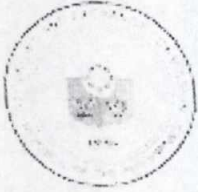




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SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Company Information

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Company Name JOHN HAY MANAGEMENT CORPORATION
Industry Classification
Company Type Stock Corporation

Document Information

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Department CED/CRMD
Remarks

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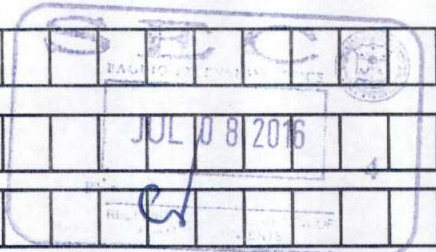
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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Company Name

J	O	H	N		H	A	Y		M	A	N	A	G	E	M	E	N	T				
C	O	R	P	O	R	A	T	I	O	N												



Principal Office (No./Street/Barangay/City/Town)Province)

J	O	H	N		H	A	Y		S	P	E	C	I	A	L		E	C	O	N	O	M	I	C		Z	O	N	E
C	A	M	P		J	O	H	N		H	A	Y	,		B	A	G	U	I	O		C	I	T	Y				

Form Type

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Department requiring the report

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Secondary License Type, If Applicable

N	/	A
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COMPANY INFORMATION

Company's Email Address

mgmt@jhmc.com.ph

Company's Telephone Number/s

074-444-5823

Mobile Number

N/A

No. of Stockholders

10

Annual Meeting
Month/Day

1st Monday of April

Fiscal Year
Month/Day

December/31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Ronald B. Zambrano

Email Address

ronald.zambrano@jhmc.com.ph

Telephone Number/s

074-444-8980

Mobile Number

09088674528

Contact Person's Address

John Hay Management Corporation, John Hay Special Economic Zone, Camp John Hay, Baguio City

Note 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2 : All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



Republic of the Philippines
COMMISSION ON AUDIT
Office of the Auditor
JOHN HAY MANAGEMENT CORPORATION
Camp John Hay, Baguio City

June 21, 2016

Atty. ANNE G. TESORO
Director
Securities and Exchange Commission
Baguio Convention Center
Government Center
Baguio City

Dear Madam:

This is to certify that John Hay Management Corporation (JHMC), a Government-Owned and Controlled Corporation (GOCC) located at Camp John Hay, Baguio City, submitted its financial statements and accompanying notes to financial statements for CY 2015 on March 03, 2016 to this office and that the corresponding Annual Audit Report was submitted to JHMC Management on June 10, 2016

This certification is being issued for whatever legal purpose it may serve the JHMC.

Very truly yours,

A handwritten signature in black ink, appearing to read "V. Torcedo".

VIOLETA A. TORCEDO
Audit Team Member

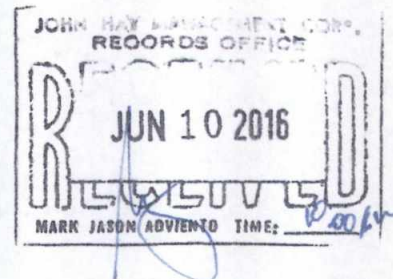
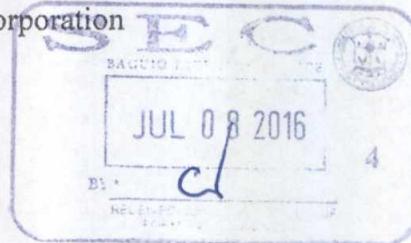


Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue
Quezon City

John Hay Management Corporation
a member of the BCDA Group
OPCEO-IN-2016-0480

May 2, 2016

Ms. JAMIE ELOISE M. AGBAYANI, M.D.
President and Chief Executive Officer
John Hay Management Corporation
Camp John Hay
Baguio City



Madam:

We are pleased to transmit the Annual Audit Report of the John Hay Management Corporation for the year ended December 31, 2015 in compliance with Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines. The audit was conducted in accordance with Philippine Public Sector Standards on Auditing and we believe that it provided reasonable basis for the results of our audit.

A financial audit was conducted and was aimed at ascertaining the propriety of financial transactions, the accuracy of financial reports, the adequacy of accounting records, as well as the fairness of the presentation of the financial statements. Likewise, it was conducted to ascertain compliance with applicable laws, rules and regulations.

A qualified opinion was rendered on the fairness of the presentation of the financial statements of the Corporation.

The audit report consists of four parts. Part I contains the audited Financial Statements; Part II contains the Observations and Recommendations; Part III contains the Status of Implementation of Prior Years' Audit Recommendations; and Part IV is the Annex.

The audit observations and recommendations were discussed with concerned officials of the Corporation in an exit conference held on March 30, 2016. Management's comments were incorporated in the report, where appropriate. The following are the most significant audit observations and recommendations which are discussed in detail in Part II of this report:

- Accuracy of the balance of Accounts Payable of ₱17,786,847.75 could not be ascertained in view of their being outstanding from one to eighteen years and

the presence of negative balances totaling ₱1,557,080.01, contrary to Sections 98, 111 and 112 of Presidential Decree (P.D.) No. 1445.

We recommended that Management:

- a. institute or enhance the policy on accounts payable regarding its recognition with complete documentation, settlement, and reversion in accordance with the above-cited provisions of Section 98 of P.D. No. 1445;
 - b. verify and revert to retained earnings those payable accounts and long term liabilities that have been outstanding for two years or more and without valid documents. Adjust negative balances, when warranted;
 - c. consider the possibility of offsetting the payable accounts of persons who, at the same time, have receivable accounts;
 - d. consider hiring additional job order/contractual personnel to help in the validation of payables;
 - e. strictly comply with the provisions of Sections 111 and 112 of P.D. No. 1445 in order to have a better presentation of this account in the financial statements; and
 - f. stop the practice of setting-up payables without valid supporting documents.
- Disbursement vouchers totaling ₱516,887.53, representing payments for the salaries of an employee who has not been reporting for work, were processed and paid without supporting documents, contrary to the provisions of Sections 4 and 61 of the Government Auditing Code of the Philippines (P.D. No. 1445) dated June 11, 1978, thereby, rendering said disbursements to be irregular and which might result in the loss of government funds, hence, were disallowed in audit.

We recommended that Management:

- a. Strictly comply with the provisions of Sections 4 and 61 of the Government Auditing Code of the Philippines (P.D. No. 1445) dated June 11, 1978, as well as COA Circular No. 2012-001 in order to avoid the incurrence of unsupported disbursements; and
- b. Direct the persons liable to settle immediately the said disallowance or file an appeal within six months from receipt of the Notice of Disallowance, otherwise, the same shall become final and executory as prescribed under Sections 48 and 51 of P.D. No. 1445.

- The consultancy services entered into by the Corporation with the Benguet State University on the Prevention and/or Control of Pest and Disease Infestation/Infection within Camp John Hay's Forest Watershed Area in the amount of ₱220,000.00 remained not fully completed by the consultant, as of year-end, despite the lapse of two years from the Notice to Proceed. This resulted in the loss of the funds paid and the non-completion of the project which is detrimental to the preservation of the Camp John Hay's forest watershed area.

We recommended that Management require the concerned personnel to require the submission of the Terminal Report and assess and evaluate the same as to full compliance with the terms embodied in the said MOA, with recommendations also with regard to the completion of the project.

We request that the recommended remedial measures be immediately implemented and we will appreciate being informed of the action(s) taken thereon by submitting the duly accomplished Agency Action Plan and Status of Implementation form, hereto attached, within 60 days from receipt of this report, pursuant to Section 88 of the General Provisions of the General Appropriations Act for FY 2015 (Republic Act No. 10651).

We acknowledge the cooperation extended to the Audit Team by the officials and staff of the Corporation.

Very truly yours,



JOSEPH B. ANACAY
Director IV
Regional Director

MS



JOHN HAY MANAGEMENT CORPORATION
 (A Wholly-Owned Subsidiary of the Bases Conversion and Development Authority)
STATEMENT OF INCOME AND EXPENSES
For the year ended December 31, 2015
 (With Comparative Figures for the year ended December 31, 2014)
 (In Philippine Peso)



	Note	2015	2014
REVENUES			
Rent Income	20	16,799,624	15,999,642
Estate Management Fee	21	52,852,562	51,882,219
General Income		-	-
Other Service Income:			
Common Usage Service Area (CUSA)	22	2,235,851	2,140,811
Other Service Income (SEZAD)	23	552,808	682,379
Miscellaneous Income	24	368,675	85,872
Gross Income		72,809,521	70,790,923
OPERATING EXPENSES			
Personal Services	25	27,392,574	26,155,288
Maintenance and Other Operating Expenses	26	31,621,781	33,300,997
Total Expenses		59,014,355	59,456,286
OPERATING INCOME		13,795,165	11,334,638
OTHER INCOME (EXPENSES)	27	1,260,925	624,660
NET PROFIT BEFORE INCOME TAX		15,056,091	11,959,298
Income Tax Expense		(4,397,489)	(4,673,921)
NET PROFIT		10,658,602	7,285,376

See accompanying Notes to Financial Statements

