CITEM
CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS

dti PHILIPPINES

BAGONG PILIPINAS

COPY

14 February 2024

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MS. ELEANOR R. TEJADA
State Auditor IV
Audit Team Leader
Commission on Audit

Dear Auditor Tejada:

In compliance with COA Circular 2017-004 dated 13 December 2017, enclosed herewith are **Center for International Trade Expositions and Missions (CITEM) Annual Financial Reports for CY 2023**:

1. Statement of Management's Responsibility for Financial Statements
2. Statement of Financial Position (Annex F)
3. Statement of Financial Performance (Annex G)
4. Statement of Cash Flows (Annex H)
5. Statement of Changes in Net Assets/Equity (Annex I)
6. Statement of Comparison of Budget and Actual Amounts (SCBAA) (Annex J)
7. Notes to Financial Statements (Annex K)
8. Trial Balance (Annex L)

Should there be any queries please do not hesitate to contact Ms. Malerna C. Buyao, Chief Accountant, through phone number (02) 8833-2201 local 210 or e-mail address mbuyao@citem.com.ph.

Sincerely,

EDWARD L. FEREIRA Ph.D
Executive Director

CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS

PHILIPPINES

BAGONG PILIPINAS

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of the **CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS (CITEM)** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended **DECEMBER 31, 2023 and 2022**, in accordance with the prescribed financial reporting framework indicated therein, 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.

In preparing the financial statements, Management is responsible for assessing the CITEM's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the CITEM or to cease operations, or has no realistic alternative but to do so.

The Board of Governors is responsible for overseeing the CITEM's financial reporting process.

The Board of Governors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stake holders and other uses.

The Commission on Audit has examined the financial statements of the **CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS (CITEM)** in accordance with the International Standards of Supreme Audit Institutions, and in its report to the Board of Governors, has expressed its opinion on the fairness of presentation upon completion of such audit.

CEFERINO S. RODOLFO
DTI Undersecretary
Industry Development and Investment Promotions Group
Alternate Chairman of the Board

Date Signed

MALERNA C. BUYAO	**EDWARD L. FEREIRA Ph.D**
Chief Accountant	Executive Director
Date Signed	Date Signed

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CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS
CONDENSED STATEMENT OF FINANCIAL POSITION
(ALL FUNDS)
AS AT DECEMBER 31, 2023
(With corresponding figures for 2022)
(In Philippine Peso)

	NOTE*	2023	2022
ASSETS			
Current Assets			
Cash and Cash Equivalents	7	193,946,782	285,752,042
Other Investments	8	61,589,992	-
Receivables	9	33,771,190	34,896,011
Inventories	10	545,463	493,774
Other Current Assets	13	38,491,056	36,898,410
Total Current Assets		**328,344,483**	**358,040,237**
Non-Current Assets			
Property, Plant and Equipment	11	14,948,981	17,234,557
Intangible Assets	12	665,317	1,028,217
Other Non-Current Assets	13	305,610,202	304,386,056
Total Non-Current Assets		**321,224,500**	**322,648,830**
Total Assets		**649,568,983**	**680,689,067**
LIABILITIES			
Current Liabilities			
Financial Liabilities	14	55,871,975	59,901,493
Inter-Agency Payables	15	7,095,419	4,968,837
Trust Liabilities	16	9,227,860	14,880,395
Deferred Credits	17,18	8,573,174	11,697,731
Other Payables	19	4,225,428	722,147
Total Current Liabilities		**84,993,856**	**92,170,603**
Non-Current Liabilities			
Trust Liabilities	16	34,200	34,200
Other Payables	19	732,867	732,867
Total Non-Current Liabilities		**767,067**	**767,067**
Total Liabilities		**85,760,923**	**92,937,670**
Net Assets (Total Assets Less Total Liabilities)		**563,808,060**	**587,751,397**
NET ASSETS/EQUITY			
Government Equity	28	41,221,808	41,221,808
Revaluation Surplus	29	5,054,354	5,054,354
Accumulated Surplus	30	517,531,898	541,475,235
Total Net Assets/Equity		**563,808,060**	**587,751,397**

MALERNA C. BUYAO	**MA. LOURDES D. MEDIRAN**	**EDWARD L. FEREIRA Ph.D**
Chief Accountant	**Deputy Executive Director**	**Executive Director**

CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS
CONDENSED STATEMENT OF FINANCIAL PERFORMANCE
(ALL FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2023
(With corresponding figures for 2022)
(In Philippine Peso)

	NOTE*	2023	2022
Revenue			
Service and Business Income	20	57,883,030	41,808,084
Total Revenue		**57,883,030**	**41,808,084**
Current Operating Expenses			
Personnel Services	21	(87,878,430)	(79,480,520)
Maintenance and Other Operating Expenses	22	(154,492,105)	(124,333,115)
Financial Expenses	23	(172,468)	(172,582)
Non-Cash Expenses	24	(4,819,265)	(2,632,063)
Total Current Operating Expenses		**(247,362,268)**	**(206,618,280)**
Surplus/(Deficit) from Current Operations		**(189,479,238)**	**(164,810,196)**
Other Non-Operating Income	25.1	362	36,511
Gains (Loss) on FOREX, net	25	(1,084,549)	7,074,699
Gains (Loss) on sale of disposed assets, net	25.2	27,144	-
Surplus/(Deficit) before Tax		**(190,536,281)**	**(157,698,986)**
Income Tax Expenses/(Benefit)		-	-
Surplus/(Deficit) after Tax		**(190,536,281)**	**(157,698,986)**
Net Assistance/Subsidy/(Financial Assistance/Subsidy/Cont	26	164,657,000	152,612,000
Net Deficit for the Period		**(25,879,281)**	**(5,086,986)**

MALERNA C. BUYAO
Chief Accountant

MA. LOURDES D. MEDIRAN
Deputy Executive Director

EDWARD L. FERRIRA Ph.D
Executive Director

CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS
CONDENSED STATEMENT OF CASH FLOWS
(ALL FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Inflows		
Proceeds from Sale of Goods and Services	23,321,928	17,319,951
Collection of Revenue	13,238,536	8,745,523
Receipt of Assistance/Subsidy	164,657,000	152,612,000
Collection of Receivables	22,618	2,503
Receipt of Inter-Agency Fund Transfers	27,947,120	6,747,906
Trust Receipts	15,974,242	10,617,667
Other Receipts	24,367,875	13,200,918
Total Cash Inflows	**269,529,319**	**209,246,468**
Adjustments: Cash Drawdown from Restricted Funds	-	
Adjusted Cash Inflows	**269,529,319**	**209,246,468**
Cash Outflows		
Payment of Expenses	190,113,443	161,360,806
Purchase of Inventories	51,689	88,947
Grant of Cash Advances	12,000,289	5,203,086
Prepayments	26,222,817	7,256,527
Refund of Deposits	-	1,620,441
Payment of Accounts Payable	15,891,337	57,321,924
Remittance of Personnel Benefit Contributions and Mandatory Deductions	14,659,732	16,678,474
Other Disbursements	37,479,606	17,926,683
Total Cash Outflows	**296,418,913**	**267,456,888**
Adjustments	-	-
Adjusted Cash Outflows	**296,418,913**	**267,456,888**
Net Cash Provided by/(Used in) Operating Activities	**(26,889,594)**	**(58,210,420)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Inflows		
Receipts of Interest Earned	154,598	122,837
Total Cash Inflows	**154,598**	**122,837**
Adjustments	-	-
Adjusted Cash Inflows	**154,598**	**122,837**
Cash Outflows		
Purchase/Construction of Property, Plant and Equipment	2,395,723	4,994,370
Total Cash Outflows	**2,395,723**	**4,994,370**
Adjustments	61,589,992	-
Adjusted Cash Outflows	**63,985,715**	**4,994,370**
Net Cash Provided by/(Used in) Investing Activities	**(63,831,117)**	**(4,871,533)**
Net Increase/(Decrease) in Cash and Cash Equivalents	**(90,720,711)**	**(63,081,953)**
Effects of Exchange Rate Changes on Cash and Cash Equivalents	**(1,084,549)**	**7,074,699**
Cash and Cash Equivalents, January 1	**285,752,042**	**341,759,296**
Cash and Cash Equivalents, December 31	**193,946,782**	**285,752,042**

MALERNA C. BUYAO
Chief Accountant

MA. LOURDES D. MEDIRAN
Deputy Executive Director

EDWARD L. FEREIRA, Ph.D
Executive Director

CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS
STATEMENT OF CHANGES IN NET ASSETS/EQUITY
For the Years Ended December 31, 2023, 2022 and 2021
(In Philippine Peso)

	Government equity Note 28	Revaluation surplus Note 29	Accumulated surplus/(deficit) Note 30	Total
BALANCE AT DECEMBER 31, 2021	**41,221,808**	**5,054,354**	**529,856,584**	**576,132,746**
ADJUSTMENTS:				
Add/(Deduct):				
Prior period adjustments	-	-	(1,921,215)	(1,921,215)
BALANCE AT DECEMBER 31, 2021, AS RE-STATED	**41,221,808**	**5,054,354**	**527,935,369**	**574,211,531**
Changes in Net Assets/Equity for CY 2022				
Add/(Deduct):				
Surplus (Deficit) for the period			(5,086,986)	(5,086,986)
Prior Period Adjustments			15,486,430	15,486,430
Other adjustments			2,572,619	2,572,619
BALANCE AT DECEMBER 31, 2022, AS RE-STATED	**41,221,808**	**5,054,354**	**540,907,432**	**587,183,594**
Changes in Net Assets/Equity for CY 2023				
Add/(Deduct):				
Surplus (Deficit) for the period			(25,879,281)	(25,879,281)
Prior Period Adjustments			1,279,600	1,279,600
Other adjustments			1,224,147	1,224,147
BALANCE AT DECEMBER 31, 2023	**41,221,808**	**5,054,354**	**517,531,898**	**563,808,060**

MALERNA C. BUYAO
Chief Accountant

MA. LOURDES D. MEDIRAN
Deputy Executive Director

DR. EDWARD L. FERRIRA Ph.D
Executive Director

CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Philippine Peso)

	Budgeted Amount Note 31		Actual Amounts on Comparable Basis	Difference Final Budget and Actual
	Original	Final		
RECEIPTS				
Service income	56,000,000.00	56,000,000.00	57,634,085	(1,634,085)
Miscellaneous income			362	(362)
Net Gains			(1,057,405)	1,057,405
Other revenues	1,000,000.00	1,000,000.00	248,945	751,055
Subsidy from National Government	164,657,000.00	164,657,000.00	164,657,000	-
Total receipts	**221,657,000**	**221,657,000**	**221,482,987**	**174,013**
PAYMENTS				
Personnel services (PS)				
Basic salaries	65,645,000	65,645,000	56,387,330	9,257,670
Personnel economic and relief allowance	2,424,000	2,424,000	2,051,180	372,820
Representation and transportation allowan	2,484,000	2,484,000	2,106,500	377,500
Clothing allowance	606,000	606,000	522,000	84,000
Performance-based bonus	2,988,000	2,988,000	0	2,988,000
Honoraria	60,000	60,000	24,000	36,000
Productivity incentive allowance	505,000	505,000	415,000	90,000
Other Personnel Benefits	1,660,000	1,660,000	1,660,000	-
Monetization	3,935,000	3,935,000	3,451,159	483,841
Longevity Pay	40,000	40,000	40,000	-
Cash gift	505,000	505,000	435,500	69,500
Year-end bonus	5,470,000	5,470,000	4,893,905	576,095
Mid-year bonus	5,470,000	5,470,000	4,637,341	832,659
Overtime and night pay	-	-	2,640,029	(2,640,029)
Retirement Benefits	768,000	768,000	82,000	686,000
Terminal leave benefits	3,167,000	3,167,000	816,655	2,350,345
Fixed expenditures:				
Life and retirement insurance	7,877,000	7,677,000	6,531,879	1,145,121
Pag-ibig contributions	121,000	121,000	102,200	18,800
Philhealth contributions	787,000	987,000	979,552	7,448
ECC contributions	121,000	121,000	102,200	18,800
Total personnel services	**104,633,000**	**104,633,000**	**87,878,430**	**16,754,570**
Maintenance and other operating expenses (MOOE)				
Professional services:				
Legal services	330,000	50,000	39,353	10,647
Auditing services	4,500,000	4,000,000	3,379,389	620,611
General services	16,500,000	18,054,966	17,755,121	299,845
Janitorial services	2,475,000	1,555,000	1,519,816	35,184
Security services	4,226,000	4,666,000	4,665,888	112
Other professional services	11,592,000	16,264,000	15,059,268	1,204,732
Taxes, insurance premiums and other fees:				
Taxes, duties and licenses	30,000	30,000	25,620	4,380
Fidelity bond premiums	849,000	1,000,000	957,110	42,890
Insurance expense - buildings	650,000	650,000	624,075	25,925
Insurance expense - government moto	50,000	50,000	45,741	4,259
Travelling	3,500,000	5,000,000	4,678,281	321,719
Supplies and materials:				
Office supplies	500,000	460,421	290,807	169,614
Fuel, oil and lubricants	1,300,000	904,000	490,042	413,958

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in compliance with the International Public Sector Accounting Standards (IPSASs), formerly Philippine Public Sector Accounting Standards (PPSASs), prescribed for adoption by the Commission on Audit (COA) in COA Resolution No. 2014-003 dated January 24, 2014. The PPSASs were renamed to IPSASs per COA Resolution No. 2020-01 dated January 9, 2020.

The financial statements have been prepared under the historical cost, unless stated otherwise. The Statement of Cash Flows is prepared using the direct method.

The financial statements are presented in Philippine Peso (P), which is also the country's functional currency. The amounts are rounded off to the nearest peso, unless otherwise stated.

The preparation of financial statements in compliance with the adopted IPSASs requires the use of certain accounting estimates. It also requires the entity to exercise judgment in applying the entity's accounting policies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Accounting

The CITEM's financial statements are prepared on an accrual basis in accordance with the IPSASs.

3.2 Financial Instruments

a. Financial assets

i. Initial recognition and measurement

Financial assets within the scope of IPSAS 29 *Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables or available-for-sale financial assets, as appropriate. CITEM determines the classification of its financial assets at initial recognition.

CITEM's financial assets include cash and cash equivalents and receivables.

ii. Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

1. Financial assets at fair value through surplus or deficit

   Financial assets at fair value through surplus or deficit include financial assets held for trading and financial assets designated upon initial recognition at fair value through surplus or deficit. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

2. Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

iii. Derecognition

CITEM derecognizes a financial asset or where applicable, a part of a financial asset or part of similar financial assets when:

1. the contractual rights to the cash flows from the financial asset expired or waived; and

2. CITEM has transferred its contractual rights to receive the cash flows of the financial assets, or retains the contractual rights to receive the cash flows of the financial assets but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets the conditions set forth in IPSAS 29 *Financial Instruments: Recognition and Measurement*; and either the entity has:

   - transferred substantially all the risks and rewards of ownership of the financial asset; or

   - neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset but has transferred the control of the asset.

iv. Impairment of financial assets

CITEM assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include the following indicators:

1. The debtors or a group of debtors are experiencing significant financial difficulty

2. Default or delinquency in interest or principal payments

3. The probability that debtors will enter bankruptcy or other financial reorganization

4. Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

v. Financial assets carried at amortized cost

For financial assets carried at amortized cost, CITEM first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If CITEM determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery and all collaterals have been realized or transferred to CITEM. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. The request for write-off of accounts is based on the guidelines prescribed in COA Circular No. 2016-005 dated December 19, 2016. If a future write-off is later recovered, the recovery is credited in surplus and deficit.

CITEM uses the following percentage to estimate the allowance for doubtful accounts of the receivables:

Period outstanding	Percentage
More than 5 years	100%
4 to 5 years	75%
3 to 4 years	50%

b. Financial liabilities

i. Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit, or loans and borrowings, as appropriate. The entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

CITEM determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value. CITEM's financial liabilities include accounts payables, due to officers and employees, inter-agency payables and trust liabilities.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification.

1. Financial liabilities at fair value through surplus or deficit.

   Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through surplus or deficit.

   Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

   This category includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by IPSAS 29.

iii. Derecognition

A financial liability is derecognized when the obligation under the liability expires or is discharged or cancelled.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

c. Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

d. Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

3.3 *Cash and Cash Equivalents*

Cash and cash equivalents comprise cash on hand and cash in bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits as defined above, including the bank guarantee for the corporate credit card.

3.4 *Inventories*

Inventory is measured at cost upon initial recognition. To the extent that inventory is received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of CITEM.

3.5 *Investment Property*

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over their estimated useful life of [number] years.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit or service potential is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use.

The Center uses the following criteria to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of operations (inventory):

A property (land or a building – or part of a building – or both) shall be recorded and classified as Investment Property if it is held to earn rentals or for capital appreciation, or both rather than for:

(a) Use in the production or supply of goods or services, or for administrative purposes; or

(b) Sale in the ordinary course of operations.

3.6 Property, Plant and Equipment

a. Recognition

An item is recognized as PPE if it meets the characteristics and recognition criteria as a PPE.

The characteristics of PPE are as follows:

i. tangible items;

ii. are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and

iii. are expected to be used during more than one reporting period.

An item of PPE is recognized as an asset if:

i. it is probable that future economic benefits or service potential associated with the item will flow to the entity;

ii. the cost or fair value of the item can be measured reliably; and

iii. the cost is at least P50,000.

b. Measurement at recognition

An item recognized as PPE is measured at cost.

A PPE acquired through non-exchange transaction is measured at its fair value as at the date of acquisition.

The cost of the PPE is the cash price equivalent or, for PPE acquired through non-exchange transaction, its cost is its fair value as at recognition date.

Cost includes the following:

i. Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;

ii. Expenditure that is directly attributable to the acquisition of the items; and

iii. Initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

c. Measurement after recognition

After recognition, all PPE are stated at cost less accumulated depreciation and impairment losses.

When significant parts of PPE are required to be replaced at intervals, CITEM recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major repair/replacement is done, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized as expense in surplus or deficit as incurred.

d. Depreciation

Each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognized as expense unless it is included in the cost of another asset.

i. Initial recognition of depreciation

Depreciation of an asset begins when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

For simplicity and to avoid proportionate computation, the depreciation is for one month if the PPE is available for use on or before the 15th of the month. However, if the PPE is available for use after the 15th of the month, depreciation is for the succeeding month.

ii. Depreciation method

The straight-line method of depreciation is adopted unless another method is more appropriate for CITEM's operation.

iii. Estimated useful life

CITEM uses the life span of PPE prescribed by COA in determining the specific estimated useful life for each asset based on its experience, as follows:

Buildings and structures	-	20 years
Motor vehicles	-	7 years
Furniture and fixtures	-	5 years
Office equipment	-	5 years

iv. Residual value

CITEM uses a residual value equivalent to ten per cent (10%) of the cost of the PPE.

e. Impairment

An asset's carrying amount is written down to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

f. Derecognition

CITEM derecognizes items of PPE and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

3.7 ***Leases***

a. CITEM as a lessee

i. Operating Lease

Operating leases are leases that do not transfer substantially all the risks and rewards incidental to ownership of the leased item to CITEM. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term. Contracts in which CITEM is a lessee includes the lease of venue for its signature events held locally and for international trade shows held abroad.

3.8 ***Changes in Accounting Policies and Estimates***

CITEM recognizes the effects of changes in accounting policy/treatment retrospectively. However, the effects of changes in accounting policy/treatment are applied prospectively, if retrospective application is impractical.

CITEM adopts the new policy of issuing Statement of Accounts rather than Invoices for the Requests to Bill from approved application contracts in the current year but pertaining to shows and projects of the following year and are unpaid at the close of the reporting period. Unearned revenue is recognized if and only when advance payments from exhibitors are received.

Necessary adjustments and corrections were made in the books, hence, no significant impact on the financial statements.

CITEM recognizes the effects of changes in accounting estimates prospectively through surplus or deficit.

CITEM corrects material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by:

a. Restating the comparative amounts for prior period(s) presented in which the error occurred; or

b. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

3.9 Foreign Currency Transactions

Transactions in foreign currencies are initially recognized by applying the spot exchange rate between the functional currency and the foreign currency at the transaction date.

At each reporting date:

a. Foreign currency monetary items are translated using the Bangko Sentral ng Pilipinas (BSP) closing rate at year-end;
b. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and;
c. Nonmonetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising: (a) on the settlement of monetary items, or (b) on translating monetary items at rates different from those at which they are translated on initial recognition during the period or in previous financial statements, are recognized in surplus or deficit in the period in which they arise, except as those arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation.

3.10 Revenue from Exchange Transactions

a. Measurement of revenue

Revenue is measured at the fair value of the consideration received or receivable.

b. Rendering of services

CITEM recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably.

c. Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

3.11 Budget Information

The annual budget is prepared on a cash basis and is published in the government website.

A separate Statement of Comparison of Budget and Actual Amounts (SCBAA) is prepared since the budget and the financial statements are not prepared on comparable basis. The SCBAA is presented showing the original and final budget and the actual amounts on comparable basis to the budget. Explanatory comments are provided in Note 31.

3.12 ***Related Parties***

CITEM regards a related party as a person or entity with the ability to exert control individually or jointly, or to exercise significant influence over the CITEM, or vice versa.

Members of key management are regarded as related parties and comprise of the Chairman and Members of the Governing Board, and the Principal Officers.

3.13 ***Employee Benefits***

The employees of CITEM are members of the Government Service Insurance System (GSIS), which provides life and retirement insurance coverage.

CITEM recognizes the undiscounted amount of short-term employee benefits, like salaries, wages, bonuses, allowances, etc., as expenses unless capitalized, and as a liability after deducting the amount paid.

3.14 ***Measurement Uncertainty***

The preparation of financial statements in conformity with IPSASs requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenue and expenses during the period. Items requiring the use of significant estimates include the useful life of a capital asset, estimated employee benefits, impairment of assets, etc.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

On May 20, 2015, a complaint was was filed against CITEM by a logistics company with docket number Civil Case No. 15-170. On September 6, 2022, despite the CITEM's countersuit in the amount being claimed by the plaintiff and the proper venue where the case was laid, the Branch 257 of the Regional Trial Court of Parañaque City has ruled in plaintiff's favor. The CITEM filed for a Motion for Reconsideration last October 7, 2022, pointing out that the Commission on Audit has jurisdiction over money claims against government agencies and instrumentalities. This is an on-going case, with a pending appeal from the CITEM lodged at the Court of Appeals; neither the probability nor the accurate estimate of liability, should there be any, could not be determined at the time these financial statements were prepared.

4. CHANGES IN ACCOUNTING POLICY

In accordance with COA Circular No. 2022-007 dated May 31, 2022, the P50,000 capitalization threshold for PPE was applied. Tangible items below the capitalization threshold of P50,000, which were issued to end-users in prior years, for a total of P411,004(net) were reclassified and booked as adjustment in the accumulated surplus/(deficit). The affected PPE accounts are Office and IT Equipment and Building Other Structures

5. PRIOR PERIOD ERRORS

Prior period errors include recognition of income from prior years, over/under setup of payables due to variance in actual payment of expenses and other correction of errors in the financial statements that were reported for a prior period.

6. RISK MANAGEMENT OBJECTIVES AND POLICIES

The CITEM is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Interest/Market risks
- Operational risk

This note presents information about the CITEM's exposure to each of the above risks, the CITEM objectives, policies, and processes for measuring and managing risk, and the Corporation's management of capital.

6.1 Risk Management Framework

The Management Committee of the CITEM has overall responsibility for the establishment and oversight of CITEM's risk management framework.

The management committees have executive and non-executive members and report regularly to the Executive Director of the CITEM on their activities.

The CITEM's risk management policies are established to identify and analyze the risks faced by the CITEM, to set appropriate risk limits and control, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes to market conditions, products and services offered. The CITEM, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The CITEM's inventory committee is responsible for ensuring the Center's assets are properly safeguarded. CITEM has also an audit committee responsible for compliance with established policies, laws, and regulations especially with regard to compliance with the requirements of ISO Certification, and to recommend improvements relating to efficiency, economy, and effectiveness in the use of the CITEM's assets or resources.

Generally, the maximum risk exposure of financial assets and financial liabilities is the carrying amount of the financial assets and financial liabilities as shown in the Statements of Financial Position, as summarized below:

	Note	2023	2022
Financial assets			
Cash and cash equivalents	*7*	193,946,782	285,752,042
Receivables - net	*8*	33,771,190	34,896,011

Investments in Time Deposits	9	61,589,991	0
		289,307,963	**320,648,053**

Financial liabilities			
Financial liabilities	13	55,871,974	65,211,986
Inter-agency payables	14	7,095,419	4,968,837
Trust liabilities	15	9,227,860	14,880,395
		72,195,253	**85,061,218**

6.2 Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the CITEM. The CITEM has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The CITEM defines counterparties as having similar characteristics if they are related entities.

On-going credit evaluation is performed on the financial condition of loans and other receivable.

Also, the CITEM manages its credit risk by depositing its cash with authorized government depository banks, e.g., Land Bank of the Philippines (LBP) and Development Bank of the Philippines (DBP).

The carrying amount of financial assets recognized in the financial statements represents the CITEM's maximum exposure to credit risk.

a. Credit risk exposure

The table below shows the gross maximum exposure to credit risk of the CITEM as of the years ended December 31, 2023, and 2022, without considering the effects of credit risk mitigation techniques.

	Note	2023	2022
Financial assets			
Cash and cash equivalents	7	193,946,782	285,752,042
Receivables	8	41,464,726	41,508,679
		224,608,208	**327,260,721**

** Receivables at gross of allowance for impairment amounting to P6,612,668 and P7,693,536 for the years ended December 31, 2022 and 2023, respectively.*

b. Management of credit risk

For the management of credit risk, it is CITEM's policy that as soon as the client or exhibitor executes with the Center an application contract, the Controllership Division will issue a billing statement, indicating the amount due for payment by the said exhibitor, and as to their outstanding balance from previous shows or exhibits, a Statement of Account (SOA) is issued.

Receivables from employees consist of salary deductions and are collected through payroll deductions. Status of outstanding receivables is summarized in a schedule and is submitted together with the financial reports to the COA.

c. **Aging analysis**

An aging analysis of the CITEM's receivables as of the years ended December 31, 2023 and 2022 are as follows:

	2023	2022
Outstanding receivables: *		
Current accounts	33,771,190	34,896,011
Past due accounts:		
over 5years	7,693,536	6,612,668
	41,464,726	**41,508,679**

** Receivables at gross of allowance for impairment amounting to P6,612,668 and P7,693,536 for the years ended December 31, 2022 and 2023, respectively.*

d. **Impairment assessment**

The Center recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

The two methodologies that may be applied in assessing and measuring impairment include: (1) specific/individual assessment; and (2) collective assessment. Under specific/individual assessment, what is being assessed is the individual significant credit exposure for any objective evidence of impairment, and where such evidence exists, accordingly calculates the required impairment.

Among the items and factors that may be considered when assessing and measuring specific impairment allowances are: (a) the timing of the expected cash flows; (b) the projected receipts or expected cash flows; (c) the going concern of the counterparty's business; (d) the ability of the counterparty to repay its obligations during financial crises; (e) the availability of other sources of financial support; and (f) the existing realizable value of collateral. The impairment allowances, if any, are evaluated as the need arises, in view of favourable or unfavourable developments.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent or objective evidence of individual impairment.

The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment.

Impairment losses are estimated by taking into consideration the following deterministic information: (a) historical losses/write offs; (b) losses which are likely to occur but has not yet occurred; and (c) the expected receipts and recoveries once impaired.

Upon assessment, it is determined that there is no impairment loss that needs to be recognized for CITEM's cash-generating assets for CY 2023.

6.3 *Liquidity Risk*

Liquidity risk is the risk that the CITEM might encounter difficulty in meeting obligations from its financial liabilities.

a. Management of liquidity risk

The CITEM's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the CITEM's reputation.

The CITEM maintains a portfolio of short-term liquid assets, largely made up of cash in banks that are sufficient to maintain the liquidity within the CITEM as a whole.

b. Exposure to liquidity risk

The liquidity risk is the adverse situation when the CITEM encounters difficulty in meeting unconditionally the settlement of its obligations at maturity. Prudent liquidity management requires that liquidity risks are identified, measured, monitored and controlled in a comprehensive and timely manner. Liquidity management is a major component of the corporate-wide risk management system. Liquidity planning takes into consideration various possible changes in economic, market, political, regulatory and other external factors that may affect the liquidity position of CITEM.

The liquidity management policy of the CITEM is conservative in maintaining optimal liquid cash funds to ensure capability to adequately finance its mandated activities and other operational requirements at all times. The CITEM's funding requirements are generally met through any or a combination of financial modes allowed by law that would give the most advantageous results.

The table below summarizes the maturity profile of the CITEM's financial liabilities as at December 31, 2023.

As at December 31, 2023	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Financial liabilities	29,316,092	26,555,882	-	55,871,974
Inter-agency payables	6,949,265	-	146,154	7,095,419
Trust liabilities	6,544,811	1,572,729	1,144,520	9,262,060
	42,810,168	**28,128,611**	**1,290,674**	**72,229,453**

6.4 *Market Risks*

Market risk is the risk that changes in the market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's issuer's credit standing) will affect the CITEM's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Management of market risk

The management of interest rate risk against interest gap limits is supplemented by monitoring the sensitivity of the CITEM's financial assets and liabilities to various standard and non-standard interest rate scenarios.

6.5 Operational Risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the CITEM's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the CITEM's operations and are faced by all business entities.

The CITEM's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the CITEM's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of control to address operational risk is assigned to Senior Management within each business unit. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- Requirement for appropriate segregation of duties, including the independent authorization of transaction
- Requirement for the reconciliation and monitoring of transactions
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risk faced, and the adequacy of control and procedures to address the risk identified
- Requirements for the reporting of operational losses and proposed remedial action
- Development of contingency plans
- Training and professional development
- Ethical and business standards
- Risk mitigation, including insurance where this is effective

CITEM has instituted the following measures to mitigate identified operational risks:

1. **Performance Review**: Periodic performance review of operations and activities to determine actual accomplishment vis-à-vis targets/objectives. Management requires all operating units to submit weekly accomplishment reports and top three priorities for the coming week to ensure that projects are monitored according to the expectations of stakeholders.

2. **Compliance Review:** Periodic review of internal business processes to ensure compliance with current regulations, policies and procedures and other requirements. Expenses are monitored accordingly. This is done during Regular Management Committee meetings with the different functional groups.

3. **Perception and Value Assessment:** Stakeholders/Satisfaction Survey for each of the project is undertaken by a third party to check if the performance standards set by the Agency for its stakeholders are met. This feedback mechanism strengthens stakeholder's participation in the Agency's service-related processes and ensures transparency and public accountability. It likewise identifies areas that need improvement.

4. **Financial Management and Control:** Systems are in place for accounting and budget control. Every functional unit in the organization is responsible to manage the budget allocated to them, as authorized in the Corporate Operating Budget. Regular reports on actual vs. planned objectives are provided to adequately monitor and control project and budget impossible.

7. CASH AND CASH EQUIVALENTS

This account consists of the following:

	2023	2022
Cash on hand	139,934	187,582
Cash in bank		
Local currency	146,916,859	200,680,072
Foreign currency	45,057,759	20,921,925
	191,974,618	221,601,997
Cash equivalents		
Local currency	1,832,230	1,818,686
Foreign currency	0	62,143,777
	1,832,230	63,962,463
	193,946,782	**285,752,042**

The Cash in Bank – Local Currency consists of deposits in the following:

a. Landbank – for receipts of subsidy for critical project-related operating expenses and for collection of funding assistances and revenue from other government agencies
b. Landbank – for collection of revenue, mostly from private companies and individuals and for the disbursement of corporate funds
c. Development Bank of the Philippines (DBP) - for collection of revenue (with credit card option) and disbursement of corporate funds

The Cash in Bank – Foreign Currency is a Landbank account for the collection of dollar-denominated billings and revenue.

The Cash Equivalents – Local Currency is a DBP special savings account that generates additional interest for corporate funding.

The Cash Equivalents – Foreign Currency in 2022 is reclassified to Investment in Time Deposits Foreign Currency per COA Circular 2020-002.

8. OTHER INVESTMENTS

	2023	2022
Other Investments	61,589,992	0
	61,589,992	**61,589,992**

This pertains to the Landbank dollar-denominated time deposit with a term of 91 days.

9. RECEIVABLES

This account consists of the following:

	2023			2022		
	Current	Non-current	Total	Current	Non-current	Total
Loans & Receivable (Accounts Receivables), Net	20,204,240	-	20,204,240	19,525,333	-	19,525,333
Inter-agency receivables	6,669,672	-	6,669,672	15,216,680	-	15,216,680
Other Receivables, Net	6,897,278	-	6,897,278	153,998	-	153,998
	33,771,190	**-**	**33,771,190**	**34,896,011**	**-**	**34,896,011**

9.1 *Loans and Receivable*

	2023			2022		
	Current	Non-Current	Total	Current	Non-Current	Total
Accounts receivable-Participation fees-local show	12,605,088	4,052,054	16,657,142	8,085,639	2,971,186	11,056,824
Accounts Receivable-Participation Fees-International Show	6,269,730	547,536	6,817,266	10,113,985	547,536	10,661,521
Accounts Receivable-Extension Charges	-	443,447	443,447	-	443,447	443,447
Accounts Receivable-Others	1,229,352	-	1,229,352	1,229,352	-	1,229,352
Interest Receivable	100,070	-	100,070	96,357	-	91,833
Sub-total	**20,204,240**	**5,043,037**	**25,247,277**	**19,525,333**	**3,962,169**	**23,487,501**
Allowance for doubtful accounts	-	(5,043,037)	(5,043,037)	-	(3,962,169)	(3,962,169)
	20,204,240	**-**	**20,204,240**	**19,525,333**	**-**	**19,525,333**

Accounts Receivable includes participation fees, creative and design services, management fees, funding assistance, extension charges, and other services billed to the exhibitors and other clients in connection with CITEM-organized local and international trade exhibits and other related services in which CITEM has the expertise.

9.2 *Inter-Agency Receivables*

	2023			2022		
	Current	**Non-Current**	**Total**	**Current**	**Non-Current**	**Total**
Due from National Government	706,000	-	706,000	15,216,680	-	15,216,680

	2023			2022		
	Current	Non-Current	Total	Current	Non-Current	Total
Agencies (NGAs)						
Due from Local Government Units (LGUs)	3,963,672	-	3,963,672			
Due from Government *Corporations* (GOCCs)	2,000,000	-	2,000,000			
	6,669,672	**-**	**6,669,672**	**15,216,680**	**-**	**15,216,680**

Due from NGAs, LGUs and GOCCs consist of either expenses or revenue, or both, incurred by or due to CITEM, in the implementation of various local and international projects which are covered by Memorandum of Agreement (MOA) and/or Conforme Letters, chargeable against funds from other government agencies that committed to shoulder cost of participation fees of exhibitors and other expenses under the MOA. The account also includes revenue or funding obtained by CITEM from other government agencies through Agency-to-Agency Procurement.

9.3 *Other Receivables*

	2023			2022		
	Current	Non-Current	Total	Current	Non-Current	Total
Due from Officers and Employees	30,386	-	30,386	30,386	-	30,386
Other Receivables-Supplier	-	8,160	8,160	-	8,160	8,160
Other Receivables-Operational Charges	-	2,253,614	2,253,614	-	2,253,614	2,253,614
Other Receivables-Bank	-	270	270	-	270	270
Other Receivables-Rental	-	138,818	138,818	-	138,818	138,818
Other Receivables-Resigned Employees	37,263	249,637	286,900	37,263 -	249,637	286,900
Other receivables - others	238,916	-	238,915	125,851	-	125,851
Other receivables – Philexport	6,475,713	-	6,475,713			
Other receivables – disallowances	115,000					
Sub-total	**6,897,278**	**2,650,499**	**9,432,776**	**193,500**	**2,661,903**	**2,855,403**
Allowance for doubtful accounts	-	(2,650,499)	(2,650,499)	-	(2,661,903)	(2,661,903)
	6,897,278	**-**	**6,782,277**	**193,500**	**-**	**193,500**

Due from Officers and Employees represents personal receivables from employees, year-end tax adjustments and other obligations due to CITEM.

Other receivables - others include outstanding other personal accounts from employees which are regularly deducted from salaries.

Other receivables – Philexport are funding assistances to be received from Philexport through Export Development Council Resolution for select projects in year 2023.

Other receivables – disallowance pertains to the disallowed honoraria of Atty. Rodolfo Gilbang, issued with a Notice of Finality by the Commission on Audit.

10. INVENTORIES

This account is composed of the following:

	2023		2022	
	Inventories carried at lower of cost and net realizable value	**Inventories carried at fair value less cost to sell**	**Inventories carried at lower of cost and net realizable value**	**Inventories carried at fair value less cost to sell**
INVENTORIES HELD FOR CONSUMPTION:				
Office Supplies Inventory				
Carrying amount, January 1	360,057	-	360,057	-
Additions/Acquisitions during the year	163,063	-	163,063	-
Expensed during the year except write-down	-	-	-	-
Carrying amount, December 31	**257,054**	**-**	**257,054**	**-**
Drugs and Medicines Inventory				
Carrying amount, January 1	81,180	-	81,180	-
Additions/Acquisitions during the year	8,743	-	8,743	-
Expensed during the year except write-down	-	-	-	-
Carrying amount, December 31	**89,923**	**-**	**89,923**	**-**
Textbooks and Instructional Materials Inventory				
Carrying amount, January 1	-	-	-	-
Additions/Acquisitions during the year	-	-	-	-
Expensed during the year except write-down	-	-	-	-
Carrying amount, December 31	**-**	**-**	**-**	**-**
Other Supplies and Materials Inventory				
Carrying amount, January 1	52,537	-	52,537	-
Additions/Acquisitions during the year	-	-	-	-
Expensed during the year except write-down	-	-	-	-
Carrying amount, December 31	**52,537**	**-**	**52,537**	**-**

11. PROPERTY, PLANT AND EQUIPMENT

This account consists of the following:

	Land and land improvements	Building and structures	Transportation Equipment	Furniture and other equipment	Total
Net book value, December 31, 2022, Re-stated	-	**5,688,754**	**3,257,396**	**8,288,407**	**17,234,557**
Opening net book value, January 1, 2023,	-	**5,688,753**	**3,257,396**	**8,288,407**	**17,234,557**
Additions/Acquisitions	-	-	1,151,786	1,554,064	2,705,850
Disposal/Removal			-	(2,284,925)	(2,284,925)
Accum. Depn.	-	-	-	2,049,700	2,049,700
Adjustments:					
Cost	-	(320,184)	-	(4,232,363)	(4,552,547)
Accumulated depreciation	-	272,232	(491,952)	3,391,563	3,171,843
Depreciation for the year	-	(737,355)	(553,987)	(2,084,154)	(3,375,496)
Closing net book value, December 31, 2023	-	**4,903,446**	**3,363,243**	**6,682,292**	**14,948,981**
As at December 31, 2023					
Cost	-	34,038,402	13,245,014	37,382,580	84,665,996
Accumulated depreciation	-	29,134,956	9,881,771	30,700,288	69,717,015
Net book value, December 31, 2023	-	**4,903,446**	**3,363,243**	**6,682,292**	**14,948,981**

12. INTANGIBLE ASSETS

	2023			2022		
	Current	Non-Current	Total	Current	Non-Current	Total
Computer Software	-	1,088,700	1,088,700	-	1,088,700	1,088,700
Accumulated Amortization	-	(423,383)	(423,38)	-	(60,483)	(60,483)
	-	**665,317**	**665,317**	-	**1,028,217**	**1,028,21**

13. OTHER ASSETS

This account comprises the following:

	2023			2022		
	Current	Non-Current	Total	Current	Non-Current	Total
Advances to Special Disbursing Officer	11,596	-	11,596	10,512	-	10,512
Advances to Officers and	1,378,925	-	1,378,925	1,378,925	-	1,378,925

	2023			2022		
	Current	Non-Current	Total	Current	Non-Current	Total
Employees						
Prepayments (Prepaid Rent)	7,874,433	-	7,874,433	7.874.433	-	7,746,491
Prepayments (Prepaid Insurance)	299,146	-	299,146	15,615	-	15,615
Prepayments (Creditable Input Tax)	27,028,772	-	27,028,772	27,028,77	-	25,893,147
Prepayments (Other Prepayments)	891,808	-	891,808	832,390	-	832,390
Deposits (Guaranty Deposits)	1,006,376	-	1,006,376	1,021,331	2,273,081	3,294,412
Restricted Fund	-	303,337,202	303,337,202	-	302,112,975	302,112,975
Other Assets-net of Accumulated Impairment Loss	-	-	-	-	-	-
	38,491,056	**303,337,202**	**341,828,258**	**30,845,46**	**303,166,849**	**334,166,849**

Prepaid Rent represents reservations for space/venue rental and advance payments to the booth contractors for various international trade fairs in 2024.

Prepaid Insurance represents the motor vehicles insurance covering the periods in 2024. Other Prepayments include the Directors and Officers Liability Insurance (DOLI).

Creditable Input VAT in the amount of P27.029 million is the excess of Input VAT over Output VAT of which P6.968 million can be credited until TY 2024, P11.394 million until TY 2025 while P8.667 million can be credited until TY 2026.

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

Included in the Other Assets-(Non-current) are Non-Current Guaranty Deposits, and Other Deposits-Restricted Fund.

Restricted Fund represents the Building Fund allocated by the Governing Board for the construction and/or purchase of CITEM's office building in the future and is temporarily invested in High-Yield Savings Account.

14. FINANCIAL LIABILITIES

This is composed of the following:

	2023			2022		
	Current	Non-Current	Total	Current	Non-Current	Total
Accounts payable	47,840,954	-	47,840,954	42,974,497	-	42,974,497
Due to officers & employees	8,031,020	-	8,031,020	16,926,996	-	16,926,996
	55,871,974	**-**	**55,871,974**	**59,901,493**	**-**	**59,901,493**

Financial liabilities-current, consist of payables to various suppliers, contractors and other creditors and due to officers and employees which are expected to be settled within one year and/or settlement is without unconditional right to be deferred.

15. INTER-AGENCY PAYABLES

This account consists of the following:

	2023			2022		
	Current	Non-Current	Total	Current	Non-Current	Total
Due to BIR	2,115,794	-	2,115,794	2,691,098	-	2,691,098
Due to GSIS	137,573	-	137,573	344,759	-	344,759
Due to Pag-IBIG	(1,625)	-	(1,625)	134,626	-	134,626
Due to PhilHealth	15,550	-	15,550	105,700	-	105,700
Due to NGAs	3,879,743	-	3,879,743	1,546,500	-	1,546,500
Due to Government Corporations	842,144	-	842,144	146,154	-	146,154
Due to LGUs	106,241	-	106,241			
	7,095,419	**-**	**7,095,419**	**4,968,837**	**-**	**4,968,837**

Due to Bureau of Internal Revenue (BIR), Government Service Insurance System (GSIS), Home Development Mutual Fund (Pag-IBIG) and Philippine Health Insurance Corporation (PhilHealth) are the mandatory deductions from employees' salaries to be remitted to the concerned government agencies.

Due to NGAs, Due to LGUs and Due to GOCCs represent advances/fund transfers received from various funding agencies for local and international projects. The amount received is for specific expense accounts and/or revenues as may be stated in the agreements.

Part of Due to Government Corporations account represents deductions from employees' salary for housing loans to be remitted to the National Home Mortgage Finance Corporation (NHMFC).

16. TRUST LIABILITIES

The composition of this account is as follows:

	2023			2022		
	Current	Non-Current	Total	Current	Non-Current	Total
Trust Miscellaneous	6,220,776	-	6,220,776	12,986,999	-	12,986,999
Trust (ACE)	16,650	-	16,650	4,200	-	4,200
Trust (CITEM Coop)	1,669,721	-	1,669,721	466,600	-	466,600
Trust (SSS)	-	-	-	-	-	-
Bail Bonds Payable	1,320,713	-	1,320,713	1,422,596	-	1,422,596
Guaranty/Security Deposits Payable	-	34,200	34,200	-	34,200	34,200
	9,227,860	**34,200**	**9,262,060**	**14,880,395**	**34,200**	**14,914,595**

Trust Liabilities include amounts received by CITEM which are held in trust such as commitment, retention, bonds payable and deposit fee from various companies/ exhibitors.

17. DEFERRED CREDITS/ UNEARNED INCOME

	2023			2022		
	Current	*Non-Current*	*Total*	*Current*	*Non-Current*	*Total*
Unearned Revenue/ Income	6,574,340	-	6,574,340	8,934,233	-	8,934,233
	6,574,340	**-**	**6,574,340**	**8,934,233**	**-**	**8,934,233**

This account represents advance payments made by exhibitors in connection with their participation in the following years trade shows, events and exhibits organized by CITEM.

18. OTHER DEFERRED CREDITS

	2023			2022		
	Current	Non-Current	Total	Current	Non-Current	Total
Deferred/Uncollected Output VAT	1,998,834	-	1,998,834	2,763,498	-	2,763,498
	1,998,834	**-**	**1,998,834**	**2,763,498**	**-**	**2,763,498**

The Deferred/Uncollected Output VAT represents the future tax liability of the Center from the output VAT of billing statements issued but are not yet paid. Upon collection, this account is closed to output tax account and reported and/or remitted accordingly together with the input tax for the period.

19. OTHER PAYABLES

This account is composed of the following:

	2023			2022		
	Current	Non-Current	Total	Current	Non-Current	Total
Other Payables - Resigned Employees	397,210	732,867	1,130,077	397,210	732,867	1,130,077
Other Payables-Exhibitors' Refund	177,148	-	177,148	324,937	-	324,938
Other Payables-Accrued Liabilities	-	-	-	-	(7,339)	(7,339)
Other Payables-Fortune Care	-	-	-	-	122,922	122,922
Other Payables-Medicard	-	-	-	-	8,320	8,320
Other Payables-Philam Health	-	-	-	-	5,222	5,222
Other Payables-Miscellaneous	-	-	-	-	223,269	223,269
Other Payables-SP Care	-	-	-	-	3,660	3,660
Other Payables-Undistributed Collection	3,651,070	-	3,651,070	-	-	-
	4,225,428	**732,867**	**4,958,294**	**722,147**	**1,088,921**	**1,811,068**

20. SERVICE AND BUSINESS INCOME

This line item consists of the following:

	2023	2022
Service Income:		
Participation Fees	50,659,852	21,248,439
Other Service Income	6,974,234	20,345,353
Business Income:		
Interest Income	248,945	214,292
Other Business Income	0	0
	57,883,030	**41,808,084**

Service Income includes both physical and digital trade fair participation fees collected from exhibitors joining various trade fairs and signature events. It also includes other services performed by CITEM to various stakeholders such as creative and design service fee, content creation, advertising and promotion, sponsorships, management fee, among others.

Other Business Income represents interest earned from CITEM deposit accounts and other operating income that are miscellaneous in nature.

21. PERSONNEL SERVICES

This account is composed of the following:

	2023	2022
Salaries and wages	56,387,330	50,931,282
Other compensation	17,765,455	15,011,757
Personnel benefit contributions	7,715,831	7,138,529
Other personnel benefits	6,009,814	6,398,952
	87,878,430	**79,480,520**

21.1 *Salaries and Wages*

	2023	2022
Salaries and wages-regular	56,387,330	50,931,282
	56,387,330	**50,931,282**

21.2 *Other Compensation*

	2023	2022
Personnel economic relief allowance (PERA)	2,051,180	1,965,109
Representation allowance (RA)	1,170,250	1,157,250
Transportation allowance (TA)	936,250	1,018,750
Clothing/Uniform allowance	522,000	510,000
Hazard Pay	-	-
Honoraria	24,000	16,000
Overtime Pay	2,640,029	921,727
Year-end Bonus	9,531,246	8,535,921
Cash Gift	435,500	422,000
Productivity Incentive Allowance	415,000	415,000
Other Bonuses and Allowances	40,000	50,000
	17,765,455	**15,011,757**

21.3 *Employees Future Benefits*

The permanent employees of the CITEM contribute to the GSIS in accordance with RA No. 8291. The GSIS administers the plan, including payment of pension benefits to employees to whom the act applies. Social insurance (life and retirement) benefits are mandatory defined contribution plans fixed at nine percent of the basic salaries of regular government employees. Total contributions to GSIS amounted to P11.412 million broken down as follows: employees' share – P4.880 million and government share – P6.532 million.

21.4 *Personnel Benefit Contributions*

	2023	2022
Retirement and life insurance premiums	6,531,879	6,044,410
Pag-IBIG contributions	102,200	98,500
PhilHealth contributions	979,552	896,419
Employee compensation insurance premiums	102,200	99,200
	7,715,831	**7,138,529**

21.5 *Other Personnel Benefits*

	2023	2022
Retirement Gratuity	82,000	-
Terminal Leave Benefits	816,655	1,993,915
Other Personnel Benefits	5,111,159	4,405,038
	6,009,814	**6,398,952**

22. *MAINTENANCE AND OTHER OPERATING EXPENSES*

This line item consists of the following:

	2023	2022
Traveling expenses	4,678,281	1,846,387
Training expenses	1,466,114	656,519
Supplies and materials expenses	4,398,860	4,598,637
Utility expenses	3,000,497	2,454,714
Communication expenses	4,031,804	3,587,672
Confidential, Intelligence and Extraordinary Expenses	783,587	720,399
Professional services	18,478,010	18,996,301
General services	23,940,825	22,088,329
Repairs and maintenance	814,890	1,069,376
Taxes, insurance premiums and other fees	1,949,410	1,539,860
Other maintenance and operating expenses	90,949,827	66,774,921
	154,492,105	**124,333,115**

22.1 *Traveling Expenses*

	2023	2022
Traveling expenses-local	1,578,672	644,360
Traveling expenses-foreign	3,099,609	1,202,027
	4,678,281	**1,846,387**

22.2 *Training and Scholarship Expenses*

	2023	2022
Training Expenses	1,466,114	656,519
	1,446,114	**656,519**

22.3 *Supplies and Materials Expenses*

	2023	2022
Office supplies expenses	277,307	145,218
Accountable Forms Expenses	13,500	6,000
Drugs and medicines expenses	91,254	68,758
Fuel, oil and lubricants expenses	490,042	848,451
Textbooks and Instructional Materials Expenses	-	-
Other supplies and materials expenses	2,789,175	2,450,202
Semi-Expendable Machinery and Equipment	737,581	1,080,008
	4,398,860	**4,598,637**

22.4 *Utility Expenses*

	2023	2022
Water expenses	255,790	100,608
Electricity expenses	2,744,707	2,354,106
	3,000,497	**2,454,714**

22.5 *Communication Expenses*

	2023	2022
Postage and courier services	649	-
Telephone expenses – landline	1,764,850	1,781,587
Telephone expenses – mobile	1,119,617	453,476
Internet Subscription Expenses	1,146,688	1,352,609
	4,031,804	**3,587,672**

22.6 *Confidential, Intelligence and Extraordinary Expenses*

	2023	2022
Extraordinary and Miscellaneous Expenses	783,587	720,399
	783,587	**720,399**

22.7 *Professional Services*

	2023	2022
Legal services	39,353	21,200
Auditing services	3,379,389	3,375,943
Other professional services	15,059,268	15,599,158
	18,478,010	**18,996,301**

22.8 *General Services*

	2023	2022
Janitorial services	1,519,816	1,313,132
Security services	4,665,888	4,308,729
Other General Services	17,755,121	16,466,468
	23,940,825	**22,088,329**

22.9 *Repairs and Maintenance*

	2023	2022
Repairs and maintenance-buildings and other structures	325,085	623,679
Repairs and maintenance-office equipment	178.543	116,408
Repairs and maintenance-IT Equipment	47,350	-
Repairs and maintenance-motor vehicles	263,912	329,289
	814,890	**1,069,376**

22.10 *Taxes, Insurance Premiums and Other Fees*

	2023	2022
Taxes, duties and licenses	25,620	29,660
Fidelity bond premiums	957,110	491,471
Insurance expenses	966,680	1,018,729
	1,949,410	**1,539,860**

22.11 *Other Maintenance and Operating Expenses*

	2023	2022
Advertising expenses	17,884,387	20,973,074
Printing and Publication expenses	2,808,755	1,072,757
Representation expenses	3,565,043	2,823,422
Rent/Lease expenses	38,974,566	21,626,425
Transportation and Delivery expenses	101,677	651,435
Membership dues and contributions to organizations	41,500	22,500
Subscription expenses	4,558,875	3,513,229
Donations	16,000	20,000
Other maintenance and operating expenses	22,999,023	16,072,079
	90,949,826	**66,774,921**

The Other Maintenance and Operating Expenses of P22.999 million includes installation, construction and dismantling of booths during trade fairs, held both locally and abroad.

23. FINANCIAL EXPENSES

This account comprises the following:

	2023	2022
Bank charges	172,468	172,582
	172,468	**172,582**

24. NON-CASH EXPENSES

This account is composed of the following:

	2023	2022
Depreciation-buildings and other structures	737,355	743,625
Depreciation-office equipment	302,208	197,362
Depreciation-Information and Communication Technology Equipment	1,762,821	1,418,008

	2023	2022
Depreciation-Transportation Equipment	553,987	175,182
Depreciation-Other PPE	19,125	37,403
Amortization-Computer Software	362,900	60,483
Impairment Loss on Receivables	1,080,869	-
	4,819,265	**2,362,063**

25. GAINS/LOSSES/OTHER NON-OPERATING INCOME

This comprises net of the following accounts:

25.1. *Miscellaneous Income*

	2023	2022
Miscellaneous Income	362	36,511
	362	**36,511**

25.2. *Gains*

	2023	2022
Gain on foreign exchange (FOREX)	986	7,104,449
Gain on Sale of Assets	27,144	0
	28,130	**7,104,449**

25.3. *Losses*

	2023	2022
Loss on foreign exchange (FOREX)	(1,085,535)	(29,750)
	(1,085,535)	(29,750)

26. SUBSIDY FROM NATIONAL GOVERNMENT

	2023	2022
Subsidy from National Government	164,657,000	152,612,000
	164,657,000	152,612,000

For CY 2024, the Program Subsidy received by CITEM from the Department of Budget and Management (DBM) to support the implementation of its export promotion programs was P195.557 million.

27. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

27.1 *Key Management Personnel*

The key management personnel of CITEM are the Chairman, the Members of the Governing Board, and the Principal Officers. The Governing Body consists of members appointed by the President of the Philippines. The Principal Officers consist of the Executive Director, the Deputy Executive Directors and the Department

Managers.

27.2 *Key Management Personnel Compensation*

The members of the governing board, being in ex-officio capacity, do not receive any compensation from the Center.

However, the aggregate remuneration of the Principal Officers of the Center determined on a fulltime equivalent basis receiving remuneration within this category, are:

	Total Remuneration
Salaries and wages	9,857,022
Other compensation and benefits	2,250,937
Personnel benefit contributions	848,296
	11,305,226

28. GOVERNMENT EQUITY

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

	2023	2022
National Food Authority	14,745,735	14,745,735
National Government-Bureau of the Treasury	10,396,662	10,396,662
Central Bank of the Philippines	10,000,000	10,000,000
Donation from China	2,454,411	2,454,411
Government Service Insurance System	2,000,000	2,000,000
Landbank of the Philippines	1,000,000	1,000,000
Philippine International Trading Corporation	625,000	625,000
	41,221,808	**41,221,808**

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

Government Agency (Contributor)	Per Books	Per Confirmation	Variance
National Government- Bureau of Treasury (BTr)	10,396,662	12,653,662	(2,257,000)
Bangko Sentral ng Pilipinas (BSP)	10,000,000	-	10,000,000
Land Bank of the Phils. (LBP)	1,00,0000	2,000,000	(1,000,000)
TOTAL	**21,396,662**	**14,653,662**	**6,743,000**

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 proof of remittances or fund receipts by CITEM from the BTr, BSP and LBP cannot be established.

29. REVALUATION SURPLUS

The Revaluation Surplus in the amount of P5,054,354 represents the increase in book value of CITEM building upon appraisal in the year 1996.

30. ACCUMULATED SURPLUS

Accumulated surplus, January 01, 2022		**529,856,584**
Effect of Change in Accounting Policy - PPE reclassification		(411,004)
Prior Period Adjustments		(1,510,211)
Accumulated surplus, January 01, 2022, as Re-stated		**527,935,369**
Deficit for 2022, as previously stated	(5,086,986)	
Adjustments:		
Understated Expenses	(846,929)	
Understated Revenue	2,200,341	
Deficit for 2021, as re-stated		(3,733,574)
Various Adjustments:		
Interest on Restricted Fund	1,219,207	
Adjustments Prior	15,486,430	16,705,637
Accumulated surplus, December 31,2022, as Re-stated		**540,907,432**

Accumulated surplus, January 01, 2023		**540,907,432**
Deficit for 2022		(25,879,281)
Various Adjustments as follows:		2,503,747
Interest on the Restricted Fund	1,224,147	
Adjustments - Prior Period	1,279,600	
Accumulated surplus, December 31,2023		**517,531,898**

The breakdown of the account is as follows:

Particulars	2023
Accumulated Surplus - Unappropriated, January 01	244,449,246
Add: Adjustments	28,974,869
Accumulated Surplus - Unappropriated, December 31	215,474,377
Prior Years' Adjustments	1,279,600
Restated Balance	214,194,777
Accumulated Surplus - Appropriated, January 01	302,112,975
Less: Adjustments	0
Accumulated Surplus - Appropriated, December 31	302,112,975
Interest from Restricted Fund	1,224,147
Total	303,337,122
Total	543,411,180
Surplus (Deficit) for 2023	(25,879,281)
Accumulated Surplus, NET	**517,531,898**

31. BUDGET INFORMATION IN FINANCIAL STATEMENTS

The original budget reflected in the SCBAA for December 31, 2023, is the proposed Corporate Operating Budget (COB) for the year 2023 and was submitted to the Department of Budget and Management (DBM) for review/evaluation while the final budget is the amount as approved by DBM on 26 April 2023. The proposed/original COB is prepared considering: (a) the agency's various programs, projects, and activities in the pursuance of its mandate; (b) the projected revenues and other sources of income to finance and support these programs; (c) actual expenses for previous years; and (d) effects of inflation.

Changes between the proposed and approved budget are due to the following:

- The recommended Personal Services (PS) level considered the adoption by CITEM of the Compensation and Position Classification System (CPCS) authority per Governance Commission for Government-Owned of Controlled Corporations (GCG) approval dated January 26, 2022. The said CPCS approval expressly authorizes the CITEM to Implement Category 1 Salary Structure based on authorized CPCS Job Grade equivalent positions, pursuant to Executive Order No. 150 dated October 1, 2021, its implementing rules, and regulations, and corresponding CPCS circulars for each PS item.

- The approved Maintenance & Other Operating Expenses (MOOE) level is computed by the DBM considering the Canter's absorptive capacity for the three (3) years immediately preceding years, in which the highest budget utilization rate (BUR) is applied to MOOE items, except those covered by NG subsidy, which is recommended as proposed. The variance of P1,000,000 pertains to the effect of the preceding year's BUR.

- The recommended Capital Outlay (CO) level considers the implementation-readiness of the projects and the activities under the respective CO items which are expected to be completed within the year as certified by the Center. The variance pertains to the overprovision for the purchase of motor vehicle.

  The approved transportation equipment in the amount of P 1,500,000.00 is consistent with the following guidelines:

  1. Per Budget Circular (BC) No. 2022-1 dated February 11, 2022, the proposed acquisition of motor vehicle is duly approved by the DBM through the Authority to Purchase Motor Vehicles (APMV) No. C-23-31.
  2. Procurement entities may undertake their own procurement of motor vehicles pursuant to Government Procurement Policy Board (GPPB) Resolution No. 20-2019 which delisted the motor vehicles from the list of Common-Use Supplies and Equipment to be procured thru the Procurement Service.
- Notwithstanding the abovementioned variance in MOOE and CO, CITEM still has the flexibility to modify its utilization within the DBM-approved budget level.

Material differences between the actual expenses as against the budget pertains to the following:

- Requested Personal Services (PS) budget for CITEM Employees is based on 100 plantilla positions. As of December 31, 2023, only 84 positions are filled.

32. SUPPLEMENTARY INFORMATION REQUIRED BY BIR UNDER REVENUE REGULATION NO. 15-2010

CITEM is compliant to the requirements under BIR Revenue Regulation (RR) No. 15-2010 dated November 25, 2010, pertinent to taxes, duties and license fees paid or accrued during the taxable year thru submission of documentary requirements based on the prescribed process.

	Amount
Due to BIR – Withholding tax on compensation	1,216,568
Due to BIR – Withholding tax on compensation-Resigned Employees	33,253
Due to BIR – Expanded withholding tax	219,824
Due to BIR – Branch Registration Fees	39,536
Due to BIR – VAT withheld	498,144
Due to BIR – VAT withheld CITEM	7,350
Due to BIR – Contractors Tax	60,636
Due to BIR – Gross Money Payments	40,482
	2,115,793

In compliance with the requirements set forth by RR 15-2010, hereunder are the information on taxes, duties and license fees paid during the taxable year.

a. CITEM is a VAT registered company with VAT output tax declaration of P6.530 million for the year 2023.

b. The amount of VAT input and output taxes claimed are broken down as follows:

	Amount
Balance, beginning of the year	25,893,147
Tax on goods for resale/purchases - current	6,813,802
Tax on goods for resale/purchases - payables	1,853,179
Sub-total	**34,560,128**
Less: Output tax	6,529,644
Less: Adjustments	1,001,712
Balance, end of the year	**27,028,772**

c. The amount of withholding taxes paid/accrued for the year amounted to:

	Amount
Tax on compensation and benefits	8,629,708
Creditable withholding taxes	8,765,649
Total	**17,395,357**

33. COMPLIANCE WITH GSIS LAW

CITEM complied with Section 14.1 of RA No. 8291 which provides that each government agency shall remit directly to the GSIS the employees' and government agency's contributions within the first 10 days of the calendar month following the month to which the contributions apply. Below is the summary of remittances of employees' premium contributions and employer's share for CY 2023:

	Premiums	Remitted
Life and retirement premiums, employees share	4,904,959	4,879,202
Government share	7,045,352	6,531,879
Total	**11,950,311**	**11,411,081**

MALERNA C. BUYAO
Chief Accountant

MA. LOURDES D. MEDIRAN
Deputy Executive Director

EDWARD L. FEREIRA Ph.D
Executive Director

Government Corporation Name	**CITEM**	**Legend:**		
Cluster	**6**	**1 - Current Assets**	**5 - Accumulated Surplus/Equity Accounts**	
Region	**NCR**	**2 - Non-Current Assets**	**0 - Revenue/Income and Expense Accounts**	
Year	December 2023	**3 - Current Liabilities**		
Fund	All Funds	**4 - Non-Current Liabilities**		
			TOTAL ALL FUNDS	
Account Title	**Account Code**	**Current/Non-Current**	**Debit**	**Credit**
Cash-Collecting Officers	10101010-00	1	129,460.77	
Petty Cash	10101020-00	1	10,473.09	
Cash in Bank-Local Currency, Current Account	10102020-00	1	146,916,859.11	
Cash in Bank-Foreign Currency, Savings Account	10103030-00	1	45,057,758.97	
Time Deposits-Local Currency	10105020-00	1	1,832,230.04	
Investments in Time Deposits-Foreign Currency	10211020-00	1	61,589,991.59	
Accounts Receivable	10301010-00	1	20,104,170.40	
Accounts Receivable	10301010-00	2	5,043,037.20	
Allowance for Impairment-Accounts Receivable	10301011-00	2		5,043,037.20
Interests Receivable	10301050-00	1	100,069.93	
Due from National Government Agencies	10303010-00	1	706,000.00	
Due from Local Government Units	10303030-00	1	3,963,671.90	
Due from Government Corporations	10303050-00	1	2,000,000.00	
Receivables-Disallowances/Charges	10305010-00	1	115,000.00	
Due from Officers and Employees	10305020-00	1	30,386.46	
Other Receivables	10305990-00	1	6,751,890.94	
Other Receivables	10305990-00	2	2,650,498.63	
Allowance for Impairment-Other Receivables	10305991-00	2		2,650,498.63
Office Supplies Inventory	10404010-00	1	403,003.22	
Drugs and Medicines Inventory	10404060-00	1	89,922.96	
Other Supplies and Materials Inventory	10404990-00	1	52,536.75	
Buildings	10604010-00	2	30,386,860.23	
Accumulated Depreciation-Buildings	10604011-00	2		26,415,736.42
Other Structures	10604990-00	2	3,651,541.84	
Accumulated Depreciation-Other Structures	10604991-00	2		2,719,219.82
Office Equipment	10605020-00	2	6,752,528.74	
Accumulated Depreciation-Office Equipment	10605021-00	2		5,173,900.29
Information and Communication Technology Equipment	10605030-00	2	22,771,563.26	
Accumulated Depreciation-Information and Communication Technology Equipment	10605031-00	2		20,810,606.55
Communication Equipment	10605070-00	2	686,400.00	
Accumulated Depreciation-Communication Equipment	10605071-00	2		617,760.00
Motor Vehicles	10606010-00	2	13,245,013.71	
Accumulated Depreciation-Motor Vehicles	10606011-00	2		9,881,770.87
Furniture and Fixtures	10607010-00	2	1,695,098.16	
Accumulated Depreciation-Furniture and Fixtures	10607011-00	2		1,037,079.60
Other Property, Plant and Equipment	10698990-00	2	5,476,989.44	
Accumulated Depreciation-Other Property, Plant and Equipment	10698991-00	2		3,060,941.09
Computer Software	10801020-00	2	1,088,700.00	
Accumulated Amortization-Computer Software	10801021-00	2		423,383.37
Advances to Special Disbursing Officer	19901030-00	1	11,596.00	
Advances to Officers and Employees	19901040-00	1	1,378,924.76	
Prepaid Rent	19902020-00	1	7,874,432.51	
Prepaid Insurance	19902050-00	1	299,145.94	
Creditable Input Tax	19902070-00	1	27,028,772.02	
Other Prepayments	19902990-00	1	891,808.45	
Guaranty Deposits	19903020-00	1	1,006,375.92	
Guaranty Deposits	19903020-00	2	2,273,081.04	
Restricted Fund	19904010-00	2	303,337,121.43	
Accounts Payable	20101010-00	3		47,840,953.60
Due to Officers and Employees	20101020-00	3		8,031,019.90
Due to BIR	20201010-00	3		2,115,792.82

Government Corporation Name	CITEM	Legend:		
Cluster	6	1 - Current Assets	5 - Accumulated Surplus/Equity Accounts	
Region	NCR	2 - Non-Current Assets	0 - Revenue/Income and Expense Accounts	
Year	December 2023	3 - Current Liabilities		
Fund	All Funds	4 - Non-Current Liabilities		
			TOTAL ALL FUNDS	
Account Title	**Account Code**	**Current/Non-Current**	**Debit**	**Credit**
Due to GSIS	20201020-00	3		137,572.67
Due to Pag-IBIG	20201030-00	3		(1,625.41)
Due to PhilHealth	20201040-00	3		15,550.31
Due to NGAs	20201050-00	3		3,879,743.45
Due to Government Corporations	20201060-00	3		842,144.15
Due to LGUs	20201070-00	3		106,241.42
Trust Liabilities	20401010-00	3		7,907,146.94
Bail Bonds Payable	20401030-00	3		1,320,712.78
Guaranty/Security Deposits Payable	20401040-00	4		34,200.00
Output Tax	20501030-00	3		1,998,833.96
Other Unearned Revenue/Income	20502990-00	3		6,574,339.74
Undistributed Collections	29999040-00	3		3,651,069.84
Other Payables	29999990-00	3		574,357.82
Other Payables	29999990-00	4		732,866.56
Accumulated Surplus/(Deficit)	30101010-00	5		543,411,178.95
Government Equity	30101020-00	5		46,276,162.43
Participation Fees	40201190-00	0		50,659,851.60
Other Service Income	40201990-00	0		6,974,233.78
Interest Income	40202210-00	0		248,944.98
Subsidy from National Government	40301010-00	0		164,657,000.00
Gain on Foreign Exchange (FOREX)	40501010-00	0		985.90
Gain on Sale of Property,Plant and Equipment	40501040-00	0		27,144.14
Miscellaneous Income	40603990-00	0		362.00
Salaries and Wages-Regular	50101010-00	0	56,387,329.85	
Personnel Economic Relief Allowance (PERA)	50102010-00	0	2,051,179.69	
Representation Allowance (RA)	50102020-00	0	1,170,250.00	
Transportation Allowance (TA)	50102030-00	0	936,250.00	
Clothing/Uniform Allowance	50102040-00	0	522,000.00	
Productivity Incentive Allowance	50102080-00	0	415,000.00	
Honoraria	50102100-00	0	24,000.00	
Overtime and Night Pay	50102130-00	0	2,640,029.46	
Year End Bonus	50102140-00	0	9,531,245.50	
Cash Gift	50102150-00	0	435,500.00	
Other Bonuses and Allowances	50102990-00	0	40,000.00	
Retirement and Life Insurance Premiums	50103010-00	0	6,531,879.36	
Pag-IBIG Contributions	50103020-00	0	102,200.00	
PhilHealth Contributions	50103030-00	0	979,552.10	
Employees Compensation Insurance Premiums	50103040-00	0	102,200.00	
Retirement Gratuity	50104020-00	0	82,000.00	
Terminal Leave Benefits	50104030-00	0	816,654.72	
Other Personnel Benefits	50104990-00	0	5,111,159.16	
Traveling Expenses-Local	50201010-00	0	1,578,671.61	
Traveling Expenses-Foreign	50201020-00	0	3,099,609.14	
Training Expenses	50202010-00	0	1,466,114.29	
Office Supplies Expenses	50203010-00	0	277,307.23	
Accountable Forms Expenses	50203020-00	0	13,500.00	
Drugs and Medicines Expenses	50203070-00	0	91,254.29	
Fuel, Oil and Lubricants Expenses	50203090-00	0	490,042.00	
Semi-Expendable Machinery and Equipment Expenses	50203210-00	0	737,581.04	
Other Supplies and Materials Expenses	50203990-00	0	2,789,175.20	
Water Expenses	50204010-00	0	255,789.72	
Electricity Expenses	50204020-00	0	2,744,707.02	
Postage and Courier Services	50205010-00	0	649.00	
Telephone Expenses	50205020-00	0	2,884,467.28	
Internet Subscription Expenses	50205030-00	0	1,146,687.65	
Extraordinary and Miscellaneous Expenses	50210030-00	0	783,586.79	
Legal Services	50211010-00	0	39,353.00	

Government Corporation Name	CITEM	Legend:		
Cluster	6	1 - Current Assets	5 - Accumulated Surplus/Equity Accounts	
Region	NCR	2 - Non-Current Assets	0 - Revenue/Income and Expense Accounts	
Year	December 2023	3 - Current Liabilities		
Fund	All Funds	4 - Non-Current Liabilities		
			TOTAL ALL FUNDS	
Account Title	**Account Code**	**Current/Non-Current**	**Debit**	**Credit**
Auditing Services	50211020-00	0	3,379,388.89	
Other Professional Services	50211990-00	0	15,059,268.47	
Janitorial Services	50212020-00	0	1,519,815.86	
Security Services	50212030-00	0	4,665,887.85	
Other General Services	50212990-00	0	17,755,121.37	
Repairs and Maintenance-Buildings and Other Structures	50213040-00	0	325,085.47	
Repairs and Maintenance-Machinery and Equipment	50213050-00	0	225,892.86	
Repairs and Maintenance-Transportation Equipment	50213060-00	0	263,911.90	
Taxes, Duties and Licenses	50215010-00	0	25,620.00	
Fidelity Bond Premiums	50215020-00	0	957,110.25	
Insurance Expenses	50215030-00	0	966,680.08	
Advertising, Promotional and Marketing Expenses	50299010-00	0	17,884,387.11	
Printing and Publication Expenses	50299020-00	0	2,808,755.20	
Representation Expenses	50299030-00	0	3,565,042.76	
Transportation and Delivery Expenses	50299040-00	0	101,676.58	
Rent/Lease Expenses	50299050-00	0	38,974,565.84	
Membership Dues and Contributions to Organizations	50299060-00	0	41,500.00	
Subscription Expenses	50299070-00	0	4,558,875.22	
Donations	50299080-00	0	16,000.00	
Other Maintenance and Operating Expenses	50299990-00	0	22,999,024.20	
Bank Charges	50301040-00	0	172,467.51	
Depreciation-Buildings and Other Structures	50501040-00	0	737,354.70	
Depreciation-Machinery and Equipment	50501050-00	0	2,065,029.07	
Depreciation-Transportation Equipment	50501060-00	0	553,987.27	
Depreciation-Other Property, Plant and Equipment	50501990-00	0	19,125.00	
Amortization-Intangible Assets	50502010-00	0	362,900.04	
Impairment Loss-Loans and Receivables	50503020-00	0	1,080,869.02	
Loss on Foreign Exchange (FOREX)	50504010-00	0	1,085,535.14	
Total			**975,850,718.17**	**975,850,718.17**

I HEREBY CERTIFY THAT THIS TRIAL BALANCE CONSISTING OF THREE (3) PAGES IS A TRUE AND COMPLETE SUMMARY OF TOTAL BALANCES OF ACCOUNTS AS SHOWN IN THE LEDGER.

Certified Correct:	Recommending Approval:	Approved by:
MALERNA C. BUYAO	MA. LOURDES D. MEDIRAN	EDWARD L. FEREIRA, Ph.D
Chief Accountant	Deputy Executive Director	Executive Director