

PCED

JHMC

JOHN HAY MANAGEMENT CORPORATION



07 November 2016

VIVENCIO B. DIZON

President and Chief Executive Officer

Bases Conversion and Development Authority

BCDA Corporate Center, 2/F Bonifacio Technology Center

31st St., Crescent Park West, Bonifacio Global City

Taguig City



EX2016 - 7360
Central Receiving & Releasing Area
Bases Conversion and Development Authority



BY: Joanna Fernandez 1:46pm

Attention: **ATTY. NENA D. RADO**
Vice President – Finance Group

ATTY. MA. SOLEDAD C. SAN PABLO
OIC - Department Head
Subsidiaries, Affiliates and Project Monitoring Department

Dear **President Dizon**:

In compliance to *BCDA Policy No. 103-2 on Financial Oversight Over Subsidiaries*, allow us to respectfully submit the **3rd Quarter 2016 JHMC Financial Management Reports** as follows:

- Annex A: Management Certification/Representation
- Annex B: Statement of Cash Flows
- Annex C: Statement of Income and Expenses
- Annex D: Statement of Financial Position

We will submit the Estate Performance Revenue/Expense Report and the Financial Management Report later as soon as it is finalized.

Thank you and with warmest regards, I remain

Very truly yours,

JAMIE ELOISE M. AGBAYANI, M.D.

John Hay Management Corporation

a member of the BCDA Group




OPCEO-OUT-2016-0609

MANAGEMENT CERTIFICATION / REPRESENTATION

Management hereby certifies and represents that for the preceding period **July 01 to September 30, 2016**, the management reports submitted to the BCDA are, to the best of its knowledge, fair and accurate presentation and disclosure of the data and information contained therein, free from any material misstatement or errors. Management also represents that:

1. Spending is within the approved annual and/or supplemental budget(s) of BCDA; and the plans and programs are consistent with the approved master development plan or policy directions of, and/or performance agreement with, BCDA, as the case may be;
2. Disbursements follow the government accounting and auditing rules and regulations including on procurement of goods and services, and that there are no adverse COA findings or observation with respect to such disbursements not otherwise disclosed to BCDA;
3. Prior approval of BCDA has been secured by providing justification in respect of any of the following transactions, as the case may be:
 - a. Capital expenditure or capital outlay in excess of Php50 million
 - b. Contract of lease in excess of one year, whether as lessee or lessor
 - c. Contract of loan or bonded indebtedness with repayment period in excess of one year
 - d. Contract involving the sale, lease, exchange, pledge or mortgage of any of its assets in excess of Php50 million
 - e. Increase in compensation or benefits plan or adoption of a retirement or separation plan for its employees or BOD, or any change in organizational structure that may have any future financial impact;
4. Funds or subsidies received from BCDA have been recorded in accordance with the booking instruction of BCDA, and
5. Plan for dividends declaration and actual dividends remitted to the National Government have been disclosed to BCDA to ensure proper booking thereof.


RONALD B. ZAMBRANO
Finance Manager


JAMIE ELOISE M. AGBAYANI, M.D.
President and Chief Executive Officer



JOHN HAY MANAGEMENT CORPORATION



Annex "B"

STATEMENT OF CASH FLOWS
For the Quarter Ended 30 SEPTEMBER 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Inflows:

Estate Management Fee		66,088,000.00
Land Related Cost Reimbursement		45,119,565.93
Collection of Generated Income - JHMC		313,233.38
Collection of SC Reservation-IHG CUSA	1,537,173.94	
Collection of Treetop Adventure CUSA	180,000.00	
Collection of Inbound Pacific Inc.-Mile Hi Center CUSA	1,965,096.00	
Collection of Inbound Pacific Inc.-Cantinetta CUSA	92,001.00	
Collection of Rustan Coffee Corporation CUSA	87,746.41	
Collection of Rustan Coffee Corporation-Advanced CUSA	10,744.46	3,872,761.81
Collection from Sale of Bidder's Documents		152,000.00
Collection of Guaranty Deposits & Performance Bond		38,703.25
Collection of Receivables: Revenues		108,922.20
Collection of Receivables: Return of OPEX		1,000,854.10
Recovered Cost of Coffee Table Book		3,094.95
Cancellation of Checks		912,554.50
Interest Income from Cash and Cash Equivalents		446,475.95
Collections For BCDA:		
Generated Income - BCDA	5,203,616.91	
Deferred Generated Income - BCDA	142,775.74	
SC Reservation-IHG Rental	13,202,869.05	
Treetop Adventure Rental	784,000.00	
Inbound Pacific Inc.-Mile Hi Center Rental	15,782,017.50	
Inbound Pacific Inc.-Cantinetta Rental	935,541.00	
Rustan Coffee Corporation-Starbucks Rental	929,808.60	
Rustan Coffee Corporation-Starbucks 6 months advance rental	796,978.80	
Rustan Coffee Corporation-Starbucks security deposit	744,840.00	
PEZA Rental	4,986,740.66	
Scout Barrio Housing Project (SBHP)	244,695.37	43,753,883.63

Total Cash Inflows from Operation

161,810,049.70

Cash Outflows:

Payment to suppliers/creditors and employees		57,263,337.54
Land Related Costs/Advances for BCDA		27,412,324.73
Remittance of PAG-IBIG/SSS/PHIC/BIR		5,203,432.06
Payment of Taxes, Duties and Licenses		182,797.36
Payment of BAC Honoraria		208,034.24
Payment for Common Usage Service Area Expenses		46,655.00
Refund of BIR penalties to beneficiaries of SBHP		228,378.17
Refund of Guaranty/Security Deposits & Performance Bond		63,415.60
Refund of prepaid rents by customers		6,000.00

Remittances to BCDA:

Generated Income - BCDA	5,854,657.88
SC Reservation-IHG Rental	14,634,074.37
Treetop Adventure Rental	783,750.00

STATEMENT OF CASH FLOWS
For the Quarter Ended 30 SEPTEMBER 2016

Inbound Pacific Inc.-Mile Hi Center Rental	15,782,017.50	
Inbound Pacific Inc.-Cantina Rental	935,541.00	
Rustan Coffee Corporation-Starbucks Rental	2,471,627.40	
Remittance of PEZA Rental	4,985,649.67	
Scout Barrio Housing Project (SBHP)	164,161.62	45,611,479.44
Total Cash Outflows from Operation		136,225,854.14
Total Cash Provided (used) by operating activities		25,584,195.56
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Inflows:		
Collection of COB for Capital Outlay		2,472,000.00
Total Cash Inflows		2,472,000.00
Cash Outflows:		
Capital Outlay		872,632.86
Total Cash Outflows		872,632.86
Total Cash Provided (used) in Investing Activities		1,599,367.14
CASH FLOWS FROM FINANCING ACTIVITIES		
Total Cash Inflows		-
Total Cash Outflows		-
Total Cash provided (used) in financing activities		-
Cash Provided by Operating, Investing and Financing Activities		27,183,562.70
<i>Add/(Less): Effect of FOREX Changes</i>		145,101.84
Add: Cash and Cash Equivalents at the Beginning of the Year		91,184,628.87
CASH AND CASH EQUIVALENTS TO DATE		118,513,293.41

Prepared by:


JOSEPHINE O. TECAN
 Accountant

Certified Correct:


RONALD B. ZAMBRANO
 Finance Manager

Approved by:


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

STATEMENT OF INCOME AND EXPENSES
For the Quarter Ending 30 September 2016

Annex "C"

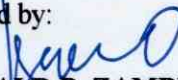
PARTICULARS	Actual		Budget		Variance	
	3rd Quarter	YTD	3rd Quarter	YTD	3rd Quarter	YTD
REVENUES						
Other Business & Service Income:						
Common Usage Service Area (CUSA)	1,393,600.68	4,109,985.95	1,333,600.68	3,928,443.24	(60,000.00)	(181,542.71)
Other Service Income (SEZAD)	70,191.84	313,233.38	140,383.75	421,151.25	70,191.91	107,917.87
Estate Management Fee	10,854,911.92	31,547,218.18	17,140,000.00	51,420,000.00	6,285,088.08	19,872,781.82
TOTAL REVENUES	12,318,704.44	35,970,437.51	18,613,984.43	55,769,594.49	6,295,279.99	19,799,156.98
EXPENSES						
Personal Services:						
Salaries and Wages						
Salaries and Wages-Regular	3,240,681.58	9,960,734.34	3,620,557.00	11,611,671.01	379,875.42	1,650,936.67
Other Compensation						
Personnel Economic Relief Allowance (PERA)	144,205.86	436,007.39	171,000.00	513,000.00	26,794.14	76,992.61
Representation Allowance	343,452.47	1,013,952.47	399,000.00	1,197,000.00	55,547.53	183,047.53
Transportation Allowance	310,266.11	914,516.14	369,000.00	1,107,000.00	58,733.89	192,483.86
Clothing/Uniform Allowance	-	184,000.00	-	228,000.00	-	44,000.00
Cash Gift (DBM Circ. No. 2010-1)	-	116,500.00	-	119,000.00	-	2,500.00
13th Month Pay (Year-end Bonus) (DBM Circ. No. 2010-1)	-	1,098,401.00	4,599.60	1,130,842.38	4,599.60	32,441.38
Other Bonus and Allowance	295,000.00	295,000.00	250,000.00	250,000.00	(45,000.00)	(45,000.00)
Overtime	233,758.53	429,768.62	153,612.65	460,837.96	(80,145.88)	31,069.34
Rice Subsidy	182,700.00	710,100.00	307,800.00	923,400.00	125,100.00	213,300.00
Personnel Benefits Contributions						
Life and Retirement Insurance Contributions	174,384.20	496,130.10	189,843.30	569,529.90	15,459.10	73,399.80
PAG-IBIG Contributions	17,500.00	46,700.00	17,100.00	51,300.00	(400.00)	4,600.00
PHILHEALTH Contributions	41,312.50	118,825.00	46,837.50	140,512.50	5,525.00	21,687.50
ECC Contributions	18,178.80	25,738.80	4,530.00	13,590.00	(13,648.80)	(12,148.80)
Other Personnel Benefits						
Vacation and Sick Leave Benefits	366,293.84	366,293.84	504,706.74	509,306.34	138,412.90	143,012.50
Separation Incentive Pay	258,955.84	258,955.84		-	(258,955.84)	(258,955.84)

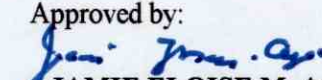
PARTICULARS	Actual		Budget		Variance	
	3rd Quarter	YTD	3rd Quarter	YTD	3rd Quarter	YTD
Business Development and Other Allowance	60,000.00	180,000.00	60,000.00	180,000.00	-	-
TOTAL PERSONAL SERVICES	5,686,689.73	16,651,623.54	6,098,586.80	19,004,990.09	411,897.07	2,353,366.55
Maintenance and Other Operating Expenses:			-			
Supplies Expenses	217,375.37	716,090.27	115,000.00	845,000.00	(102,375.37)	128,909.73
Fuel, Oil and Lubricants Expenses	203,176.77	512,858.71	100,000.00	750,000.00	(103,176.77)	237,141.29
Travel Expenses:						
Local Travel Expenses	575,406.02	1,679,356.20	625,000.00	1,875,000.00	49,593.98	195,643.80
Educational Support Expenses:					-	-
Training Expense	263,907.80	1,267,709.63	207,692.18	1,352,000.00	(56,215.62)	84,290.37
Utility Expenses	49,543.53	116,459.07	45,000.00	285,000.00	(4,543.53)	168,540.93
Communication Expenses	199,817.93	563,427.34	337,500.00	787,500.00	137,682.07	224,072.66
Printing, Advertising & Promotional Expenses:						
Printing Expenses	68,123.01	214,468.13	91,250.00	273,750.00	23,126.99	59,281.87
Advertising, Promotional & Promotions	23,461.85	127,219.08	155,000.00	465,000.00	131,538.15	337,780.92
Taxes, Duties, Insurance & Premiums:	-					
Taxes, duties and licenses	167,133.65	267,503.23	141,250.00	272,750.00	(25,883.65)	5,246.77
Fidelity Bond Premiums	14,212.50	33,150.00	14,150.00	33,150.00	(62.50)	-
Insurance/reinsurance premium	17,010.57	49,908.55	-	66,000.00	(17,010.57)	16,091.45
Representation expense	273,341.74	717,664.72	287,500.00	900,000.00	14,158.26	182,335.28
Rent/Lease Expense	-	1,500.00	-	5,000.00	-	3,500.00
Repairs and Maintenance Expenses:						
R&M-other structures_Materials	17,931.25	28,145.25	25,000.00	75,000.00	7,068.75	46,854.75
R&M-office equipment_Materials	(22,752.50)	14,435.00				
R&M-office equipment_Labor	(39,787.50)	-				
R&M-IT equipment_Materials	650.00	650.00	22,500.00	297,500.00	45,252.50	283,065.00
R&M-IT equipment_Labor	600.00	600.00				
R&M-Machineries for Operations_Materials	37,187.50	37,187.50				
R&M-Machineries for Operations_Labor	39,187.50	39,187.50				
R&M-land transport_Materials	106,299.33	337,430.04	315,000.00	765,000.00	190,813.53	352,826.39
R&M-land transport_Labor	17,887.14	74,743.57				
Professional Services:						
Legal Services	21,015.85	208,936.11	125,000.00	375,000.00	103,984.15	166,063.89
Auditing Services	-	11,410.60	55,075.00	165,225.00	55,075.00	153,814.40

PARTICULARS	Actual		Budget		Variance	
	3rd Quarter	YTD	3rd Quarter	YTD	3rd Quarter	YTD
Consultancy Services	183,908.04	330,495.98	50,000.00	350,000.00	(133,908.04)	19,504.02
Other Professional Services	533,902.92	1,671,719.22	600,000.00	1,800,000.00	66,097.08	128,280.78
Security & Outsource Services:						
General Services	(45,000.00)	18,540.00	53,000.00	159,000.00	98,000.00	140,460.00
Janitorial Services	259,576.81	259,576.81	200,000.00	600,000.00	(59,576.81)	340,423.19
Security Services	299,391.75	961,118.11	388,750.00	1,166,250.00	89,358.25	205,131.89
BOD Expenses:						
Representation allowance-BOD	198,949.05	516,482.79	200,000.00	600,000.00	1,050.95	83,517.21
Representation allowance-BOD_EO24	43,181.97	156,112.30	280,000.00	840,000.00	236,818.03	683,887.70
Transportation allowance-BOD_EO24	78,151.16	198,176.28	330,000.00	990,000.00	251,848.84	791,823.72
Travel allowance-BOD	160,263.20	469,576.57	200,000.00	600,000.00	39,736.80	130,423.43
Communication expense-BOD_EO24	26,606.07	73,115.07	82,500.00	247,500.00	55,893.93	174,384.93
Per diem-BOD	419,000.00	1,366,000.00	564,000.00	1,692,000.00	145,000.00	326,000.00
Other Maintenance and Operating Expenses (MOOE):						
Other MOOE	75,084.28	397,596.21	65,000.00	460,000.00	(10,084.28)	62,403.79
Other MOOE-QMS	107,239.32	568,286.24	100,000.00	700,000.00	(7,239.32)	131,713.76
Other MOOE-CSR	-	8,935.00	-	30,000.00	-	21,065.00
Other MOOE-GAD	38,080.66	89,278.70	50,000.00	250,000.00	11,919.34	160,721.30
Other MOOE-PRP	76,043.92	93,600.15	50,000.00	100,000.00	(26,043.92)	6,399.85
*DOLF	-			-	-	-
Total MOOE	4,705,108.46	14,198,649.93	5,875,167.18	20,172,625.00	1,207,896.22	6,051,600.07
TOTAL EXPENSES FROM COB	10,391,798.19	30,850,273.47	11,973,753.98	39,177,615.09	1,619,793.29	8,404,966.62
Non-chargeable Expenses from COB			-			
Overtime Services rendered by SEZAD	88,362.76	161,174.05	-	-	(88,362.76)	(161,174.05)
Other MOOE-CUSA	48,905.00	48,905.00	-	-		
Total Non-chargeable Expenses to COB	137,267.76	210,079.05	-	-	(88,362.76)	(161,174.05)
Non-Cash Expenses						
Doubtful account expense	851,162.04	1,625,839.44	1,937,500.00	2,906,250.00	300,035.69	(1,455,034.50)
Depreciation	786,302.27	2,735,445.06				
Non-Cash Expenses	1,637,464.31	4,361,284.50	1,937,500.00	2,906,250.00	300,035.69	(1,455,034.50)
TOTAL EXPENSES	12,166,530.26	35,421,637.02	13,911,253.98	42,083,865.09	1,831,466.22	6,788,758.07

PARTICULARS	Actual		Budget		Variance	
	3rd Quarter	YTD	3rd Quarter	YTD	3rd Quarter	YTD
INCOME FROM OPERATIONS	152,174.18	548,800.49	4,702,730.45	13,685,729.40	4,463,813.77	13,010,398.91
Add/(Deduct) Other Income/Expenses		-				
Interest Income	126,082.75	446,259.47	164,240.78	492,722.33	38,158.03	46,462.86
Gain/(Loss) on foreign exchange	172,032.57	145,101.84	16,597.50	49,792.50	(155,435.07)	(95,309.34)
Loss of Asset	(12,865.00)	(12,865.00)	-	-	12,865.00	12,865.00
Total Other Income/Expenses	285,250.32	578,496.31	180,838.28	542,514.83	(104,412.04)	(35,981.48)
NET PROFIT BEFORE INCOME TAX	437,424.50	1,127,296.80	4,883,568.73	14,228,244.22	4,446,144.23	13,100,947.42
Provision for Income Tax:	374,655.51	717,967.41	1,465,070.62	4,268,473.27	1,090,415.11	3,550,505.86
NET INCOME/(LOSS) AFTER TAX	62,768.99	409,329.39	3,418,498.11	9,959,770.96	3,355,729.12	9,550,441.57

Prepared by: 
JOSEPHINE Q. TECAN
Accountant

Certified by: 
RONALD B. ZAMBRANO
Finance Manager

Approved by: 
JAMIE ELOISE M. AGBAYANI, M.D.
President and CEO

STATEMENT OF FINANCIAL POSITION
As of 30 September 2016

Annex "D"

PARTICULARS	Actual		Budget		Variance	
	3rd Quarter	YTD	3rd Quarter	YTD	3rd Quarter	YTD
ASSETS						
Current Assets:						
Cash and Cash Equivalents	(19,612,176.57)	118,513,293.41	-	112,237,230.34	19,612,176.57	(6,276,063.07)
Receivables	546,140.64	40,088,014.25	-	26,057,238.46	(546,140.64)	(14,030,775.79)
Inventories	(96,494.52)	6,850,613.72	-	7,075,380.82	96,494.52	224,767.10
Prepayments	256,541.41	6,943,310.70	-	5,907,383.48	(256,541.41)	(1,035,927.22)
Total Current Assets	(18,905,989.04)	172,395,232.08	-	151,277,233.10	18,905,989.04	(21,117,998.98)
Non-Current Assets:						
Investments	-	132,000.00	-	132,000.00	-	-
Property, Plant and Equipment - Net	(1,134,614.61)	30,666,917.88	-	31,395,097.59	1,134,614.61	728,179.71
Accounts Receivable - Long Term, Net	(858,738.94)	3,630,480.26	-	7,030,585.93	858,738.94	3,400,105.67
Other Non-Current Assets	-	11,283,253.28	-	11,283,253.28	-	-
Total Non-Current Assets	(1,993,353.55)	45,712,651.42	-	49,840,936.80	1,993,353.55	4,128,285.38
TOTAL ASSETS	(20,899,342.59)	218,107,883.50	-	201,118,169.90	20,899,342.59	(16,989,713.60)
LIABILITIES AND EQUITY						
Current Liabilities:						
Payable Accounts	14,805,857.19	16,030,866.84				
Inter-Agency Payables	915,458.88	656,837.60				
Intra-Agency Payables	49,830,850.81	69,757,654.94	-	54,723,030.34	(66,657,493.73)	(32,942,866.03)
Other Liability Accounts	1,105,326.85	1,220,536.99				
Total Current Liabilities	66,657,493.73	87,665,896.37	-	54,723,030.34	(66,657,493.73)	(32,942,866.03)
Non-Current Liabilities:						
Other Long-Term Liabilities	-	3,305,815.48	-	-	-	(3,305,815.48)
Deferred Credits	16,881.00	1,224,553.68	-	1,169,458.22	(16,881.00)	(55,095.46)
Deposit for Future Stock Subscription	-	263,814,078.97	-	263,814,078.97	-	-
Total Non-Current Liabilities	16,881.00	268,344,448.13	-	264,983,537.19	(16,881.00)	(3,360,910.94)
Equity	92,179.05	(116,894,058.36)	-	(118,588,397.63)	(92,179.05)	(1,694,339.27)
TOTAL LIABILITIES AND EQUITY	66,766,553.78	239,116,286.14	-	201,118,169.90	(66,766,553.78)	(37,998,116.24)

Prepared by:

Josephine Q. Tecan
JOSEPHINE Q. TECAN
Accountant

Certified by:

Ronald B. Zambrano
RONALD B. ZAMBRANO
Finance Manager

Approved by:

Jamie Eloise M. Agbayani, M.D.
JAMIE ELOISE M. AGBAYANI, M.D.
President and CEO