



REPUBLIC OF THE PHILIPPINES  
COMMISSION ON AUDIT  
Commonwealth Avenue, Quezon City, Philippines

## **INDEPENDENT AUDITOR'S REPORT**

### **THE BOARD OF GOVERNORS**

Center for International Trade Expositions and Missions  
Roxas Boulevard Cor. Sen. Gil J. Puyat Ave.  
Pasay City

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Center for International Trade Expositions and Missions (CITEM), which comprise the Statement of Financial Position as of December 31, 2014, 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 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 the Center for International Trade Expositions and Missions as of December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with state accounting principles generally accepted in the Philippines.

**Report on Supplementary Information Required Under  
BIR Revenue Regulation 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 discussed in Audit Observations No. 9 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**


  
**HENEDINA R. OTADOY**  
Supervising Auditor  
Audit Group F  
Trading and Promotions Audit Group  
Cluster 6, Corporate Government Sector 

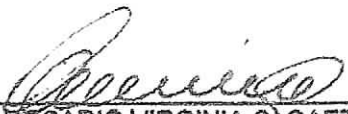
22 June 2015

# STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Center for International Trade Expositions and Missions is responsible for all information and representations contained in the accompanying Balance Sheet as of 31 December 2014 and the related Statement of Income and Expenses and Cash Flow for the year then ended. The financial statements have been prepared in conformity with generally accepted state accounting principles and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.

  
 AURELIA O. CRUZ  
 Officer-In-Charge  
 Corporate Services  
 Department

  
 ROSARIO VIRGINIA C. GAETOS  
 Executive Director  
 CITEM

19 June 2015



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HALL



**CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2014**  
(With corresponding figures for 2013)  
(In Philippine Peso)

	Notes	2014	2013 (As Restated)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	3	167,225,146	154,470,148
Receivable Accounts	2.2 and 4	23,688,984	24,770,665
Inventories	5	312,654	380,794
Prepaid Expenses	6	3,681,570	43,566
Guaranty Deposits	7	2,386,492	1,903,767
		197,294,846	181,568,940
<b>Non-Current Assets</b>			
Receivable Accounts, Net	8	4,368,585	1,738,565
Investments	9	42,000	42,000
Property and Equipment, Net	2.4 and 10	38,148,980	27,668,314
Restricted Fund	11	286,041,917	282,662,246
Other Assets	12	843,723	843,723
		329,445,205	312,954,848
<b>TOTAL ASSETS</b>		<b>526,740,051</b>	<b>494,523,788</b>
<b>LIABILITIES AND NET WORTH</b>			
<b>Current Liabilities</b>			
Payable Accounts	13	60,281,594	61,591,762
Inter-agency Payables	15	14,146,836	6,385,952
Deferred Credits	14	12,945,990	4,497,105
		87,374,420	72,474,819
<b>Non-Current Liabilities</b>	16	15,672,931	14,022,851
<b>TOTAL LIABILITIES</b>		<b>103,047,351</b>	<b>86,497,670</b>
<b>NET WORTH</b>		<b>423,692,700</b>	<b>408,026,118</b>
<b>TOTAL LIABILITIES AND NET WORTH</b>		<b>526,740,051</b>	<b>494,523,788</b>

The notes on pages 8 to 17 form part of these financial statements.

**CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS**  
**STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended December 31, 2014  
(With corresponding figures for 2013)  
(In Philippine Peso)

	Notes	2014	2013 (As Restated)
<b>General Income</b>	2.3 and 19		
Service Income		34,822,671	50,244,823
Interest Income		595,762	848,897
Gain on Foreign Exchange		1,474,634	3,196,553
Gain (Loss) on Sale of Assets		253,962	(784,435)
Miscellaneous Income		2,573,592	2,608,649
<b>Gross Income</b>		<b>39,720,621</b>	<b>56,114,487</b>
<b>Expenses</b>	2.3 and 20		
Personal Services		48,950,631	52,429,856
Maintenance and Other Operating Expenses		178,481,885	179,350,786
Financial Expenses		482,244	404,623
<b>Total Expenses</b>		<b>227,914,760</b>	<b>232,185,265</b>
<b>LOSS FROM OPERATIONS</b>		<b>(188,194,139)</b>	<b>(176,070,778)</b>
<b>SUBSIDY FROM NATIONAL GOVERNMENT</b>	21	<b>186,443,000</b>	<b>188,118,000</b>
<b>NET INCOME (LOSS)</b>	22	<b>(1,751,139)</b>	<b>12,047,222</b>

The notes on pages 8 to 17 form part of these financial statements.

**CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS**  
**STATEMENT OF CHANGES IN NET WORTH**  
**For the year ended December 31, 2014**  
(With corresponding figures for 2013)  
(In Philippine Peso)

	Notes	2014	2013 (As Restated)
<b>GOVERNMENT EQUITY</b>	17		
Balance, Beginning/End of Year		41,221,808	41,221,808
<b>RESTRICTED CAPITAL</b>	11		
Balance, Beginning of Year		282,662,246	280,393,406
Interest Income Earned from Restricted Fund		3,359,249	2,268,840
Foreign Exchange Gain/Loss		20,422	
Balance, End of Year		286,041,917	282,662,246
<b>APPRAISAL CAPITAL</b>	2.4		
Balance, Beginning/End of Year		5,054,354	5,054,354
<b>RETAINED EARNINGS</b>	18		
Balance, Beginning of Year		79,087,710	81,078,538
Net Adjustment to Retained Earnings			
2013 Re-statement		14,038,050	(14,038,050)
Net Income (Loss)		(1,751,139)	12,047,222
Balance, End of Year		91,374,621	79,087,710
<b>NET WORTH</b>		<b>423,692,700</b>	<b>408,026,118</b>

The notes on pages 8 to 17 form part of these financial statements.

**CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS**

**CASH FLOW STATEMENT**

**For the year ended December 31, 2014**

(With corresponding figures for 2013)

(In Philippine Peso)

	<b>Notes</b>	<b>2014</b>	<b>2013</b>
<b>Cash Flows from Operating Activities:</b>			
Receipt of Government Subsidy	21	186,443,000	188,118,000
Cash Received from Exhibitors/Customers		56,496,329	53,924,281
Funds Received from Department of Trade and Industry and Other Government Agencies and Sponsorship from Private Sectors for the Implementation of Export Promotion Projects		63,345,264	3,902,030
Interest Earned from Savings/Current Accounts		91,778	107,060
Cash Paid to Suppliers and Employees		(292,413,164)	(253,473,211)
<b>Net Cash Used in Operating Activities</b>		<b>13,963,207</b>	<b>(7,421,840)</b>
<b>Cash Flows from Investing Activities:</b>			
Interest Earned from Investment in Treasury Bills/ Time Deposit		503,985	740,812
Effects of Foreign Exchange Rate Changes on Cash and Cash Equivalents		1,461,677	3,196,553
Purchases of Property, Equipment and Motor Vehicles		(3,173,871)	(3,792,800)
<b>Net Cash (Used in) Provided by Investing Activities</b>		<b>(1,208,209)</b>	<b>144,565</b>
<b>Net Increase/Decrease in Cash and Cash Equivalents</b>		<b>12,754,998</b>	<b>(7,277,275)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>		<b>154,470,148</b>	<b>161,747,423</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>3</b>	<b>167,225,146</b>	<b>154,470,148</b>

The notes on pages 8 to 17 form part of these financial statements.

# **CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS**

## **NOTES TO FINANCIAL STATEMENTS**

(All amounts in Philippine Peso unless otherwise stated)

### **1. GENERAL INFORMATION**

The Center for International Trade Expositions and Missions (CITEM), a government-owned or controlled corporation, is an agency attached to the Department of Trade and Industry (DTI). It was created by virtue of Executive Order Nos. 989 and 133, as amended by Executive Order No. 242, dated July 24, 1987, to institutionalize the holding of trade exhibits for the promotion of locally manufactured products and implement projects designed to upgrade the quality of such products to international standards, coordinate raw material sourcing, develop markets and provide assistance to Philippine manufacturers in general.

The goals and objectives of CITEM are a) To professionally manage an export promotion organization; b) To plan, develop and implement trade fairs, special exhibits and trade missions and other promotional activities, both on domestic and international trade; and c) To respond to the needs of exporters and the requirements of target markets.

To attain the aforementioned objectives, CITEM is vested with the following powers and functions: a) Organize, prepare, review and approve official participation in foreign trade fairs, exhibitions and expositions in accordance with the trade promotion of DTI; b) Supervise the selection, collection and shipment of products and materials for use in such official participation; and c) Implement DTI's policies and guidelines for servicing all incoming missions and the conduct of all outgoing missions that are related to international trade fair exhibitions.

The Corporation is governed by a Board of Governors composed of a Chairman and five members. Its management is headed by an Executive Director and assisted by two Deputy Executive Directors.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1 Basis of Preparation of Financial Statements**

The accompanying Financial Statements are prepared in accordance with generally accepted state accounting principles and standards in the Philippines.

#### **2.2 Allowance for Doubtful Accounts**

Allowance for doubtful accounts is provided and maintained at a level adequate to cover potential uncollectibility of receivables.

#### **2.3 Income and Expenses**

The Center adopts the accrual method of accounting for income and expenses.



Advance collections of fees are recorded as deferred credits and are adjusted/recognized as income at the period they are actually earned or realized. Expenses are recorded at the time they are incurred.

## 2.4 Property and Equipment

Property and equipment includes cost of building and improvements which are stated at appraised values as determined in May 1995 by two independent appraisers. Subsequent additions to the improvement of the building are stated at cost. The account also includes depreciable assets with serviceable life of more than one year.

Depreciation is computed using the straight-line method based on the estimated useful lives of the assets.

The net appraisal increment resulting from the revaluation is recorded as appraisal capital.

Minor repairs and maintenance are expensed when incurred; significant renewals and betterments are capitalized. There is no management policy as to the ceiling costs for minor repairs and maintenance costs and the floor price of significant renewals and betterments.

When assets are retired or otherwise disposed of, the costs of the related accumulated depreciation are removed from the books; any resulting gain or loss is reflected as other income or loss for the period.

- 2.5 Transactions in foreign currencies are recorded in Philippine Peso based on the Bangko Sentral ang Pilipinas (BSP) rate of exchange prevailing at the date of transactions. At the end of the year, these are revalued based on BSP exchange rate at Balance Sheet date. Likewise, foreign currency-denominated monetary assets are also revalued based on BSP exchange rate at Balance Sheet date. For CY 2014 and CY 2013 the foreign exchange rates used were P44.617 and P44.414 respectively.

## CURRENT ASSETS

### 3. CASH AND CASH EQUIVALENTS

This account consists of the following:

Particulars	2014	2013
Cash in Bank	166,883,765	154,134,448
Cash – Collecting Officers	315,771	333,158
Cash – Disbursing Officers	25,610	923
Petty Cash Fund	-	1,619
<b>Cash and Cash Equivalents</b>	<b>167,225,146</b>	<b>154,470,148</b>

#### 4. RECEIVABLES

These consist of:

Particulars	2014	2013 (As Restated)
Accounts Receivable	5,377,335	3,212,743
Due from National Government Agencies (NGAs)	17,967,944	21,280,584
Other Receivables	210,424	34,458
Advances to Officers and Employees	49,140	172,309
Interests Receivable	53,755	53,755
Due from Officers and Employees	30,386	16,816
<b>Receivables</b>	<b>23,688,984</b>	<b>24,770,665</b>

Accounts receivable includes participation fees and extension charges billed to the exhibitors in connection with their participation in trade exhibits organized by CITEM.

The account Due from NGAs consists of expenses incurred by CITEM in the implementation of various local and international projects which are covered by a Memorandum of Agreement and chargeable against funds from DTI-OSEC.

The account Due from Officers and Employees represents personal receivables from employees, year-end tax adjustments and other obligations due to CITEM which are regularly deducted from salaries.

Interest Receivable represents interests from various bank deposits earned in CY 2014 but will be received/credited to CITEM accounts in the following year.

Other Receivables include long outstanding cash advances and other personal accounts from resigned employees, rental and operational charges billed to tenants and other current assets which represent withholding taxes deducted from participation fees of exhibitors.

#### 5. INVENTORIES

This account consists of the following:

Particulars	2014	2013
Office Supplies	238,619	265,867
Spare Parts	-	112,302
Textbooks and Instructional Materials	1,950	1,950
Other Supplies	72,085	675
<b>Total Inventories</b>	<b>312,654</b>	<b>380,794</b>

## 6. PREPAID EXPENSES

This includes the following:

Particulars	2014	2013
Prepaid Rent	2,977,092	-
Other Prepaid Expenses	704,478	43,566
<b>Total Prepaid Expenses</b>	<b>3,681,570</b>	<b>43,566</b>

## 7. GUARANTY DEPOSITS

This includes deposits to different companies for relocation of electric meter and additional electrical load, telephone sets, cash/guaranty deposits for fuel credit line, building protection bond for venue exhibits and performance security bond for projects.

## NON-CURRENT ASSETS

## 8. RECEIVABLES- NET

These consist of:

Particulars	2014	2013 (Restated)
Accounts Receivable	9,343,390	6,765,414
Due from National Government Agencies (NGAs)	732,953	732,953
Advances to Officers and Employees	1,378,925	-
Other Receivables	2,622,630	3,949,511
	14,077,898	11,447,878
Allowance for Doubtful Accounts	(9,709,313)	(9,709,313)
<b>Receivables, Non-Current, Net</b>	<b>4,368,585</b>	<b>1,738,565</b>

## 9. INVESTMENT IN STOCKS

This represents subscription of 4,200 shares of PLDT stocks as a prerequisite to telephone service connection and investment for eight direct telephone lines.

## 10. PROPERTY AND EQUIPMENT

This account consists of the following:

	Office Buildings and Other Structures	Office Equipment, Furniture and Fixtures, IT Equipment and Software and Books	Motor Vehicles	Library Books, Sports Equipment & Other Property, Plant & Equipment	Total
<b>Acquisition Cost</b>					
Balance, January 1, 2014	39,878,152	27,661,875	12,114,101	4,086,086	83,740,214
Additions	3,998,745	11,990,849	253,400	506,907	16,749,901
Disposals/Adjustments	(2,616,698)	1,999,223	-	-	(617,475)
Balance, December 31, 2014	41,260,199	41,651,947	12,367,501	4,592,993	99,872,640
<b>Accumulated Depreciation</b>					
Balance, January 1, 2014	(25,766,963)	(20,280,849)	(6,428,270)	(3,595,818)	(56,071,900)
Depreciation	-	(2,877,880)	(993,719)	-	(3,871,599)
Disposals/Adjustments	-	(1,780,161)	-	-	(1,780,161)
Balance, December 31, 2014	(25,766,963)	(24,938,890)	(7,421,989)	(3,595,818)	(61,723,660)
<b>Net Book Value</b>					
December 31, 2014	15,493,236	16,713,057	4,945,512	997,175	38,148,980
December 31, 2013	14,111,189	7,381,026	5,685,831	490,268	27,668,314

## 11. RESTRICTED FUND/CAPITAL

This represents the Building Fund allocated by the Governing Board for the construction of CITEM's office building in the future, which was temporarily invested in High-Yield Savings Account as follows:

Particulars	2014	2013
<b>High Yield Savings Account (formerly T-Bills):</b>		
Land Bank of the Philippines (LBP)	284,058,224	280,839,419
<b>Dollar Time Deposit:</b>		
LBP Dollar Time Deposit	1,983,693	1,822,827
<b>Restricted Capital / Restricted Fund</b>	<b>286,041,917</b>	<b>282,662,246</b>

## 12. OTHER ASSETS

This account includes unserviceable property items for disposal and assets in the custody of other government agencies.

## CURRENT LIABILITIES

### 13. PAYABLE ACCOUNTS

These consist of payables due to officers and employees, various suppliers, contractors and other creditors which are expected to be settled within one year.

Particulars	2014	2013
Payable Accounts:		
Suppliers and Contractors	45,704,915	48,601,431
Other Liabilities:		
Officers and Employees	10,717,141	11,694,257
Performance Bonds	1,894,565	688,644
Other Payables – Trust	1,270,003	607,430
Refunds Payable	694,970	-
<b>Total</b>	<b>60,281,594</b>	<b>61,591,762</b>

### 14. DEFERRED CREDITS

This represents advance rental and fees paid by the exhibitors in connection with their participation in the coming events and exhibits of CITEM.

### 15. INTER-AGENCY PAYABLES

This account consists of the following:

Particulars	2014	2013
Due to Other NGAs	11,233,489	4,382,621
Due to Bureau of Internal Revenue (BIR)	2,007,115	1,768,558
Due to Other Government-Owned or Controlled Corporations (GOCCs)	150,141	146,154
Due to Government Service Insurance System (GSIS)	629,816	88,781
Due to Pag-IBIG	91,246	(2,291)
Due to PHILHEALTH	35,029	2,129
<b>Total Inter-Agency Payables</b>	<b>14,146,836</b>	<b>6,385,952</b>

The accounts Due to other National Government Agencies represents advances/fund transfers received from various funding agencies (Department of Trade and Industry, Department of Agriculture, Bureau of the Treasury, Office of a Senator and DTI-GTIDO) for the implementation of various trade missions and promotional projects.

Due to Other Government-Owned or Controlled Corporations represent employees' salary deductions for housing loans to be remitted to National Home Mortgage Finance

Corporation (NHMFC) and the balance of previous year's project funded by Garment and Textile Board of DTI (GTEB).

Due to BIR, GSIS, Pag-IBIG and Philhealth are the mandatory deductions from employees' salaries to be remitted to the above-concerned government agencies.

## NON-CURRENT LIABILITIES

### 16. PAYABLE ACCOUNTS

These consist of payables due to officers and employees, various suppliers, contractors and other creditors which are not expected to be paid within one year.

Particulars	2014	2013 (As Restated)
Payable Accounts:		
Suppliers and Contractors	1,683,007	1,941,992
Other Liabilities:		
Officers and Employees	9,053,817	9,053,817
Performance Bonds	54,172	-
Other Payables – Trust	1,429,634	1,168,182
Refunds Payable	3,452,301	1,858,860
<b>Total</b>	<b>15,672,931</b>	<b>14,022,851</b>

Other liabilities in the amount of P9,053,817 Due to Officers and Employees awaiting valid claimants since the account has no breakdown or details.

### 17. GOVERNMENT EQUITY

This consists of capital contribution in the form of either cash or property from the following government agencies:

Agencies	2014	2013
National Food Authority	14,745,735	14,745,735
National Government-Bureau of the Treasury	10,396,662	10,396,662
Bangko Sentral ng Pilipinas	10,000,000	10,000,000
Donation from China	3,949,291	3,949,291
Government Service Insurance System	2,000,000	2,000,000
Land Bank of the Philippines	1,000,000	1,000,000
Philippine International Trading Corporation	625,000	625,000
Transfer of donated assets to the DTI and its attached agencies	(1,494,880)	(1,494,880)
<b>Total Government Equity</b>	<b>41,221,808</b>	<b>41,221,808</b>

The equity balances in the books of the CITEM as against the confirmed account balances of the contributors are as follows:

<b>Government Agencies (Contributors)</b>	<b>Per Books</b>	<b>Per Confirmation</b>	<b>Variance</b>
National Government-Bureau of the Treasury (BTr)	10,396,662	12,653,662	(2,257,000)
Bangko Sentral ng Pilipinas	10,000,000	-	10,000,000
Land Bank of the Phils. (LBP)	1,000,000	2,000,000	(1,000,000)
	<b>21,396,662</b>	<b>14,653,662</b>	<b>6,743,000</b>

The variances shown above remain unresolved because of insufficient documentation. These variances cannot be reconciled and the discrepancy noted cannot be recorded in the books as equity because proofs of remittances or fund receipts by CITEM from the Bureau of the Treasury, Bangko Sentral ng Pilipinas and Land Bank of the Philippines cannot be established.

#### 18. RETAINED EARNINGS, NET

The breakdown of the account is as follows:

<b>Particulars</b>	<b>2014</b>	<b>2013 (As Restated)</b>
Retained Earnings, December 31	79,087,710	81,078,538
Adjustment to Retained Earnings		
2013 Re-statement	14,038,050	(14,038,050)
Net Income (Loss)	(1,751,139)	12,047,222
<b>Retained Earnings, NET</b>	<b>91,374,621</b>	<b>79,087,710</b>

#### 19. GENERAL INCOME

Service Income includes trade fair participation fees and other related fees (e.g. management fee, enrollment fee in Design for Export Coaching Programs) collected from exhibitors participating in various trade fairs and signature events.

Miscellaneous Income includes entrance tickets to events, sale of event directories, HallOne venue rentals and disposals of unserviceable properties among others.

Other Income represents interests earned from various bank deposits, treasury bills and other investments. Gain or loss on foreign exchange due to the revaluation of foreign currency denominated deposits at the end of the period is deducted from Other Income as Other Losses in the Balance Sheet.



## 20. EXPENSES

Particulars	2014	2013 (As Restated)
<b>Personal Services</b>		
Salaries and Wages	32,719,287	33,659,469
Other Personnel Benefits	5,814,853	7,760,639
Personnel Benefits Contributions	4,489,949	4,657,501
Other Compensation	5,926,542	6,352,247
	48,950,631	52,429,856
<b>Maintenance and Other Operating Expenses</b>		
Professional Services	37,745,322	31,725,282
Rent Expenses	29,018,893	41,684,446
Advertising Expenses	17,045,406	17,204,214
Traveling Expenses	7,811,599	8,557,871
Other Services	6,710,637	7,637,400
Utility Expenses	5,856,886	5,644,765
Supplies and Materials Expenses	5,536,356	6,740,217
Printing and Binding Expenses	5,475,915	7,624,936
Representation Expenses	5,433,764	3,755,402
Communication Expenses	5,242,462	4,598,245
Non-Cash Expenses	3,871,599	3,448,603
Transportation and Delivery Expenses	2,958,010	4,732,369
Taxes, Insurance Premiums & Other Fees	1,192,412	907,621
Subscription Expenses	1,043,849	737,534
Training and Scholarship Expenses	949,566	1,175,925
Repairs and Maintenance	633,698	397,897
Extraordinary and Miscellaneous Expenses	68,031	72,351
Membership Dues and Contributions to Organizations	6,800	6,500
Donations	4,000	80,455
Other Maintenance and Operating Expenses	41,876,680	32,618,753
	178,481,885	179,350,786
<b>Financial Expenses</b>		
Bank charges	482,244	404,623
<b>Total, Cash and Non-Cash Expenses</b>	<b>227,914,760</b>	<b>232,185,265</b>

## 21. SUBSIDY FROM NATIONAL GOVERNMENT

For this year, the Subsidy received by CITEM from the Department of Budget and Management to support the implementation of its export promote programs was P186,443,000. There was a decrease in subsidy from last year's P188,118,000.

## 22. NET LOSS

The resulting Net Loss can be attributed to the decrease in Income (Other Service Income, Miscellaneous Income and Interest Income). The decrease can be accounted



mostly from International Food Exhibition project, which is held biennially.

### **23. RE-STATEMENT OF FINANCIAL STATEMENTS OF CY 2013**

The Financial Statements for CY 2013 were re-stated due to the reimbursement by DTI of the actual expenses incurred by CITEM in CY 2013 for GTIDO-funded projects in the amount of P10,451,556 as per OR Nos. 883749 and 8837493 dated 07 April 2014. The expenses of the said CY 2013 GTIDO-funded projects were initially recorded in the books as Due from Other NGAs (DTI) but were adjusted to outright expenses of CITEM at year-end due to the lack of amended and signed Memorandum of Agreement resulting to a Net Loss of P826,217. However, in CY 2014 DTI reimbursed the Center with the actual costs it incurred in CY 2013 for the said GTIDO-funded projects. The CY 2013 Financial Statements, particularly in Net Income (Loss) is material. From Net Loss of P826,217, the re-stated Income Statement of CY 2013 showed a Net Income of P12,047,222.