



SUBIC BAY METROPOLITAN AUTHORITY

Building 229 Waterfront Road Subic Bay Freeport Zone

Telephone nos. (047)252-4888/4422/4153 Fax No.: (047)252-4426

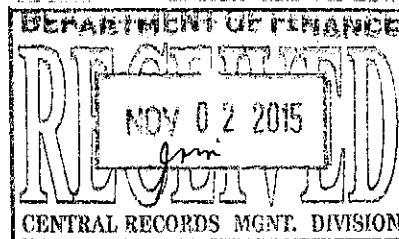
Website: www.sbma.com



Certificate Number: AJA13/16628

October 29, 2015

HON. FLORENCIO B. ABAD
Secretary
Department of Budget and Management
Malacañang, Manila



Dear Secretary Abad:

Pursuant to Section 19, Chapter 6, Book VI of Executive Order 292, Series 1987, we are pleased to submit the proposed budget for CY 2016 of the Subic Bay Metropolitan Authority (Annex A), as approved by the Board of Directors under Resolution Number 15-10-5567 on October 28, 2015. The Corporate Operating Budget Summary is as follows:

	Amount (in Php '000)					Percentage In/c -Dec
	2014 Actual	2015 Estimates	2016 Proposal			
			SBMA	NG	TOTAL	
A. SOURCES OF FUNDS						
INTERNALLY GENERATED FUNDS	3,738,839	3,891,299	4,303,532	1,250,751	5,554,283	43%
Corporate Income	2,035,377	1,844,778	2,163,548	-	2,163,548	17%
Other Income	41,673	50,070	50,155	-	50,155	0%
Proceeds from Investment and Advance:	195,727	-	-	-	-	-
Advance Rent/ Security Deposit - Locati	313,263	-	306,758	-	306,758	100%
Subsidy to National Government	-	-	-	1,250,751	1,250,751	100%
Beginning Cash Balance	1,152,799	1,996,451	1,783,071	-	1,783,071	-11%
BORROWINGS	762,390	105,884	-	-	-	-100%
Local	762,390	105,884	-	-	-	-100%
Foreign	-	-	-	-	-	-
TOTAL SOURCES	4,501,228	3,997,184	4,303,532	1,250,751	5,554,283	39%

B. USES OF FUNDS

Personal Services	412,604	528,077	933,736	-	933,736	77%
MOOE (Net of Bad Debts & Dep'n)	692,338	652,888	1,069,633	-	1,069,633	64%
Capital Outlay	24,334	63,675	580,536	-	580,536	812%
a. Locally Funded	7,172	8,512	92,335	-	92,335	985%
b. Equipment Outlays	15,003	21,861	364,545	-	364,545	1568%
c. IT Outlays	2,159	33,302	123,655	-	123,655	271%
Debt Service (Principal Repayment)	762,390	301,136	523,627	-	523,627	74%
Dividend to National Government	243,067	437,760	667,149	-	667,149	52%
Leave Monetization (PY Obligation)	19,748	14,000	20,000	-	20,000	43%
Power Charges to HHIC-Phils.	-	-	-	1,250,751	1,250,751	100%
TOTAL USES	2,503,967	1,997,536	3,794,680	1,250,751	5,045,431	153%
SURPLUS/(DEFICIT)	1,997,262	1,999,647	508,852	-	508,852	-75%

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C. PERSONAL SERVICES COMPONENTS

	<u>Number</u>	<u>Amount</u> <u>(in Php '000)</u>
1. Plantilla Positions	1,495	922,216
2. BOD Per Diem	15	11,520
TOTAL	<u>1,510</u>	<u>933,736</u>

D. MAINTENANCE AND OTHER OPERATING EXPENSES (MOOE)

	<u>Amount</u> <u>(in Php '000)</u>
1. For General Administration and Support Services	902,471
2. Promotion of Subic Bay Freeport Zone	35,365
3. Subsidy to Aeta Community	18,055
4. Financial Charges – Interest/Guarantee Fees	113,742
TOTAL	<u>1,069,633</u>

E. CAPITAL EXPENDITURES

	<u>Amount</u> <u>(in Php '000)</u>
1. Locally Funded Projects	92,335
2. IT Outlays	123,655
3. Equipment Outlays	364,546
TOTAL	<u>580,536</u>

F. BUDGET SAVINGS

Management shall institute measures to generate savings whenever revenues fall below targets. Such measures shall include the imposition of reserve and implementation of austerity programs. The budget savings shall be used to accommodate emergency purchases of equipment or undertaking of unforeseen projects and other requirements that are generally chargeable against savings. The latter refers to Presidential pronouncements on the grant of additional personal benefits, payments of prior year's unrecorded obligations, special counsel allowances and other similarly situated transactions.

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G. GENERAL OBJECTIVES

To help our investors become globally competitive and improve the quality of life of residents and neighbors from nearby municipalities through the establishment of world-class infrastructure and support services, the following shall be the corporate priorities for the budget year:

1. **Market and Promotions.** Additional source of revenue through development of new areas for lease, cost recovery measure, and development of the Freeport as a prime tourist spot.
2. **Physical Development:** Optimize land use plan, Improvement of infrastructure, Acquisition of Vehicles and Enhancement of IT Infrastructure.
3. **Good governance:** Enhancement of processes, improvement of database systems, and improvement of security capacity to safeguard properties and assets.
4. **Competitive cost of doing business:** Energy conservation measures and benchmarking of regulatory and public procedures and fees.
5. **Financial Strength:** Enterprise wide risk management, enhancement of credit & collection and maximizing Seaport operation.
6. **Organizational Development:** Quality Management System, training of key personnel, and filling up of essential vacant plantilla positions.

Thank you.

Very truly yours,


ROBERTO V. GARCIA
Chairman & Administrator

