

Executive Summary

A. Introduction

John Hay Management Corporation (JHMC), a wholly-owned subsidiary of the Bases Conversion and Development Authority (BCDA), has the mission to develop Camp John Hay into a premier tourist and investment destination that enforces efficient and effective regulation; ensures sustainable multiple use of the forest watershed; and contributes to national economic growth and job generation.

JHMC envisions that by 2018, Camp John Hay shall have transformed into the primary catalyst for the tourist development within the Cordillera Region and the leader of environment and forest stewardship in the Philippines.

Pursuant to COA Resolution No. 2011-009 dated October 20, 2011, the integrated results and risk based audit methodology has been adopted in the audit of the accounts and operations of the JHMC for the period ended December 31, 2016.

A value for money audit was also conducted in selected audit areas. The objectives of the audit were to ascertain the fairness and reliability of the District's financial position and results of operations, to determine whether the plans, programs and activities for the year were attained in an efficient, economical and effective manner and to check the legality and propriety of the transactions and compliance with applicable laws, rules and regulations.

B. Financial Highlights

The JHMC's financial condition and results of operations for Calendar Year (CY) 2016 with comparative figures for CY 2015 are, as follows:

Accounts	Calendar Year		Increase (Decrease)	
	2016	2015	Amount	Percent
Assets	₱214,275,104.63	₱210,358,867.78	₱ 3,916,236.85	1.86%
Liabilities	55,792,328.15	65,198,450.51	(9,406,122.36)	(14.43%)
Equity	158,482,776.48	145,160,417.27	13,322,359.21	9.18%
Gross Income	76,800,864.79	74,117,264.00	2,683,600.79	3.62%
Expenses	65,612,010.10	63,458,662.30	2,153,347.80	3.39%
Net Income	11,188,854.69	10,658,601.70	530,252.99	4.97%

C. Operational Highlights

The John Hay Management Corporation (JHMC) continues to be a strong catalyst for economic growth and job generation in the Cordillera Region, unwavering in its

mandate to develop Camp John Hay as a premier tourist and investment destination and a center for human resource development, while ensuring sustainable multiple use of the forest watershed and enforcing effective and efficient regulation in the John Hay Special Economic Zone (JHSEZ) and the John Hay Reservation Area (JHRA).

Notwithstanding the unresolved issue of possession of the 247-hectare prime property within the JHSEZ under the pending case filed by the BCDA against the private developer, Camp John Hay Development Corporation (CJH DevCo.) which has restricted new business development and the generation of revenues by the JHMC, the Corporation has proudly achieved many milestones in fidelity to its mandate, that have contributed to its growth and efforts toward financial viability.

Among its accomplishments are the following:

1. In March 2016, the JHMC was certified to the ISO 9001:2008 for its Quality Management System in clear recognition of its achievement of an elevated capacity for and quality of public governance.
2. The Legal Department, in collaboration with the Offices of the Corporate Secretary, and the Internal Audit include the approval by the BCDA to increase the Authorized Capital Stock of JHMC from 1,200,000 shares to 5,000,000 shares in April 2015. This proposal has been pending since year 2004. The said increase provides a more up to date reflection of the accumulated stock subscriptions and capital infusion of BCDA, and the value of the entire Camp John Hay since JHMC (then JPDC) was incorporated in 1993.
3. In 2016, employment increased by 9% with a total of 5,523 employed (from 5,090 employees in 2015), with the business processing outsourcing (BPO) facilities of the InterContinental Hotels Group (IHG) and Convergys accounting for 64% or 3,667 of these jobs.
4. JHMC has continued to promote the Camp for recreational and eco-cultural tourism and as a preferred M.I.C.E (Meetings, Incentives, Conventions and Exhibitions) destination. Based on data from accommodation facilities, the tourist arrivals in Camp John Hay increased by 30% with about 268,621 visitors for the year 2015.
5. In year 2016, the JHMC undertook the preparation of the complete survey returns for the new Consolidation and Subdivision Survey Plans of the CJHR. All the surveys were done in-house through the JHMC's Land and Asset Management Division (LAMD) and were jointly validated with the DENR, Land Management Service-CAR. The first phase of this Special Patent Application (SPA) was endorsed for approval to the Office of the Secretary of the DENR in December 2015.

D. Independent Auditor's Report

We rendered a qualified opinion on the fairness of the presentation of the financial statements of the Corporation for the following reasons:

- a. Due to delayed submission of financial statements together with the required reports and supporting documents, the accuracy and reliability of financial statements and pertinent accounts were not immediately validated. Also, errors in the presentation of the accounts and their balances in the submitted financial statements were not corrected.
- b. The accuracy of the Share Capital account with a reported balance of P383,814,079.00 could not be ascertained due to non-submission of the Inventory List of Stockholders with the corresponding amounts of subscription, as well as the non-presentation of the updated Stock and Transfer Book.
- c. A building with a total cost of P22 million leased to the Intercontinental Hotels Group (IHG)/SC Reservations Philippines, Inc. (SCRPI) was not reclassified to the Investment Property, Buildings account, thereby overstating the Property, Plant and Equipment (PPE) account by the same amount.
- d. Long-Term Accounts Receivable (AR) and Accounts Payable, which includes those recorded under Accrued Expenses, totaling P14,345,842.05 and P4,359,735.37, respectively, had been long outstanding and lacked documentation, thereby rendering the validity of the reported balances uncertain.
- e. Reciprocal accounts namely, Due to Other Funds and Due from Other Funds accounts, do not tally by P2,083,186.69 due to non-reconciliation and misclassification errors, thereby affecting the reliability of the financial statements.
- f. Except for the Due to BIR account, the accuracy of the other reported Inter-Agency Payables accounts with a total reported balance of P240,356.32 is doubtful due to non-reconciliation of the subsidiary ledger balances with those of the general ledger balances which showed an unreconciled difference of P195,219.62.
- g. The tax credit granted by BIR of P49,611.46 was not taken up in the books, thereby overstating the Due to BIR account by the same amount.

E. Comments and Observations

Other than the bases for the modified opinion as state above, the following are the other significant observations, with the corresponding recommendations, which need immediate action:

1. The amount allotted for Gender and Development (GAD) programs, projects, and activities for CY 2016 of ₱1 Million was not optimized as only ₱447,571.25 was spent. Moreover, the Accomplishment Report in the prescribed format was not submitted rendering difficulty in assessing whether the activities conducted had addressed the issues and concerns identified in the GAD Plan and Budget (GPB).

We recommended that Management implement the GAD activities outlined in the GPB to address the identified gender issues and concerns; and to prepare the corresponding annual GAD Accomplishment Report for the year using the prescribed form to facilitate review and evaluation.

2. The Corporation paid the Social Security System (SSS) the total amount of ₱151,749.58 in penalties and interest for (a) delayed remittance of contributions totaling ₱1,344,747.00 for the period January 2010 to January 2016, (b) arrears for the period May 1995 to February 10, 2010 of ₱35,644.82, and (c) past due loan of ₱2,056.02, instead of collecting the same from the responsible officials.

We recommended that Management identify the officers/personnel directly and/or indirectly responsible for the delayed remittance of contributions and unpaid accounts, and require them to refund to the Corporation the penalties amounting to ₱151,749.58 pursuant to Section 103 of PD 1445.

F. Summary of Total Suspensions, Disallowances and Charges

The unsettled disallowances, suspensions and charges of the agency on the settlement of accounts as of December 31, 2016 amounted to ₱2,728,562.07, ₱0.00, and ₱0.00, respectively.

G. Status of Implementation of Prior Years' Audit Recommendations

Of the 35 prior years' audit recommendations, 17 were fully implemented, 17 were partially implemented, and 1 was not implemented.



Republic of the Philippines
COMMISSION ON AUDIT
Cordillera Administrative Region
Km 6, La Trinidad, Benguet

INDEPENDENT AUDITOR'S REPORT

Mr. ALLAN R. GARCIA
President and Chief Executive Officer
John Hay Management Corporation
Camp John Hay
Baguio City

We have audited the accompanying financial statements of John Hay Management Corporation which comprise the Statement of Financial Position as at December 31, 2016, 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 Philippine Financial Reporting Standards, 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 Public Sector Standards on Auditing. Those standards require that we comply with ethical requirement 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 amount 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.

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By. 
Ronald B. Zambrano

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

Bases for Qualified Opinion

As discussed in Part II – Observations and Recommendations of this Report, we considered the following in the formulation of our audit opinion:


1. Due to delayed submission of financial statements together with the required reports and supporting documents, the accuracy and reliability of financial statements and pertinent accounts were not immediately validated. Also, errors in the presentation of the accounts and their balances in the submitted financial statements were not corrected.
2. The accuracy of the Share Capital account with a reported balance of ₱383,814,079.00 could not be ascertained due to non-submission of the Inventory List of Stockholders with the corresponding amounts of subscription, as well as the non-presentation of the updated Stock and Transfer Book.
3. A building with a total cost of ₱22 million leased to the Intercontinental Hotels Group (IHG)/SC Reservations Philippines, Inc. (SCRPI) was not reclassified to the Investment Property, Buildings account, thereby overstating the Property, Plant and Equipment (PPE) account by the same amount.
4. Long-Term Accounts Receivable (AR) and Accounts Payable, which includes those recorded under Accrued Expenses, totaling ₱14,345,842.05 and ₱4,359,735.37, respectively, had been long outstanding and lacked documentation, thereby rendering the validity of the reported balances uncertain
5. Reciprocal accounts namely, Due to Other Funds and Due from Other Funds accounts, do not tally by ₱2,083,186.69 due to non-reconciliation and misclassification errors, thereby affecting the reliability of the financial statements.
6. Except for the Due to BIR account, the accuracy of the other reported Inter-Agency Payables accounts with a total reported balance of ₱240,356.32 is doubtful due to non-reconciliation of the subsidiary ledger balances with those of the general ledger balances which showed an unreconciled difference of ₱195,219.62.
7. The tax credit granted by BIR of ₱49,611.46 was not taken up in the books, thereby overstating the Due to BIR account by the same amount.

Qualified Opinion

In our opinion, except for the effects of the matters described in the Bases for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of John Hay Management Corporation as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards.

COMMISSION ON AUDIT

BY:


PURITA O. PACIAL
Supervising Auditor

July 28, 2017



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By. 
Ronald B. Zambrano



Republic of the Philippines
COMMISSION ON AUDIT
Cordillera Administrative Region
Km 6, La Trinidad, Benguet

INDEPENDENT AUDITOR'S REPORT

THE BOARD OF DIRECTORS

John Hay Management Corporation
Camp John Hay
Baguio City

We have audited the accompanying financial statements of John Hay Management Corporation which comprise the Statement of Financial Position as at December 31, 2016, 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 Philippine Financial Reporting Standards, 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 Public Sector Standards on Auditing. Those standards require that we comply with ethical requirement 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 amount 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.

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By. _____

Ronald B. Zambrano

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

Bases for Qualified Opinion

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COMMISSION ON AUDIT

BY:


PURITA O. PACIAL
Supervising Auditor

July 28, 2017



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Ronald B. Zambrano

JHMC

JOHN HAY MANAGEMENT CORPORATION



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

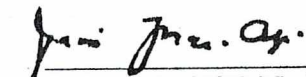
The management of JOHN HAY MANAGEMENT CORPORATION is responsible for the preparation and fair presentation of the financial statements for the year ended **December 31, 2016**, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to the stockholders.

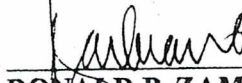
The Commission on Audit, in pursuance of its mandate under Section 2, Article IX-D of the Philippine Constitution and pertinent provisions of Presidential Decree 1445, has examined the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such examination.



SILVESTRE C. AFABLE JR.
Chairman of the Board



JAMIE ELOISE M. AGBAYANI, M.D.
President and CEO



RONALD B. ZAMBRANO
Finance Manager

Signed this _____ day of _____



JOHN HAY MANAGEMENT CORPORATION

(A Wholly-Owned Subsidiary of the Bases Conversion and Development Authority)

STATEMENT OF FINANCIAL POSITION

As of December 31, 2016

(With Comparative Figures for the year ended December 31, 2015)

(In Philippine Peso)

	Note	2016	2015
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	76,373,085.11	53,385,133.81
Receivables	5	40,140,677.24	55,489,707.37
Inventories	6	6,750,134.98	7,032,707.50
Prepayments	7 & 8	7,415,528.39	6,269,807.69
Total Current Assets		130,679,425.72	122,177,356.37
Non-Current Assets			
Investments	9	38,681,747.44	37,931,495.06
Property, Plant and Equipment - Net	10	29,780,576.81	33,348,517.54
Intangible Assets	10	220,697.54	210,300.00
Loans and Receivable Accounts-long term, net	11	3,640,526.84	5,407,945.53
Other Assets	12	11,272,130.28	11,283,253.28
Total Non-Current Assets		83,595,678.91	88,181,511.41
TOTAL ASSETS		214,275,104.63	210,358,867.78
LIABILITIES AND EQUITY			
Current Liabilities			
Financial Liabilities	13	30,610,746.76	33,072,062.24
Inter-agency Payables	14	5,237,606.43	4,024,114.59
Intra-agency Payables	15	14,673,615.24	22,584,865.57
Trust Liabilities	16	709,088.35	660,031.55
Deferred Credits/Unearned Revenue income	17	4,421,900.48	4,718,005.66
Other Payables	18	139,370.89	139,370.89
Total Liabilities		55,792,328.15	65,198,450.50
DEPOSIT FROM PROSPECTIVE INVESTORS			
Balance at Beginning of Year		263,814,078.97	263,814,078.97
Additional Equity		(263,814,078.97)	-
Balance at Year-end		-	263,814,078.97
EQUITY		158,482,776.48	(118,653,661.69)
TOTAL LIABILITIES AND EQUITY		214,275,104.63	210,358,867.78

See accompanying Notes to Financial Statements

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JOHN HAY MANAGEMENT CORPORATION
(A Wholly-Owned Subsidiary of the Bases Conversion and Development Authority)
STATEMENT OF COMPREHENSIVE INCOME
For the year ended December 31, 2016
(With Comparative Figures for the year ended December 31, 2015)
(In Philippine Peso)

	Note	2016	2015
REVENUES			
Estate Management Fee	20	50,657,929.89	52,852,561.68
Estate Management Fee - Rent Income	21	19,142,371.11	16,799,624.32
Other Service Income:			
Common Usage Service Area (CUSA)	22	5,470,012.23	2,235,851.34
Other Service Income (SEZAD)	23	518,877.36	552,807.98
Miscellaneous Income	24	-	368,675.40
Gross Income		75,789,190.59	72,809,520.72
OPERATING EXPENSES			
Personal Services	25	27,282,909.72	27,392,574.25
Maintenance and Other Operating Expenses	26-27	32,759,443.74	31,621,781.06
Total Expenses		60,042,353.46	59,014,355.31
OPERATING INCOME		15,746,837.13	13,795,165.41
OTHER INCOME (EXPENSES)			
Interest Income		660,985.67	830,326.09
FOREX Gain/(Loss)		350,688.53	320,771.49
Gain on Sale of disposed asset		-	156,645.70
Bank Charges		(3.00)	-
Documentary stamp expense		-	(250.00)
Loss of assets		(24,607.00)	(46,567.81)
Total Other Income/(Expenses)	28	987,064.20	1,260,925.47
NET INCOME (LOSS) BEFORE INCOME TAX		16,733,901.33	15,056,090.88
Income Tax Expense		5,545,046.64	4,397,489.18
NET PROFIT		11,188,854.69	10,658,601.70

See accompanying Notes to Financial Statements



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JOHN HAY MANAGEMENT CORPORATION
 (A Wholly-Owned Subsidiary of the Bases Conversion and Development Authority)
STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2016
 (With Comparative Figures for the year ended December 31, 2015)
 (In Philippine Peso)

	Note	2016	2015
STOCKHOLDERS' EQUITY			
Share Capital	29	383,814,000.00	120,000,000.00
Issued and fully paid - 2,638,140 shares			
Authorized 5,000,000 shares at Php 100.00 par value			
Share Premium		78.97	-
Total Stockholders' Equity		383,814,078.97	120,000,000.00
RETAINED EARNINGS (DEFICIT)			
Balance at beginning of year			
As previously reported		(238,653,661.69)	(245,591,446.03)
Prior Years' Adjustment (PYA)	30	2,133,504.51	(3,720,817.36)
As restated		(236,520,157.18)	(249,312,263.39)
Net Income		11,188,854.69	10,658,601.70
Correction of prior years' errors		-	-
Balance at end of year		(225,331,302.49)	(238,653,661.69)
CAPITAL DEFICIENCY		158,482,776.48	(118,653,661.69)

See accompanying Notes to Financial Statements

JOHN HAY MANAGEMENT CORPORATION
(A Wholly-Owned Subsidiary of the Bases Conversion and Development Authority)

STATEMENT OF CASH FLOWS

For the year ended December 31, 2016

(With Comparative Figures for the year ended December 31, 2015)

(In Philippine Peso)

	Note	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Inflows:			
Estate Management Fee/Subsidy from BCDA (Current)		67,328,301.00	67,895,000.00
Land Related Cost Reimbursement		52,343,231.46	56,728,223.46
Collection of Generated Income - JHMC		518,877.36	555,005.84
Deferred Collection of Generated Income - JHMC		1,196.32	-
Collection of SC Reservation-IHG CUSA		2,062,062.61	2,122,565.65
Collection of Treetop Adventure CUSA		240,000.00	240,000.00
Collection of Inbound Pacific Inc.-Mile Hi Center CUSA		2,620,128.00	-
Collection of Inbound Pacific Inc.-Cantinetta CUSA		122,304.00	-
Collection of Rustan Coffee Corporation CUSA		125,440.00	-
Collection of Rustan Coffee Corporation-Advance CUSA		15,290.87	-
Collection from Sale of Terms of Reference (TOR)		-	300,000.00
Collection of Bidder's Documents		158,000.00	20,000.00
Collection of Guaranty Deposits & Performance Bond		153,065.25	665,666.45
Collection of Receivables: Revenues prior to Performance Agreement with BCDA		108,922.20	-
Collection of Receivables: Return of OPEX		3,165,611.44	620,759.00
Cancellation of Checks		924,254.50	112,847.91
Interest Income from Cash and Cash Equivalents		661,202.15	830,326.09
Collection of Administrative Fee for Scout Barrio Housing Project		-	368,675.40
Collection of Fund for Reimbursement of SBHP BIR Penalties		-	364,238.64
Collections for BCDA:			
Collection of Generated Income - BCDA		7,187,160.93	5,847,000.93
Collection of Deferred Generated Income - BCDA		149,525.74	85,500.00
Collection of SC Reservation - IHG Rental		17,711,165.79	18,230,829.64
Collection of Treetop Adventure rental		1,045,250.00	1,021,250.00
Inbound Pacific Inc. - Mile Hi Center Rental		21,042,690.00	-
Inbound Pacific Inc. - Cantinetta Rental		1,247,388.00	-
Rustan Coffee Corporation - Starbucks Rental		1,328,298.00	-
Rustan Coffee Corporation - Starbucks 6 months Advance Rental		796,978.80	-
Rustan Coffee Corporation - Starbucks Security Deposit		744,840.00	-
Collection of PEZA Rental		6,728,861.57	6,446,367.22
Collection of Purchase Price of Scout Barrio Lots		244,817.33	3,391,039.41
Total Cash Inflows		188,774,863.32	165,845,295.64
Cash Outflows:			
Payment to Suppliers/Creditors and Employees		68,338,846.41	54,458,877.30
Land Related Costs/Advances for BCDA		36,688,312.76	54,708,635.52

Remittance to PAGIBIG/SSS/PHIC/BIR	6,730,006.27	7,629,421.39
Payment of Taxes, Duties and Licenses	273,938.70	150,280.85
Payment of BAC Honoraria	225,709.24	43,310.37
Payment for Common Usage Service Area Expenses	213,321.07	-
Refund of BIR penalties to beneficiaries of SBHP	228,378.17	-
Refund of Guaranty/Security Deposits & Performance Bond	63,415.60	323,069.20
Refund of Bidder's Documents/Customer Deposits	6,000.00	-
Bank Charges	-	-
Remittances to BCDA:		
Generated Income - BCDA	5,854,657.88	5,232,909.30
SC Reservation - IHG Rental	17,639,605.53	16,799,624.32
Treetop Adventure Rental	783,750.00	1,021,250.00
Inbound Pacific Inc. - Mile Hi Center Rental	19,289,132.50	-
Inbound Pacific Inc. - Cantinetta Rental	1,143,439.00	-
Rustan Coffee Corporation - Starbucks Rental	2,737,287.00	-
Remittance of PEZA Rental	6,140,942.70	6,443,818.24
Scout Barrio Housing Project (SBHP)	258,705.94	4,727,478.12
Total Cash Outflows	166,615,448.77	151,538,674.61
Total Cash Provided (Used) by Operating Activities	22,159,414.55	14,306,621.03
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Inflows:		
Proceeds from Sale of Movable Properties	-	156,650.70
Collection of COB for Capital Outlay	2,472,000.00	665,000.00
Total Cash Inflow	2,472,000.00	821,650.70
Cash Outflow:		
Capital Outlay	1,243,899.40	621,588.85
Total Cash Outflows	1,243,899.40	621,588.85
Total Cash Provided(Used) by Investing Activities	1,228,100.60	200,061.85
CASH PROVIDED BY OPERATING, INVESTING AND FINANCING ACTIVITIES		
	23,387,515.15	14,506,682.88
Add/(Deduct): FOREX Effect	350,688.53	320,771.49
Add: Cash and Cash Equivalents at Beginning of the Year	91,184,628.87	76,357,174.50
CASH & CASH EQUIVALENTS AT END OF YEAR	114,922,832.55	91,184,628.87

See accompanying Notes to Financial Statements

CERTIFIED TRUE COPY
of the ORIGINAL

By. _____

Ronald B. Zambrano