



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



INDEPENDENT AUDITOR'S REPORT

THE BOARD OF DIRECTORS

Philippine Fisheries Development Authority
PCA Annex Building
Elliptical Road, Diliman, Quezon City

We have audited the accompanying financial statements of the **Philippine Fisheries Development Authority (PFDA)**, which comprise the balance sheet as of December 31, 2015, and the statement of revenues and expenditures, statement of changes in net worth and statement of cash flows for the year then ended, and a summary of significant accounting policies and 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, 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 International 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 have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of PFDA 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.

COMMISSION ON AUDIT



DIVINA M. TELAN
State Auditor IV
OIC-Supervising Auditor
Audit Group D
Cluster 5- Agricultural and Natural Resources

June 3, 2016

PHILIPPINE FISHERIES DEVELOPMENT AUTHORITY
BALANCE SHEET
December 31, 2015
(In Philippine Peso)

	Note	2015	2014 As restated
ASSETS			
Current assets			
Cash and cash equivalents	3	1,453,816,150	970,425,156
Receivables - net	4	201,658,487	190,717,527
Prepayments	5	87,100,794	27,878,214
Guaranty deposits		3,685,393	3,644,937
		<u>1,746,260,824</u>	<u>1,192,665,834</u>
Non-current assets			
Investments	6	355,979	355,979
Property, plant and equipment - net	7	592,046,104	550,841,673
Receivables	8	5,029,213	15,552,803
Other assets	9	6,867,042	6,955,147
		<u>604,298,338</u>	<u>573,705,602</u>
TOTAL ASSETS		<u>2,350,559,162</u>	<u>1,766,371,436</u>
LIABILITIES AND DEFICIT			
Current liabilities			
Payable accounts	10	667,873,562	637,558,255
Inter-agency payables	11	1,772,361,372	1,451,781,900
Other current liabilities	12	95,767,803	110,023,604
		<u>2,536,002,737</u>	<u>2,199,363,759</u>
Non-current liabilities			
Loans payable - foreign	13	14,666,891	17,286,830
Deferred credits	14	30,340,827	24,912,157
		<u>45,007,718</u>	<u>42,198,987</u>
		<u>2,581,010,455</u>	<u>2,241,562,746</u>
Deficit		<u>(230,451,293)</u>	<u>(475,191,310)</u>
TOTAL LIABILITIES, NET OF DEFICIT		<u>2,350,559,162</u>	<u>1,766,371,436</u>

PHILIPPINE FISHERIES DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES AND EXPENDITURES
For the Year Ended December 31, 2015
(In Philippine Peso)

	Note	2015	2014 As restated
REVENUES			
Operating income	17	649,446,828	652,972,175
Other income	18	7,402,720	1,159,972
		656,849,548	654,132,147
EXPENDITURES			
Personal services	20	276,704,796	283,176,710
Maintenance and other operating expenses		307,052,294	325,671,016
Financial expenses		8,356,829	5,560,170
		592,113,919	614,407,896
INCOME FROM OPERATIONS		64,735,629	39,724,251
Subsidy income from other national government agencies	19	29,621,861	4,822,910
NET INCOME		94,357,490	44,547,161

PHILIPPINE FISHERIES DEVELOPMENT AUTHORITY
STATEMENT OF CHANGES IN NET WORTH
For the Year Ended December 31, 2015
(In Philippine Peso)

	Note	2015	2014 As restated
GOVERNMENT EQUITY	15	720,728,074	570,345,547
		720,728,074	570,345,547
DEFICIT	16		
Deficit, beginning of the year		(1,045,536,857)	(1,064,562,808)
Net income		94,357,490	44,547,161
Dividends		-	(25,521,210)
Deficit, end of the year		(951,179,367)	(1,045,536,857)
DEFICIT		(230,451,293)	(475,191,310)

PHILIPPINE FISHERIES DEVELOPMENT AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2015
(In Philippine Peso)

	Note	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Funds received from NGAs for implementation of projects		667,218,234	374,006,000
Cash received from customers		643,528,850	672,606,338
Cash paid to suppliers and employees		(533,088,937)	(561,009,354)
Disbursement for the implementation of projects		(64,728,984)	(10,416,530)
Returned TISP-ARMM/DAP funds		(27,892,293)	(247,871,050)
Funds transferred to LGUs/NGAs for project implementation		(9,750,000)	(14,305,528)
Purchase of inventories		(2,794,321)	(592,751)
Auditing services remitted to the national treasury		-	(7,788,008)
Other operating cash payments		(281,627)	-
Others		5,296,868	9,928,942
		677,507,790	214,558,059
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on bank account deposits		7,402,720	1,159,972
Proceeds from sale of assets		88,104	-
Construction/purchase of property and equipment		(142,708,373)	(177,926,204)
		(135,217,549)	(176,766,232)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to the national government		(56,648,344)	(10,826,557)
Payment for principal of foreign loans		(2,637,613)	(2,825,559)
Effect of foreign exchange rate on cash		501,420	98,634
Interest paid on loans		(114,710)	(272,241)
		(58,899,247)	(13,825,723)
Net increase in cash and cash equivalents		483,390,994	23,966,104
Cash and cash equivalents, beginning of year		970,425,156	946,459,052
CASH AND CASH EQUIVALENTS, END OF YEAR	3	1,453,816,150	970,425,156

PHILIPPINE FISHERIES DEVELOPMENT AUTHORITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS EXPENDED
For the Year Ended December 31, 2015
(In Philippine Peso)

	Approved Budget	Amounts Expended	Variance
Personal services			
Salaries and wages	172,964,000	148,896,945	24,067,055
	172,964,000	148,896,945	24,067,055
Allowance and other compensation			
Other personnel benefits	-	14,683,211	(14,683,211)
Personal economic relief allowance	15,750,000	13,667,557	2,082,443
Year-end bonus	14,414,000	12,093,406	2,320,594
Terminal leave benefits	7,040,000	9,117,200	(2,077,200)
Representation and transportation allowance	7,527,000	7,436,641	90,359
Overtime and night pay	3,719,000	2,819,556	899,444
Uniform/clothing allowance	3,395,000	3,419,990	(24,990)
Cash gift	3,395,000	2,861,250	533,750
Loyalty/longevity pay	-	365,000	(365,000)
Retirement benefits	-	147,300	(147,300)
Per diem	120,000	120,000	-
Subsistence and laundry allowance	59,000	49,550	9,450
Other bonuses and allowances	33,828,000	40,639,870	(6,811,870)
	89,247,000	107,420,531	(18,173,531)
Personnel benefits contribution			
Life and retirement insurance premiums	20,756,000	17,298,074	3,457,926
PhilHealth contributions	1,839,000	1,641,963	197,037
Pag-IBIG contributions	787,000	692,954	94,046
Employees' compensation insurance premiums	787,000	754,329	32,671
	24,169,000	20,387,320	3,781,680
	286,380,000	276,704,796	9,675,204
Maintenance and other operating expenses			
Maintenance and other operating expenses (exclusive of depreciation)	338,771,000	278,956,169	59,814,831
Dividends	23,110,000	56,648,344	(33,538,344)
Masterplan for fisheries infrastructure	7,429,000	4,377,793	3,051,207
Loan repayments (inclusive of interest)	7,920,000	2,752,323	5,167,677
	377,230,000	342,734,629	34,495,371
Capital outlay			
Operations			
Building and other structures	53,962,000	11,576,742	42,385,258
Office equipment	25,261,000	5,255,331	20,005,669
Land and land improvements	48,599,000	4,926,517	43,672,483
Machineries and equipment	15,270,000	3,544,549	11,725,451
Transportation equipment	16,975,000	-	16,975,000
Projects			
Fisheries building complex	89,611,000	36,836,643	52,774,357
BFAR regional offices	281,213,000	33,496,696	247,716,304
Various projects (subsidy)	288,599,000	16,552,015	272,046,985
BFAR fisheries project (Tagkawayan)	14,930,000	2,043,996	12,886,004
	834,420,000	114,232,489	720,187,511
	1,498,030,000	733,671,914	764,358,086