

## NATIONAL ELECTRIFICATION ADMINISTRATION

Table 1.1a  
NATIONAL ELECTRIFICATION ADMINISTRATION  
CORPORATE OBJECTIVES AND PRIORITIES FOR FY 2016

### I. Corporate Objectives

- Total electrification on an area coverage basis for sitios.

### II. Corporate Priorities

- Provision of financial, institutional and technical assistance to electric cooperatives (ECs), energization of three thousand one hundred fifty (3,150) sitios in the original database.
- Electrification of the one hundred ninety four (194) housing sites under the National Housing Authority Yolanda Permanent Housing Project.

### III. Major Programs and Projects

- Countryside development and progress through construction and rehabilitation of electric distribution lines;
- Provide loans for the rehabilitation and upgrading of existing EC's electric distribution line systems and reduction of system losses; and
- To prepare the ECs to be component under NEA Reform Act of 2013 by improving their electric distribution system and operation.

Table 1.1.b  
 NATIONAL ELECTRIFICATION ADMINISTRATION  
 COMPARATIVE BALANCE SHEET, FY 2014-2016  
 (In Thousand Pesos)

PARTICULARS	FY 2014 Actual/ Audited	FY 2015 Estimate	FY 2016 Proposed
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	10,645,751	7,603,471	6,748,636
Loans Receivable, Matured Portion (Net)	2,389,690	4,254,314	4,247,620
Other Receivables (Net)	14,464,674	8,858,379	7,147,218
Inventories (Net)	6,975	6,140	5,275
Prepayments	1,833	1,668	1,558
<b>Total Current Assets</b>	<b>27,508,923</b>	<b>20,723,972</b>	<b>18,150,307</b>
<b>Non-Current Assets</b>			
Long Term Loans Receivable	8,264,951	8,986,374	9,739,838
Property and Equipment	249,461	343,849	401,096
Other Assets	4,711	4,196	3,516
<b>Total Non-Current Assets</b>	<b>8,519,123</b>	<b>9,334,419</b>	<b>10,144,450</b>
<b>TOTAL ASSETS</b>	<b>36,028,046</b>	<b>30,058,391</b>	<b>28,294,757</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	255,002	258,202	254,572
Payables to Government Agencies	8,187,563	8,184,282	8,180,752
Current Portion of Loans Payable	35,901	85,190	22,406
Other Payables	22,552,935	16,946,640	15,235,479
<b>Total Current Liabilities</b>	<b>31,031,401</b>	<b>25,474,314</b>	<b>23,693,209</b>
<b>Non- Current Liabilities</b>			
Loans Payable- Domestic	14,656	-	-
Deferred Credits	43,996	40,546	36,896
<b>Total Non- Current Liabilities</b>	<b>58,652</b>	<b>40,546</b>	<b>36,896</b>
<b>TOTAL LIABILITIES</b>	<b>31,090,053</b>	<b>25,514,860</b>	<b>23,730,105</b>
<b>STOCKHOLDER'S EQUITY</b>			
Government Equity	4,772,565	4,772,566	4,772,566
Donated Capital	177,560	177,560	177,560
Retained Earnings	(12,132)	(406,595)	(385,474)
<b>TOTAL STOCKHOLDER'S EQUITY</b>	<b>4,937,993</b>	<b>4,543,531</b>	<b>4,564,652</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>36,028,046</b>	<b>30,058,391</b>	<b>28,294,757</b>

Table 1.1.c  
 NATIONAL ELECTRIFICATION ADMINISTRATION  
 COMPARATIVE PROFIT AND LOSS STATEMENT, FY 2014-2016  
 (In Thousand Pesos)

P A R T I C U L A R S	FY 2014 Actual/ Audited	FY 2015 Estimate	FY 2016 Proposed
I. REVENUES	979,360	709,846	718,795
Operating Revenue	726,017	584,751	590,018
Other Revenues	253,343	125,095	128,777
II. OPERATING EXPENSES	393,930	568,549	593,791
Personnel Services	232,421	273,350	292,389
Maintenance and Other Operating Expenses	114,288	269,214	275,505
Financial Expenses	29,048	4,956	3,816
Non-Cash Expenses			
Depreciation / Bad Debts/Amortization/Others	18,173	21,029	22,081
III. NET PROFIT/(LOSS) BEFORE FOREX GAIN	585,430	141,297	125,004
IV. FOREX DIFFERENTIAL - GAIN (LOSS)	1,231		
V. NET PROFIT/(LOSS) AFTER FOREX GAIN	586,661	141,297	125,004
VI. OTHER INCOME	524		
Gain/Loss on Sale of Disposed Assets	524		
VII. INCOME TAX	171,638	42,389	38,716
VIII. NET PROFIT/(LOSS) AFTER INCOME TAX	415,547	98,908	86,288
IX. SUBSIDIES FROM THE NATIONAL GOVERNMENT	13,788,117	2,032,522	3,494,600
IX. NET PROFIT AND SUBSIDIES	<u>14,203,664</u>	<u>2,131,430</u>	<u>3,580,888</u>

Table 1.1.d  
 NATIONAL ELECTRIFICATION ADMINISTRATION  
 STAFFING SUMMARY, FY 2014-2016  
 (In Thousand Pesos, Except No. of Positions)

POSITIONS	2014 ACTUAL/ UNAUDITED		2015 Estimate		2016 Proposed	
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
Top Two Corporate Positions						
Administrator	1	980	1	990	1	990
Deputy Administrator	4	3,206	4	3,338	4	3,267
Management/Executive Group	34	22,952	47	30,963	47	31,186
Technical Group	175	74,073	232	98,066	261	105,591
Administrative Support	73	18,364	112	24,706	83	16,286
<b>TOTAL</b>	<b>287</b>	<b>119,575</b>	<b>396</b>	<b>158,063</b>	<b>396</b>	<b>157,320</b>

Table 1.1.e  
 NATIONAL ELECTRIFICATION ADMINISTRATION  
 OTHER COMPENSATION, FY 2014-2016  
 (In Thousand Pesos)

PARTICULARS	2014 Actual/ Unaudited	2015 Estimate	2016 Proposed
<b>MANDATORIES</b>	<b>24,782</b>	<b>30,500</b>	<b>31,548</b>
Personnel Economic Relief Allowance	7,218	9,504	9,504
Representation and Trans. Allowance	5,909	5,844	6,954
Year-End Bonus and Cash Gift	11,655	15,152	15,090
<b>FIXED EXPENDITURES</b>	<b>17,701</b>	<b>21,295</b>	<b>21,054</b>
Employees Compensation Insurance Premium	392	475	475
PAG-IBIG Compensation	392	475	475
Philhealth Contributions	1,388	1,377	1,226
GSIS Life and Retirement Insurance Premium	15,529	18,968	18,878
<b>TERMINAL AND RETIREMENT BENEFITS</b>	<b>11,382</b>	<b>17,605</b>	<b>26,252</b>
<b>OTHER ALLOWANCES</b>	<b>58,981</b>	<b>45,887</b>	<b>56,215</b>
Productivity Incentive Bonus	594		
Per Diems of the Members of Governing Boards	1,439	2,304	2,304
Clothing/Uniform Allowance	1,525	1,980	1,980
Anniversary Incentive	5,872		
Performance Based Bonus	15,422	25,355	25,882
Productivity Incentive Bonus	22,923		
Performance Based Incentive		3,600	2,520
Performance Enhancement Incentive	1,482	1,980	1,980
Special Counsel Allowance			200
Overtime Pay			9,878
<b>PRAISE</b>	<b>7,254</b>		
Longevity Pay	2,470		
Monetization of Leave Credits		10,668	11,471
	<b>112,846</b>	<b>115,287</b>	<b>135,069</b>
<b>TOTAL</b>			

Table 1.1.f  
 NATIONAL ELECTRIFICATION ADMINISTRATION  
 DETAILS OF MAINTENANCE & OTHER OPERATING EXPENSES, FY 2014-2016  
 (In Thousand Pesos)

PARTICULARS	2014 Actual/ Unaudited	2015 Estimate	2016 Proposed
Travelling Expenses	17,180	57,020	61,420
Training and Seminar	11,322	17,000	17,000
Supplies and Materials	4,961	16,711	17,000
Gasoline, Oil and Lubricants	1,695	2,669	2,749
Water, Illumination and Power Service	11,822	16,459	16,953
Communication Services	6,099	6,257	11,629
Membership dues and contributions to organizations	32		
Advertising	930	372	383
Printing and Binding	360	445	458
Rents/Lease	785	1,200	1,400
Publications, Books & Subscriptions	228	446	450
Professional Services	42,219	75,763	80,250
Repair and Maintenance	3,370	7,457	9,037
Grants, Subsidies and Contributions	13,810,300	2,032,522	3,494,600
Loan Repayments/Sinking Fund Contribution	427,439	128,202	62,784
Representation (EME)	406	602	602
Taxes, Insurance Premium and Other Fees	276,802	406,981	161,840
Losses/Depreciation/Depletion	18,173	21,029	22,081
Miscellaneous Expenses	3,654	5,683	7,173
Other Maintenance and Operating Expenses	1,193	300	200
Financial Expenses	29,048	4,956	3,816
<b>TOTAL</b>	<b>14,668,018</b>	<b>2,802,074</b>	<b>3,971,825</b>

Table 1.1.g  
 NATIONAL ELECTRIFICATION ADMINISTRATION  
 DETAILS OF CAPITAL OUTLAYS, FY 2014-2016  
 (In Thousand Pesos)

PARTICULARS	2014 Actual/ Unaudited	2015 Estimate	2016 Proposed
Loans Outlay	4,079,948	4,500,000	2,800,000
Office Furniture, Fixtures and Equipment	2,219	18,224	21,293
Machineries and Engineering Equipment Outlay			
Transportation Equipment Outlay	(147)	5,000	5,000
Information Technology Equipment Outlay	6,334	85,818	46,340
	<u>4,088,354</u>	<u>4,609,042</u>	<u>2,872,633</u>

Table 1.1.h  
 NATIONAL ELECTRIFICATION ADMINISTRATION  
 COMPARATIVE CASH FLOW STATEMENT, FY 2014-2016  
 (In Thousand Pesos)

PARTICULARS	2014 Actual/ Unaudited	2015 Estimate	2016 Proposed
<b>Cash flows from operating activities</b>			
Cash generated from operations:			
Collection of receivables	4,606,713	2,463,540	2,636,554
Receipt of government subsidy	13,810,300	2,032,552	3,494,600
Modular Gensets	-	-	-
Receipt of Trust Liabilities	-	-	-
Receipt of Guarantee fund	-	-	-
Other cash receipts	406,314	125,095	128,777
Release of Trust Liabilities	-	-	-
Payment for Personal Services	(218,690)	(273,350)	(292,389)
Payment for MOOE	(88,905)	(269,214)	(275,505)
Release of loans to ECs	(4,079,948)	(4,000,000)	(2,800,000)
Release of Guarantee to ECs	-	(500,000)	-
Grant of Subsidies	(9,288,808)	(2,032,552)	(3,494,600)
Modular Gensets	-	-	-
Payment for accrued expenses	(18,849)	-	-
Other cash payments	(119,740)	-	-
<b>Net cash flow from operating activities</b>	<b><u>5,008,387</u></b>	<b><u>(2,453,929)</u></b>	<b><u>(602,563)</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(8,406)	(109,042)	(72,633)
<b>Net cash flow from investing activities</b>	<b><u>(8,406)</u></b>	<b><u>(109,042)</u></b>	<b><u>(72,633)</u></b>
<b>Cash flows from financing activities</b>			
Repayment of loan	(446,971)	(133,158)	(66,600)
Payment of Corporate Income Tax	(120,367)	(129,807)	(42,389)
Remittance of Dividend to NG	(148,402)	(216,344)	(70,650)
<b>Net cash flow from financing activities</b>	<b><u>(715,740)</u></b>	<b><u>(479,309)</u></b>	<b><u>(179,639)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,284,241</b>	<b>(3,042,280)</b>	<b>(854,835)</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b><u>6,361,510</u></b>	<b><u>10,645,751</u></b>	<b><u>7,603,471</u></b>
<b>Cash and cash equivalents, end of the year</b>	<b><u>10,645,751</u></b>	<b><u>7,603,471</u></b>	<b><u>6,748,636</u></b>



Table 1.1.i  
 NATIONAL ELECTRIFICATION ADMINISTRATION  
 SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2014  
 (In Thousand Pesos)

PARTICULARS	NG SUPPORT			CORPORATE FUNDS					GRAND TOTAL				
	MOOE	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL
1.General Administration and Support				61,234	105,427	5,468	2,355	174,484	61,234	105,427	5,468	2,355	174,484
2.Support to Operations				78,728	135,548	7,032	3,025	224,333	78,728	135,548	7,032	3,025	224,333
3.Operations				78,728	135,548	7,032	3,026	224,334	78,728	135,548	7,032	3,026	224,334
4.Locally-funded Projects													
Rural Electrification	9,288,808		9,288,808				4,079,948	4,079,948		9,288,808		4,079,948	13,368,756
5.Debt Servicing													
Loan Repayment					427,439			427,439		427,439			427,439
6.Others					119,740			119,740		119,740			119,740
TOTAL	<u>9,288,808</u>		<u>9,288,808</u>	<u>218,690</u>	<u>923,702</u>	<u>19,532</u>	<u>4,088,354</u>	<u>5,250,278</u>	<u>218,690</u>	<u>10,212,510</u>	<u>19,532</u>	<u>4,088,354</u>	<u>14,539,086</u>

Table 1.1.j  
 NATIONAL ELECTRIFICATION ADMINISTRATION  
 SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2015  
 (In Thousand Pesos)

PARTICULARS	NG SUPPORT			CORPORATE FUNDS					GRAND TOTAL				
	MOOE	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL
1. General Administration and Support				76,538	172,302	1,388	30,532	280,760	76,538	172,302	1,388	30,532	280,760
2. Support to Operations				98,406	221,531	1,784	39,255	360,976	98,406	221,531	1,784	39,255	360,976
3. Operations			-	98,406	221,531	1,784	39,255	360,976	98,406	221,531	1,784	39,255	360,976
4. Locally-funded Projects													
Rural Electrification	2,032,552		2,032,552				4,500,000	4,500,000		2,032,552		4,500,000	6,532,552
5. Debt Servicing													
Loan Repayment					128,202			128,202		128,202			128,202
<b>TOTAL</b>	<b>2,032,552</b>		<b>2,032,552</b>	<b>273,350</b>	<b>743,566</b>	<b>4,956</b>	<b>4,609,042</b>	<b>5,630,914</b>	<b>273,350</b>	<b>2,776,118</b>	<b>4,956</b>	<b>4,609,042</b>	<b>7,663,466</b>

Table 1.1.k  
 NATIONAL ELECTRIFICATION ADMINISTRATION  
 SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2016  
 (In Thousand Pesos)

PARTICULARS	NG SUPPORT			CORPORATE FUNDS					GRAND TOTAL				
	MODE	CO	TOTAL	PS	MODE	FINEX	CO	TOTAL	PS	MODE	FINEX	CO	TOTAL
1. General Administration and Support				81,869	108,792		20,337	210,998	81,869	108,792		20,337	210,998
2. Support to Operations				105,260	139,876		26,148	271,284	105,260	139,876		26,148	271,284
3. Operations	3,494,600		3,494,600	105,260	139,876	3,816	26,148	275,100	105,260	3,634,476	3,816	26,148	3,769,700
4. Locally-funded Projects Rural Electrification							2,800,000	2,800,000				2,800,000	2,800,000
5. Debt Servicing Loan Repayment					62,784			62,784		62,784			62,784
<b>TOTAL</b>	<b>3,494,600</b>		<b>3,494,600</b>	<b>292,389</b>	<b>451,328</b>	<b>3,816</b>	<b>2,872,633</b>	<b>3,620,166</b>	<b>292,389</b>	<b>3,945,928</b>	<b>3,816</b>	<b>2,872,633</b>	<b>7,114,766</b>

**Table 1.1.1  
NATIONAL ELECTRIFICATION ADMINISTRATION**

**SPECIAL PROVISIONS, FY 2016**

**1. Approval of the FY 2016 Corporate Operating Budget of the National Electrification Administration under R.A. No. 7638.** The FY 2016 Corporate Operating Budget (COB) of the NEA is hereby approved by the Congress of the Philippines pursuant to Section 13, Chapter III of R.A. No. 7638.

**2. Acquisition of Equipment.** The acquisition of equipment included in the approved COB shall be subject to the provisions of Corporate Budget Circular No. 17 dated February 9, 1996, National Budget Circular (NBC) No. 446 dated November 24, 1995, as amended by NBC No. 446-A dated January 30, 1998, Budget Circular No. 2010-2 dated March 1, 2010 and other guidelines issued thereon.

**3. Payment of Compensation and Benefits.** Payment of salaries, allowances and other benefits shall be made in accordance with applicable provisions of laws, rules and regulations such as, but not limited to, P.D. No. 985, as amended, R.A. No. 6758, as amended, R.A. No. 10149, Corporate Compensation Circular No. 10 dated February 15, 1999 and Memorandum Order No. 20, s. 2001. In addition, payment of separation or retirement benefits shall be computed in accordance with the rates, conditions and procedure prescribed under existing separation or retirement laws and guidelines issued thereon.

**4. Budget Flexibility and Report.** The NEA Board of Administrators is authorized to realign programs and projects, reallocate the corresponding budgetary requirements approved herein, as well as augment the deficiencies which may arise from factors beyond the NEA's control such as, but not limited to: (i) currency depreciation; (ii) inflation; (iii) change in interest rates; (iv) change in programs and/or projects; and (v) change in schedule of project implementation.

In the exercise of said authority, the NEA shall observe and/or comply with the following:

- (a) Realigned funds shall not be used for the acquisition of motor vehicles and payment of travelling, representation, discretionary, or extraordinary and miscellaneous expenses;
- (b) Personnel Services (PS) deficiencies resulting from the implementation of the Compensation and Position Classification System for GOCCs approved by the President, upon recommendation by the GCG, shall be sourced from savings in MOOE and Capital Outlays; and
- (c) PS allocation in the approved COB shall not be augmented by new funding sources.

The NEA shall submit, within thirty (30) days after such adjustments are made, to the DBM, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document, a comprehensive financial and narrative report on the budgetary adjustments. The Administrator of NEA and the Administration's web administrator or his/her equivalent shall be responsible for ensuring that said report is likewise posted on the NEA website.

**5. Augmentation Beyond the Approved Corporate Operating Budget.** The NEA Board of Directors is authorized to augment and disburse funds beyond the total amount approved in this Act exclusively for the continuous implementation of the Sitio Electrification and Barangay Line Enhancement Projects. The funds shall come from the unutilized balances of previous years' subsidy by the National Government or from new funding sources as certified by the Chief Accountant and Administrator of NEA.

In no case shall PS allocations be augmented beyond the total amount approved in this Act.

**6. Remittance of Cash Dividends.** Cash dividends equivalent to at least fifty percent (50%) of the annual net earnings of the NEA shall be deposited with the National Treasury as income of the General Fund pursuant to R.A. No. 7656.

**7. Audit of Government Funds.** Government funds authorized herein to be invested as equity by the corporation to its subsidiaries, as well as the grant of subsidy, loan contribution or any kind of financial assistance to end-user entities both in private or public sector, shall be subject to audit by the COA pursuant to the provisions of P.D. No. 1445, as amended.

**8. Transparency Seal.** To enhance transparency and enforce accountability, the NEA shall maintain a Transparency Seal to be posted on its website. The Transparency Seal shall contain the following: (i) corporation's mandates and functions, names of its officials with their position and designation, and its contact information; (ii) approved COB and corresponding targets including any amount of budgetary support from the National Government; (iii) realignments made in its COB; (iv) annual procurement plan/s and contracts awarded with the winning supplier, contractor or consultant; (v) major programs and projects categorized in accordance with the five key results areas under E.O. No. 43, s. 2011 and their target beneficiaries; (vi) status of implementation, evaluation and/or assessment reports of said programs or projects; (vii) Budget and Financial Accountability Reports, pursuant to COA and DBM J.C. No. 2014-1 dated July 1, 2014; and (viii) year-end financial reports and trial balances for the last three (3) fiscal years.

The Administrator of NEA and the Administration's web administrator or his/her equivalent shall be responsible for ensuring compliance with this requirement.

The DBM shall post on its website the status of compliance of the NEA.