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

Corporate Government Audit Sector
CLUSTER 3 – PUBLIC UTILITIES

June 21, 2024

THE BOARD OF DIRECTORS

Philippine Postal Corporation
Central Mail Exchange Center
Domestic Road, Pasay City

Dear Members of the Board:

Pursuant to Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines, we transmit herewith our report on the results of the audit of the accounts and transactions of the **Philippine Postal Corporation (PHLPost)** for the years ended December 31, 2023 and 2022.

The report consists of the Independent Auditor's Report, Audited Financial Statements, Audit Observations and Recommendations, and Status of Implementation of Prior Year's Audit Recommendations.

The Auditor rendered an adverse opinion on the fairness of presentation of the financial statements of PHLPost due to the following:

1. The Intra-Agency Payables account with a balance of P1.212 billion and P1.155 billion, as restated, as at December 31, 2023 and 2022, respectively, pertain to the balance of P1.170 billion and P1.015 billion as at reporting dates, respectively, of the reciprocal accounts Due to Central Office and Due from Area Offices that remained unreconciled and not eliminated, which does not conform to the fair presentation requirement of International Public Sector Accounting Standard (IPSAS) 1 - *Presentation of Financial statements*. Also included under the account are non-reciprocal accounts amounting to P42.439 million and P145.150 million as at December 31, 2023 and 2022, respectively. Had these balances been reconciled and eliminated, the Intra-agency Payables of P1.212 billion and P1.155 billion as at December 31, 2023 and 2022 would have been closed as at reporting dates and adjustments to the related assets, liabilities, income and expenses been recognized in the books.
2. The Cash in Bank carried in the books at P1.849 billion and P2.182 billion as at December 31, 2023 and 2022 includes unadjusted book reconciling items, mostly pertaining to prior years' transactions totaling P1.157 billion and P1.246 billion as at December 31, 2023 and 2022. Due to absence of sufficient details and documents on the book reconciling items for adjustment, we were unable to determine the appropriate adjustments to the Cash in Bank account as at December 31, 2023 and 2022.
3. The Property, Plant, and Equipment (PPE) account with carrying amounts of P2.057 billion and P2.111 billion as at December 31, 2023, and 2022, respectively, were not faithfully represented in the financial statements, contrary to IPSAS 1 and IPSAS 17 - *Property, Plant and Equipment* because of the following: (a) inclusion of land assets valued at P1.068 billion and P1.231 billion as at December 31, 2023 and 2022, respectively, without transfer certificates of title or legal documents; (b) inclusion of land assets amounting to P144.358 million tagged as lots occupied by

others or titles under the name of private individuals; (c) derecognition and recognition of land assets in the books costing P53.193 million and P48.634 million, respectively, without supporting documents; (d) unreconciled discrepancy of P1.537 billion and P1.781 billion as at December 31, 2023, and December 31, 2022, respectively, between the accounting records and physical inventory report; and (e) unrecognized valuation of buildings of undetermined amount due to absence of supporting documents. Due to the absence of documents and sufficient details to support the recognition of properties and the reconciliation of variances, we were unable to obtain sufficient appropriate evidence, nor were we able to apply alternative procedures to determine the balance of PPE that should have been recognized as at December 31, 2023 and 2022.

Also, the PPE items gutted by fire on May 21, 2023 was not yet derecognized from the books as at December 31, 2023. Because of the absence of complete physical inventory report and reconciliation between the accounting and property records, we were unable to determine the appropriate adjustment to derecognize the said properties from the balance of PPE as at December 31, 2023.

4. The balance of Accounts Payable-Mail Remunerations (AP-MR) under Financial Liabilities amounting to P862.509 million and P954.899 million as at December 31, 2023 and 2022, respectively, were not properly revalued at year-end contrary to IPSAS 4 – *The Effects of Changes in Foreign Exchange Rates*. Further, correctness of the derecognized value of settled payables either through direct payment or offsetting from receivables could not be verified because of unavailability of complete subsidiary ledgers. Due to the absence of updated and reliable subsidiary ledgers of MP-MR account, we were unable to determine by alternative procedures any adjustments that might have been necessary in respect of the balance of AP-MR as at December 31, 2023 and 2022 and the appropriate adjustment to the balance of the related Gain or Loss on Foreign Exchange for the years then ended.

For the above observations which caused the issuance of an adverse opinion, we recommended that Management:

1. Require the Bookkeeping Division to analyze and reconcile with the Area Accountants the remaining balance of reciprocal accounts amounting to P1.170 billion and the non-reciprocal accounts totaling P42.439 million to reflect the correct balance of Intra-Agency Payables account.
2. Require the (a) Bookkeeping Division to record the current year's book reconciling items, analyze the recurring book reconciling items, and prepare the necessary adjusting entries duly supported with relevant schedules and reconciliation sheet; (b) Bookkeeping Division to submit the additional documents and schedules showing the breakdown of adjustments made to the long standing book reconciling items totaling P126.990 million; (c) Area Accountant of Postal Area 1 – NELA to analyze the accounts with negative balances and effect the necessary adjustments in its books, if warranted; (d) Accounting Department to expedite the enrollment of all its LBP bank accounts, including those in Postal Area Offices, to the LBP weAccess; and (e) Bookkeeping Division of the Head Office and the concerned Postal Area Offices to prepare monthly Bank Reconciliation Statements, including the accompanying schedules, within the prescribed period for preparation of BRSs.
3. Require the (a) Accounting Department, together with the Legal Department and Logistics and Property Management Department (LPMD) to: (i) reconstitute the TCT of 45 titled lands that were destroyed by fire with the Land Registration Authority; and secure the TCT of lands covered by Deed of Donations; and (ii) recover claim of ownership and control over the 109 land assets which are occupied by other entities and titled to private individuals, if possible; (b) Bookkeeping Division and LPMD to gather supporting documents on the recognition of 45 land assets costing P48.634 million and the derecognition of 38 land assets costing P53.192 million; (c) Inventory Committee to prepare a list or inventory of PPE items gutted by fire by comparing the CY 2022 RPCPPE with the RPCPPE as of November 2023 and determine the value of burned PPE items to be reconciled

with the balances per Accounting Records; (d) Bookkeeping Division and the Assets and Property Management Department (APMD) to: (i) reconcile the balances of burned PPE items per Accounting Records and per list or inventory of PPE items gutted by fire, and effect necessary entries to derecognize the burned PPEs; and (ii) reconcile the balances of remaining PPE in RPCPPE as of November 2023 with the Accounting Records and effect the necessary adjusting entries in the books or corrections in the RPCPPE, where appropriate; (e) Accounting Section of Postal Area 1 - NELA and Postal Area 8 - CEMA to secure sufficient documents to support the recognition of buildings that have met the recognition criteria for PPE; (f) Accounting Section of Postal Area 4 - SLA to reclassify PPE items with unit cost below P50,000.00 to Accumulated Surplus/(Deficit) account; and (g) Inventory Committee of Postal Area 2 -NWLA, Postal Area 4 - SLA and Postal Area 9 - WEMA to conduct physical inventory taking.

4. Require the Bookkeeping Division to: (a) update and maintain subsidiary ledgers of each designated operator to monitor the movement of book values of payables which shall serve as the basis for the year-end revaluation of the AP-MR balance at each reporting date and for the proper derecognition of the settled AP-MR; and (b) analyze and reconcile the "for reconciliation" balance of P148.915 million and effect necessary accounting entries in the books.

The other audit observations together with the recommended courses of action, which were discussed by the Audit Team with concerned Management officers during the exit conference conducted on May 31, 2024, are presented in detail in Part II of the report.


In a letter of even date, we requested the Postmaster General of PHLPost to take appropriate actions on the recommendations contained in Parts II and III of the report and to inform this Commission of the actions taken thereon.

We acknowledge the support and cooperation that the Management extended to the Audit Team, thus facilitating the completion of the report.

Very truly yours,

COMMISSION ON AUDIT

By:


MARILYN C. BRIONES
Acting Director IV

Copy furnished:

The President of the Republic of the Philippines
The Vice President of the Republic of the Philippines
The President of the Senate
The Speaker of the House of Representatives
The Chairperson - Senate Finance Committee
The Chairperson - Appropriations Committee
The Secretary of the Department of Budget and Management
The Governance Commission for Government-Owned or Controlled Corporations
The UP Law Center
The National Library

PART I

AUDITED FINANCIAL STATEMENTS



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

Corporate Government Audit Sector
CLUSTER 3 – PUBLIC UTILITIES

INDEPENDENT AUDITOR'S REPORT

THE BOARD OF DIRECTORS

Philippine Postal Corporation
Magallanes Drive, Liwasang Bonifacio
Ermita, Manila

Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the financial statements of the **Philippine Postal Corporation (PHLPost)**, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of financial performance, statements of changes in net assets/equity, and statements of cash flows for the years then ended and statement of comparison of budget and actual amounts for the year ended December 31, 2023, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matters discussed in the *Bases for Adverse Opinion* section of our report, the accompanying financial statements do not present fairly the financial position of the PHLPost as at December 31, 2023, and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Bases for Adverse Opinion

The Intra-Agency Payables account with a balance of P1.212 billion and P1.155 billion, as restated, as at December 31, 2023 and 2022, respectively, pertain to the balance of P1.170 billion and P1.015 billion as at reporting dates, respectively, of the reciprocal accounts Due to Central Office and Due from Area Offices that remained unreconciled and not eliminated, which does not conform to the fair presentation requirement of International Public Sector Accounting Standard (IPSAS) 1 - *Presentation of Financial statements*. Also included under the account are non-reciprocal accounts amounting to P42.439 million and P145.150 million as at December 31, 2023 and 2022, respectively. Had these balances been reconciled and eliminated, the Intra-agency Payables of P1.212 billion and P1.155 billion as at December 31, 2023 and 2022 would have been closed as at reporting dates and adjustments to the related assets, liabilities, income and expenses been recognized in the books.

The Cash in Bank carried in the books at P1.849 billion and P2.182 billion as at December 31, 2023 and 2022 includes unadjusted book reconciling items, mostly pertaining to prior years' transactions totaling P1.157 billion and P1.246 billion as at December 31, 2023 and 2022. Due to absence of sufficient details and documents on the book reconciling items for

adjustment, we were unable to determine the appropriate adjustments to the Cash in Bank account as at December 31, 2023 and 2022.

The Property, Plant, and Equipment (PPE) account with carrying amounts of P2.057 billion and P2.111 billion as at December 31, 2023, and 2022, respectively, were not faithfully represented in the financial statements, contrary to IPSAS 1 and IPSAS 17 - *Property, Plant and Equipment* because of the following: (a) inclusion of land assets valued at P1.068 billion and P1.231 billion as at December 31, 2023 and 2022, respectively, without transfer certificates of title or legal documents; (b) inclusion of land assets amounting to P144.358 million tagged as lots occupied by others or titles under the name of private individuals; (c) derecognition and recognition of land assets in the books costing P53.193 million and P48.634 million, respectively, without supporting documents; (d) unreconciled discrepancy of P1.537 billion and P1.781 billion as at December 31, 2023, and December 31, 2022, respectively, between the accounting records and physical inventory report; and (e) unrecognized valuation of buildings of undetermined amount due to absence of supporting documents. Due to the absence of documents and sufficient details to support the recognition of properties and the reconciliation of variances, we were unable to obtain sufficient appropriate evidence, nor were we able to apply alternative procedures to determine the balance of PPE that should have been recognized as at December 31, 2023 and 2022.

Also, the PPE items gutted by fire on May 21, 2023 was not yet derecognized from the books as at December 31, 2023. Because of the absence of complete physical inventory report and reconciliation between the accounting and property records, we were unable to determine the appropriate adjustment to derecognize the said properties from the balance of PPE as at December 31, 2023.

Further, the balance of Accounts Payable-Mail Remunerations (AP-MR) under Financial Liabilities amounting to P862.509 million and P954.899 million as at December 31, 2023 and 2022, were not properly revalued at year-end contrary to IPSAS 4 – *The Effects of Changes in Foreign Exchange Rates*. Further, correctness of the derecognized value of settled payables either through direct payment or offsetting from receivables could not be verified because of unavailability of complete subsidiary ledgers. Due to the absence of updated and reliable subsidiary ledgers of MP-MR account, we were unable to determine by alternative procedures any adjustments that might have been necessary in respect of the balance of AP-MR as at December 31, 2023 and 2022 and the appropriate adjustment to the balance of the related Gain or Loss on Foreign Exchange for the years then ended.

As a result of these matters, we were unable to determine the necessary adjustments in respect of the balances of Intra-agency Payables, Cash in Bank, Property, Plant and Equipment and Financial Liabilities as at reporting dates, and the related elements making up the statements of financial performance, statements of changes in net assets/equity and statements of cash flows for the years ended December 31, 2023 and 2022.

We conducted our audits in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the PHLPost in accordance with the Revised Code of Conduct and Ethical Standards for Commission on Audit Officials and Employees (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements and

the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide bases for our adverse opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSASs, 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 PHLPost'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 PHLPost or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the PHLPost's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PHLPost's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the PHLPost's

ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the PHLPost to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 42 to the financial statements is presented for the purpose of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of Management. Because of the significance of the matters described in the Bases for Adverse Opinion paragraphs, it is inappropriate to, and we do not express an opinion on the supplementary information referred to above.

COMMISSION ON AUDIT

LIZA A. PERIDO
Supervising Auditor

June 10, 2024

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The Management of Philippine Postal Corporation (PHLPost) is responsible for the preparation and presentation of the financial statements including schedules attached therein, for the years ended December 31, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the PHLPost's ability to continue as 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 PHLPost or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing PHLPost's financial reporting process.

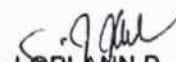
The Board of Directors reviews and approves the financial statements including the schedules attached therein and submits the same to the stakeholders and other users.

The Commission on Audit has audited the financial statements of the PHLPost in accordance with International Standards of Supreme Audit Institutions, and its report to the Board of Directors, has expressed its opinion on the fairness of presentation upon completion of such audit.

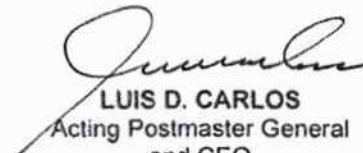

MICHAEL F. PLANAS

Chairman of the Board of Directors

05 June 2024
Date Signed


ATTY. LORI ANN D. ATAL
Assistant Postmaster General for
Administration and Finance

JUN 05 2024
Date Signed


LUIS D. CARLOS
Acting Postmaster General
and CEO

JUN 05 2024
Date Signed

**PHILIPPINE POSTAL CORPORATION
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023 AND 2022**

	<u>NOTE</u>	<u>2023</u>	<u>2022</u> (As Restated)
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	2,311,292,187	2,537,688,864
Receivables	6	4,340,055,763	3,832,390,363
Inventories	7	110,200,572	190,553,499
Other Investments	8	1,286,058,669	1,215,336,482
Other Current Assets	9	154,774,731	138,543,920
Total Current Assets		<u>8,202,381,922</u>	<u>7,914,513,128</u>
Non-Current Assets			
Investment in Subsidiaries	8	5,302,123	5,302,123
Financial Assets	8	0	50,000,000
Property, Plant, and Equipment	10	2,056,614,267	2,111,361,392
Intangible Assets	11	56,074,778	55,707,575
Deferred Tax Assets	12	181,356,146	180,134,292
Other Non-Current assets	13	473,990,449	465,715,620
Total Non-Current Assets		<u>2,773,337,663</u>	<u>2,868,221,002</u>
Total Assets		<u>10,975,719,685</u>	<u>10,782,734,130</u>
LIABILITIES			
Current Liabilities			
Financial Liabilities	14	2,123,042,372	2,313,600,055
Inter-Agency Payables	15	580,506,979	606,161,976
Intra-Agency Payables	16	1,212,036,988	1,155,485,532
Trust Liabilities	17	1,071,129,412	1,041,097,624
Deferred Credits/Unearned Revenue	18	76,792,154	63,783,512
Provisions	19	1,687,480,741	1,706,888,603
Other Payables	21	12,862,584	17,615,670
Total Current Liabilities		<u>6,763,851,230</u>	<u>6,904,632,972</u>
Non-Current Liabilities			
Financial Liabilities	14	100,000,000	0
Deferred Tax Liabilities	20	284,028,644	149,580,906
Other Payables	21	35,617,022	78,357,448
Total Non-Current Liabilities		<u>419,645,666</u>	<u>227,938,354</u>
Total Liabilities		<u>7,183,496,896</u>	<u>7,132,571,326</u>
Net Assets (Total Assets Less Total Liabilities)		<u>3,792,222,789</u>	<u>3,650,162,804</u>
NET ASSETS/EQUITY			
Government Equity	22	3,792,222,789	3,650,162,804
Total Net Assets/Equity		<u>3,792,222,789</u>	<u>3,650,162,804</u>

The notes on pages 12 to 62 form part of these statements.

PHILIPPINE POSTAL CORPORATION
STATEMENTS OF FINANCIAL PERFORMANCE
FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

	<u>NOTE</u>	<u>2023</u>	<u>2022</u> (As Restated)
Revenue			
Service and Business Income	23	2,549,203,319	3,234,481,650
Assistance/Subsidy	39	545,000,000	515,256,000
Shares, Grants and Donations		0	575,000
Total Revenue		<u>3,094,203,319</u>	<u>3,750,312,650</u>
Current Operating Expenses			
Personnel Services	25	1,532,369,946	2,016,415,248
Maintenance and Other Operating Expenses:	26	1,199,703,680	1,572,033,692
Financial Expenses	27	7,625,540	23,600,623
Direct Costs	28	2,605,433	2,848,096
Non-Cash Expenses	29	124,722,937	91,920,345
Total Current Operating Expenses		<u>2,867,027,536</u>	<u>3,706,818,004</u>
Surplus from Current Operations		<u>227,175,783</u>	<u>43,494,646</u>
Other Non-Operating Income	24	6,485,905	8,726,017
Gains	30	81,525,178	256,384,565
Losses	31	(180,114,761)	(192,842,416)
Net Surplus for the Period		<u>135,072,105</u>	<u>115,762,812</u>

The notes on pages 12 to 62 form part of these statements.

PHILIPPINE POSTAL CORPORATION
STATEMENTS OF CHANGES IN NET ASSETS/EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

	Accumulated Surplus/(Deficit)	Government Equity	Revaluation Surplus	Total
BALANCE AT JANUARY 1, 2022	1,972,938,431	3,199,742,410	190,239	5,172,871,080
ADJUSTMENTS				
Add/(Deduct):				
Changes in accounting policy	(13,392)			(13,392)
Prior period errors	(332,274,764)			(332,274,764)
Other adjustments	(642,590,415)			(642,590,415)
RESTATED BALANCE AT JANUARY 1, 2022	998,059,860	3,199,742,410	190,239	4,197,992,509
Changes in Net Assets/Equity for CY 2022				
Add/(Deduct):				
Surplus for CY 2022	115,762,812			115,762,812
Other Adjustments	(663,402,278)		(190,239)	(663,592,517)
BALANCE AT DECEMBER 31, 2022	450,420,394	3,199,742,410	0	3,650,162,804
Changes in Net Assets/Equity for CY 2023				
Add/(Deduct):				
Surplus for CY 2023	135,072,105			135,072,105
Other Adjustments	6,987,880			6,987,880
BALANCE AT DECEMBER 31, 2023	592,480,379	3,199,742,410	0	3,792,222,789

PHILIPPINE POSTAL CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u> (As Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Inflows		
Proceeds from Sale of Goods and Services	50,902,637	0
Collection of Revenue	1,215,153,868	1,908,267,460
Receipt of Assistance/Subsidy	545,771,932	535,839,929
Collection of Receivables	664,132,800	777,157,200
Receipt of Intra-Agency Fund Transfers	8,307,018,547	8,908,448,784
Trust Receipts	202,563,689	660,001,284
Other Receipts	11,531,396	43,057,254
Total Cash Inflows	10,997,074,869	12,832,771,911
Adjustments	1,190,141,853	490,478,128
Adjusted Cash Inflows	12,187,216,722	13,323,250,039
Cash Outflows		
Payment of Expenses	1,464,329,112	2,111,962,199
Purchase of Inventories	5,104,952	74,390,400
Grant of Cash Advances	207,267,007	249,105,984
Prepayments	54,885	11,698,941
Refund of Deposits	35,937	89,027
Payment of Accounts Payable	95,470,808	30,963,747
Remittance of Personnel Benefit Contributions and Mandatory Ded.	815,473,042	931,192,998
Release of Inter-Agency Fund Transfers	30,708,786	911,343,204
Release of Intra-Agency Funds	8,222,419,704	7,432,383,173
Other disbursements	471,467,724	490,059,748
Total Cash Outflows	11,312,331,957	12,243,189,421
Adjustments	1,182,911,912	722,292,147
Adjusted Cash Outflows	12,495,243,869	12,965,481,568
Net Cash Provided by/(Used in) Operating Activities	(308,027,147)	357,768,471
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Inflows		
Proceeds from Sale/Disposal of Property, Plant and Equipment	2,234,489	300,500
Receipt of Interest earned	5,063,922	3,294,832
Proceeds from Matured Investments/Redemption of Long-term Investment/Return on Investments	0	105,016,999
Total Cash Inflows	7,298,411	108,612,331
Cash Outflows		
Purchase/Construction of Property, Plant and Equipment	699,607	37,749,046
Purchase of Intangible Assets	0	2,037,214
Total Cash Outflows	699,607	39,786,260
Net Cash Provided by Investing Activities	6,598,804	68,826,071

PHILIPPINE POSTAL CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u> <u>(As Restated)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Inflows		
Proceeds from Domestic and Foreign Loans	100,000,000	0
Total Cash Inflows	<u>100,000,000</u>	<u>0</u>
Cash Outflows		
Payment of Long-Term Liabilities	40,178,724	82,791,978
Payment of Interest on Loans and Other Financial Charges	833,759	6,000,000
Payment of Cash Dividends	0	43,873,301
Total Cash Outflows	<u>41,012,483</u>	<u>132,665,279</u>
Net Cash Provided by/(Used in) Financing Activities	<u>58,987,517</u>	<u>(132,665,279)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(242,440,826)	293,929,263
Effects of Exchange Rate Changes on Cash and Cash Equivalents	16,044,149	11,813,828
Cash and Cash Equivalents, January 1	<u>2,537,688,864</u>	<u>2,231,945,773</u>
Cash and Cash Equivalents, December 31	<u>2,311,292,187</u>	<u>2,537,688,864</u>

PHILIPPINE POSTAL CORPORATION
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Particulars	Note	Budgeted Amounts		Actual Amounts on Comparable Basis	Difference Final Budget and Actual
		Original	Final		
RECEIPTS					
Revenue					
Revenue	3.19 & 23	5,135,732,000	5,135,732,000	2,549,203,319	2,586,528,681
Subsidy from the National Government	3.19 & 39	545,000,000	545,000,000	545,000,000	0
Other Non-Operating Income	3.19 & 24	0	0	6,485,905	(6,485,905)
Gains	3.19 & 30	0	0	81,525,178	(81,525,178)
Losses	3.19 & 31	0	0	180,114,761	(180,114,761)
Total Receipts		5,680,732,000	5,680,732,000	3,002,099,641	2,318,402,837
PAYMENTS					
Personnel Services	3.19 & 25	2,314,167,451	2,063,137,538	1,532,369,946	530,767,592
Maintenance and Other Operating Expenses	3.19 & 26	2,744,711,466	2,467,386,380	1,199,703,680	1,267,682,700
Financial Expenses	3.19 & 27	2,805,000	2,850,000	2,394,334	455,666
Other Financial Charges	3.19 & 27	0	0	5,231,206	(5,231,206)
Capital Expenditures	3.19	619,047,805	566,880,082	8,501,121	558,378,961
Total Payments		5,680,731,722	5,100,254,000	2,748,200,287	2,362,053,713
NET RECEIPTS/PAYMENTS		278	580,478,000	253,899,354	(33,650,876)

The notes on pages 12 to 62 form part of these statements.