

14 February 2025

ATTY. GUILLER MAGSUMBOL
OIC – Audit Team Leader
Commission on Audit

Dear Auditor Magsumbol:

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 2024:**

1. Statement of Financial Position (Annex F)
2. Statement of Financial Performance (Annex G)
3. Statement of Cash Flows (Annex H)
4. Statement of Changes in Net Assets/Equity (Annex I)
5. Statement of Comparison of Budget and Actual Amounts (SCBAA) (Annex J)
6. Trial Balance (Annex L)

We would also like to request for an extension for the below reports.

1. Statement of Management's Responsibility for Financial Statements
2. Notes to Financial Statements (Annex K)
3. Other Schedules

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,



LEAH PULIDO OCAMPO
Executive Director



CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS
CONDENSED STATEMENT OF FINANCIAL POSITION
(ALL FUNDS)

AS AT DECEMBER 31, 2024
(With corresponding figures for 2023)
(In Philippine Peso)

	<u>NOTE*</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	7	196,006,012	195,170,929
Other Investments	8	64,357,508	61,589,992
Receivables	9	26,638,399	31,597,175
Inventories	10	680,327	485,856
Other Current Assets	13	38,623,504	22,364,845
Total Current Assets		<u>326,305,750</u>	<u>311,208,797</u>
Non-Current Assets			
Property, Plant and Equipment	11	17,323,561	15,283,808
Intangible Assets	12	302,417	665,316
Other Non-Current Assets	13	304,572,994	302,112,975
Total Non-Current Assets		<u>322,198,971</u>	<u>318,062,099</u>
Total Assets		<u>648,504,721</u>	<u>629,270,896</u>
LIABILITIES			
Current Liabilities			
Financial Liabilities	14	40,707,113	31,680,908
Inter-Agency Payables	15	4,113,952	7,095,419
Trust Liabilities	16	3,055,964	9,262,060
Deferred Credits	17,18	6,950,200	8,535,674
Provisions		7,130,713	1,897,176
Other Payables	19	11,575,629	4,958,294
Total Current Liabilities		<u>73,533,571</u>	<u>63,429,531</u>
Non-Current Liabilities			
Other Payables	19	22,926,251	-
Total Non-Current Liabilities		<u>22,926,251</u>	<u>-</u>
Total Liabilities		<u>96,459,822</u>	<u>63,429,531</u>
Net Assets (Total Assets Less Total Liabilities)		<u>552,044,900</u>	<u>565,841,365</u>
NET ASSETS/EQUITY			
Government Equity	28	41,221,809	41,221,808
Revaluation Surplus	29	5,054,354	5,054,354
Accumulated Surplus	30	505,768,737	519,565,203
Total Net Assets/Equity		<u>552,044,900</u>	<u>565,841,365</u>


MALERNA C. BUYAO
Chief Accountant


MA. LOURDES D. MEDIRAN
Deputy Executive Director


LEATI PULIDO OCAMPO
Executive Director

CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS
DETAILED STATEMENT OF FINANCIAL POSITION
(ALL FUNDS)
AS AT DECEMBER 31, 2024

		<u>2024</u>	<u>2023</u>
ASSETS			
Current Assets			
	Note		
Cash and Cash Equivalents	7	196,006,012	195,170,929
Cash on Hand		4,552,423	139,934
Cash-Collecting Officers		4,551,500	129,461
Petty Cash		923	10,473
Cash in Bank-Local Currency		118,671,621	146,916,859
Cash in Bank-Local Currency, Current Account		118,671,621	146,916,859
Cash in Bank-Foreign Currency		68,782,511	45,057,759
Cash in Bank-Foreign Currency, Savings Account		68,782,511	45,057,759
Cash Equivalents		3,999,458	3,056,377
Time Deposits-Local Currency		3,999,458	3,056,377
Time Deposits-Foreign Currency		-	-
Other Investments	8	64,357,508	61,589,992
Investments in Time Deposits		64,357,508	61,589,992
Investments in Time Deposits-Local Currency		-	-
Investments in Time Deposits-Foreign Currency		64,357,508	61,589,992
Receivables	9	26,638,399	31,597,175
Loans and Receivable Accounts		20,078,172	16,276,726
Accounts Receivable		27,194,237	23,393,708
<i>Allowance for Impairment-Accounts Receivable</i>		(7,217,051)	(7,217,051)
Net Value-Accounts Receivable		19,977,186	16,176,656
Interests Receivable		100,986	100,070
<i>Allowance for Impairment-Interests Receivable</i>		-	-
Net Value-Interests Receivable		100,986	100,070
Inter-Agency Receivables		3,074,198	8,423,172
Due from National Government Agencies		3,074,198	2,459,500
Due from Local Government Units		-	3,963,671.90
Due from Government Corporations		-	2,000,000.00
Other Receivables		3,486,028	6,897,277
Receivables-Disallowances/Charges		17,600	115,000
Due from Officers and Employees		22,642	22,645
<i>Allowance for Impairment-Insurance Claims Receivable</i>		-	-
Net Value-Insurance Claims Receivable		40,242	137,645
Other Receivables		6,096,286	9,410,131
<i>Allowance for Impairment-Other Receivables</i>		(2,650,499)	(2,650,499)
Net Value-Other Receivables		3,445,787	6,759,632

Inventories	10	680,327	485,856
Inventory Held for Consumption		680,327	485,856
Office Supplies Inventory		538,484	352,139
<i>Allowance for Impairment-Office Supplies Inventory</i>		-	-
Net Value-Office Supplies Inventory		538,484	352,139
Drugs and Medicines Inventory		89,306	81,180
<i>Allowance for Impairment-Drugs and Medicines Inventory</i>		-	-
Net Value-Drugs and Medicines Inventory		89,306	81,180
Other Supplies and Materials Inventory		52,537	52,537
<i>Allowance for Impairment-Other Supplies and Materials Inventory</i>		-	-
Net Value-Other Supplies and Materials Inventory		52,537	52,537
Other Current Assets	13	38,623,504	22,364,845
Advances		1,378,904	1,390,521
Advances to Special Disbursing Officer		(21)	11,596
Advances to Officers and Employees		1,378,925	1,378,925
Prepayments		32,738,320	17,694,867
Prepaid Rent		15,905,262	7,874,433
Prepaid Insurance		21,442	299,146
Creditable Input Tax		9,163,741	8,629,480
Other Prepayments		7,647,876	891,808
Deposits		4,506,280	3,279,457
Guaranty Deposits		4,506,280	3,279,457
Total Current Assets		326,305,750	311,208,797
Non-Current Assets			
Property, Plant and Equipment	11	17,625,977	15,283,808
Buildings and Other Structures		4,166,091	4,903,446
Buildings		30,386,860	30,386,860
<i>Accumulated Depreciation-Buildings</i>		(26,969,652)	(26,415,736)
Net Value-Buildings		3,417,208	3,971,124
Other Structures		3,651,542	3,651,542
<i>Accumulated Depreciation-Other Structures</i>		(2,902,659)	(2,719,220)
Net Value-Other Structures		748,883	932,322
Machinery and Equipment		3,214,884	3,943,052
Office Equipment		6,643,504	6,752,529
<i>Accumulated Depreciation-Office Equipment</i>		(5,377,986)	(5,173,900)
Net Value-Office Equipment		1,265,518	1,578,629
Information and Communication Technology Equipment		26,995,267	25,699,094
<i>Technology Equipment</i>		(25,103,981)	(23,403,311)
Net Value-Information and Communication Technology Equipment		1,891,286	2,295,783
Communication Equipment		580,800	686,400
<i>Accumulated Depreciation-Communication Equipment</i>		(522,720)	(617,760)
Net Value-Communication Equipment		58,080	68,640
Transportation Equipment		5,082,978	3,363,243
Motor Vehicles		14,128,292	13,245,014
<i>Accumulated Depreciation-Motor Vehicles</i>		(9,045,314)	(9,881,771)

Net Value-Motor Vehicles		<u>5,082,978</u>	<u>3,363,243</u>
Furniture, Fixtures and Books		<u>3,272,471</u>	<u>658,019</u>
Furniture and Fixtures		4,353,638	1,695,099
<i>Accumulated Depreciation-Furniture and Fixtures</i>		(1,081,167)	(1,037,080)
Net Value-Furniture and Fixtures		<u>3,272,471</u>	<u>658,019</u>
Other Property, Plant and Equipment		<u>1,587,136</u>	<u>2,416,048</u>
Other Property, Plant and Equipment		1,606,261	5,476,989
<i>Accumulated Depreciation-Other Property, Plant and Equipment</i>		(19,125)	(3,060,941)
Net Value-Other Property, Plant and Equipment		<u>1,587,136</u>	<u>2,416,048</u>
Intangible Assets	12	<u>302,417</u>	<u>665,316</u>
Intangible Assets		<u>302,417</u>	<u>665,316</u>
Computer Software		1,088,700	1,088,700
<i>Accumulated Amortization-Computer Software</i>		(786,283)	(423,384)
Net Value-Computer Software		<u>302,417</u>	<u>665,316</u>
Other Non-Current Assets	13	<u>304,572,994</u>	<u>302,112,975</u>
Restricted Fund		<u>304,572,994</u>	<u>302,112,975</u>
Restricted Fund		304,572,994	302,112,975
Total Non-Current Assets		<u>322,198,971</u>	<u>318,062,099</u>
Total Assets		<u><u>648,504,721</u></u>	<u><u>629,270,896</u></u>

LIABILITIES

Current Liabilities

Financial Liabilities	14	<u>40,707,113</u>	<u>31,680,908</u>
Payables		<u>40,707,113</u>	<u>31,680,908</u>
Accounts Payable		30,211,585	23,649,888
Due to Officers and Employees		10,495,528	8,031,020
Inter-Agency Payables	15	<u>4,113,952</u>	<u>7,095,419</u>
Inter-Agency Payables		<u>4,113,952</u>	<u>7,095,419</u>
Due to BIR		1,395,134	2,115,793
Due to GSIS		313,062	137,573
Due to Pag-IBIG		3,305	(1,625)
Due to PhilHealth		15,622	15,550
Due to NGAs		2,129,174	3,879,743
Due to Government Corporations		146,154	842,144
Due to LGUs		106,241	106,241
Due to SSS		5,260	-
Trust Liabilities	16	<u>3,055,964</u>	<u>9,262,060</u>
Trust Liabilities		<u>3,055,964</u>	<u>9,262,060</u>
Trust Liabilities		3,021,764	7,907,147

Guaranty/Security Deposits Payable		34,200	1,354,913
Deferred Credits/Unearned Income	17,18	6,950,200	8,535,674
Deferred Credits		6,950,200	1,961,334
Other Deferred Credits		6,950,200	1,961,334
Unearned Revenue/Income		-	6,574,340
Other Unearned Revenue/Income		-	6,574,340
Provisions		7,130,713	1,897,176
Provisions		7,130,713	1,897,176
Other Provisions		7,130,713	1,897,176
Other Payables	19	11,575,629	4,958,294
Other Payables		11,575,629	4,958,294
Other Payables		11,575,629	4,958,294
Total Current Liabilities		73,533,571	63,429,531
Non-Current Liabilities			
Other Payables		22,926,251	-
Other Payables		22,926,251	-
Total Non-Current Liabilities		22,926,251	-
Total Liabilities		96,459,822	63,429,531
Net Assets (Total Assets Less Total Liabilities)		552,044,900	565,841,365

NET ASSETS/EQUITY

Government Equity	28	552,044,900	565,841,364
Government Equity		552,044,900	565,841,364
Accumulated Surplus - Restricted	30	304,572,994	302,112,975
Accumulated Surplus - Unrestricted	30	201,195,743	217,452,228
Government Equity	28,29	46,276,162	46,276,162
Total Net Assets/Equity		552,044,900	565,841,365


MALERNA C. BUYAO
Chief Accountant


MA. LOURDES D. MEDIRAN
Deputy Executive Director


LEAH PULIDO OCAMPO
Executive Director

**CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS
CONDENSED STATEMENT OF FINANCIAL PERFORMANCE**

(ALL FUNDS)

FOR THE YEAR ENDED DECEMBER 31, 2024

(With corresponding figures for 2023)

(In Philippine Peso)

	<u>NOTE*</u>	<u>2024</u>	<u>2023</u>
Revenue			
Service and Business Income	20	69,372,237	59,016,543
Total Revenue		69,372,237	59,016,543
Current Operating Expenses			
Personnel Services	21	(89,321,286)	(87,878,430)
Maintenance and Other Operating Expenses	22	(178,481,795)	(154,543,794)
Financial Expenses	23	(337,473)	(172,468)
Non-Cash Expenses	24	(3,782,912)	(6,993,279)
Total Current Operating Expenses		(271,923,466)	(249,587,971)
Surplus/(Deficit) from Current Operations		(202,551,229)	(190,571,428)
Other Non-Operating Income	25.1	28,847	362
Gains (Loss) on FOREX, net	25	2,935,479	(1,084,549)
Gains (Loss) on sale of disposed assets, net	25.2	-	27,144
Surplus/(Deficit) before Tax		2,964,325	(191,628,471)
Income Tax Expenses/(Benefit)		-	-
Surplus/(Deficit) after Tax		2,964,325	(191,628,471)
Net Assistance/Subsidy/(Financial Assistance/Subsidy/Cont)	26	195,557,000	164,657,000
Net Deficit for the Period		(4,029,904)	(26,971,471)


MALERNA C. BUYAO
Chief Accountant


MA. LOURDES D. MEDIRAN
Deputy Executive Director


LEAH PULIDO OCAMPO
Executive Director

CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS
DETAILED STATEMENT OF FINANCIAL PERFORMANCE
(ALL FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>
Revenue		
Service and Business Income	20	
Service Income		
Participation Fees	62,598,448	50,659,852
Other Service Income	5,696,332	6,974,233
Total Service Income	<u>68,294,780</u>	<u>57,634,085</u>
Business Income		
Interest Income	1,077,457	1,382,458
Total Business Income	<u>1,077,457</u>	<u>1,382,458</u>
Total Service and Business Income	<u>69,372,237</u>	<u>59,016,543</u>
Total Revenue	<u>69,372,237</u>	<u>59,016,543</u>
Current Operating Expenses		
Personnel Services	21	
Salaries and Wages	21.1	
Salaries and Wages-Regular	52,949,548	56,387,330
Total Salaries and Wages	<u>52,949,548</u>	<u>56,387,330</u>
Other Compensation	21.2	
Personnel Economic Relief Allowance (PERA)	1,972,119	2,051,180
Representation Allowance (RA)	1,450,500	1,170,250
Transportation Allowance (TA)	1,205,500	936,250
Clothing/Uniform Allowance	581,000	522,000
Productivity Incentive Allowance	388,000	415,000
Honoraria	24,000	24,000
Overtime and Night Pay	2,989,563	2,640,029
Year End Bonus	9,107,201	9,531,246
Cash Gift	423,750	435,500
Other Bonuses and Allowances	289,000	40,000
Total Other Compensation	<u>18,430,632</u>	<u>17,765,455</u>
Personnel Benefit Contributions	21.4	
Retirement and Life Insurance Premiums	6,138,306	6,531,879
Pag-IBIG Contributions	188,600	102,200
PhilHealth Contributions	1,257,620	979,552
Employees Compensation Insurance Premiums	97,900	102,200
Total Personnel Benefit Contributions	<u>7,682,426</u>	<u>7,715,831</u>
Other Personnel Benefits	21.5	

Retirement Gratuity		1,443,000	82,000
Terminal Leave Benefits		6,768,664	816,655
Other Personnel Benefits		2,047,016	5,111,159
Total Other Personnel Benefits		10,258,680	6,009,814
Total Personnel Services		89,321,286	87,878,430
Maintenance and Other Operating Expenses	22		
Traveling Expenses	22.1		
Traveling Expenses-Local		1,529,422	1,578,672
Traveling Expenses-Foreign		4,934,382	3,099,609
Total Traveling Expenses		6,463,804	4,678,281
Training and Scholarship Expenses	22.2		
Training Expenses		262,365	1,466,114
Total Training and Scholarship Expenses		262,365	1,466,114
Supplies and Materials Expenses	22.3		
Office Supplies Expenses		172,226	320,254
Accountable Forms Expenses		6,000	13,500
Drugs and Medicines Expenses		66,393	99,997
Fuel, Oil and Lubricants Expenses		685,460	490,042
Semi-Expendable Machinery and Equipment Expenses		83,541	737,581
Other Supplies and Materials Expenses		3,299,969	2,789,175
Total Supplies and Materials Expenses		4,313,588	4,450,549
Utility Expenses	22.4		
Water Expenses		329,198	255,790
Electricity Expenses		3,275,242	2,744,707
Total Utility Expenses		3,604,440	3,000,497
Communication Expenses	22.5		
Postage and Courier Services		610	649
Telephone Expenses		2,668,024	2,884,467
Internet Subscription Expenses		1,169,774	1,146,688
Total Communication Expenses		3,838,408	4,031,804
Awards/Rewards and Prizes			
Awards/Rewards Expenses		30,000	-
Total Awards/Rewards and Prizes		30,000	-
Confidential, Intelligence and Extraordinary Expenses	22.6		
Extraordinary and Miscellaneous Expenses		196,105	783,587
Total Confidential, Intelligence and Extraordinary Expenses		196,105	783,587
Professional Services	22.7		
Legal Services		49,250	39,353
Auditing Services		3,334,094	3,379,389
Other Professional Services		14,448,370	15,059,268
Total Professional Services		17,831,714	18,478,010
General Services	22.8		

Janitorial Services	1,964,030	1,519,816
Security Services	4,928,412	4,665,888
Other General Services	19,943,901	17,755,121
Total General Services	26,836,343	23,940,825
Repairs and Maintenance	22.9	
Repairs and Maintenance-Buildings and Other Structures	460,147	325,085
Repairs and Maintenance-Machinery and Equipment	214,292	225,893
Repairs and Maintenance-Transportation Equipment	192,854	263,912
Total Repairs and Maintenance	867,293	814,890
Taxes, Insurance Premiums and Other Fees	22.10	
Taxes, Duties and Licenses	26,030	25,620
Fidelity Bond Premiums	770,892	957,110
Insurance Expenses	1,056,061	966,680
Total Taxes, Insurance Premiums and Other Fees	1,852,983	1,949,410
Other Maintenance and Operating Expenses	22.11	
Advertising, Promotional and Marketing Expenses	17,772,701	17,884,387
Printing and Publication Expenses	3,872,475	2,808,755
Representation Expenses	4,877,388	3,565,043
Transportation and Delivery Expenses	94,545	101,677
Rent/Lease Expenses	48,516,130	38,974,566
Membership Dues and Contributions to Organizations	275,916	41,500
Subscription Expenses	5,480,859	4,558,875
Donations	33,000	16,000
Other Maintenance and Operating Expenses	31,461,737	22,999,024
Total Other Maintenance and Operating Expenses	112,384,752	90,949,827
Total Maintenance and Other Operating Expenses	178,481,795	154,543,794
Financial Expenses	23	
Financial Expenses		
Bank Charges	337,473	172,468
Total Financial Expenses	337,473	172,468
Non-Cash Expenses	24	
Depreciation		
Depreciation-Buildings and Other Structures	737,355	737,355
Depreciation-Machinery and Equipment	2,065,029	2,065,029
Depreciation-Transportation Equipment	598,503	553,987
Depreciation-Other Property, Plant and Equipment	19,125	19,125
Total Depreciation	3,420,012	3,375,496
Amortization		
Amortization-Intangible Assets	362,900	362,900
Total Amortization	362,900	362,900
Impairment Loss		
Impairment Loss-Loans and Receivables	-	3,254,883
Total Impairment Loss	-	3,254,883

Total Non-Cash Expenses		<u>3,782,912</u>	<u>6,993,279</u>
Total Current Operating Expenses		<u>271,923,466</u>	<u>249,587,971</u>
Surplus/(Deficit) from Current Operations		<u>(202,551,229)</u>	<u>(190,571,428)</u>
Other Non-Operating Income			
Miscellaneous Income	25.1		
Miscellaneous Income		28,847	362
Total Other Non-Operating Income		<u>28,847</u>	<u>362</u>
Gains	25.2		
Gain on Foreign Exchange (FOREX)		2,939,407	986
Gain on Sale of Property, Plant and Equipment		-	27,144
Total Gains		<u>2,939,407</u>	<u>28,130</u>
Losses	25.3		
Loss on Foreign Exchange (FOREX)		(3,929)	(1,085,535)
Loss on Sale of Property, Plant and Equipment		-	-
Total Losses		<u>(3,929)</u>	<u>(1,085,535)</u>
Surplus/(Deficit) before Tax		<u>(199,586,904)</u>	<u>(191,628,471)</u>
Income Tax Expenses/(Benefit)		-	-
Surplus/(Deficit) after Tax		<u>(199,586,904)</u>	<u>(191,628,471)</u>
Assistance/Subsidy/(Financial Assistance/Subsidy/Contribution)			
Assistance/Subsidy			
Subsidy from National Government	26	195,557,000	164,657,000
Total Assistance/Subsidy		<u>195,557,000</u>	<u>164,657,000</u>
Net Assistance/Subsidy/(Financial Assistance/Subsidy/Contribution)		<u>195,557,000</u>	<u>164,657,000</u>
Net Deficit for the Period		<u>(4,029,904)</u>	<u>(26,971,471)</u>


MALERNA C. BUYAO
Chief Accountant


MA. LOURDES D. MEDIRAN
Deputy Executive Director


LEAH PULIDO OCAMPO
Executive Director

CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS
CONDENSED STATEMENT OF CASH FLOWS
(ALL FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Inflows		
Proceeds from Sale of Goods and Services	26,780,953	23,321,928
Collection of Revenue	18,433,639	13,027,750
Receipt of Assistance/Subsidy	194,557,000	164,657,000
Collection of Receivables	4,551,324	22,618
Receipt of Inter-Agency Fund Transfers	25,701,814	27,947,120
Trust Receipts	1,647,742	15,974,242
Other Receipts	48,525,389	24,328,328
Total Cash Inflows	320,197,861	269,278,986
Adjustments: Reclassification from Restricted Funds	-	1,224,147
Adjusted Cash Inflows	320,197,861	270,503,133
Cash Outflows		
Payment of Expenses	227,698,237	190,106,943
Purchase of Inventories	257,672	51,689
Grant of Cash Advances	10,720,657	12,000,289
Prepayments	21,302,316	26,222,817
Payment of Accounts Payable	16,933,404	15,891,337
Remittance of Personnel Benefit Contributions and Mandatory Deductions	12,856,695	14,659,732
Other Disbursements	24,234,121	37,479,606
Total Cash Outflows	314,003,101	296,412,413
Adjustments	-	-
Adjusted Cash Outflows	314,003,101	296,412,413
Net Cash Provided by/(Used in) Operating Activities	6,194,760	(25,909,280)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Inflows		
Proceeds from Sale/Disposal of Property, Plant and Equipment	-	191,500
Receipts of Interest Earned	925,698	106,815
Total Cash Inflows	925,698	298,315
Adjustments	-	-
Adjusted Cash Inflows	925,698	298,315
Cash Outflows		
Purchase/Construction of Property, Plant and Equipment	6,283,214	2,395,723
Total Cash Outflows	6,283,214	2,395,723
Adjustments: Reclassification to investments	-	5,723
Adjusted Cash Outflows	6,283,214	2,401,446
Net Cash Provided by/(Used in) Investing Activities	(5,357,516)	(2,103,131)
Net Increase/(Decrease) in Cash and Cash Equivalents	837,244	(28,012,411)
Effects of Exchange Rate Changes on Cash and Cash Equivalents	(2,160)	(477,257)
Cash and Cash Equivalents, January 1	195,170,929	223,660,597
Cash and Cash Equivalents, December 31	196,006,012	195,170,929


MALERNA C. BUYAO
Chief Accountant


MA. LOURDES D. MEDIRAN
Deputy Executive Director


LEAH PULIDO OCAMPO
Executive Director

CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS
DETAILED STATEMENT OF CASH FLOWS
(ALL FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Inflows		
Proceeds from Sale of Goods and Services	26,780,953	23,321,928
Collection of Revenue	18,433,639	13,027,750
Collection of service and business income	8,003,379	947,889
Receipt of prior years' income	10,430,260	12,079,861
Receipt of Assistance/Subsidy	194,557,000	164,657,000
Subsidy from National Government Agencies	194,557,000	164,657,000
Collection of Receivables	4,551,324	22,618
Collection of loans and receivables	4,551,324	22,618
Receipt of Inter-Agency Fund Transfers	25,701,814	27,947,120
Receipt of funds for other inter-agency transactions	25,701,814	27,947,120
Trust Receipts	1,647,742	15,974,242
Receipt of bail bonds	360,299	23,756
Collection of other trust receipts	1,287,443	15,950,486
Other Receipts	48,525,389	24,328,328
Receipt of unearned income/revenue	25,230,887	15,698,163
Receipt of refund of guaranty deposits	294,750	1,644,977
Receipt of refund of cash advances	1,152,776	2,688,435
Other miscellaneous receipts	21,846,975	4,296,753
Total Cash Inflows	320,197,861	269,278,986
Adjustments: Reclassification from Restricted Funds	-	1,224,146.65
Adjusted Cash Inflows	320,197,861	270,503,133
Cash Outflows		
Payment of Expenses	227,698,237	190,106,943
Payment of personnel services	76,959,423	71,450,178
Payment of maintenance and other operating expenses	150,738,814	118,656,765
Purchase of Inventories	257,672	51,689
Purchase of inventory held for consumption	257,672	51,689
Grant of Cash Advances	10,720,657	12,000,289
Advances for special purpose/time-bound undertakings	5,964,760	9,626,287
Advances to officers and employees	4,755,897	2,374,002
Prepayments	21,302,316	26,222,817

Prepaid Rent	19,677,271	7,087,605
Other Prepayments	1,625,044	19,135,212
Refund of Deposits	-	-
Payment of guaranty deposits	-	-
Payment of Accounts Payable	<u>16,933,404</u>	<u>15,891,337</u>
Remittance of Personnel Benefit Contributions and Mandator	<u>12,856,695</u>	<u>14,659,732</u>
Remittance of taxes withheld	6,823,226	7,365,327
Remittance to GSIS/Pag-IBIG/PhilHealth/SSS	6,033,469	7,294,405
Other Disbursements	<u>24,234,121</u>	<u>37,479,606</u>
Refund of bail bond	326,560	60,017
Other disbursements	23,907,562	37,419,589
Total Cash Outflows	<u>314,003,101</u>	<u>296,412,413</u>
Adjustments	-	-
Adjusted Cash Outflows	<u>314,003,101</u>	<u>296,412,413</u>
Net Cash Provided by/(Used in) Operating Activities	<u>6,194,760</u>	<u>(25,909,280)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Inflows		
Proceeds from Sale/Disposal of Property, Plant and Equipme	<u>0</u>	<u>191,500</u>
Receipt of Interest earned	<u>925,698</u>	<u>106,815</u>
Total Cash Inflows	<u>925,698</u>	<u>298,315</u>
Adjustments (Please specify)	-	0
Adjusted Cash Inflows	<u>925,698</u>	<u>298,315</u>
Cash Outflows		
Purchase/Construction of Property, Plant and Equipment	<u>6,283,214</u>	<u>2,395,723</u>
Purchase of machinery and equipment	1,195,982	1,243,937
Purchase of transportation equipment	2,477,679	1,151,786.00
Purchase of furniture, fixtures and books	2,609,554	
Total Cash Outflows	<u>6,283,214</u>	<u>2,395,723</u>
Adjustments: Reclassification to investments	-	5,723
Adjusted Cash Outflows	<u>6,283,214</u>	<u>2,401,446</u>
Net Cash Provided by/(Used in) Investing Activities	<u>(5,357,516)</u>	<u>(2,103,131)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	837,244	(28,012,411)
Effects of Exchange Rate Changes on Cash and Cash Equiv	(2,160)	(477,257)

Cash and Cash Equivalents, January 1

195,170,929

223,660,597

Cash and Cash Equivalents, December 31

196,006,012

195,170,929


MALERNA C. BUYAO
Chief Accountant


MA. LOURDES D. MEDIRAN
Deputy Executive Director


LEAH PULIDO OCAMPO
Executive Director

CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS
STATEMENT OF CHANGES IN NET ASSETS/EQUITY
For the Years Ended December 31, 2024, 2023 AND 2022
(In Philippine Peso)

	Government equity <i>Note 28</i>	Revaluation surplus <i>Note 29</i>	Accumulated surplus/(deficit) <i>Note 30</i>	Total
BALANCE AT JANUARY 01, 2022, As Re-stated	41,221,808	5,054,354	560,208,394	606,484,556
ADJUSTMENTS:				
Add/(Deduct):				
Surplus (Deficit) for the period			(5,086,986)	(5,086,986.00)
Understated Expenses			(345,260)	(345,260.00)
Overstated Expenses			1,146,916	1,146,916.00
Understated Service Revenue			2,290,975	2,290,975.19
Interest on Restricted Fund			1,219,207	1,219,207.00
Unused Tax Credits			(87,563)	(87,562.50)
Uncreditable Input Tax			(12,809,009)	(12,809,008.72)
Provision for Litigation			-	-
BALANCE AT DECEMBER 31, 2022, As Re-stated	41,221,808	5,054,354	546,536,675	592,812,837
Changes in Net Assets/Equity for CY 2023				
Add/(Deduct):				
Surplus (Deficit) for the period			(26,971,471)	(26,971,471)
Interest on Restricted Fund			-	-
BALANCE AT DECEMBER 31, 2023	41,221,808	5,054,354	519,565,204	565,841,366
Changes in Net Assets/Equity for CY 2024				
Add/(Deduct):				
Surplus (Deficit) for the period			(4,029,904)	(4,029,903.65)
Interest on Restricted Fund			2,460,019	2,460,019.33
Other Adjustments			(12,226,581)	(12,226,581.14)
BALANCE AT DECEMBER 31, 2024	41,221,808	5,054,354	505,768,738	552,044,900


MALERNA C. BUYAO
Chief Accountant


MA. LOURDES D. MEDIRAN
Deputy Executive Director


LEAH PULIDO OCAMPO
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 2024	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	4,551,500.01	
Petty Cash	10101020-00	1	923.09	
Cash in Bank-Local Currency, Current Account	10102020-00	1	118,671,620.89	
Cash in Bank-Foreign Currency, Savings Account	10103030-00	1	68,782,510.52	
Time Deposits-Local Currency	10105020-00	1	3,999,457.53	
Investments in Time Deposits-Foreign Currency	10211020-00	1	64,357,507.76	
Accounts Receivable	10301010-00	1	27,194,237.27	7,217,051.13
Interests Receivable	10301050-00	1	100,986.16	
Due from National Government Agencies	10303010-00	1	3,074,198.11	
Receivables-Disallowances/Charges	10305010-00	1	17,599.93	
Due from Officers and Employees	10305020-00	1	22,641.87	
Other Receivables	10305990-00	1	6,096,285.59	
Allowance for Impairment-Other Receivables	10305991-00	1		2,650,499.00
Office Supplies Inventory	10404010-00	1	538,484.45	
Drugs and Medicines Inventory	10404060-00	1	89,305.96	
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		26,969,652.28
Other Structures	10604990-00	2	3,651,541.84	
Accumulated Depreciation-Other Structures	10604991-00	2		2,902,658.66
Office Equipment	10605020-00	2	6,643,503.74	
Accumulated Depreciation-Office Equipment	10605021-00	2		5,377,985.62
Information and Communication Technology	10605030-00	2	26,995,266.75	
Accumulated Depreciation-Information and Communication Technology Equipment	10605031-00	2		25,103,980.69
Communication Equipment	10605070-00	2	580,800.00	
Accumulated Depreciation-Communication	10605071-00	2		522,720.00
Motor Vehicles	10606010-00	2	14,128,292.28	
Accumulated Depreciation-Motor Vehicles	10606011-00	2		9,045,314.01
Furniture and Fixtures	10607010-00	2	4,353,637.52	
Accumulated Depreciation-Furniture and Fixtures	10607011-00	2		1,081,166.81
Other Property, Plant and Equipment	10698990-00	2	1,606,261.22	
Accumulated Depreciation-Other Property, Plant and Equipment	10698991-00	2		19,125.00
Computer Software	10801020-00	2	1,088,700.00	
Accumulated Amortization-Computer Software	10801021-00	2		786,283.41
Advances to Special Disbursing Officer	19901030-00	1		21.07
Advances to Officers and Employees	19901040-00	1	1,378,924.76	
Prepaid Rent	19902020-00	1	15,905,261.67	
Prepaid Insurance	19902050-00	1	21,441.52	
Creditable Input Tax	19902070-00	1	9,163,740.97	
Other Prepayments	19902990-00	1	7,647,876.09	
Guaranty Deposits	19903020-00	1	4,506,280.32	
Restricted Fund	19904010-00	2	304,572,994.11	
Accounts Payable	20101010-00	3		30,211,585.02
Due to Officers and Employees	20101020-00	3		10,495,527.51
Due to BIR	20201010-00	3		1,395,134.31
Due to GSIS	20201020-00	3		313,061.71
Due to Pag-IBIG	20201030-00	3		3,305.15
Due to PhilHealth	20201040-00	3		15,621.57
Due to NGAs	20201050-00	3		2,129,174.07
Due to Government Corporations	20201060-00	3		151,414.15
Due to LGUs	20201070-00	3		106,241.42
Trust Liabilities	20401010-00	3		1,667,311.92
Bail Bonds Payable	20401030-00	3		1,354,451.73
Guaranty/Security Deposits Payable	20401040-00	3		34,200.00
Other Unearned Revenue/Income	20502990-00	3		6,950,200.34
Other Provisions	20601990-00	3		7,130,712.97

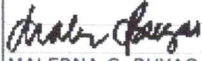
Government Corporation Name	CITEM	Legend:		
Cluster	6	1 - Current Assets	5 - Accumulated Surplus/Equity Accounts	
Region	NCR	2 - Non-Current Assets	0 - Revenue/Income and Expense Accounts	
Year	December 2024	3 - Current Liabilities		
Fund	All Funds	4 - Non-Current Liabilities		
		TOTAL ALL FUNDS		
Account Title	Account Code	Current/Non-Current	Debit	Credit
Undistributed Collections	29999040-00	3		10,239,297.06
Other Payables	29999990-00	3		1,336,331.62
Other Payables	29999990-00	4		22,926,251.16
Accumulated Surplus/(Deficit)	30101010-00	5		509,798,640.73
Government Equity	30101020-00	5		46,276,162.43
Participation Fees	40201190-00	0		62,598,448.20
Other Service Income	40201990-00	0		5,696,332.03
Interest Income	40202210-00	0		1,077,456.67
Subsidy from National Government	40301010-00	0		195,557,000.00
Gain on Foreign Exchange (FOREX)	40501010-00	0		2,939,407.19
Miscellaneous Income	40603990-00	0		28,846.60
Salaries and Wages-Regular	50101010-00	0	52,949,547.58	
Personnel Economic Relief Allowance (PERA)	50102010-00	0	1,972,118.62	
Representation Allowance (RA)	50102020-00	0	1,450,500.00	
Transportation Allowance (TA)	50102030-00	0	1,205,500.00	
Clothing/Uniform Allowance	50102040-00	0	581,000.00	
Productivity Incentive Allowance	50102080-00	0	388,000.00	
Honoraria	50102100-00	0	24,000.00	
Overtime and Night Pay	50102130-00	0	2,989,562.66	
Year End Bonus	50102140-00	0	9,107,201.07	
Cash Gift	50102150-00	0	423,750.00	
Other Bonuses and Allowances	50102990-00	0	289,000.00	
Retirement and Life Insurance Premiums	50103010-00	0	6,138,305.65	
Pag-IBIG Contributions	50103020-00	0	188,600.00	
PhilHealth Contributions	50103030-00	0	1,257,620.39	
Employees Compensation Insurance Premiums	50103040-00	0	97,900.00	
Retirement Gratuity	50104020-00	0	1,443,000.00	
Terminal Leave Benefits	50104030-00	0	6,768,664.04	
Other Personnel Benefits	50104990-00	0	2,047,015.90	
Traveling Expenses-Local	50201010-00	0	1,529,422.46	
Traveling Expenses-Foreign	50201020-00	0	4,934,381.97	
Training Expenses	50202010-00	0	262,364.56	
Office Supplies Expenses	50203010-00	0	172,225.71	
Accountable Forms Expenses	50203020-00	0	6,000.00	
Drugs and Medicines Expenses	50203070-00	0	66,392.85	
Fuel, Oil and Lubricants Expenses	50203090-00	0	685,459.88	
Semi-Expendable Machinery and Equipment Expenses	50203210-00	0	83,541.08	
Other Supplies and Materials Expenses	50203990-00	0	3,299,968.54	
Water Expenses	50204010-00	0	329,198.33	
Electricity Expenses	50204020-00	0	3,275,241.72	
Postage and Courier Services	50205010-00	0	610.00	
Telephone Expenses	50205020-00	0	2,668,023.86	
Internet Subscription Expenses	50205030-00	0	1,169,773.97	
Awards/Rewards Expenses	50206010-00	0	30,000.00	
Extraordinary and Miscellaneous Expenses	50210030-00	0	196,105.09	
Legal Services	50211010-00	0	49,250.00	
Auditing Services	50211020-00	0	3,334,093.82	
Other Professional Services	50211990-00	0	14,448,370.44	
Janitorial Services	50212020-00	0	1,964,029.83	
Security Services	50212030-00	0	4,928,411.54	
Other General Services	50212990-00	0	19,943,901.18	
Repairs and Maintenance-Buildings and Other Structures	50213040-00	0	460,146.89	
Repairs and Maintenance-Machinery and	50213050-00	0	214,291.97	
Repairs and Maintenance-Transportation	50213060-00	0	192,853.97	
Taxes, Duties and Licenses	50215010-00	0	26,030.00	
Fidelity Bond Premiums	50215020-00	0	770,892.09	

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 2024	3 - Current Liabilities	
Fund	All Funds	4 - Non-Current Liabilities	

Account Title	Account Code	Current/Non-Current	TOTAL ALL FUNDS	
			Debit	Credit
Insurance Expenses	50215030-00	0	1,056,061.21	
Advertising, Promotional and Marketing	50299010-00	0	17,772,700.82	
Printing and Publication Expenses	50299020-00	0	3,872,475.22	
Representation Expenses	50299030-00	0	4,877,387.86	
Transportation and Delivery Expenses	50299040-00	0	94,545.34	
Rent/Lease Expenses	50299050-00	0	48,516,130.47	
Membership Dues and Contributions to	50299060-00	0	275,915.96	
Subscription Expenses	50299070-00	0	5,480,859.35	
Donations	50299080-00	0	33,000.00	
Other Maintenance and Operating Expenses	50299990-00	0	31,461,736.84	
Bank Charges	50301040-00	0	337,473.00	
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	598,503.14	
Depreciation-Other Property, Plant and	50501990-00	0	19,125.00	
Amortization-Intangible Assets	50502010-00	0	362,900.04	
Loss on Foreign Exchange (FOREX)	50504010-00	0	3,928.66	
Total			1,002,108,573.24	1,002,108,573.24

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:


MALERNA C. BUYAO
Chief Accountant

Recommending Approval:


MA. LOURDES D. MEDIRAN
Deputy Executive Director

Approved by:


LEHI PULIDO OCAMPO
Executive Director



CENTER FOR INTERNATIONAL
TRADE EXPOSITIONS AND MISSIONS



**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, 2024 and 2023**, 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.



BLESILA A. LANTAYONA
DTI Undersecretary
Regional Operations Group
Alternate Chairman of the Board

Date Signed



MALERNA C. BUYAO
Chief Accountant

Date Signed



LEAH PULIDO OCAMPO
Executive Director

Date Signed

CENTER FOR INTERNATIONAL TRADE EXPOSITIONS AND MISSIONS

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 and controlled corporation (GOCC), is an agency attached to the Department of Trade and Industry (DTI). It was created by virtue of Executive Order (EO) Nos. 989 and 133 dated October 10, 1984 and February 17, 1987, respectively, as amended by EO No. 242 and EO No. 242-A, dated July 24, 1987 and July 26, 1987, respectively, to institutionalize the holding of international 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 to: (a) professionally manage an export promotion organization; (b) plan, develop and implement trade fairs, special exhibits, trade missions and other promotional activities, both on domestic and international trade; and (c) respond to the needs of exporters and the requirements of priority markets.

CITEM's core function is the promotion of Philippine products and services in the world market. This includes export expansion and branding the Philippines as an exporting nation. Its message is that the Philippines is a reliable source of quality products and services that are at par with global standards. CITEM works closely with other DTI agencies in the performance of its mandate. To attain the aforementioned objectives, CITEM is vested with the following powers and functions: (a) careful selection of international trade fairs and missions; (b) sustained presence in traditional markets while opening up new markets; (c) regular provision of market updates and merchandise design trends; (d) sourcing and coordination of technical and merchandise consultancies; (e) development and promotion of new export industries; (f) organization of incoming trade missions timed exhibitions; and (g) participation in overseas special exhibitions.

The Agency is governed by a Board of Governors composed of a chairman and four members. Its management is being headed by an Executive Director and assisted by a Deputy Executive Director. CITEM's registered office is located at Golden Shell Pavilion, ITC Complex, Roxas Boulevard corner Sen. Gil Puyat Avenue, Pasay City.

The financial statements of the CITEM were authorized for issue on February 14, 2024, as shown in the Statement of Management's Responsibility for Financial Statements signed by DTI Undersecretary – Regional Operations Group, Blesila A. Lantayona, Alternate Chairman, CITEM Board of Governors.

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 Agency 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 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 ongoing case, with a pending appeal from the CITEM lodged at the Court of Appeals. As advised by the CITEM's Legal Services, a provision in the amount of P1,897,176 is recognized in the books in the re-stated financial statements for CY 2022.

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 Agency'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	2024	2023
Financial assets			
Cash and cash equivalents	7	196,006,012	195,170,929
Receivables - net	8	26,638,399	31,597,175

Investments in Time Deposits	9	64,357,508	61,589,992
		287,001,919	288,358,096
Financial liabilities			
Financial liabilities	13	40,707,113	31,680,908
Inter-agency payables	14	2,921,012	7,095,419
Trust liabilities	15	3,055,964	9,262,060
		46,684,088	48,038,387

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, 2024, and 2023, without considering the effects of credit risk mitigation techniques.

	Note	2024	2023
Financial assets			
Cash and cash equivalents	7	196,006,012	195,170,929
Receivables	8	26,638,399	31,597,175
		222,644,411	226,768,104

* Receivables at gross of allowance for impairment amounting to P9,867,550 for the years ended December 31, 2023 and 2024.

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 Agency 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, 2024 and 2023 are as follows:

	2024	2023
Outstanding receivables: *		
Current accounts	26,638,399	31,597,175
Past due accounts:		
over 5years	9,867,550	9,867,550
	36,505,949	41,464,725

* Receivables at gross of allowance for impairment amounting to P9,867,550 for the years ended December 31, 2023 and 2024.

d. Impairment assessment

The Agency 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 2024.

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, 2024.

As at December 31, 2024	Within 1 Year	1 – 5 Years	Over 5 Years	Total
Financial liabilities	24,909,096	15,757,007	41,009	40,707,113
Inter-agency payables	1,727,123	2,063,725	323,104	4,113,952
Trust liabilities	432,008	1,175,936	1,448,021	3,055,964
	27,068,228	18,996,668	1,812,134	47,877,029

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:

	2024	2023
Cash on hand	4,552,423	139,934
Cash in bank		
Local currency	118,671,621	146,916,859
Foreign currency	68,782,511	45,057,759
	187,454,131	191,974,618
Cash equivalents		
Local currency	3,999,458	3,056,377
Foreign currency	-	-
	3,999,458	3,056,377
	196,006,012	195,170,929

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

	2024	2023
Other Investments	64,357,508	61,589,992
	64,357,508	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:

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Loans & Receivable (Accounts Receivables), Net	20,078,172	-	20,078,172	16,276,726	-	16,276,726
Inter-agency receivables	3,074,198	-	3,074,198	8,423,172	-	8,423,172
Other Receivables, Net	3,468,028	-	3,468,028	6,897,277	-	6,897,278
	26,638,399		26,638,399	31,597,175	-	31,597,175

9.1 Loans and Receivable

	2024			2023		
	Current	Non-Current	Total	Current	Non-Current	Total
Accounts receivable-Participation fees-local show	16,299,493	-	16,229,493	14,903,642	-	14,903,642
Accounts Receivable-Participation Fees-International Show	9,221,946	-	9,221,946	6,817,266	-	6,817,266
Accounts Receivable-Extension Charges	443,446	-	443,446	443,447	-	443,447
Accounts Receivable-Others	1,229,352	-	1,229,352	1,229,352	-	1,229,352
Interest Receivable	100,986	-	100,986	100,070	-	100,070
Sub-total	27,295,223		27,295,223	23,493,777	-	23,493,777
<i>Allowance for doubtful accounts</i>	(7,217,051)	-	(7,217,051)	(7,217,051)	-	(7,217,051)
	20,078,172	-	20,078,172	16,276,726	-	16,276,726

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

	2024			2023		
	Current	Non-Current	Total	Current	Non-Current	Total

	2024			2023		
	Current	Non-Current	Total	Current	Non-Current	Total
Due from National Government Agencies (NGAs)	3,074,198	-	3,074,198	2,459,500	-	2,459,500
Due from Local Government Units (LGUs)	-	-	-	3,963,672	-	3,963,672
Due from Government Corporations (GOCCs)	-	-	-	2,000,000	-	2,000,000
	3,074,198	-	3,074,198	8,423,172	-	8,423,172

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

	2024			2023		
	Current	Non-Current	Total	Current	Non-Current	Total
Due from Officers and Employees	22,642	-	22,642	22,645	-	30,386
Other Receivables-Supplier	8160	-	8160	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	317,127	-	317,127	317,127	-	317,127
Other receivables - others	3,378,296	-	3,378,296	215,486	-	215,486
Other receivables – Philexport	-	-	-	6,476,656	-	6,476,656
Other receivables – disallowances	17,600	-	17,600	115,000	-	115,000
Sub-total		-		9,547,776	-	9,547,776
<i>Allowance for doubtful accounts</i>	(2,650,499)	-	(2,650,499)	(2,650,499)	-	(2,650,499)
	3,486,028	-	3,486,028	6,897,277	-	6,782,277

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 – 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:

	2024		2023	
	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	352,139	-	360,057	-
Additions/Acquisitions during the year	186,145	-	35,028	-
Expensed during the year except write-down	-	-	(42,946)	-
Carrying amount, December 31	538,284	-	352,139	-
Drugs and Medicines Inventory				
Carrying amount, January 1	81,180	-	81,180	-
Additions/Acquisitions during the year	8,126	-	8,743	-
Expensed during the year except write-down	-	-	(8,743)	-
Carrying amount, December 31	89,306	-	81,180	-
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, 2023, Re-stated	-	4,903,446	3,363,243	7,083,723	15,350,411
Opening net book value, January 1, 2024,	-	4,903,446	3,363,243	7,083,723	15,350,411
Additions/Acquisitions	-	-	2,477,679	4,007,118	6,484,797
Disposal/Removal	-	-	(1,594,400)	(4,354,885)	(5,949,285)
Accum. Depn.	-	-	-	-	-
Adjustments:					
Cost	-	-	-	-	-
Accumulated depreciation	-	-	1,434,960	3,422,689	4,857,649
Depreciation for the year	-	(737,355)	(598,503)	(2,084,154)	(3,420,012)
Closing net book value, December 31, 2024	-	4,116,091	5,082,978	8,074,491	17,323,561
As at December 31, 2024					
Cost	-	34,038,402	14,128,292	40,179,469	88,346,164
Accumulated depreciation	-	29,872,311	9,045,314	32,104,978	71,022,603
Net book value, December 31, 2024	-	4,116,091	5,082,978	8,074,491	17,323,561

Re-statement of Property and Equipment due to Change in Accounting Policy

	Land and land improvements	Building and structures	Transportation Equipment	Furniture and other equipment	Total
Net book value, December 31, 2023, as previously stated	-	4,903,446	3,363,243	7,017,119	15,238,808
Opening net book value, January 1, 2024	-	4,903,446	3,363,243	7,017,119	15,238,808
Reclassifications - Cost	-	-	-	217,126	217,126
Accum. Depn.	-	-	-	-	-
Adjustments:					
Accu. Depreciation	-	-	-	106,785	106,785
Additional Depre. 2022	-	-	-	(257,308)	(257,308)
Opening net book value, January 1, 2024, as re-stated	-	4,903,446	3,363,243	7,083,722	15,350,411
As at January 31, 2023, re-stated					
Cost	-	34,038,402	13,245,014	40,527,236	87,810,652
Accumulated depreciation	-	29,134,956	9,881,771	33,443,513	72,460,240
Net book value, January 31, 2023, re-stated	-	4,903,446	3,363,243	7,083,722	15,350,411

12. INTANGIBLE ASSETS

	2024			2023		
	Current	Non-Current	Total	Current	Non-Current	Total
Computer Software	-	1,088,700	1,088,700	-	1,088,700	1,088,700
Accumulated Amortization	-	(302,416)	(302,416)	-	(423,384)	(423,384)
	-	302,417	302,417	-	665,316	665,316

13. OTHER ASSETS

This account comprises the following:

	2024			2023		
	Current	Non-Current	Total	Current	Non-Current	Total
Advances to Special Disbursing Officer	(21)	-	(21)	11,596	-	11,596
Advances to Officers and Employees	1,378,925	-	1,378,925	1,378,925	-	1,378,925
Prepayments (Prepaid Rent)	15,905,262	-	15,905,262	7,874,433	-	7,874,433
Prepayments (Prepaid Insurance)	21,442	-	21,442	299,146	-	299,146
Prepayments (Creditable Input Tax)	9,163,741	-	9,163,741	8,629,480	-	27,028,772
Prepayments (Other Prepayments)	7,647,876	-	7,647,876	891,808	-	891,808
Deposits (Guaranty Deposits)	4,506,280	-	4,506,280	3,279,457	-	3,279,457
Restricted Fund	-	304,572,994	304,572,994	-	302,112,975	302,112,975
Other Assets-net of Accumulated Impairment Loss	-	-	-	-	-	-
	38,623,504	304,572,994	343,196,498	22,364,845	302,112,975	324,477,820

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 P9,164 million is the excess of Input VAT over Output VAT from 2024 vat transactions. This is carried over in 2024 and will be closed/adjusted to Accumulated Surplus accordingly at year-end.

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:

	2024			2023		
	Current	Non-Current	Total	Current	Non-Current	Total
Accounts payable	30,211,585	-	30,211,585	23,649,888	-	23,649,888
Due to officers & employees	10,495,528	-	10,495,528	8,031,020	-	8,031,020
	40,707,113	-	40,707,113	31,680,908	-	31,680,908

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:

	2024			2023		
	Current	Non-Current	Total	Current	Non-Current	Total
Due to BIR	1,395,134	-	1,395,134	2,115,793	-	2,115,793
Due to GSIS	313,062	-	313,062	137,573	-	137,573
Due to Pag-IBIG	3,305	-	3,305	(1,625)	-	(1,625)
Due to PhilHealth	15,622	-	15,622	15,550	-	15,550
Due to NGAs	2,129,174	-	2,129,174	3,879,743	-	3,879,743
Due to Government Corporations	146,154	-	146,154	842,144	-	842,144

	2024			2023		
	Current	Non-Current	Total	Current	Non-Current	Total
Due to LGUs	106,241	-	106,241	106,241	-	106,241
Due to SSS	5,260	-	5,260	-	-	-
	4,113,952	-	4,113,952	7,095,418	-	7,095,418

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:

	2024			2023		
	Current	Non-Current	Total	Current	Non-Current	Total
Trust Miscellaneous	1,666,724	-	1,666,724	6,220,776	-	6,220,776
Trust (ACE)	39,550	-	39,550	16,650	-	16,650
Trust (CITEM Coop)	(38,962)	-	(38,962)	1,669,721	-	1,669,721
Trust (SSS)	-	-	-	-	-	-
Bail Bonds Payable	1,354,452	-	1,354,452	1,320,713	-	1,320,713
Guaranty/Security Deposits Payable	34,200	-	34,200	34,200	-	34,200
	3,055,964	-	3,055,964	9,262,060	-	9,262,060

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

	2024			2023		
	Current	Non-Current	Total	Current	Non-Current	Total

	2024			2023		
	Current	Non-Current	Total	Current	Non-Current	Total
Unearned Revenue/ Income	6,950,200	-	6,950,200	6,574,340	-	6,574,340
	6,950,200	-	6,950,200	6,574,340	-	6,574,340

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

	2024			2023		
	Current	Non-Current	Total	Current	Non-Current	Total
Deferred/Uncollected Output VAT	-	-	-	1,961,334	-	1,961,334
	-	-	-	1,961,334	-	1,961,334

The Deferred/Uncollected Output VAT represents the future tax liability of the Agency 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:

	2024			2023		
	Current	Non-Current	Total	Current	Non-Current	Total
Other Payables - Resigned Employees	1,130,076	-	1,130,076	1,130,076	-	1,130,076
Other Payables- Exhibitors' Refund	206,255	-	206,255	177,148	-	177,148
Other Payables- Undistributed Collection	10,239,297	-	10,239,297	3,651,070	-	3,651,070
	11,575,629	-	11,575,629	4,958,294	-	4,958,294

20. SERVICE AND BUSINESS INCOME

This line item consists of the following:

	2024	2023
Service Income:		
Participation Fees	62,598,448	50,659,852
Other Service Income	5,696,332	6,974,234

	2024	2023
Business Income:		
Interest Income	1,077,457	1,382,458
Other Business Income	-	-
	69,372,237	59,016,543

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:

	2024	2023
Salaries and wages	52,949,548	56,387,330
Other compensation	18,430,632	17,765,455
Personnel benefit contributions	7,682,680	7,715,831
Other personnel benefits	10,258,680	6,009,814
	89,321,286	87,878,430

21.1 Salaries and Wages

	2024	2023
Salaries and wages-regular	52,949,548	56,387,330
	52,949,548	56,387,330

21.2 Other Compensation

	2024	2023
Personnel economic relief allowance (PERA)	1,972,119	2,051,180
Representation allowance (RA)	1,450,500	1,170,250
Transportation allowance (TA)	1,205,500	936,250
Clothing/Uniform allowance	581,000	522,000
Hazard Pay	-	-
Honoraria	24,000	24,000
Overtime Pay	2,989,563	2,640,029
Year-end Bonus	9,107,201	9,531,246
Cash Gift	423,750	435,500
Productivity Incentive Allowance	388,000	415,000
Other Bonuses and Allowances	289,000	40,000
	18,430,632	17,765,455

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 P10.837 million broken down as follows: employees' share – P4.604 million and government share – P6.232 million.

21.4 Personnel Benefit Contributions

	2024	2023
Retirement and life insurance premiums	6,138,306	6,531,879
Pag-IBIG contributions	188,600	102,200
PhilHealth contributions	1,257,620	979,552
Employee compensation insurance premiums	97,900	102,200
	7,682,426	7,715,831

21.5 Other Personnel Benefits

	2024	2023
Retirement Gratuity	1,443,000	82,000
Terminal Leave Benefits	6,768,664	816,655
Other Personnel Benefits	2,047,016	5,111,159
	10,258,680	6,009,814

22. MAINTENANCE AND OTHER OPERATING EXPENSES

This line item consists of the following:

	2024	2023
Traveling expenses	6,463,804	4,678,281
Training expenses	262,365	1,466,114
Supplies and materials expenses	4,313,588	4,450,549
Utility expenses	3,604,440	3,000,497
Communication expenses	3,838,408	4,031,804
Awards/Rewards/Prizes	30,000	-
Confidential, Intelligence and Extraordinary Expenses	196,105	783,587
Professional services	17,831,714	18,478,010
General services	26,836,343	23,940,825
Repairs and maintenance	867,293	814,890
Taxes, insurance premiums and other fees	1,852,983	1,949,410
Other maintenance and operating expenses	112,384,752	90,949,827
	178,481,795	154,543,794

22.1 Traveling Expenses

	2024	2023
Traveling expenses-local	1,529,422	1,578,672
Traveling expenses-foreign	4,934,382	3,099,609
	6,463,804	4,678,281

22.2 Training and Scholarship Expenses

	2024	2023
Training Expenses	262,365	1,466,114
	262,365	1,446,114

22.3 Supplies and Materials Expenses

	2024	2023
Office supplies expenses	172,226	320,254
Accountable Forms Expenses	6,000	13,500
Drugs and medicines expenses	66,393	99,997
Fuel, oil and lubricants expenses	685,460	490,042
Other supplies and materials expenses	83,541	2,789,175
Semi-Expendable Machinery and Equipment	3,299,969	737,581
		4,450,549

22.4 Utility Expenses

	2024	2023
Water expenses	329,198	255,790
Electricity expenses	3,275,242	2,744,707
	3,604,440	3,000,497

22.5 Communication Expenses

	2024	2023
Postage and courier services	610	649
Telephone expenses – landline	826,863	1,764,850
Telephone expenses – mobile	1,841,161	1,119,617
Internet Subscription Expenses	1,169,774	1,146,688
	3,838,408	4,031,804

22.6 Confidential, Intelligence and Extraordinary Expenses

	2024	2023
Extraordinary and Miscellaneous Expenses	196,105	783,587
	196,105	783,587

22.7 Professional Services

	2024	2023
Legal services	49,250	39,353
Auditing services	3,334,094	3,379,389
Other professional services	14,448,370	15,059,268
	17,831,714	18,478,010

22.8 General Services

	2024	2023
Janitorial services	1,964,030	1,519,816
Security services	4,928,412	4,665,888
Other General Services	19,943,901	17,755,121

	2024	2023
	26,836,343	23,940,825

22.9 Repairs and Maintenance

	2024	2023
Repairs and maintenance-buildings and other structures	460,147	325,085
Repairs and maintenance-office equipment	211,542	178,543
Repairs and maintenance-IT Equipment	2,750	47,350
Repairs and maintenance-motor vehicles	192,854	263,912
	867,293	814,890

22.10 Taxes, Insurance Premiums and Other Fees

	2024	2024
Taxes, duties and licenses	26,030	25,620
Fidelity bond premiums	770,892	957,110
Insurance expenses	1,056,061	966,680
	1,852,983	1,949,410

22.11 Other Maintenance and Operating Expenses

	2024	2023
Advertising expenses	17,772,701	17,884,387
Printing and Publication expenses	3,872,475	2,808,755
Representation expenses	4,877,388	3,565,043
Rent/Lease expenses	48,516,130	38,974,566
Transportation and Delivery expenses	94,545	101,677
Membership dues and contributions to organizations	275,916	41,500
Subscription expenses	5,480,859	4,558,875
Donations	33,000	16,000
Other maintenance and operating expenses	31,461,737	22,999,024
	112,384,752	90,949,827

The Other Maintenance and Operating Expenses of P31.462 million includes installation, construction and dismantling of booths during trade fairs, held both locally and abroad.

23. FINANCIAL EXPENSES

This account comprises the following:

	2024	2023
Bank charges	337,473	172,468
	337,473	172,468

24. NON-CASH EXPENSES

This account is composed of the following:

	2024	2023
Depreciation-buildings and other structures	737,355	737,355

	2024	2023
Depreciation-office equipment	302,208	302,208
Depreciation-Information and Communication Technology Equipment	1,762,821	1,762,821
Depreciation-Transportation Equipment	598,503	553,987
Depreciation-Furniture and Fixtures	-	-
Depreciation-Other PPE	19,125	19,125
Amortization-Computer Software	362,900	362,900
Impairment Loss on Receivables	-	3,254,883
	3,782,912	6,993,279

25. GAINS/LOSSES/OTHER NON-OPERATING INCOME

This comprises net of the following accounts:

25.1. Miscellaneous Income

	2024	2023
Miscellaneous Income	28,847	362
	28,847	362

25.2. Gains

	2024	2023
Gain on foreign exchange (FOREX)	2,939,407	986
Gain on Sale of Assets	-	27,144
	2,939,407	28,130

25.3. Losses

	2024	2023
Loss on foreign exchange (FOREX)	(3,929)	(1,085,535)
	(3,929)	(1,085,535)

26. SUBSIDY FROM NATIONAL GOVERNMENT

	2024	2023
Subsidy from National Government	195,557,000	164,657,000
	195,557,000	164,657,000

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. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

	2024	2023
Deficit for the year	(4,029,904)	(26,971,471)
Depreciation and Amortization	3,782,912	3,738,396

	2024	2023
Impairment Loss – Loans and Receivables	-	(3,254,883)
Losses	3,929	1,085,535
Gains	(2,939,407)	(28,130)
Interest earned categorized as investing activity	-	(154,598)
Prior Period Adjustments	(1,700,494)	(1,965,335)
(Increase) Decrease in receivables less impairment	4,958,777	4,076,625
(Increase) Decrease in inventories	(194,471)	7,918
(Increase) Decrease in other assets less disposal	12,769,394	(3,828,226)
(Increase) Decrease in financial liabilities	(9,026,205)	(2,757,835)
(Increase) Decrease in inter-agency payables	2,981,467	2,126,582
(Increase) Decrease in trust liabilities	6,206,096	(5,567,713)
(Increase) Decrease in other payables	(6,617,334)	1,074,089
Net Cash Flows from Operating Activities	6,194,760	(25,909,280)

28. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

28.1 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.

28.2 Key Management Personnel Compensation

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

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

	Total Remuneration
Salaries and wages	9,857,022
Other compensation and benefits	2,126,909
Personnel benefit contributions	799,110
	12,783,041

29. GOVERNMENT EQUITY

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

	2024	2023
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

	2024	2023
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)	1,000,000	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.

30. 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.

31. ACCUMULATED SURPLUS

Accumulated surplus, January 01, 2023		546,536,674
Effect of Change in Accounting Policy - PPE reclassification		(22,516)
Various Adjustments:		
Understated Other Service Income	396,918	
Understated Expenses	(2,040,000)	
Uncreditable Input Tax	(317,132)	
Disposal of PPE	(934,560)	
Forex adjustment	(3,882)	(2,898,656)
Accumulated surplus, January 01, 2023, as Re-stated		543,660,534
Deficit for 2022, as previously stated	(26,971,471)	
Adjustments:		
Understated Expenses	(374,920)	
Terminal Leave Benefits	(21,451,203)	
Understated Revenue	10,844,084	
Accounts Payable adjustment	1,631,638	
Deficit for 2022, as re-stated		(36,321,872)
Accumulated surplus, December 31, 2023, as Re-stated		507,338,622
Accumulated surplus, January 01, 2024, as Re-stated		507,338,622
Deficit for 2024		(4,029,904)
Various Adjustments as follows:		
Interest on the Restricted Fund	2,460,019	2,460,019
Accumulated surplus, December 31, 2024		505,768,737

The breakdown of the account is as follows:

Particulars	2024
Accumulated Surplus - Unappropriated, January 01	244,423,699
Add: Adjustments	(2,882,337)
Accumulated Surplus - Unappropriated, December 31	241,541,362
Prior Years' Adjustments	(36,315,715)
Restated Balance	205,225,647
Accumulated Surplus - Appropriated, January 01	302,112,975
Less: Adjustments	-
Accumulated Surplus - Appropriated, December 31	302,112,975
Interest from Restricted Fund	2,460,019
Total	304,572,994
Total	509,798,641
Surplus (Deficit) for 2024	(4,029,904)
Accumulated Surplus, NET	505,768,737

BUDGET INFORMATION IN FINANCIAL STATEMENTS

The original budget reflected in the SCBAA for December 31, 2024, is the proposed Corporate Operating Budget (COB) for the year 2024 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 31 May 2024. 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 or 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 Agency'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 P1,037,000 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 Agency.

Notwithstanding the abovementioned variance in MOOE, CITEM still has the flexibility to modify its utilization within the DBM-approved budget level.

33. 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	578,514
Due to BIR – Withholding tax on compensation-Resigned Employees	33,253
Due to BIR – Expanded withholding tax	156,234
Due to BIR – Branch Registration Fees	39,536
Due to BIR – VAT withheld	512,199
Due to BIR – VAT withheld CITEM	7,350
Due to BIR – Contractors Tax	60,636
Due to BIR – Gross Money Payments	7,412
	1,395,134

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 P10.737 million for the year 2024.
- b. The amount of VAT input and output taxes claimed are broken down as follows:

	Amount
Balance, beginning of the year	8,629,480
Tax on goods for resale/purchases - current	8,917,544
Tax on goods for resale/purchases - payables	2,353,729
Sub-total	19,900,753
Less: Output tax	10,737,012
Less: Adjustments	-
Balance, end of the year	9,163,741

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

	Amount
Tax on compensation and benefits	6,152,347
Creditable withholding taxes	11,271,273
Total	17,423,620

34. 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 2024:

	Premiums	Remitted
Life and retirement premiums, employees share	4,604,730	4,604,058
Government share	6,233,93	6,232,498
Total	10,838,122	10,836,556



MALERNA C. BUYAO
Chief Accountant



MA. LOURDES D. MEDIRAN
Deputy Executive Director



LEAH PULIDO OCAMPO
Executive Director