOs Batangas, Western/Southern Leyte (formerly Ormoc), Misamis Oriental/Cagayan de Oro, Bohol, Palawan and Panay/Guimaras (formerly Iloilo). Completion of roll-out activities in the remaining PMOs is aimed in 2016.

2.5 Human Resource

Filing up of vacant positions started in the last quarter of 2015. Newly hired employees were 163; while, 331 were promoted to new positions including seven Port Managers.

3. MAJOR CONTRACTS / SERVICE CONCESSION ARRANGEMENTS

The following terms and conditions of major contracts entered into by PPA including updated information on accomplishments in 2015 are disclosed in accordance with the provision of SIC 29, Service Concession Arrangements.

A. Contracts involving Port of Manila -

1) *Contract for the Development, Management, Operation and Maintenance of Manila North Harbor*

A 25-year exclusive contract for development, management, operation and maintenance of North Harbor covering Pier 2 up to Slipway, including Isla Puting Bato was awarded on November 18, 2009 to the Contractor Manila North Harbour Port Incorporated (MNHPI).

Following are the highlights of the contract:

a. MNHPI will provide and undertake the domestic terminal services at North Harbor which shall include cargo handling services, passenger terminal management, parking services, berth management, storage management, water distribution, security services and ancillary services.

   PPA-PMO North Harbor shall continue to collect charges on Port Dues, Dockage Fees, Usage Fees, Wharfage Dues, VTMS Fees and management fees to be recognized as PPA revenues.

b. The financial considerations to be paid to PPA:

   - Fixed Fee of P6,818,855,000 to be remitted in accordance with set schedule for a period of 25 years, payable in advance not later than the 5th day of the 1st month of every quarter without need of demand.

   - Reimbursement of past service benefits advanced by PPA in the amount of P20,600,000 per year for a period of five years or a total of P103,000,000. The first and second payments had been received from MNHPI with the remaining balance to be remitted within the next three years.

c. Assets constructed by the operator shall be turned over to the Authority at the end of the contract period.

   The PPA Board of Directors approved the development plan "Manila North Harbor Modernization Project" per Board Resolution No. 2254 dated June 2, 2011. The total estimated project development cost is P14.80 billion to be implemented during the contract period from 2010 to 2034.

   Based on the MNPHI Modernization Project Quarterly Report as of December 31, 2015, a total of P8.84 billion had been invested in various development initiatives since 2010:

Financial Investments	Value of Accomplishment as of December 31, 2015
1. Infrastructure and Port Development	P 4,683,126,114
2. Cargo Handling Equipment	3,921,484,041
3. Safety and Security	68,667,643
4. Information and Technology	169,033,479

   The PPA constructed assets turned over for use and management by MNHPI under the contract has a net book value of P620.40 million as of December 31, 2015.

2) Contract for the Management and Operation of South Harbor, Port of Manila

The PPA entered into an agreement with Asian Terminal, Inc. (ATI) for the management and operation of South Harbor. The Third Supplemental Contract executed on October 19, 2007 extended the contract term up to May 18, 2038. It covers provisions under the (i) Lease Agreement of January 15, 1997 concerning services and areas of South Harbor for use as international and domestic storage areas; and, (ii) the Second Supplement which expanded the scope of services of the contractor to include the management of domestic terminal facilities.

In consideration of the "Extended Term", ATI remitted to the PPA on May 19, 2013 a lump sum fee of P282.0 million. In addition, the following financial considerations shall be paid to PPA:

- From income derived on international containerized cargo handling operations, Fixed Fee of US $9,000,000 and Variable Fee of 20 percent of gross revenue.

  Fixed fees are payable quarterly in advance not later than the 5th day of the first month of every quarter. Variable fees are payable quarterly in arrears not later than the 5th day of the first month of every quarter (on or before January 5, April 5, July 5 and October 5 of every year).

The contract provides that US dollar denominated fees shall be paid in Philippine pesos using the Philippine Dealing System US$ = Php closing rate of the last trading day prior to payment date.

- From international and domestic cargo storage operation, Fixed fee of P55,000,000; Variable Fee of 30 percent of annual gross storage revenues from international cargo storage operation in excess of P273,000,000 whether collected or uncollected; and, Variable fee of 10 percent of the annual gross storage revenues from domestic cargo storage operations, whether collected or uncollected.

- From domestic cargo handling operations, government share of 10% of gross revenues.

- Adjunct Fee in case actual international container volume throughput exceeds 1,900,000 Twenty Equivalent Units (TEUs). The fee is payable on or before January 31 of the year following the calendar year in which the required cargo throughput has been exceeded.

- From international non-containerized cargo operations, government share of 14 percent of gross stevedoring revenues and government share of 20% of gross arrastre revenues.

Further, the contract provides for investment commitment from ATI. Among its highlights are:

- ATI shall implement the projects for rehabilitation, development and expansion of the South Harbor facilities in accordance with the Investment Plan, as may, from time to time be revised or updated pursuant to the Third Supplement. Summary of Investments to be implemented from Year 2009 to 2022 are as follows:

	In million US dollar ($)			
	Infrastructure	**Equipment**	**IT**	**Total**
International Containers	126.685	123.075	8.987	258.747
International Gen. Cargo	6.473	1.930	.362	8.765
Domestic Cargo	17.061	15.180	.706	32.947
Total	**150.219**	**140.185**	**10.055**	**300.459**

- Investment of P120,000,000 for additional works and other costs related to the construction of the PPA Head Office building.

  Actual value of investments or costs of implemented projects by ATI from CY 2011 to 2015 has aggregated to P1,447,772,594 composed of infrastructure projects of P110,299,658; investments in information technology of P73,777,000; and, acquisition of port equipments costing P1,263,695,935.

  The net book value of PPA constructed assets at South Harbor which were turned over for the management and operation of Asian Terminal Inc. amounted to P44.96 million, as of December 31, 2015.

3) *Contract for the Management, Operation and Development of Manila International Container Terminal (MICT)*

In 1988, the Authority entered into an agreement with the International Container Terminal Services, Inc. (ICTSI) for the management, operation and development of the Manila International Container Terminal (MICT) at the Port of Manila, subject to the direct control and supervision of the Authority. It provides for the remittance of Fixed Fee and Variable Fee from its gross income which shall include all income generated by the Contractor from the MICT from every source and on every account except interest income, whether collected or not, to include, but not limited to, Harbor Dues, Berthing Fees, Wharfage, Cargo Handling Revenues, Cranage Fees, Stripping/Stuffing Charges and all other revenues from Ancillary Services.

A renewal of the agreement was made on April 20, 2005 which provides for an extension of the contract period for another 25 years reckoned from May 19, 2013 up to expiration of 'Extended Term' on May 18, 2038.

Part of the financial consideration was the lump sum fee of P670 million which was remitted to PPA on May 20, 2013. Also, additional investment of not less than US$125 million for the construction and development of new facilities completed by May 18, 2013;

Aside from the abovementioned financial consideration, the contract provides for the following financial consideration under the 'Extended Term':

- Fixed Fee of US$600 million payable in 100 quarterly installments, to be paid in advance not later than the 5th day of the first month of every quarter without need of demand; and,

- Variable fee of 20 percent of the gross revenue earned at the MICT.

- Variable fee for unattained transshipment volume payable within the 1st month of the succeeding year. The committed transshipment volume is pegged at 260,000 TEUs.

- Adjunct Fee in excess of 2.55 million TEUs.

- Remittance of 10 percent of its gross income in the preceding month derived from domestic operation, billed/unbilled or collected/ uncollected, due not later than the 5th day of every month. This is based on the 2007 Supplemental Contract executed, relative to the contract signed on 19 May 1988 and renewed in April 2005, granting the contractor the authority to provide arrastre, stevedoring and other related cargo handling services to domestic vessels and cargoes at MICT.

On June 23, 2010, a Supplemental Contract to the 19 May 1988 contract was signed and confirmed in Board Resolution No. 2213. It amended Annex C of the 2005 MICT Renewal Agreement which provided for US $126.823 million as additional Port Development Program Civil Works and Equipment from Year 2005-2012.

As of December 31, 2015, the net book value of PPA constructed assets turned over for use under the original management contract with ICTSI totalled P7.85 billion, value of land included.

4) *Port of Batangas Long-Term Contract for the Operations of Cargo Handling Services and Fastcraft Passenger Terminal Phase I*

The contract was awarded to Asian Terminal Inc. (ATI) on October 20, 2005 effective for a period of 10 years. It authorized the contractor to manage, operate, and provide cargo handling services at the Port of Batangas, Phase I including the newly constructed General Cargo Berth and passenger services at the Fastcraft Terminal Building (PTB 3).

A contract extension and renewal was executed and as a material condition the contractor commits to develop, finance and construct the required development within the specified timelines. The contract extension shall become effective and commence on October 01, 2015 until September 30, 2025.

Following are the financial obligations of the contractor under the new contract:

- Annual Fixed Fee in the total amount of P1,252,491,855 payable for a period of ten (10) years and summarized as follows:

Contract Year	**% Escalation**	**Fixed Fee Amount**
Year 1	none	112,700,000
2	none	112,700,000
3	none	112,700,000
4	5%	118,335,000
5	4%	123,068,400
6	3%	126,760,452
7	3%	130,563,266
8	3%	134,480,164
9	3%	138,514,568
10	3%	142,670,005
Total		1,252,491,855

- Annual Volume-Triggered Government Share in the amount equivalent to:

  a. Ten (10%) percent of the Gross Income for handling and servicing all types of domestic cargoes and those derived from passenger terminal fees, in excess of the Defined Threshold Volume and;

  b. Twenty (20%) percent of the Gross Income for handling and servicing all types of foreign cargoes, in excess of the Defined Threshold Volume.

  The Defined Threshold Volumes of the various types of cargoes and services shall be as follows:

Cargo Type / Port Traffic	**Annual Volume Threshold**
1. Non-Containerized Cargo (MT)	
Domestic	400,000
Foreign	100,000
2. RORO Cargoes Units	
Domestic (RRTS)	240,000
Foreign (CBUs)	115,000
Domestic (CBUs)	4,000
3. Domestic Containerized Cargo (TEUs)	35,000
4. Passengers (Outbound)	3,000,000

The Annual Fixed Fees and Volume Triggered Government share are exclusive of Value-Added Tax (VAT).

5) *Management, Operation, Maintenance, Development and Promotion of Container Terminal "A-1", Phase II at Port of Batangas*

The contract for the management, operation, maintenance, development and operation of Container Terminal "A-1", Phase II was awarded to ATI on March 25, 2010 for a period of 25 years.

In consideration, the following shall be remitted by ATI exclusive of VAT:

- Annual Fixed Fee in US dollars totaling US $125.46 million for 25 years.
- Annual Variable Fee equivalent to the yearly percentage share multiplied by the projected gross income in Philippine peso or the committed yearly percentage share multiplied by the contractor's actual gross income in Philippine peso, whichever is higher.

The Annual Fixed and Variable Fees shall be remitted in Philippine Peso using the closing reference rate of Bangko Sentral ng Pilipinas on the last trading day prior to payment date.

The net book value of assets constructed by PPA that are operated and managed by ATI at Port of Batangas amounts to P2.06 billion as of December 31, 2015.

6) Construction, Management and Operation of Reefer Rack at Port of Davao

Davao Integrated Port and Stevedoring Services Corporation (DIPSSCOR) was awarded on April 23, 2010 the contract to construct, manage and operate the additional reefer rack structure/facility with at least 144 reefer outlets at the Sasa Wharf, Port of Davao. The contract is effective for a period of 10 years renewable for another 10 years.

The contract provided for the remittance of government share exclusive of VAT equivalent to 10% of the gross income on the operation of the reefer facilities, whether billed/unbilled and collected/uncollected not later than the 5th day of every month for prior month's income.

The reefer facilities constructed by PPA which was turned over to DIPSSCOR under the contract has net book value of P 6.50 million as of December 31, 2015.

4. SUMMARY OF SIGNIFICANT ACCOUNTING AND FINANCIAL REPORTING POLICIES

4.1. Basis of Preparation

The books and reports were generated thru the Accounting and Financial Management System (AFMS), a sub-system of the PPA Computerized System. The system uses the New Government Accounting System (NGAS) Chart of Account prescribed for adoption under COA Circular No.2008-006. With the recall of the circular by the Commission on Audit, the accounts were mapped to conform to the accounts prescribed in COA Circular No. 2004-002 dated April 29, 2004.

AFMS uses a single book of accounts in recording the financial transactions of Operating Units (OU) originally composed of the Head Office, five Port District Offices and 24 Port Management Offices. The OU were reduced by the number of abolished district offices but was increased with the creation of new PMO under the approved PPA RP. Clearing accounts, use of automated entries through the "Due To/Due From" accounts and assignment of codes for each OU allows the generation of financial reports for each PMO, consolidated PMO report and consolidated PPA report.

Forms and reports including schedules of the different accounts generated thru the AFMS were developed using Oracle software and were customized to be compliant with the requirements of the NGAS. The consolidated financial statements include the financial transactions of the Head Office and Port Management Offices as of December 31, 2015.

Except for fixed assets which were revalued in June 19, 2011 and the cost of assets for disposal that were adjusted to net realizable value, the financial statements prepared use historical cost convention and accrual basis of accounting.

4.2. Statement of Compliance

The financial statements were prepared in conformity with applicable provisions of the following Philippine Accounting Standards (PAS) and Philippine Financial Reporting Standards (PFRS) consistent with previous year's financial reports:

PAS 1	Presentation of Financial Statements
PAS 2	Inventories
PAS 7	Cash Flow Statement
PAS 10	Events After the Balance Sheet Date
PAS 16	Property, Plant and Equipment
PAS 18	Revenue
PAS 19	Employee Benefits
PAS 21	Effects of Changes in Foreign Exchange Rates
PAS 23	Borrowing Cost
PAS 36	Impairment of Assets
PAS 37	Provisions, Contingent Liabilities & Contingent Assets
PAS 38	Intangible Assets
PFRS 1	First Time Adoption of PFRS
PFRS 5	Non-Current Assets Held for Sale and Discontinued Operations
SIC 29	Service Concession Arrangements

Transactions or business arrangements not falling under any of the existing PAS and PFRS were disclosed in the Notes to Financial Statements. All other accounting standards, financial reporting standards and financial interpretations issued by the Philippine Interpretation Committee are deemed not applicable in accounting for the transactions of the Philippine Ports Authority as a government-owned and controlled corporation.

In 2015 no transactions warrant the application of PAS 8 on Accounting Policies, Changes in Accounting Estimates and Errors; and, PAS 20, Accounting for Government Grants and Disclosure of Government Assistance

4.3. Presentation of Financial Statement

The financial statements composed of Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows , Statement of Changes in Equity and Notes to Financial Statements required in PAS 1, Presentation of Financial Statements, were prepared to fairly present PPA's financial transactions as a going concern corporation. The presentation and classification of items in the financial statements is consistent with prior year's financial statements. Additional disclosures are provided, where necessary.

The accounts required to be presented in the face of the Statement of Financial Position and Statement of Comprehensive Income conforms to the applicable provisions of the Philippine Financial Reporting Standards (PFRS) 1 – First Time Adoption of PFRS. The financial statements were prepared using the accrual basis principle except for the Cash Flow Statement. Comparative information and aggregation of each material class of items are presented separately consistent with prior years' presentation. Each material class of similar items is presented separately in the financial statements while dissimilar items whose amounts are considered immaterial were aggregated. Offsetting is permitted to those allowed under PFRS.

There is no change in account composition / classification that would require a restatement of prior year's statement for purposes of comparability.

Assets

The assets are categorized into Current and Non-current Assets. "Restricted Cash" is presented under Non-Current Assets as in the prior years.

Accounts Receivables

Receivables composed of trade and non-trade accounts are valued at face amounts less the corresponding allowances set up for doubtful accounts for any anticipated adjustments which, in the normal course of events, will reduce the amount of receivable from the debtor to estimated realizable values.

Inventories

Inventories, except spare parts for PPA dredgers, are valued at cost, net of Value-Added Tax (VAT), using the moving average method of costing.

PPA Dredger Spare Parts reclassified in 2011 to Non-current Assets is presented at net realizable value based on the appraisal report of hired independent appraiser.

Investments

Investments in the form of Treasury Bonds and Land Bank of the Philippines (LBP) – issued bonds are valued at cost including withholding taxes.

Intangible Assets

Cost pertains only to the development cost. Research cost, pre-operating costs, training and other administrative costs were not recognized as part of the intangible asset. With rapid continuing change in information technology, the asset is accounted as a finite asset with a life of five years.

Liability

Accounts are classified as Current or Non-current Liabilities. The portion of long-term loans payable due for settlement within the next twelve months after reporting date is presented as Current Liability.

Foreign Currency

The financial statements are presented in Philippine currency. Foreign-currency denominated depository accounts and loan balances are revalued and translated into Philippine currency based on exchange rate as of reporting date.

4.4. Recognition, Derecognition and Reclassification of Assets and Liabilities

Supplies and materials for stock whether purchased and/or received as donations are recorded under the appropriate inventory accounts following the perpetual inventory method. In conformity with COA Circular 2005-002 dated 14 April 2005, semi-expendable items with estimated useful life of more than a year but small enough to be considered as property and equipment are considered part of the inventory upon acquisition.

Item issued/consumed during the year is treated as expense, charged to profit or loss for the period. The moving average costing method is used in determining the amount to be recognized as expense for the period.

There is no change in the recognized net realizable value of dredger spare parts. Consistent with the provision of PAS 2 on Inventories, the value of spare parts for dredgers were written down to net realizable value. As provided for in the standard, the practice of writing down inventories below cost to their net realizable value is consistent with the view that assets should not be carried in excess of amounts expected to be realized from its sale or use. Further, the criteria on the recognition as an expense of the amount written down on inventories to net realizable value and loss in the period of the write down is applied. With Management's intention to dispose the asset, the value of spare parts inventory is presented under 'Other Assets' at net realizable value.

Expense is recognized upon issuance of the accountable forms to collecting officers and cashiers.

Property and Equipment

Property and equipment of the Authority are carried in the books at appraised value except for additions in between the periods of appraisal which are recorded at acquisition cost net of Value Added Tax (VAT).

PPA assets were appraised in 2011 by hired independent appraiser. Appraisal of fixed assets is conducted once every five years pursuant to COA Resolution No. 89-17. Any increase or decrease in value of the asset resulting from appraisal is treated as direct adjustments to Revaluation Surplus account. Recognition of gain or loss as provided for in PAS 16 is not observed. When assets are dropped from the books, i.e. retirement, disposal, demolition, etc., the recognized revaluation surplus is closed to Retained Earnings account.

In 2013, the Revaluation Capital account was analyzed and adjusted to include only the revaluation surplus for the remaining assets as reflected in the 2011 appraisal report. The adjustments to the Revaluation Capital were closed to Retained Earnings and the following provisions of PAS 16 shall be applied on the result of asset appraisal:

- Increase in asset value shall be recognized in Profit and Loss as gain to the extent that it reverses a revaluation decrease of the same asset previously recognized in P & L as Revaluation Loss and the excess to Revaluation Surplus
- Decrease shall be debited to equity to the extent of any credit balance existing in the Revaluation Surplus until exhausted then to Revaluation Loss in the P/L

Upon retirement, disposal, demolition, or when the appraised asset is permanently impaired, the cost of the asset, appraisal increment and related accumulated depreciation is dropped from the books and any resulting gain or loss is recognized on the difference between the net proceed and net realizable value for the period.

Depreciation starts when the asset is used in service and ends when the asset is derecognized or disposed. Depreciation is computed based on the acquisition cost or appraised value of the property, net of 10 percent residual value, using the straight-line method over the estimated useful life of the asset in accordance with PPA Memorandum Circular No. 37-2005 issued in conformity with COA Circular No. 2004-003.

Infrastructure projects are valued following the Construction Period Theory. The costs of on-going projects and accounts payable set up for on-going projects are based on actual physical accomplishment reported by the Engineering Office. Upon completion of the project, the administrative and engineering expenses (miscellaneous overhead) are prorated to the different completed assets based on the percentage of each asset's actual cost over the total project cost.

All subsequent cost for the repairs and maintenance of different port facilities are recognized as expense or capitalized for the period whichever is appropriate.

Buildings/structures constructed and equipment acquired by operators/ contractors under approved development or investment plans provided in management contracts are not included as assets of the Authority. The properties shall be recognized in the books of the Authority when the assets are turned over to PPA at the expiration of the contract on an "as is" basis.

Unserviceable assets and those identified for disposal are derecognized and reclassified to "Other Non-Current Assets". The difference between the net book value and residual value is recorded as loss for the period. The difference between actual amount received from the disposal/sale of the asset, and the carrying value or residual value is recognized as gain or loss on disposal for the period.

Impairment of Assets

For an asset which has not been subject to appraisal and whose recoverable amount is less than the carrying value, the recorded cost is reduced to recoverable value with the difference charged to current period as impairment loss which is equivalent to the Loss of Assets account under the 2004 COA NGAS Chart of Accounts.

Intangible Assets

The cost incurred in the development of the PPA Computerized System was initially recognized under the account "Construction in Progress" (CIP). Upon completion, the accumulated cost under CIP was closed and intangible asset was recognized considering the economic benefit that PPA will gain from the use of the system. Only the development costs paid to the system developer and integrator were recognized as intangible asset. All other expenses such as training, travelling, fuel, meetings, cabling and other related expenses of administrative nature were closed to Retained Earnings. The period of amortization started in 2014 and will end in 2018.

All expenses for the system's continuing enhancement and improvement are recognized as expense for the period.

Liability

The obligation to pay is recognized only when goods are actually received and services rendered or based on physical accomplishment for contracts covering delivery of services and infrastructure projects.
Borrowing Costs

The benchmark treatment provided in PAS 23 was applied in recognizing borrowing cost as expense in the period of incurrence.

4.5. Recognition of Income and Expense

Revenue

The Authority uses the accrual method of accounting wherein income and expenses are recognized as they are earned or incurred. For those covered by contracts, revenues are recognized when they accrue as defined / specified in the terms of the contract.

In providing services to the public, PPA entered into various management contracts which conveys to an operator, for a specified period, the right to provide services that would give the public access to ports, passenger terminal facilities and various port facilities constructed by the government. In return, the operator shall remit fees to the Authority in accordance with the terms of the contracts.

Foreign Exchange Transactions

Transactions in foreign denominated tariff rates are receipted and recorded using the exchange rate in effect at the date of the transaction. PPA Memorandum Circular No. 16 dated October 6, 2006 prescribes that the 15-day average Bangko Sentral ng Pilipinas (BSP) guiding rates prevailing at the time of issuance of the invoice, as computed by the Commercial Services Department, shall be used in determining the peso value of the dollar denominated port charges due for payment to PPA.

For fees/financial considerations provided in contracts with cargo handling operators that are in foreign currency, the specified bases in the conversion of the foreign currency into pesos shall be as provided for in the agreements.

PPA Finance Memorandum Circular No. 01-2003 provides that the monetary asset or depository account and liabilities denominated in foreign currencies should be restated using the BSP guiding rate of exchange as of reporting date. Foreign exchange differences are treated as follows:

a). For loans identified with completed projects, and those used to acquire invoiced assets, the gain or loss is recognized in current year's income/loss.

b). For loans related to assets still under construction, the foreign exchange difference is capitalized and included in the carrying amount of the Fixed Asset-In Process account.

For 2015, all infrastructure projects were financed with corporate fund. No transaction required application of the adopted policy.

c). For other foreign currency transactions, i.e. deposits in foreign currency, the gain or loss in foreign exchange fluctuation is recognized in the income or loss for the current period similar to item a) above.

Income Tax

For income tax purposes, net income less tax credit on investment in fixed assets is declared. The tax credit is allowed under Section 25 of PD 857 or the PPA Charter issued dated December 28, 1975. The PPA opted for the special deduction or tax credit on investment in fixed assets or capital expenditures during the year instead of the depreciation expense as allowable deduction in the computation of the Regular Corporate Income Tax (RCIT).

Pursuant to Section 27(E) of the 1997 National Internal Revenue Code, as amended, the prescribed Minimum Corporate Income Tax (MCIT), which is equivalent to two percent (2%) of gross income, is paid if higher than the Regular Corporate Income Tax (RCIT).

Provision for Bad Debts

Receivables are valued at face amounts minus allowances set up for bad debts for any anticipated adjustments which, in the normal course of events, will reduce the amount of receivable from the debtor to estimated realizable values.

PPA Finance Memorandum Order No. 02-2009 dated April 22, 2009 prescribes the rates on provisions for doubtful accounts, as follows:

Age (Days) of A/R Trade	1 to 30	31 to 90	91 to 180	181 to 365	Over 365	Dormant with Nil Chance of Collection
Rate of Allowance	5%	10%	20%	40%	60%	100%

4.6. Other Disclosures

Contingent Assets

In compliance with the provisions of PAS 37 – *Provisions, Contingent Liabilities and Contingent Assets,* Contingent Assets and its contra account Contingent Surplus were excluded in the preparation of the financial statements. The account, however, is maintained in the books to monitor the subsidiary accounts.

Events After Balance Sheet Date

- Non-adjusting event after the balance sheet date requiring disclosure is the payment of dividend to the national government equivalent to 50% of PPA's net income after tax plus/minus authorized additions/deductions as provided by law.

5. CASH ON HAND AND IN BANKS

The breakdown of this account is as follows:

	2015	2014
Cash in bank	**9,722,647,074**	8,299,226,810
Cash with collecting officers	**65,764,331**	51,889,285
Cash with disbursing officer	**248,491**	225,723
	9,788,659,896	8,351,341,818

Cash in bank includes Special/High Yield/Premium Savings deposit at the Philippine Veterans Bank (PVB) and Land Bank of the Philippines amounting to P2,346.73 million and P4,084.59 million, respectively, intended for various infrastructure projects and for retirement benefits of PPA personnel.

6. RECEIVABLES

This account includes the following:

	2015	2014
Receivables-Trade		
Accounts receivable	**1,374,157,287**	1,548,368,405
Notes receivable	**13,971,338**	14,004,007
	1,388,128,625	1,562,372,412
Less: Allowance for Doubtful Accounts	**50,204,251**	50,209,855
	1,337,924,374	1,512,162,557
Other receivables		
Due from officers and employees	**138,293,024**	202,055,432
Due from NGAs, GOCCs & LGUs	**101,677,042**	154,801,222
Due from operating units and other funds	**32,277,797**	29,165,384
Miscellaneous receivables	**198,931,969**	219,266,003
	471,179,832	605,288,041
Less: Allowance for Doubtful Accounts	**123,058,551**	129,837,991
	348,121,281	475,450,050
	1,686,045,655	1,987,612,607

Accounts receivable – Trade refers to the amounts due from port users/customers arising from trading or business transactions that are expected to be collected within the allowable credit period.

Notes receivable represents the realizable value of promissory notes issued by port users to cover the assessments of their restructured accounts, payable within specified repayment period.

Due from officers and employees includes calamity, hospitalization and medical loans granted to PPA officers and employees, receivables for tax deficiencies, and cash advances granted for official travel and other amounts outstanding and collectible from officials and employees.

Due from NGAs, GOCCs, and LGUs consists of the amounts due from various departments, bureaus, corporations and local government units. Included are the remaining balance of P67.25 million on the original amount of P123.11 million advanced to the National Housing Authority by PPA PMO North Harbor for the relocation and resettlement of Informal Settler Families (ISFs) affected by the development of North Harbor. The account also includes accrued interest receivables from Special Savings/Premium/High Yield Deposit from the Philippine Veterans Bank and Land Bank of the Philippines.

Due from operating units and other funds cover the net income of Special Take-Over Units (STUs) that are due for remittance to the Port Management Offices of the Authority.

Miscellaneous receivables represent past due receivables and amount due from accountable officers and employees for refund of overpayments and audit disallowances which have become final and executory.

The allowance for doubtful accounts provided is in accordance with the rates prescribed in PPA Finance Memo Order No. 02-2009 dated April 22, 2009. The breakdown is as follows:

No. of Days Past Due	Rate	Past Due Accounts Receivable	Amount of Provision
1-30 days	5%	2,012,031	100,601
31-90 days	10%	9,487,547	948,755
91-180 days	20%	3,776,831	755,366
181-365	40%	5,223,841	2,089,536
Over 365 days	60%	77,183,321	46,309,993
			50,204,251

7. PREPAYMENTS

This account includes the following:

	2105	2014
Other prepayment - PITC	**900,000,000**	0
Advance payment to contractors	**812,398,682**	367,728,532
Prepaid taxes	**187,805,309**	166,251,858
Other miscellaneous assets and deferred charges	**169,136,552**	256,487,290
Procurement service	**39,411,926**	59,787,619
Prepaid insurance	**10,589,248**	947,674
Other prepayments	**6,015,366**	982,450
	2,125,357,083	852,185,423

Other prepayment – PITC pertains to the fund transfer to the Philippine International Trading Corporation, the procuring agent of PPA for the acquisition of baggage x-ray machines and walkthrough metal detector and upgrading of the Vessel Traffic Management System (VTMS).

Advance payment to contractors not exceeding 15% of the total contract price is granted pursuant to Republic Act 9184. The advances, which are repaid thru deductions from progress payments to Contractors, are secured with irrevocable letters of credit of equivalent values from commercial banks, bank guarantees or surety bonds.

Prepaid taxes consist of the amounts of expanded or creditable withholding taxes deducted by port users from wharfage and rental of real property and other port facilities. Section 76 of the National Internal Revenue Code allows cash refund of the amount withheld or the use of the covering tax credit certificates against future tax liabilities.

Other miscellaneous assets and deferred charges pertains mainly to net output vat for the 4th quarter of 2015 amounting to P167.84 million to be offset as tax credit upon remittance of taxes to BIR on January 25, 2016.

Other prepayments consist of feasibility studies, NSFD grants and other prepaid expenses.

8. INVENTORIES

This account consists of the following:

	2015	2014
Accountable forms	**38,236,580**	41,706,864
Office supplies	**11,511,943**	12,659,502
Spare parts	**7,317,056**	8,795,120
Construction materials	**2,763,419**	3,185,054
Other supplies inventory	**2,308,822**	2,287,321
	62,137,820	68,633,861

9. OTHER CURRENT ASSETS

The breakdown of this account is as follows:

	2015	2014
Miscellaneous-Input VAT	**201,741,352**	142,729,118
Guaranty Deposits	**6,018,313**	4,716,077
Others	**54,350**	54,350
	207,814,015	147,499,545

Miscellaneous-input value added tax (VATt) pertains to the accumulated balance of VAT paid by the Authority for acquired goods and services that may be applied as tax credit or deducted from the remittance of output vat.

Guaranty Deposits consist of the amounts deposited with contractors/suppliers to guarantee performance of obligation, such as deposits with Meralco, PLDT, lessors of buildings occupied by the Authority, and others.

10. PROPERTY AND EQUIPMENT

This account is composed of the fixed assets presented in the Schedule following this page of the report.

The value of Construction in Progress relates to the percentage of completion of on-going projects reported by the PPA Engineering Office as of December 31, 2015.

Property and equipment also includes various fixed assets recorded in the books of PMOs NCR South, Batangas, Davao, and NCR North that are currently being managed by private operators/contractors under existing management contracts with PPA. In 2014, various port equipment and machineries turned over by ICTSI to the then Port District of Manila as stipulated in the management contract were initially recorded at transferred cost less accumulated depreciation. The costs of the assets were later adjusted based on the result of Appraisal to reflect the current/replacement cost.

Also part of the increase in values of fixed assets is the costs of various repairs and maintenance projects implemented and completed that were capitalized and adjusted during the year in conformity with PAS 16.

Included in PPA's Physical Inventory Report on Fixed Assets are various furniture, fixture and equipment from Asian Terminal Incorporated (ATI) being used at Head Office as part of the contract agreement between the PPA and ATI.

PHILIPPINE PORTS AUTHORITY
SCHEDULE OF PROPERTY, PLANT & EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2015

	Land & Land Improvements	Building & Other Structures	Construction in Process	Motor Vehicle	Machinery & Equipment	Office Equipment	Other Fixed Asset	TOTAL
At December 31, 2014								
Cost	67,960,097,609	53,722,281,341	1,114,164,312	239,112,109	4,975,791,606	2,870,637,351	1,160,081,000	132,042,165,327
Accumulated Depreciation	(87,678,054)	(23,302,222,591)	-	(99,005,491)	(3,936,002,820)	(1,623,187,978)	(992,773,293)	(30,040,870,227)
NET BOOK VALUE	**67,872,419,555**	**30,420,058,750**	**1,114,164,312**	**140,106,617**	**1,039,788,786**	**1,247,449,372**	**167,307,707**	**102,001,295,100**
YEAR ENDING BALANCES December 31, 2015								
Opening Book Value	67,872,419,555	30,420,058,750	1,114,164,312	140,106,617	1,039,788,786	1,247,449,372	167,307,707	102,001,295,100
Additions/Investment in Fixed Assets Year Ending December 31, 2015	588,398,614	2,649,732,626	2,623,383,086	11,184,763	6,303,421	123,550,683	-	6,002,553,193
Disposed/Retired/ Adjustment	(283,468,444)	(1,195,154,944)	-	(12,734,779)	(10,176,518)	(195,745,871)	-	1,697,280,556)
Completed/ Transferred	-	-	(1,015,631,904)	-	-	-	-	1,015,631,904)
Depreciation for the year	(59,282,520)	(1,723,871,769)	-	(24,732,162)	(248,192,204)	(222,776,011)	(12,816,061)	(2,291,670,728)
Adjustment on Prior Years' Depreciation	43,072,360	79,018,128	-	5,083,809	4,177,650	106,444,906	-	237,796,854
Closing Net Book Value	68,161,139,565	30,229,782,791	2,721,915,494	118,908,248	791,901,135	1,058,923,079	154,491,646	103,237,061,959
At December 31, 2015								
Cost	68,265,027,779	55,176,859,023	2,721,915,494	237,562,093	4,971,918,509	2,798,442,162	1,160,081,000	135,331,806,061
Accumulated Depreciation	(103,888,214)	(24,947,076,232)	-	(118,653,844)	(4,180,017,374)	(1,739,519,083)	(1,005,589,354)	(32,094,744,102)
NET BOOK VALUE	**68,161,139,565**	**30,229,782,791**	**2,721,915,494**	**118,908,248**	**791,901,135**	**1,058,923,079**	**154,491,646**	**103,237,061,959**

11. INVESTMENTS IN SECURITIES

This account represents funds earmarked for various infrastructure projects and for the retirement benefits of PPA personnel that were invested in the following:

	2015	2014
Treasury and LBP Bonds	**300,980,362**	301,597,534
Others	**150,000**	190,000
	301,130,362	301,787,534

The Treasury bonds with holding period of 2,506 and 1,727 days and interest rates of 5.00%, and 4.625% will mature on April 26, 2019, and July 5, 2017, respectively.

12. OTHER NON-CURRENT ASSETS

The breakdown of this account is as follows:

	2015	2014
Non-operating assets	**247,757,833**	180,640,840
Restricted cash deposits	**19,839,227**	19,279,765
Deposits with the BTr	**18,748,154**	18,748,154
Receivable from the PNR	**18,000,000**	18,000,000
Others	**575,451,845**	674,696,392
	879,797,059	911,365,151
Less Allowance for Doubtful Accounts	**131,819,400**	89,242,744
	747,977,659	822,122,407

Non-operating assets is composed of:

- Costs of projects implemented by the Department of Public Works and Highways (DPWH) thru the issuance of cash advances to its accountable officers amounting to a total of P120.38 million which have remained unsettled to date. The accounts are subject of previous request to the Commission on Audit for closure/ derecognition in the books with pertinent documents resubmitted in August 2010.

- Receivables of P61.31 million from Manila North Harbor Port, Inc. (MNHPI), representing the balance on advances made by the Authority in payment of the past service benefits of port workers at the Special Take-Over Unit (STU) United Dockhandlers Inc. (UDI) of PMO North Harbor. As stipulated in Section 3.02-b of the Contract for Development, Management, Operation and Maintenance of the Manila North Harbor signed dated November 19, 2009. The amount shall be reimbursed at P20.60 million annually for five years starting on the fourth year of the contract which became operative on April 12, 2010 as stipulated under Section 14.01 of the Clarificatory Agreement between PPA and MNHPI.

- Serviceable assets which are no longer used in port operations and unserviceable assets awaiting disposal with carrying values amounting to a total of P66.07 million.

Restricted cash deposits pertain to the funds held in escrow which are kept in fixed-term deposits at the BTr, Land Bank of the Philippines, and Development Bank of the Philippines. These funds are earmarked mainly for the settlement of claims for NLRC SCREB Case No. VI-05-50142-06 and claim for real estate tax case at the Port of Iloilo, part of which was already garnished in favor of the City Government of Iloilo.

Deposits with the BTr account pertains to the balance of the Special Account kept with the BTr in pursuant to the requirements of PD 1234. Collections remitted, as well as reimbursements of PPA advances for project expenditures financed by foreign loans, are deposited to this account through the then Central Bank of the Philippines. The account is similarly covered with request for write off in the PPA books since it is inactive for several years and is no longer found in the books of the BTr. The use of this account was discontinued with the issuance of Executive Order No. 159.

Receivable from the PNR account pertains to the balance of a P20 million loan that was granted to the Philippine National Railways (PNR) for the rehabilitation of existing railways from the Manila International Container Terminal (MICT) in Port Area, Manila to the Food Terminal, Inc. (FTI) in Taguig, Metro Manila. The outstanding balance of P18 million remained unsettled despite series of negotiations with the PNR. Thus, officials of PPA-Legal Services Department and the Office of the Government Corporate Counsel (OGCC) decided to submit the case for arbitration before the OGCC/DOJ. The account is provided with a 100% allowance for uncollectibility.

Others mainly represent the recorded costs of intangible assets from the completion of MIS Computerization project amounting to P423.38 million net of accumulated amortization and P36.79 million value of spare parts in the custody of the then Harbor Maintenance Department of the PPA.

13. ACCOUNTS PAYABLE

This account is composed of the following:

	2015	2014
Trade/Business Payables	**2,602,096,887**	1,610,777,610
Due to Officers and Employees	**156,495,050**	182,548,547
Accrued Interest Payable	**22,139,042**	22,496,359
Intra-Agency Payables	**901**	901
	2,780,731,880	1,815,823,417

Trade/Business payables are obligations incurred in the procurement of goods and services from private suppliers and entities arising from the conduct of business operations. The account also includes liabilities arising from the decision of the Supreme Court on PPA vs. Acosta, et al Civil Case No. 5447, expropriation case of property for Batangas Port Development Project Phase II, corresponding to the additional cost of lots and interest due from 2001 to 2011.

Due to officers and employees consists of liabilities set-up for the payment of services rendered by employees i.e., salaries, overtime, bonuses and incentives, allowances, reimbursement of official expenses, and other claims due to PPA personnel.

Accrued interest payable pertains to the amount of interests due for payment on foreign loans acquired from various creditors.

Intra-agency payables pertain to Special Take-Over Units transactions.

14. PAYABLES TO OTHER GOVERNMENT AGENCIES

This account is comprised of inter-agency payables involving the mandatory deductions withheld from salaries of personnel that are due for remittance in payment of taxes, employees' insurance premium contributions, and loan amortizations. Also included are liabilities for advances made by other government agencies for specific purposes.

	2015	2014
Due to BIR	**1,141,764,582**	1,013,391,064
Due to Other GOCCs	**3,715,015**	3,700,724
Due to Gov't Service Insurance System	**2,482,885**	1,757,407
Due to LGUs	**0**	51,696
Due to Pag-IBIG	**449,157**	786,375
Due to Other NGAs	**177,653**	6,945
Due to Philhealth	**138,432**	88,437
	1,148,727,724	1,019,782,648

The Due to BIR account represents provision for additional income tax for CY 2015 amounting to P 1,048.36 million (refer to Note 42), and the remaining P 93.41 million pertains to withholding tax on compensation, EWT, CVAT, and other taxes payable.

15. CURRENT PORTION OF FOREIGN LOANS PAYABLE

The amount of P 386,178,016 represents maturing obligations on long-term debts or the principal amortization on foreign loans due for repayment in the following year.

16. OTHER CURRENT LIABILITIES

This account consists of the following:

	2015	2014
Trust Liabilities	**160,429,145**	112,130,755
Depository Liabilities	**239,995,815**	184,171,693
Current Portion-Retirement Payable	**126,524,644**	421,755,798
Performance/Bidders Bonds Payable	**10,263,322**	9,972,193
Tax Refund Payable	**3,936,275**	1,041,870
Other Payables	**77,025,682**	84,247,520
	618,174,883	813,319,829

Trust liabilities consists substantially of retention fees withheld from suppliers and contractors to guaranty the performance and delivery of contracted goods and services, refundable taxes to PPA personnel and deductions on salaries of personnel for employee associations and Employees' Cooperative

Depository liabilities consist of deposits other than those required to guaranty the performance of contracts.

Current portion-retirement payable – This account comprises the money value of retirement gratuity of qualified employees to retire in the succeeding year under RA 1616 including accumulated leave credits. The decrease for the year is mainly due to the effect of the settlement of the provision made in 2014 for the affected employees under the PPA Rationalization Plan.

Other payables include liabilities other than the above classification of other current liabilities.

17. LOANS PAYABLE - FOREIGN

Below is the breakdown of the outstanding balances of PPA's foreign borrowings:

Loan Account	Interest Rate %	No. of Years & Maturity Date	Loan Amount	Outstanding Balance		
				In Foreign Currency	In Philippine Peso	
					2015	2014
JBIC-PH-P84	3.00	20.5 Jan. 2018	Y 61,381,669	Y7,485,000	**P 2,934,120**	P 3,883,518
JBIC-PH-P91	3.00	20.5 Jan. 2018	169,158,544	20,620,000	**8,083,040**	10,698,482
JBIC-PH-P122	2.70	20.5 June 2021	5,497,049,624	1,474,803,000	**578,122,776**	645,936,899
JBIC-PH-P172	2.30	20.5 Mar. 2027	502,889,141	282,072,000	**110,572,224**	113,625,960
JBIC-PH-P187	2.20	20.0 Sept. 2028	13,529,000,000	8,420,958,000	**3,301,015,536**	3,360,869,114
JBIC-PH-P187A	2.20	31.0 Sept. 2038	1.026,000,000	769,718,000	**301,729,456**	297,659,990
Total					**4,302,457,152***	4,432,673,963*
Current portion					**(386,178,016)**	(365,095,849)
Loans payable - foreign					**P3,916,279,136**	P4,067,578,114

**Equivalent to US $ 91,219,462 @ P47.166 per US$1.00.*

18. RETIREMENT PAYABLE

This account represents the amount earmarked to cover the present money value of retirement gratuity of PPA personnel qualified to retire under Republic Act (RA) 1616, wherein the Agency is mandated to pay lump sum amount to the retirees, including the present money value of accumulated leave credits of personnel based on their basic salaries as of reporting date, as follows:

	2015	2014
Balance as of January 1	**664,933,543**	490,593,711
Less: Payment of Retirement Gratuity and Terminal Leave Benefit During the Year	**(203,905,965)**	(68,394,799)
Reversal of set-up for voluntary retirement under EO 366	**(210,086,177)**	
Add: Provisions for the Year		
Accumulated Leave Credits	**53,822,292**	12,354,661
Retirement Gratuity	**97,107,747**	230,379,970
Total Retirement Payable, December 31	**401,871,440**	664,933,543
Less Current Portion	**(126,524,642)**	(421,755,798)
Retirement Payable – Non-Current Portion	**275,346,798**	243,177,745

Part of the provision in 2014 for grant of incentives amounting to P210.09 million for the voluntary retirement of employees under EO 366 was reversed in 2015 as disapproved due to lack of legal basis.

19. DEFERRED CREDITS

This account includes the amount of income received before it is earned or realized such as Output Vat on income earned that is due for remittance to the Bureau of Internal Revenue, amounts received in advance on leased property, and deferred tax liability representing final tax from interest income earned or realized by the Authority from its investment/placements.

	2015	2014
Output VAT	**498,975,711**	520,614,922
Deferred Credits to Income	**10,390,960**	10,137,854
Other Deferred Credits	**82,242,760**	137,630,725
	591,609,431	668,383,501

20. CAPITAL CONTRIBUTION

Executive Order No. 513, amending PD 857, increased the authorized capital of the Authority from P3.0 billion to P5.0 billion.

Government Contribution to the Authority as initial paid up capital consisted of:

(a) The value of assets (including port facilities, quays, wharves, and equipment) and such other property, movable and immovable contributed or transferred by the Government and its agencies valued at the date of contribution or transfer after deducting the loans and other liabilities of the Authority.

(b) The initial cash appropriation of P2.0 million out of the funds of the National Treasury and further sums, including working capital contributed by the National Government.

21. DONATED SURPLUS

Donated Surplus represents the amount of cash or property received as donations from entities other than the National Government.

22. APPRAISAL SURPLUS

Appraisal increase, which is the difference between the sound value and net book value of fixed assets, is added to the carrying value of property and equipment. Appraisal Surplus corresponds to the cumulative amounts of appraisal increments determined by independent appraisers hired by the Authority in the conduct of appraisal of its Fixed Assets, once every five years. The last appraisal of fixed assets was conducted in 2011.

23. RETAINED EARNINGS

This account represents the recorded cumulative net profit of the PPA from the start of its operation, net of dividends paid to the BTr and other adjustments in the prior year.

Pursuant to Section 5 of Republic Act 7656 dated November 9, 1993, the Authority declares and remits fifty percent (50%) of its annual earnings as dividends to the National Government. The Authority's dividends payable to the national government for CY 2015 income computed based on unaudited financial figures amounts to P2.18 billion.

The balance of income after dividend and tax payments are closed to this account and automatically appropriated to port development projects pursuant to the provisions of EO 159. Prior years' adjustments that affected the balance of the account include the following:

Particulars	Amount
1. Reclassification of repairs and maintenance to fixed assets	325,420,154
2. Cancellation of vatious accounts Payable and adjustments affecting prior year's expenses	276,516,435
3. Adjustment of prior year's depreciation	75,079,814
4. Adjustment involving prior year's revenue	3,184,452
5. Recorded assets acquired charged to MOOE accounts	231,454
6. Adjustment in various taxes recorded	178,141
7. Adjustment in asset cost	(3,211,250)
8. Others	10
	677,399,200

24. WHARFAGE DUES

This refers to the charges levied on loaded/unloaded cargoes whether imports, exports, inbound, outbound, or transshipments. The computation is based on metric ton for non-containerized cargoes and per box for containerized cargoes.

25. SHARE IN ARRASTRE/STEVEDORING INCOME

This account represents the government share on the receipts or earnings of cargo handlers from arrastre and stevedoring service. Arrastre refers to the set of shore-based cargo handling activities that includes, but is not limited to, the receiving or loading of cargoes to/from ship's tackle with the use of dock gang and cargo handling equipment. On the other hand, stevedoring service cover the discharging and loading of containers, loaded or empty, from the vessel to the dock/apron and vice-versa, and the opening and closing of hatch covers, lids and supporting beams.

The account includes income from ICTSI for MICT operations; from ATI for South Harbor and Batangas; and, MNHPI for North Harbor.

26. STORAGE CHARGES

Storage fees are charges on cargoes that remain in the cargo sheds, warehouses or in the open storage area of any government-owned port beyond the "free storage period" allowed. Increase or decrease in storage revenue can be attributed to the growth or decline in the number of shippers/port users availing of storage services.

27. DOCKAGE FEES

Dockage or berthing fee is the amount assessed against a vessel engaged in international (foreign) trade for berthing. It is levied on the cargo vessels based on the number of days of stay for the purpose of discharging and/or loading cargo; and on non-cargo vessels for the purpose of loading and/or taking passengers or for taking fresh water supply or receiving bunker fuel.

28. PORT DUES

Vessels engaged in foreign trade, including those engaged in barter trade, that enter any port, whether private or government-owned, for loading and discharging cargoes, embarking/disembarking passengers, bunkering or taking provisions or repairs and changing members of the crew are charged with port dues based on the vessel gross revenue tonnage (GRT). It is a one-time charge assessed against vessels anytime that they call at the port.

29. PORT USAGE FEES

Vessels engaged in coastal domestic trade that berth or temporarily lay up or drop anchor at any government port are charged a port usage fee based on gross revenue ton (GRT).

30. TERMINAL FEES

The account consists of the amount charge on vehicles for the use of the port facilities and services which is collected by the PPA on a per sea-leg journey at the port of loading or embarkation.

31. PILOTAGE

This represents the government share on the service rendered or required to be performed by the harbor pilots to maneuver vessels to/from the ports as required or as deemed necessary in each pilotage district.

32. VESSEL TRAFFIC MANAGEMENT SERVICE (VTMS) FEES

The PPA issued Administrative Order No. 03-2006 dated 16 June 2006 authorizing the collection of the VTMS Fee. It includes fees collected/assessed on all international and domestic vessels entering, departing, navigating, operating, and anchoring/mooring within the VTMS covered areas.

33. LAY-UP FEES

This pertains to the amount assessed against vessels engaged in domestic coastal trade that are authorized to temporarily lay-up and anchor at any port.

34. OTHER INCOME

This account consists of income from non-traditional sources broken down as follows:

	2015	2014
Permits and Licenses		
Permit fees	**23,196,367**	15,063,863
Other permits and licenses	**8,812,118**	8,481,106
Fines and penalties – permits and licenses	**2,126,802**	2,261,248
	34,135,287	25,806,217
Service Income		
Fines and penalties – service income	**7,363,527**	12,707,272
Seminar and passenger terminal fees	**571,885**	1,015,281
Other service income	**2,616,676**	2,777,317
	10,552,088	16,499,870
Business Income		
Rent income- buildings, warehouses and guesthouses	**328,916,355**	308,763,549
Other business income	**165,191,228**	108,503,676
Reefer services	**37,793,369**	37,970,538
Sale of power	**19,016,566**	18,763,478
Net income from STU	**14,468,912**	19,850,860
Printing and publication income	**14,448,313**	15,463,609
Sale of water	**12,318,567**	10,980,346
Concession income	**3,065,850**	0
Parking fees	**3,058,179**	3,377,390
Income from dormitory operations	**816,058**	947,106
Crane/Cargo handling equipment	**791,606**	435,894
Truck scale	**451,971**	345,724
Others	**36,354,150**	27,749,632
	636,691,124	553,151,802
	681,378,499	595,457,889

35. PERSONAL SERVICES

The breakdown of expenses incurred for PPA employees follows:

	2015	2014
Salaries and Wages	**552,893,611**	597,153,554
Other Compensation		
Other bonuses and allowances	**149,790,142**	100,769,984
Overtime and night pay	**62,292,809**	68,170,761
Year-end bonus	**45,107,415**	51,056,007
Collective negotiation agreement incentive-civilian	**40,656,250**	46,289,483
Personal economic assistance allowance	**38,918,634**	44,130,207
Representation allowance	**18,502,695**	17,269,169
Transportation allowance	**13,861,335**	12,333,153
Clothing/Uniform allowance	**7,964,996**	9,300,000
Honoraria	**7,457,473**	7,856,068
Hazard Pay	**200,657**	207,878
Longevity Pay	**148,045**	166,390
	384,900,451	357,549,100
Personnel Benefits Contribution		
Life/Retirement insurance premium contributions	**64,286,634**	71,813,366
PHILHEALTH premiums	**5,951,760**	6,642,599
Pag-IBIG premiums	**1,989,809**	2,204,590
ECC contributions	**1,964,378**	2,275,706
	74,192,581	82,936,261
Other Personnel Benefits		
Retirement benefits	**97,107,747**	234,129,970
Rice allowance	**54,679,561**	55,892,737
Monetized leave	**53,822,292**	12,354,662
Medical allowance	**3,874,496**	4,355,295
Meal subsidy	**1,327,073**	1,505,155
Children's allowance	**647,173**	710,383
Other benefits	**1,770,000**	1,930,000
	213,228,342	310,878,202
	1,225,214,985	1,348,517,117

Per COA-NGAS of 2004 Cultural and Athletic Expenses is presented as part of Personal Services, while in the DBM approved COB it forms part of MOOE. To provide uniformity and consistency in presentation, the DBM approved COB is adopted.

36. MAINTENANCE AND OTHER OPERATING EXPENSES

The account consists of:

	2015	2014
Maintenance & Other Operating Expenses		
Repairs and maintenance	**1,906,696,045**	1,266,519,505
Dredging expense	**344,980,104**	103,063,167
Security services	**318,895,860**	318,917,519
Other professional services	**218,961,492**	256,042,781
Utility expenses	**175,090,360**	174,443,370
Supplies and materials expense	**89,134,480**	91,598,203
Consultancy services	**86,328,602**	109,060,556
Janitorial services	**58,546,820**	46,985,155
Insurance expense	**57,547,927**	48,932,248
Traveling expense	**39,327,808**	47,825,283
Auditing services	**38,232,972**	42,520,941
Taxes, duties and licenses	**36,433,473**	36,687,961
Training and scholarship expense	**36,032,166**	24,391,228
Communications expense	**27,296,011**	31,532,993
Representation expense	**20,363,851**	18,888,801
Final tax	**18,162,645**	23,264,051
Cultural and athletic expenses	**13,641,236**	10,628,952
Rent expense	**7,121,467**	5,229,295
Demolition and relocation expense	**6,185,100**	5,237,036
Printing and binding expense	**4,031,300**	4,387,582
Intelligence expense	**4,000,000**	6,000,000
Advertising expense	**3,086,000**	2,700,370
Membership dues & cont. to organizations	**1,749,488**	757,516
Awards and indemnities	**1,258,100**	11,991,586
General services	**592,754**	492,135
Subscription expense	**554,490**	614,702
Senior Citizen/FWD/student discount	**516,749**	24,873
Subsidies and donations	**160,768**	19,637,252
Miscellaneous expenses	**3,640,664**	2,309,039
	3,518,568,732	2,710,684,100
Non-Cash Expenses		
Depreciation expense	**2,291,670,728**	2,599,629,014
Amortization – intangible assets	**141,126,352**	141,126,352
Bad debts expense	**11,726,370**	7,308,686
Loss on assets	**32,082,681**	31,911,242
	2,476,606,131	2,779,975,294
	5,995,174,863	5,490,659,394

Repairs and maintenance are expenses for the ordinary repairs and maintenance of PPA structures, facilities and equipment to keep or restore the assets into their normal operating condition.

Dredging Expense represents cost incurred in dredging the harbors to the required depth through removal of silts. It also includes expenses in the maintenance of basins and navigational channels, cost of minor repairs of dredging equipment, spare parts, salaries and wages of casual and contractual employees, incidental traveling expenses and other related costs.

Utility expenses cover the costs of water, electricity, and gas for illumination consumed at office buildings, grounds and other port structures.

Insurance expense consists of payments on fidelity bond premiums of accountable officers, and insurance premiums for motor vehicle and other property.

Taxes, duties and licenses pertains to the expenses incurred for taxes, duties, licenses including vehicle registration fees

Final tax pertains to the tax deducted on the interest income earned on investments in securities

Demolition and relocation expense represents cost incurred in demolition and relocation of structures affected by port development projects.

Intelligence expense pertains to expenses incurred for highly sensitive activities. Liquidation documents are submitted to the Commission on Audit Central Office for audit.

Awards and indemnities pertains to amounts awarded by courts or administrative bodies to persons affected by the destruction of property/death/injury, as well as the monetary service/loyalty awards given to officials and employees for attaining several years of service to the PPA.

Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets net of 10 percent residual value, in accordance with PPA Memorandum Circular No. 37-2005 and COA Circular No. 2004-003.

Bad debts expense is based on the prescribed provision for bad debts under existing PPA guidelines.

Loss on asset is recognized if due to accidents, theft, robbery, negligence, manmade conflict, fire, typhoon, and other calamities. Other Losses represent the difference between the carrying value and the 10 percent residual value of fixed asset reclassified as unserviceable asset upon retirement.

37. FUND MANAGEMENT INCOME (FMI)

This account covers interest earned from various deposits and investments in T-bills, bonds and other marketable securities.

38. OTHER GENERAL INCOME

This account consists of:

	2015	2014
Interest Income	**8,998,126**	4,974,171
Miscellaneous Income	**22,264,344**	21,827,984
	31,262,470	26,802,155

39. FOREIGN EXCHANGE GAIN/(LOSS) ON REVALUATION

In accordance with the Philippine Accounting Standards (PAS) 21, balances of foreign currency-denominated accounts (i.e., foreign loans and dollar deposits) are revalued at year end to reflect the actual exchange rate at balance sheet date. The difference is recognized as gain/loss on revaluation.

The net effect of gain or loss on foreign denominated bank deposits and loan balances as a result of exchange fluctuations is as follows:

Particulars	2015	2014
Gain(Loss) on Revaluation of Outstanding Balances of Foreign Loans	**(234,879,038)**	637,889,173
Gain(Loss) on Revaluation of Balance of Foreign Currency Deposit Accounts	**1,149,724**	119,981
Net Gain(Loss) on Revaluation	**(233,729,314)**	638,009,154

The following are the peso equivalent per Bangko Sentral ng Pilipinas guiding rates of exchange that were used in determining the outstanding balances of foreign loans and dollar deposits as of December 31, 2015:

Currency	2015	2014
United States Dollar ($)	**44.1670**	44.6170
Japanese Yen (Y)	**0.3920**	0.3706

40. FINANCIAL EXPENSES

This account is composed of financial charges as follows:

	2015	2014
Interest Expense – Loans/Borrowings	**96,355,980**	215,175,653
Other Financial Charges	**23,383,311**	67,942,114
Loss(Gain) on Foreign Exchange	**7,025,896**	(6,110,195)
Bank Charges	**158,787**	153,102
Documentary Stamp Expenses	**1,940**	7,500
	126,925,914	277,168,174

Other Financial Charges mainly include payments to the BTr for guarantee fees on foreign loans guaranteed by the Republic of the Philippines.

Loss/ (Gain) on Foreign Exchange represents the amount recognized as actual gain/ loss from foreign currency transactions. This consists of (a) the difference between the actual amount billed and settled at the time of debt servicing of the foreign loan and its recorded book value and (b) the difference between the peso equivalent of the amount of withdrawal from dollar bank deposits at actual rates prevailing at the time of withdrawal against its carrying value using the adopted booking rate.

41. GAIN/(LOSS) ON SALE OF DISPOSED ASSETS

This pertains to the difference between the net book value of asset and the proceeds or amount actually received from the disposal of assets.

42. INCOME TAX EXPENSE

The Statement of Comprehensive Income for CY 2015 reflects a Net Profit amounting to P 4,056.77 million For the current year, the Authority is subject to payment of Income Tax based on the 30 percent Regular Tax Rate as this is higher than the Minimum Corporate Income Tax (MCIT) computed at 2% of Gross Income, after deducting investment in fixed assets or capital expenditures (CAPEX) during the year. As of third quarter of 2015, PPA already remitted to the Bureau of Internal Revenue (BIR) P600.10 million of income tax. The provision for income tax for the year amounts to P1,648.45 million, which will be settled thru the application of prepaid taxes during the last three quarters of the year and the balance of P1,048.36 million recognized as tax liability as of December 31, 2015.

In the Statement of Comprehensive Income for the year ended December 31, 2015, the Income Tax Expense presented for CY 2014 in comparison to 2015 is restated. The amount reported in CY 2014 was P1,845,801,981; whereas, the adjusted figure based on the amended return filed with the BIR is P1,842,661,559 or lower by P3,140,422.

43. CONTINGENT ACCOUNTS

In compliance with the provisions of PAS 37 – Provisions, Contingent Liabilities and Contingent Assets, Contingent Assets and its contra account Contingent Surplus were excluded among the accounts presented in the Statement of Financial Position. Depending on the outcome of events, income or surplus that may be realized on contingent assets amounts to P1,073.98 million and P1,224.28 million in 2015 and 2014, respectively. Of the amount of P1,073.98 million, 93 percent or P1,003.96 million are accounts carried in the books of the Port Management Offices of NCR North and South. The contingent accounts are mainly contested accounts receivable with expected income from increased rates on lease of land and other PPA port facilities. It is the policy of the Authority and as embodied in the lease agreements that rental rates are automatically adjusted based on the appraised value of the property. This adjusted rate on lease serves as the basis of computation of charge in the invoice issued to the lessee.

44. SUPPLEMENTARY INFORMATION REQUIRED BY BIR UNDER RR No. 15-2010

On 25 November 2010, the BIR issued Revenue Regulations (RR) No.15-2010 prescribing additional procedural and/or documentary requirements in connection with the preparation and submission of Financial Statements accompanying the Tax Returns. Under the said RR, it is required that, in addition to the disclosures mandated under the Philippine Financial Reporting Standards, and such other standards and/or conventions as may be adopted, the Notes shall include information on taxes, duties and license fees paid or accrued during the taxable year.

In compliance with the requirements set forth by Revenue Regulations 15-2010 hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year:

1. VAT Output Tax

Philippine Ports Authority is a VAT-registered company with VAT output tax declaration of **P1,352,090,898.90** for CY 2015 based on the amount reflected in the Sales Account of **P11,263,651,587.57**.

The company has zero-rated sales amounting to **P1,898,174,733.71** pursuant to the provision of **R.A. 7716 as amended by R.A. 8424 and R.A. 9337 and RR 16-2005 Sec. 4. 108-5 (b) (4)** law/regulations.

2. VAT Input Tax

The amount of VAT Input Taxes claimed are brokent down as follows:

2.1.	Beginning of the year:	**P**	**28,372,924.22**
	2.1.1. Excess Input VAT carried over		**9,986,894.67**
2.2.	Current year's domestic purchases/payments for:		**594,385.988.09**
	2.2.1. Goods for resale/manufacture or further processing		-
	2.2.2. Goods other than for resale or manufacture		15,816,366.66
	2.2.3. Capital goods subject to amortization		7.796,133.52
	2.2.4. Capital goods not subject to amortization		33.019.82
	2.2.5. Services lodged under cost of goods sold		-
	2.2.6 Services lodged under other accounts		570,740,468.09
2.3.	Claims for tax credit/refund and other adjustments		**618,864,117.18**
	Add: Deduct Adjustments		
	Input Tax on Sales to Government closed to expsense/(income)		(269,179.79)
	Input Tax Allocable to Exempt Sales		36,241.38
		P	**618,631,178.77**
2.4	Balance at the end of the year	**P**	**14,114,628.21**

3. Other Taxes and Licenses:

3.1	**Local**		
	Community Tax	P	10,500.00
	Business Tax/Mayor's Permit/Others		35,395,436.38
	Other taxes and licenses		75,386.70
3.2	**National**		
	BIR (Annual Registration Fee)		85,500.00
	BOT (Bond Premiums)		-
	Bureau of Fire Protection		7,278.00
	PNRI (X-ray Machine Registration Fee)		-
	NTC (Radios Licenses)		84,114.35
	ERC		11,000.00
	DENR		4,015.00
	COA		2,941.68
	EMB		13,156.00
	CSC		5,722.22
	Philhealth		-
	LTO (Vehicle Registration)		738,422.52
	Total		**36,433,472.85**

4. Withholding Taxes

The amount fo withholding taxes paid/accrued for the year amounted to:

5.1	Tax on compensation and benefits	**P**	**117,226,901.57**
5.2	Expanded Withholding Tax/es		**97,749,460.01**
5.3	Final (VAT) Withholding Tax/es		**243,214,376.83**

5. Final Assessment Notice

Philippine Ports Authority has no final assessment notice from any BIR Regional Office.

Schedule of Withholding Taxes

For CY 2015

Month	Creditable Withholding Taxes (1600)			Expanded Withholding Tax (1601E)			Withholding Tax on Compensation (1601C)			TOTAL
	AMOUNT	BIR Filing Reference No.	LBP's Confirmation No.	AMOUNT	BIR Filing Reference No.	LBP's Confirmation No.	AMOUNT	BIR Filing Reference No.	LBP's Confirmation No.	
Jan	6,306,625.78	171500010549651	21020151321226140	1,761,339.31	21500010563831	211201508490476 80	7,905,394.90	11500010592824	21320151543299910	**15,973,359.99**
Feb	13,793,230.37	171500010750670	31020150937525150	5,446,579.43	21500010756588	31020151352398220	8,604,649.44	11500010776417	31120151052074980	**27,844,459.24**
Mar	19,378,996.63	171500010953693	40920151906358950	7,819,928.77	21500010965281	41020151330209030	8,923,633.84	11500010965406	41020151338134610	**36,122,559.24**
Apr	17,985,630.33	171500011346468	50920150925018130	7,289,386.72	21500011350020	50920151318265150	9,045,212.70	11500011363488	51120151632037940	**34,320,229.75**
May	23,817,482.40	171500011657347	61020151103023310	9,970,476.48	21500011660868	61020151300537860	8,847,712.82	11500011666361	61020151442410340	**42,635,671.70**
Jun	16,588,549.87	171500011940755	71020151237465550	6,429,860.89	21500011966581	71320151445097080	18,177,100.57	11500011968881	71420150850173160	**41,195,511.33**
Jul	24,513,911.20	171500012215783	81020151309586030	9,331,593.78	21500012216281	81020151314174440	8,600,104.11	11500012240040	81120151439417170	**42,445,609.09**
Aug	21,283,365.80	171500012523944	90920151532461510	9,201,862.97	21500012525404	90920151548342020	7,608,582.72	11500012525874	90920151609493930	**38,093,811.49**
Sept	21,983,537.74	171500012820291	100920151417430210	8,907,893.10	21500012820856	100920151421355440	9,442,632.63	11500012821681	100920151424073310	**40,334,063.47**
Oct	27,381,101.29	171500013132802	111020151612227290	10,859,436.09	21500013146267	111120150925026070	8,049,289.33	11500013144719	111120150940224490	**46,289,826.71**
Nov	11,492,082.51	171500013461056	120920151457116240	5,897,068.77	21500013484206	121020151117467350	10,996,440.70	11500013481738	121020151114169460	**28,385,591.98**
Dec	38,689,862.91	171600013744463	10820161716388990	14,834,033.70	21600013867125	11420161409192520	11,026,147.81	11600013926302	11920161257275870	**64,550,044.42**
TOTAL	**243,214,376.83**			**97,749,460.01**			**117,226,901.57**			**458,190,738.42**

45. PENDING LAWSUITS

The Authority is involved as a party litigant in several lawsuits still pending for resolution that could materially affect its financial position. Among these lawsuits are the following:

No.	Case Title	Case No. / Court	Description	Status
1	APL C. PTE Ltd, Versus Oceanic Container Lines, Inc., Filipinas Port Services and PPA	Civil Case No. 14132592 RTC Manila Branch 20	Damages	Undergoing Mediation proceedings with chance of settlement. Next hearing is set on January 28, 2016.
2	Aboitiz Transport System Corp. (ATSC) VS. PPA	RTC-Manila, Branch 24, Civil Case No. 08-119020 --- CA-G.R. CV 95141 --- SC G.R. 158401 --- CA Manila CA-G.R. CV No. 96120	Maritime Damages and Injunction allegedly for the losses suffered by ATSC when it transferred its operation to South Harbor	Case dismissed by RTC Manila in favor of PPA. --- Appeal on the decision of RTC filed by ATSC was denied and RTC decision affirmed. --- Considering that CV No. 95141 had been decided, consolidation is no longer possible and the Motion for Reconsideration of October 13, 2011 had been rendered moot and academic. No reply brief having been filed, the filing thereof is deemed waived and the appeal is submitted for decision as per Resolution dated March 11, 2013. Waiting for Decision, PPA submitted its Compliance on the Notice of Resolution dated May 27, 2014. --- Aboitiz filed a Motion for extension to file under Rule 65 or Petition for Review before the Supreme Court last July 8, 2014. Waiting for Court directive.
3	IN RE: Petition for Consignation Amalgamated Motors (Phils.), Inc.	Civil Case No. 187468-CV Metropolitan Trial Court National Capital Judicial Region Branch 2, Manila Civil Case No. 14-131974	For: Petition for Consignation	MTC rendered a Decision dated May 8 2014 Dismissing the Case for Consignation. RTC rendered a Decision dated December 28, 2015 dismissing the Appeal filed by Amalgamated Motors Inc. On December 17, 2015, RTC rendered a Decision dismissing the Petition filed by the petitioner and affirming the May 8, 2014 Decision of the MTC. On December 28, 2015, Petitioner filed its Motion for Reconsideration on the Decision of the Court dated December 17, 2015. The hearing on the Motion is set on January 29, 2016.

No.	Case Title	Case No. / Court	Description	Status
4	Amelia Aquino et al vs. PPA	RTC-Manila, Br. 7, Civil Case No. 00-98161 --- CA-G.R. SP 91743 Court of Appeals --- SC G.R. 181973 / 146665	Mandamus and Prohibition instituted by PPA employees praying that the supervisors appointed after the SC decision in PPA v. COA be given 40% of their basic salary as reimbursable RATA ---	RTC ordered PPA to pay RATA equivalent to 40% of the standardized basic salary and to cease and desist from requiring refund. --- Parties already filed their respective Memorandum. --- Entry of Judgment issued on June 3, 2013. The instant Petition for Review on Certiorari is DENIED. The Decision dated 29 August 2007 and Resolution dated 29 February 2008 of the Court of Appeals in CA-G.R. SP 91743 are AFFIRMED. No pronouncement as to costs.
5	Antonio Altas et al vs. Iloilo River Wharf Port Services et al (IRWPRS)	NLRC SRAB Case No. VI-05-50142-06 --- CA G.R CEB SP No. 03559	Claim for Underpayment of Wages and Profit Sharing	NLRC ordered PPA-IRWPRS to pay complainants their share in the net profit in the amount of P4,869,793 and to pay salary differentials in the amount of P10,614,136.96. --- On Appeal, CA issued a Resolution dated Nov. 25, 2010 reversing the NLRC Decision and declaring Altas et. al not to be entitled to profit sharing and differentials. The Resolution has become Final and Executory on January 2, 2013 as per resolution issued by CA dated September 24, 2013.
6	AT IBA PA, Rank and File sa Sulpicio Lines, Inc. et al vs, PPA	NLRC No. 1014201-08 --- CA SP G.R. 116908	Claim for Underpayment of wages, Non-Payment of E-COLA, Night Shift Differential et. al -	Labor Arbiter granted the petition but NLRC reversed the decision. Petitioner filed a Motion for Reconsideration but was denied for lack of merit as contained in CA Resolution dated July 19, 2013. --- CA issued a Decision dated January 25, 2013 affirming the Resolution of NLRC dated January 23, 2010 has become final and executory on August 14, 2013 and is recorded in the Book of Entries of Judgments.
7	Banago Port Stevedoring vs. PPA	Civil Case No. 12721 RTC-Negros Occ., Branch 51 CA-G.R. CV 02471 Court of Appeals, Cebu City	Sum Of Money, Alleged Refund Of P2,889,578 Excess Payment Of Govt. Share During Moratorium Under PPA AO No. 06-95	RTC ordered PPA to pay amount P2,889,577.65 less P40,0000 plus interest The case was scheduled for Mediation last December 12, 2014. During the Mediation Proceedings, parties failed to reach a settlement of the case. Thus, Mediation process was terminated and the case was referred back to the Court of Appeals for Resolution.
8	Barangay 650, Zone 68 et al. vs. PPA et al	Civil Case No.00-98093, RTC Manila, Branch 42	Prohibition with Application for Preliminary Injunction and With Prayer for the Issuance of a TRO, Damages and Relocation	Case was archived. The proposed Compromise Agreement is for PPA Management's consideration.
9	Barangay 651, Zone 68 et al vs. PPA et al.	C.C. No. 00-97859 RTC-Manila, Br. 8	Prohibition with Application for Preliminary Injunction and With Prayer for the Issuance of TRO, Damages and Relocation	Presentation of witnesses for plaintiff. Awaiting Order from the Court.
10	Benny Espinosa vs. PPA et al	RTC Br. 29, Iloilo CC 02-27373 --- CA-G.R. CV- No. 03213	Petition for Injunction with Application for Preliminary Injunction and TRO and Damages	RTC denied the prayer for damages and the case was dismissed for being moot and academic. --- An Appeal was filed but CA dismissed the Appeal for lack of Merit. A Motion for Reconsideration was filed seeking reversal of the dismissal. However, CA issued a Resolution directing defendants-appellees to file Comment on Plaintiff-appellant's Motion for Reconsideration within 10 days from receipt of this Resolution (per Resolution dated 05 Nov 2013)
11	Danilo S. Malacad et al. vs. Pantalan, Mr. Antonio C. Ignacio, Jr & PPA and Goldcrest Investment International Consultancy Services (GIICS), Intervenor	Civil Case No. 10123320 RTC-Manila, Branch 21	Declaration of Absolute Nullity/ Nullification of "Joint Authority" Separate Enforcement of Final Judgment, with TRO; Prayer for release of a portion of COLA and AA receivables	Hearing for TRO is still ongoing.

No.	Case Title	Case No. / Court	Description	Status
12	Government Service Insurance System vs. PPA	Arbitration Case No. 2012-01	Ownership of the Manila International Container Terminal Area	Arbitration was dismissed. For possible filling of Case with RTC for Nullification of title.
13	Lepanto Consolidated Mining Co. vs. PPA	Civil Case No. 3920, MTTC Br. 2, San Fernando, La Union --- Civil Case No. 9198 RTC La Union Branch 29	Unlawful Detainer, With Prayer For PPA to Vacate the Premises and for Reasonable Compensation For The Actual Occupancy Of The Property --- Payment of Rental Fees amounting to P 7,325,121.90 as referred to with the proposed rental rates provided by Lepanto Consolidated Mining Co., dated March 28, 2012.	PPA recently received an adverse Decision dated January 5, 2015 last January 21, 2015. On April 8, 2015, PPA filed an Appeal with RTC of La Union --- LSD together with OGCC attended the hearing last September 16, 2015. Awaiting for orders from the court.
14	Manila International Ports Terminal Inc. (MIPTI) vs. PPA	RTC-Manila, Branch 15, Civil Case No. 86-37673 --- C.A No.80775 --- SC GR.NO. 196252 196199	Damages arising from the takeover by PPA of the MICT just after the EDSA revolution.	RTC declared EO 30 unconstitutional and ordered PPA to return and restore all equipment and properties taken during take over or to pay P180M; P1.5M/mo for actual damages for loss of income; P1.5/mo as rental for use of equipment; P200k exemplary damages; P500k attorney's fees. --- CA modified RTC decision as follows: PPA ordered to pay MIPTI P19M at interest rate of 6%; P250,000/mo. for unrealized profits --- Awaiting Court Resolution.
15	United Harbor Pilot's Association of the Philippines (UHPAP) vs. PPA et al.	RTC-Manila, Branch 55, Civil Case No. 02-104716; Re-raffled to Branch 22, Civil Case No. 88-4726 --- CA-G.R. 93775 --- G.R. No. 212561	Declaratory Relief, Injunction with Preliminary Injunction or Temporary Restraining Order and Damages; To order PPA to reimburse collected amount equivalent to 10% government share	RTC denied prayer for injunction and declared illegal and unconstitutional the provisions of PPA AO 03-85 and all subsequent issuances imposing 10% government share. --- PPA filed an appeal with CA and in a Decision dated July 26, 2013, the latter quashed the writ of injunction issued by RTC and set aside the RTC decision and declared PPA AO 03-85 as valid and constitutional. The Court rendered its Decision last July 26, 2013 granting PPA's Appeal. --- UHPAP filed a Petition for Review on June 6, 2014. PPA filed its Comment last November 11, 2014. Waiting for Court's Resolution.
16	PPA vs. Pambansang Tinig at Lakas ng Pantalan	Special Civil Action No. 08118633 C.A G.R. SP NO. 107730 --- SC G.R. No. 192836	Mandamus with Prayer for Issuance of a Writ of Preliminary Mandatory Injunction; To direct PPA to actually integrate COLA and AA.	RTC granted the prayer and ordered PPA to actually integrate COLA and AA to the employees' basic salaries and to pay differentials and attorneys fees. CA Decision dated Jan. 29, 2010 affirming RTC Decision. --- An Appeal was filed before the SC. Awaiting Resolution.
17	PPA vs. Mindanao Terminal and Brokerage Services (MINTERBRO)	Civil Case No, 87-42747, RTC Br. 14, Manila --- CA GR CV No. 35884 --- SC G.R. No. 170269 G.R. No. 163286	Collection of Sum of Money in the amount of P13,738,590.40 --- Petition for Review on Certiorari with prayer for TRO and Preliminary Injunction	RTC granted the prayer ordering MINTERBRO to pay P36,585,901.18 and cost of suit. --- CA issued Decision dated Nov. 21, 2002 affirming in toto the RTC decision and has become final and executory on Dec. 20, 2002. On April 21, 2004, CA issued a resolution affirming the entry of judgment. However, the judgment was not implemented in view of the pendency of the resolution on Minterbro's motion for reconsideration of the declaration of finality of judgment. --- PPA received a copy of Petition for Review on May 20, 2004. In a Decision dated Aug. 22, 2012, SC declared as final and executory the CA Decision dated Nov. 21, 2002 which.

No.	Case Title	Case No. / Court	Description	Status
				affirmed the decision of RTC Manila dated August 28, 1990 in favor of PPA ordering Minterbro to pay the amount of P36,585,901.18 and the cost of suit. Awaiting the records of the Case to be remanded back to RTC for Execution
18	PPA vs. Heirs of Paulina Acosta, (Represented by Aniceto Tolentino, et al.); Heirs of Marciano Gabia Manalo and Lucia Gabia (represented by Romeo Manalo, et al.	Civil Case No. 5447 RTC Batangas City Branch 84	Expropriation	This covers the Batangas Port Development Project, Phase II. On June 22, 2009, the Supreme Court issued a Resolution declaring the just compensation at P425 per square meter and with a directive to pay 12% interest per annum from the date of PPA's entry to lots on Sept. 11. 2001 until fully paid less initial payments made to lot owners and deductible taxes. Payments to the landowners are currently being undertaken subject to the presentation of appropriate documents. Remaining balance for Just Compensation as of December 31, 2015 is P13,405,719.19.
19	Pier 8 Arrastre and Stevedoring Services, Inc. vs. PPA, Juan C. Sta. Ana, Oscar Sevilla and MNHPI	Civil Case No. 11-125680 RTC Branch 33, Manila	Damages, Actual, Moral and Exemplary Damages of at least 2 million, and Injunction	On pre-trial stage. LSD attended hearing last October 20, 2015. Awaiting for court order for the schedule of the next hearing.
20	Pier 8 Arrastre and Stevedoring Services, Inc. vs. PPA	Civil Case No. 00-97157 RTC Branch 19, Manila ---------- Court of Appeals CA-G.R. 100359	Injunction with Damages (With Prayer for Temporary Restraining Order and Writ of Preliminary Injunction)	RTC issued a Decision dated December 28, 2012 dismissing the case. Despite the Court dismissal, the Court ordered PPA to pay rentals for the equipment of PASSI in the amount of P4,800,838.00. ---------- CA issued an Order dated February 20, 2013, discharging PPA of its liability as adjudged in the Decision dated Dec. 28, 2012. ---------- PASSI filed an Appeal before the CA. Waiting for Court Order.
21	Shipside Inc. vs. PPA	Civil Case No. 3917, MTCC Br. 2, San Fernando La Union Civil Case No. 9121, RTC Br. 26, San Fernando, La Union	Unlawful Detainer, With Prayer For Reasonable Compensation For The Actual Occupancy Of The Property located in San Fernando	Pre-trial Conference is terminated. Parties were directed to file position paper within 30 days from receipt of the Court's Pre Trial Order. The Court rendered a Decision dated February 5, 2015 reversing the Decision dated June 16, 2014. The Court Dismissed the plaintiff's Complaint for unlawful detainer. On March 24, 2015, Plaintiff filed its Motion for Reconsideration of the Decision in the above case dated February 5, 2015 which was Denied by the Court in an Order dated June 23, 2015. Waiting for further instructions from the Court.
22	United Dumangas Port Development Corp. (UDPDC) and Wilhelm Divinagracia vs. Juan Sta. Ana et. al	G.R. No. 192943 GR No. 06519 C.A.G.GR 05903 SP Civil Case No. 05024 RTC-Dumangas Branch 68 CA-G.R. SP 03293 Court of Appeals Civil Case No. 11-30890	For Indirect Contempt, with Prayer for Damages of P50K per day from Feb. 18, 2011, P330k as attorney's fees, P250k litigation expenses, P1M for moral and other damages	Petition GR 192943 - On 12 August 2015, the Supreme Court issued a Decision partly granting UDPDC's Petition. OGCC filed its Partial Motion for Reconsideration on October 2015. Awaiting Resolution thereof. Petiton for Certiorari CA GR CEB SP 05903 - Filed Motion for Reconsideration dated 22 June 2015 of the 12 May 2015 Decision which was denied. However, in view of the SC Decision dated 12 August 2015 in the principal case, this injunction petition had already become moot & PPA will no longer appeal the CA Decision. Petition for Certiorari CA GR CEB SP 06519- Filed Comment/Opposition on 22 August 2014, to the United Dumangas Port Development Corporation's 15 May 2014 Manifestation and Motion to Dismiss. Awaiting Resolution thereof. RTC- Records of the case are remanded to the RTC, Dumangas, Br. 68 for proper determination of the value of equipment and improvements introduced by UDPDC on the Port of Dumangas.

46. OTHER DISCLOSURES WITH POSSIBLE FUTURE FINANCIAL IMPACT

- Final decision of BIR on disputed assessment income tax deficiency covering taxable year 2007 amounting to P4.9 billion.
- Draft Substitute Bill (House Bill No. 4312) entitled "An Act Creating the Manila Ports and Special Economic Recommendatory (MP-SER) Administration.

The draft substitute bill proposes the creation of the Manila Ports and Special Economic Recommendatory (MP-SER) Administration which is a public benefit corporation attached to PPA, with a capital extension of Ten Billion Pesos (P10,000,000,000.00) in cash and a yearly cash contribution by the government amounting to 30 percent of the appropriation of the PPA in the General Appropriations Act (GAA).

NEW NOMENCLATURE OF PPA
PORT MANAGEMENT OFFICES

(Bases on GCG Memorandum Order No. 2014-10 dated 25 March 2014)

OLD NAME	NEW NAME
MANILA/NORTHERN LUZON PORT MANAGEMENT OFFICES	
PMO South Harbor	PMO NCR South
PMO North Harbor	PMO NCR North
PMO San Fernando	PMO Northern Luzon
PMO Limay	PMO Bataan/Aurora
SOUTHERN LUZON PORT MANAGEMENT OFFICES	
PMO Batangas	PMO Batangas
PMO Legazpi	PMO Bicol
PMO Puerto Princesa	PMO Palawan
PMO Calapan	PMO MIndoro
	*PMO Marinduque/Quezon
	*PMO Masbate
VISAYAS PORT MANAGEMENT OFFICES	
PMO Dumaguete	PMO Negros Oriental/Siquijor
PMO Iloilo	PMO Panay/Guimaras
PMO Tacloban	PMO Eastern Leyte/Samar
PMO Pulupandan	PMO Negros Occidental/ Bacolod/Banago/BREDCO
PMO Ormoc	PMO Western Leyte/Biliran
PMO Tagbilaran	PMO Bohol
NORTHERN MINDANAO PORT MANAGEMENT OFFICES	
PMO Cagayan de Oro	PMO Misamis Oriental/ Cagayan de Oro
PMO Iligan	PMO Lanao del Norte/Iligan
PMO Nasipit	PMO Agusan
PMO Surigao	PMO Surigao
PMO Ozamiz	PMO Misamis Occidental/Ozamis
SOUTHERN MINDANAO PORT MANAGEMENT OFFICES	
PMO Davao	PMO Davao
PMO General Santos	PMO SOCSARGEN
PMO Cotabato	PMO Cotabato
PMO Dapitan	PMO Zamboanga del Norte
PMO Zamboanga	PMO Zamboanga

* Newly created PMOs

PHILIPPINE PORTS AUTHORITY

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