



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

INDEPENDENT AUDITOR'S REPORT

THE BOARD OF DIRECTORS

Bases Conversion and Development Authority
2/F Bonifacio Technology Center
31st Street corner 2nd Avenue
Bonifacio Global City, Taguig City

Report on the Financial Statements

We have audited the accompanying financial statements of Bases Conversion and Development Authority (BCDA), which comprise the statement of financial position as at December 31, 2012, 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 risks 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

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Chief Administrative Officer
BCDA Records Office

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.

Unqualified Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bases Conversion and Development Authority as at December 31, 2012, and 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 26 to the financial statements which discusses that the Authority will seek clarification from the Office of the President (OP) whether the dividend derived from FBDC is subject to distribution of proceeds.

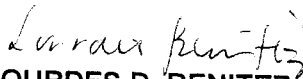
Likewise, we draw attention to Note 34 to the financial statements which describes the uncertainties related to the outcome of lawsuits or claims filed by third parties against BCDA which are either pending in courts or under negotiation, and tax cases filed by BCDA against the Bureau of Internal Revenue which are pending before the Court of Tax Appeals. Our opinion is not qualified in respect of these matters.

Report on the Supplementary Information Required Under 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 38 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:


LOURDES D. BENITEZ
State Auditor IV
OIC- Supervising Auditor

May 15, 2013

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Chief Administrative Officer
BCDA Records Office

BASES CONVERSION AND DEVELOPMENT AUTHORITY
STATEMENT OF FINANCIAL POSITION
December 31, 2012
(With Comparative Figures as of December 31, 2011)
(In Philippine Peso)

	Note	2012	(As restated) 2011
ASSETS			
Current Assets			
Cash and cash equivalents	5	9,197,589,244	7,172,564,292
Short-term investments	6	10,627,055	195,929,291
Receivables	7	4,927,354,922	3,466,854,695
Inventories	8	1,284,299,781	998,998,162
Prepayments	9	481,862,593	466,102,292
Other current assets	10	883,392,152	469,184,470
		16,785,125,747	12,769,633,202
Non-Current Assets			
Investments in and advances to subsidiaries/affiliates	11	24,278,546,010	24,203,161,800
Investments in joint ventures	12	17,377,391,105	18,131,739,892
Other investments	13	18,167,110	18,443,973
Property and equipment - net	14	70,288,923,982	70,057,935,517
Other non-current assets	15	1,725,049,318	4,543,978,790
		113,688,077,525	116,955,259,972
TOTAL ASSETS		130,473,203,272	129,724,893,174
LIABILITIES AND EQUITY			
Current Liabilities			
Payables	16	305,604,189	176,845,727
Inter-agency payables	17	3,743,719,132	2,464,167,045
Intra-agency payables	18	3,196,854,233	3,193,748,854
Current portion of long-term borrowings	20	878,131,363	1,093,146,424
Other payables	19	1,049,638,215	1,216,307,184
		9,173,947,132	8,144,215,234
Non-Current Liabilities			
Borrowings	20	25,602,393,480	31,184,771,657
Deferred credits	21	6,494,882,760	6,729,575,016
		32,097,276,240	37,914,346,673
Equity		89,201,979,900	83,666,331,267
TOTAL LIABILITIES AND EQUITY		130,473,203,272	129,724,893,174

See accompanying Notes to Financial Statements.

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BASES CONVERSION AND DEVELOPMENT AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended December 31, 2012

(With Comparative Figures for the Year Ended December 31, 2011)

(In Philippine Peso)

	Note	2012	(As restated) 2011
REVENUES			
Share from the income of joint venture operations	22	1,407,669,085	1,922,821,513
Toll fees	23	864,338,453	768,848,503
Lease income	24	476,151,354	410,266,574
Dividend income	25	452,959,653	563,525,486
Miscellaneous income		15,203,072	9,258,933
TOTAL REVENUES		3,216,321,617	3,674,721,009
EXPENSES			
Personal Services			
Salaries and wages		103,043,720	100,691,274
Other compensation		74,855,620	74,959,077
Personnel benefit contributions		45,547,728	44,382,616
Other personnel benefits		10,163,184	22,193,014
		233,610,252	242,225,981
Maintenance and Other Operating Expenses			
Contributions to AFP modernization	26	1,102,895,236	1,596,801,341
SCTEx operations and maintenance		369,088,611	381,883,685
Depreciation and amortization		313,087,546	311,813,794
Subsidies to subsidiaries		148,978,253	139,571,265
Professional services		124,823,300	65,696,795
Printing, advertising and promotion		121,267,474	142,481,580
Bad debts		105,145,835	145,593,942
Taxes, insurance premiums and other fees		75,002,946	19,013,437
Rent expense		17,503,525	17,035,022
Awards, prizes and other claims		17,102,902	3,419,611
Utilities		10,598,238	10,949,888
Travel and educational expenses		7,035,470	2,694,155
Supplies and materials		6,861,817	7,268,546
Repairs and maintenance		5,535,431	5,421,902
Representation		5,421,550	3,968,575
Communication		5,417,424	5,586,122
Donations		2,725,125	5,490,548
Cultural and athletic		535,218	296,364
Survey and research		389,486	295,752
Membership dues and contribution expenses		95,850	2,541,102
Other maintenance and operating expenses		16,324,127	22,027,545
TOTAL EXPENSES		2,455,835,364	2,889,850,971
INCOME FROM OPERATIONS		2,689,445,616	3,132,076,952
OTHER INCOME (EXPENSES), NET		526,876,001	542,644,057
PROFIT (LOSS) BEFORE INCOME TAX	27	(21,327,570)	547,607,922
INCOME TAX EXPENSE		505,548,431	1,090,251,979
NET INCOME	28	(46,435,719)	(53,802,933)
		459,112,712	1,036,449,046
OTHER COMPREHENSIVE INCOME			
Unrealized gain(loss) on foreign exchange	29	4,698,437,388	(1,554,021,150)
TOTAL COMPREHENSIVE INCOME (LOSS)		5,157,550,100	(517,372,104)

See accompanying Notes to Financial Statements.

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BASES CONVERSION AND DEVELOPMENT AUTHORITY

STATEMENT OF CHANGES IN EQUITY

For the Year Ended December 31, 2012

(With Comparative Figures for the Year Ended December 31, 2011)

(In Philippine Peso)

	Note	2012	(As restated) 2011
EQUITY FROM THE NATIONAL GOVERNMENT			
	30		
Balance at beginning of the year		77,269,614,173	75,174,043,288
Value of Heritage Park Certificates		449,048,735	455,829,050
BCDA's share on asset disposition proceeds thru sale of various properties		51,369,731	186,838,082
Share on revenue from lease of Camp John Hay		109,599,110	-
Subsidy for the CDC-Mexico-Clark 230 KV Transmission Project		15,287,410	1,424,513,831
Retirement of preferred shares		(70,000,000)	-
Share in the sale of New Concessionaire's Area		-	2,922,315
Share in the sale of Airmen's Village		-	82,481,149
Share in the sale of three (3) residual lots to the Energy Dev't. Corp.		-	30,172,500
Share in the interest income on sale of FB per RA 7917		-	37,003,952
Adjustment on the redemption of preferred shares from FBDC		-	(124,189,994)
Other adjustments		2,793,547	-
Balance at end of the year		77,827,712,706	77,269,614,173
DONATED CAPITAL			
	31		
Balance at beginning and end of the year		1,137,658	1,137,658
RETAINED EARNINGS			
	32		
Balance at beginning of the year		6,395,579,436	6,913,151,540
Profit (loss) for the year		5,157,550,100	(517,572,104)
Dividends		(180,000,000)	-
Balance at end of the year		11,373,129,536	6,395,579,436
TOTAL EQUITY		89,201,979,900	83,666,331,267

See accompanying Notes to Financial Statements.

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**BASES CONVERSION AND DEVELOPMENT AUTHORITY
STATEMENT OF CASH FLOWS**

For the Year Ended December 31, 2012
(With Comparative Figures for the Year Ended December 31, 2011)
(in Philippine Peso)

	Note	2012	(As restated) 2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from joint venture projects		2,285,734,130	799,982,661
Proceeds from toll operations		968,140,414	816,230,513
Dividends received		690,201,355	454,289,187
Cash receipts from lessees		450,344,943	405,598,921
Interest income from cash equivalents and short/long term investments		275,003,636	290,780,995
Proceeds from the disposition of transferred properties		245,541,944	58,910,045
Collection of receivables from City Government of Makati		200,000,000	-
Net decrease in short-term investments		185,302,235	7,264,880,521
Collection of receivables		20,100,382	36,479,126
Refund of cash advances from disbursing officers		9,868,646	1,019,832
Receipts from BCDA Housing Projects		4,269,386	12,278,901
Remittance from NHA for the sale of portion of Airmen's Village		2,709,209	11,655,084
Miscellaneous receipts		20,621,710	26,354,345
Payment to suppliers/creditors and employees		(547,983,310)	(575,371,475)
Remittance of contribution to the Bureau of Treasury		(348,451,384)	(2,136,654,676)
Operations and maintenance of SCTEx		(283,628,556)	(295,185,008)
Collection of performance, bid bonds and bid securities		(183,792,258)	1,826,199
Estate management expenses		(142,296,862)	(146,268,241)
Payment of taxes, duties and fees		(95,321,277)	(19,333,383)
Advances to NHA for housing units at Rodriguez, Rizal		(18,600,000)	-
Guarantee deposit payable/development control fees		(3,000,000)	30,257,901
Share in Bus Rapid Transit System expenses		-	(2,670,000)
Net cash from operating activities		3,734,764,343	7,035,061,448
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment/advances in subsidiaries and affiliates		(136,844,511)	(532,895,670)
Acquisition of property and equipment and payment for various infrastructure projects		(80,766,261)	(63,130,124)
Redemption of preferred shares		-	5,415,530
Net cash used in investing activities		(217,610,772)	(590,610,264)
CASH FLOWS FROM FINANCING ACTIVITIES			
Equity from the National Government		15,287,410	423,991,609
Payment of financing charges		(1,954,651)	(518,847)
Dividends paid to the Bureau of the Treasury		(180,000,000)	-
Partial payment of JICA loan		(1,302,588,930)	(857,363,698)
Partial settlement of notes payable		(22,872,448)	(25,085,910)
Net cash used in financing activities		(1,492,128,619)	(458,976,846)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
		-	107,819
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,025,024,952	5,985,582,157
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		7,172,564,292	1,186,982,135
CASH AND CASH EQUIVALENTS AT END OF YEAR		9,197,589,244	7,172,564,292

See accompanying Notes to Financial Statements.

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