

NATIONAL ELECTRIFICATION ADMINISTRATION

Table 1.1.a
NATIONAL ELECTRIFICATION ADMINISTRATION
CORPORATE OBJECTIVES AND PRIORITIES FOR FY 2017

I. CORPORATE OBJECTIVES

1. Total electrification on an area coverage basis for sitios.

II. CORPORATE PRIORITIES

1. Provision of financial, institutional and technical assistance to electric cooperatives (ECs), energization of emerging two thousand four hundred ten (2,410) sitios.

III. MAJOR PROGRAMS AND PROJECTS

1. Countryside development and progress through construction and rehabilitation of electric distribution lines;
2. Provide loans for the rehabilitation and upgrading of existing EC's electric distribution line systems and reduction of system losses; and
3. To prepare the ECs to be competent 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 2015 - 2017
 (In Thousand Pesos)

PARTICULARS	2015 AUDITED	2016 ESTIMATE	2017 PROPOSED
ASSETS			
Current Assets	27,151,567	24,517,994	16,524,817
Cash and Cash Equivalents	8,466,290	7,473,280	5,699,151
Loans Receivable, Matured Portion (Net)	2,311,187	2,362,048	2,861,988
Other Receivables (Net)	16,365,719	14,675,295	7,957,282
Inventories (Net)	7,074	6,239	5,374
Prepayments	1,297	1,132	1,022
Non-Current Assets	8,803,144	9,587,305	10,812,364
Long Term Loans Receivable	8,552,444	9,279,358	10,492,648
Property and Equipment (Net)	245,989	303,236	315,005
Other Assets	4,711	4,711	4,711
TOTAL ASSETS	35,954,711	34,105,299	27,337,181
LIABILITIES			
Current Liabilities	30,857,803	29,081,992	22,297,003
Payables	204,715	207,915	204,285
Payables to Government Agencies	8,146,983	8,046,747	8,005,857
Current Portion of Loans Payable	10,807	22,456	0
Other Payables	22,495,298	20,804,874	14,086,861
Non-Current Liabilities	50,483	43,236	39,586
Loans Payable - Domestic	3,797	-	-
Deferred Credits	46,686	43,236	39,586
TOTAL LIABILITIES	30,908,286	29,125,228	22,336,589
STOCKHOLDERS' EQUITY			
Government Equity	4,772,564	4,772,564	4,772,564
Donated Capital	177,561	177,561	177,561
Retained Earnings	96,300	29,946	50,467
TOTAL STOCKHOLDERS' EQUITY	5,046,425	4,980,071	5,000,592
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	35,954,711	34,105,299	27,337,181

Table 1.1.c
 NATIONAL ELECTRIFICATION ADMINISTRATION
 COMPARATIVE PROFIT AND LOSS STATEMENT, FY 2015 - 2017
 (In Thousand Pesos)

PARTICULARS	2015 AUDITED	2016 ESTIMATE	2017 PROPOSED
I. REVENUES			
Operating Revenues			
Interest Income	624,480	589,548	583,813
Other Revenues	170,853	128,777	104,880
TOTAL REVENUES	<u>795,333</u>	<u>718,325</u>	<u>688,693</u>
II. OPERATING EXPENSES			
Personnel Services	265,080	292,389	386,031
Maintenance and Other Operating Expenses	132,192	275,505	209,964
Financial Expenses	53,496	3,816	366
Non-Cash Expenses			
Depreciation/Bad Debts/Amortization/Others	19,187	22,081	19,379
TOTAL OPERATING EXPENSES	<u>469,955</u>	<u>593,791</u>	<u>615,740</u>
III. NET PROFIT/(LOSS) BEFORE FOREX GAIN	<u>325,378</u>	<u>124,534</u>	<u>72,953</u>
IV. FOREX DIFFERENTIAL-GAIN (LOSS)	<u>1,677</u>	-	-
V. NET PROFIT/(LOSS) AFTER FOREX GAIN	327,055	124,534	72,953
VI. OTHER INCOME	-	-	-
Gain / Loss on Sale of Disposed Assets	-	-	-
VII. INCOME TAX	<u>92,973</u>	<u>37,360</u>	<u>21,886</u>
VIII. NET PROFIT/(LOSS) AFTER INCOME TAX	<u>234,082</u>	<u>87,174</u>	<u>51,067</u>
Subsidies from the National Government	4,178,165	4,888,794	1,823,795
IX. NET PROFIT AND SUBSIDIES	<u><u>4,412,247</u></u>	<u><u>4,975,968</u></u>	<u><u>1,874,862</u></u>

Table 1.1.d
 NATIONAL ELECTRIFICATION ADMINISTRATION
 STAFFING SUMMARY, FY 2015 - 2017
 (In Thousand Pesos, Except No. of Positions)

POSITION	2015 AUDITED		2016 ESTIMATE		2017 PROPOSED	
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
Top Two Corporate Positions						
Administrator	1	979	1	990	1	947
Deputy Administrator	4	2,470	4	3,267	4	3,249
Management/Executive Group	14	9,245	23	16,428	23	16,081
Supervisory Group	21	12,684	29	17,541	28	16,637
Professional/Technical Group (High Level)	77	43,214	100	49,830	97	47,624
Professional/Technical Group (Entry Level)	85	31,074	105	45,087	86	31,727
Technical Support	54	9,895	72	20,245	49	13,155
Administrative/Others	47	8,459	62	3,932	47	8,887
TOTAL	303	118,020	396	157,320	335	138,307

Table 1.1.e
 NATIONAL ELECTRIFICATION ADMINISTRATION
 OTHER COMPENSATION, FY 2015 - 2017
 (In Thousand Pesos)

PARTICULARS	2015 AUDITED	2016 ESTIMATE	2017 PROPOSED
MANDATORIES	24,073	31,548	39,721
Representation & Transportation Allowance	5,499	6,954	6,954
Personnel Economic Relief Allowance	7,185	9,504	8,040
Mid-year Bonus	-	-	11,526
Year-end Bonus and Cash Gift	11,389	15,090	13,201
FIXED EXPENDITURES	16,174	21,054	18,562
PAG-IBIG Contributions	389	475	402
Retirement and Life Insurance Premium	14,151	18,878	16,597
Health Insurance Premium	1,273	1,226	1,161
Employees' Compensation Insurance Premium	361	475	402
OTHER COMPENSATION	97,470	56,215	40,611
Per Diem of Members of the Board	1,416	2,304	2,304
Special Counsel Allowance	295	200	324
Loyalty Pay	20	-	-
Clothing/Uniform Allowance	1,525	1,980	1,675
Overtime	-	9,878	-
Performance-Based Bonus	12,982	25,882	19,244
Performance-Based Incentive	911	2,520	2,268
Productivity Enhancement Incentive	9,840	1,980	1,675
Anniversary Incentive	5,912	-	-
CNA Incentive	7,355	-	-
PRAISE Incentive	52,552	-	-
Honoraria	1,777	-	-
Monetization of Leave Credits	2,885	11,471	13,121
TERMINAL AND RETIREMENT BENEFITS	9,343	26,252	18,467
Terminal Leave	8,853	24,272	16,467
Retirement Benefits	490	1,980	2,000
COMPENSATION ADJUSTMENT			130,363
GRAND TOTAL	147,060	135,069	247,724

Table 1.1.f
NATIONAL ELECTRIFICATION ADMINISTRATION
DETAILS OF MAINTENANCE AND OTHER OPERATING EXPENSES, FY 2015 - 2017
(In Thousand Pesos)

PARTICULARS	2015 AUDITED	2016 ESTIMATE	2017 PROPOSED
Travelling Expenses	15,394	61,420	20,000
Training and Seminar	13,513	17,000	15,000
Supplies and Materials	7,553	17,000	8,013
Gasoline, Oil and Lubricants	1,303	2,749	1,400
Water, Illumination and Power Service	9,582	16,953	12,000
Communication Services	6,287	11,629	6,670
Membership dues and contributions to organizations	39	-	-
Advertising	560	383	410
Printing and Binding	418	458	443
Rents/Lease	887	1,400	941
Publications, Books & Subscriptions	218	450	231
Professional Services	47,261	80,250	77,111
Repair and Maintenance	14,614	9,037	9,670
Grants, Subsidies and Contributions	4,210,765	4,888,794	1,823,795
Loan Repayments/Sinking Fund Contribution	124,727	62,784	22,456
Representation (EME)	340	602	644
Taxes, Insurance Premium and Other Fees	385,095	268,540	151,844
Losses/Depreciation/Depletion a/	19,187	22,081	19,379
Miscellaneous Expenses	4,090	7,173	5,000
Other Maintenance and Operating Expenses	652	200	214
Financial Expenses	53,496	3,816	366
TOTAL MOOE	4,915,981	5,472,719	2,175,587

a/ This is a non-cash expense account, therefore, not included in the Sources and Uses of Funds by Expense Class

Table 1.1.g
 NATIONAL ELECTRIFICATION ADMINISTRATION
 DETAILS OF CAPITAL OUTLAYS, FY 2015 - 2017
 (In Thousand Pesos)

PARTICULARS	2015 AUDITED	2016 ESTIMATE	2017 PROPOSED
Loans Outlay	2,634,772	2,800,000	3,525,000
Office Furniture, Fixtures and Equipment	2,834	21,293	3,023
Transportation Equipment Outlay	3,351	5,000	-
Information Technology Equipment Outlay	1,744	46,340	22,440
TOTAL CAPITAL OUTLAYS	2,642,701	2,872,633	3,550,463

Table 1.1.h
 NATIONAL ELECTRIFICATION ADMINISTRATION
 COMPARATIVE CASH FLOW STATEMENT, FY 2015 - 2017
 (In Thousand Pesos)

PARTICULARS	2015 AUDITED	2016 ESTIMATE	2017 PROPOSED
Cash flows from operating activities			
Collection of receivables	2,408,316	2,605,079	2,389,898
Receipt of government subsidy	4,210,765	4,888,794	1,823,795
Receipt of Trust Liabilities	8,600	-	-
Other cash receipts	191,192	128,777	104,880
Payment for Personnel Services	(247,066)	(292,389)	(386,031)
Payment for MOOE	(103,987)	(275,505)	(209,964)
Release of loans to ECs	(2,634,772)	(2,800,000)	(3,025,000)
Release of Guarantee to ECs	-	-	(500,000)
Grant of Subsidies	(5,439,643)	(4,888,794)	(1,823,795)
Payment for accrued expenses	(15,703)	-	-
Other cash payments	(43,425)	-	-
Net cash flow from operating activities	(1,665,723)	(634,038)	(1,626,217)
Cash flows from investing activities			
Purchase of property, plant and equipment	(7,929)	(72,633)	(25,463)
Net cash flow from investing activities	(7,929)	(72,633)	(25,463)
Cash flows from financing activities			
Repayment of loan	(130,195)	(66,600)	(22,822)
Payment of Corporate Income Tax	(171,638)	(96,956)	(37,360)
Remittance of Dividend to NG	(203,976)	(122,783)	(62,267)
Net cash flow from financing activities	(505,809)	(286,339)	(122,449)
Net increase/(decrease) in cash and cash equivalents	(2,179,461)	(993,010)	(1,774,129)
Cash and cash equivalents, beginning of the year	10,645,751	8,466,290	7,473,280
Cash and cash equivalents, end of the year	8,466,290	7,473,280	5,699,151

Table 1.1.i
 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				34,589	69,343		1,110	105,042	34,589	69,343		1,110	105,042
2. Support to Operations				130,945	262,511		4,202	397,658	130,945	262,511		4,202	397,658
3. Operations				81,532	163,450		2,617	247,599	81,532	163,450		2,617	247,599
4. Locally-funded Projects Rural Electrification	5,439,643		5,439,643				2,634,772	2,634,772				2,634,772	8,074,415
5. Debt Servicing Loan Repayment					124,727	5,468		130,195		124,727	5,468		130,195
6. Others					43,425			43,425		43,425			43,425
TOTAL	5,439,643		5,439,643	247,066	663,456	5,468	2,642,701	3,558,691	247,066	6,103,099	5,468	2,642,701	8,998,334

Table 1.1.j
 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	MOOE	FINEX	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL
1. General Administration and Support				40,935	69,334		10,169	120,438	40,935	69,334		10,169	120,438
2. Support to Operations				152,042	257,527		37,769	447,338	152,042	257,527		37,769	447,338
3. Operations				99,412	168,383		24,695	292,490	99,412	168,383		24,695	292,490
4. Locally-funded Projects Rural Electrification	4,888,794		4,888,794				2,800,000	2,800,000		4,888,794		2,800,000	7,688,794
5. Debt Servicing Loan Repayment					62,784	3,816		66,600		62,784	3,816		66,600
TOTAL	4,888,794		4,888,794	292,389	558,028	3,816	2,872,633	3,726,866	292,389	5,446,822	3,816	2,872,633	8,615,660

Table 1-41.k
 NATIONAL ELECTRIFICATION ADMINISTRATION
 SOURCES AND USES OF FUNDS By Expense Class, FY 2017
 (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				54,045	43,342		3,565	100,952	54,045	43,342		3,565	100,952
2. Support to Operations				189,155	151,700		12,477	353,332	189,155	151,700		12,477	353,332
3. Operations				142,831	114,549		9,421	266,801	142,831	114,549		9,421	266,801
4. Locally-funded Projects Rural Electrification	1,823,795		1,823,795				3,525,000	3,525,000		1,823,795		3,525,000	5,348,795
5. Debt Servicing Loan Repayment					22,456	366		22,822		22,456	366		22,822
TOTAL	1,823,795		1,823,795	386,031	332,047	366	3,550,463	4,268,907	386,031	2,155,842	366	3,550,463	6,092,702

NATIONAL ELECTRIFICATION ADMINISTRATION

SPECIAL PROVISIONS, FY 2017

1. Approval of the FY 2017 Corporate Operating Budget of the National Electrification Administration under R.A. No. 7638. The FY 2017 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, N.B.C. No. 446 dated November 24, 1995, as amended by N.B.C. 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 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, E.O. No. 203, s. 2016, Corporate Compensation Circular No. 10 dated February 15, 1999, and Memorandum Order No. 20, s. 2001.

In addition, the amount of One Hundred Thirty Million Three Hundred Sixty Three Thousand Pesos (P130,363,000) shall be used exclusively for the implementation of the Compensation and Position Classification System and other salary adjustment as may be approved by the President.

4. Payment of Terminal Leave, Separation and/or Retirement Benefits. Payment of terminal leave, separation and/or retirement benefits shall be computed in accordance with the rates, conditions and procedure prescribed under applicable laws and guidelines issued thereon.

The amounts of Sixteen Million Four Hundred Sixty Seven Thousand Pesos (P16,467,000) and Two Million Pesos (P2,000,000) shall be used exclusively for the payment of terminal leave and separation benefits, respectively, to the affected NEA personnel based on the list submitted by the NEA to the DBM. In no case shall said amount be used to pay affected personnel who are eligible to receive separation and/or retirement benefits under applicable laws.

5. 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; and

(b) 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 Speaker of the House of Representatives, and the President of the Senate of the Philippines, 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.

6. Augmentation Beyond the Approved Corporate Operating Budget. The NEA Board of Administrators 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 fund 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 allocation be augmented beyond the total amount approved in this Act.

7. 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.

8. 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.

9. 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 suppliers, contractors or consultant; (v) major programs and projects categorized in accordance with the five key result 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 project; and (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 the 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.