

OPERATING HIGHLIGHTS

For CY-2015, the Agency continued the operations of the following projects: SPDA Koronadal Business Center in Koronadal City; SPDA Pikit Ice Plant in Pikit North, Cotabato; SPDA Vitali Fishpond Estate in Zamboanga City, Region IX; SPDA Integrated Solar Salt and Fish Farm Project and the SPDA Bonbon Agricultural Development Project in Bonbon, Butuan City, CARAGA Region.

Operations of the projects in the areas of Cotabato and ARMM continued to operate despite power disruptions where the SPDA Korondal Business Center and SPDA Pikit Ice Plant Project are located. The total actual revenue of the Koronadal Business Center was P 3,259,442.65 which is only 56.71% of the total target revenue of P 5,747,275.00 for the year.

The Ice Plant facility in North, Cotabato is currently managed and operated by a private partner, ITM Enterprises. The project is still being operated under a new management contract with an annual guaranteed income of P 350,000.00.

The SPDA Vitali Fishpond Project currently intends to pursue the joint venture undertaking with any private company in producing aqua products like bangus and prawn within the 67-hectare production areas. Likewise, the Authority will enhance the operations and management of the project to maximize profitability and explore other potential aquaculture venture in the area aimed to increase revenue.

The Authority effected the conversion of usage of the SPDA Integrated Solar Salt and Fish Farm Project from salt production to aquaculture production considering the unpredictable weather conditions in the region. Maintenance of the projects facilities is being undertaken by project personnel.

The activities leading to the development of the SPDA Bonbon property into housing was held in abeyance pending the result of the Bangsamoro Basic Law as was directed also by the SPDA Board during its meeting held last January 30, 2015. The maintenance of the project's facilities is currently being undertaken by project personnel in the area.

Operational details of the on-going projects/activities are as follows:

SPDA KORONADAL BUSINESS CENTER
Koronadal City
SOCOSKARGEN



For the CY-2015, the project shall continue the rental of commercial spaces of the commercial building 1, continue to operate the 18-units business inn and social hall and function rooms/events centers. Aggressive marketing and promotion strategies of the facilities have been pursued and tie-ups with government offices and private institutions for the holding of special events and functions within the SPDA Business Center. The project attained total actual revenue of P 3.259 million of the total target revenue of P 5.747 million with an attainment rate of 56.71%.

The hotel's/business inns for the year generated P 1,733,034.00 income revenue against the target revenue of P 2,679,360.00 with an attainment rate of 64.68% with a 4,485 total number of clients checking in. The commercial building generated P 1,177,609.65 on revenues or 54.56% attainment rate against the total revenue of P 2,158,485 of office rentals for a total of 9 clients for the year. The second floor has been vacant for quite some time that attributed to the non-attainment of targets. Catering services and canteen operations revenue of P 201,749.00 with an attainment rate of 43.91% of the target of P 459,430.00 with an actual number of clients served for the catering services is only 2,821 persons.

Function Hall/Social Hall attainment rate of 32.68% of revenue or an actual total revenue of P 147,050.00 from the target revenue of P 450,000.00 as of the third quarter for the year with an actual number of clients served is at an average of 30 persons served per function. Moreover, the Agency is also currently working out the property acquisition of Lasedeco Lot No. 991-A, Csd-12008906-D containing an area of 7,516 square meters at P 840.00/ square meters as per evaluation by the Privatization and Management Office (PMO).

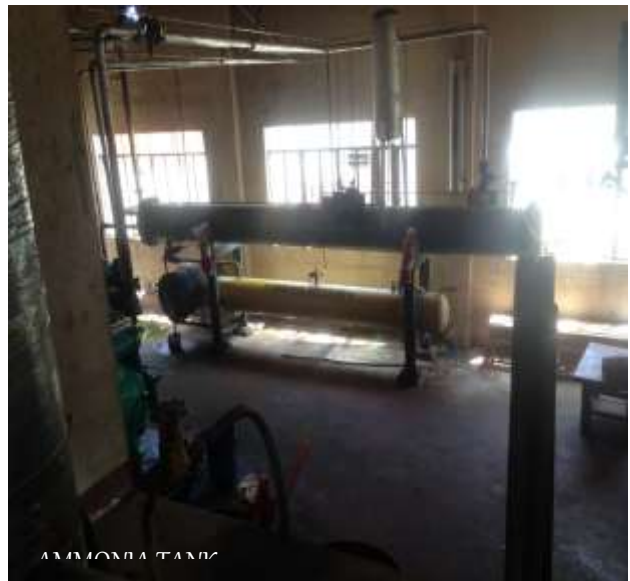


SPDA PIKIT ICE PLANT **Pikit, North Cotabato** **Region XII**



For the CY-2015, with the rehabilitation of some equipment undertaken last year, ice production improved and lesser production breakdown was encountered. With the improvements, the Authority entered into a renewed contract with a slightly higher guaranteed income from the private partner operator, the ITM Enterprises of Pikit, North Cotabato where the project is located at P350,000 per annum compared to the previous remittance of P250,000.

Total remittance from the partner amounted to 100% of the guaranteed income for the year.



SPDA VITALI FISHPOND ESTATE **Vitali, Zamboanga City** **Region IX**

For CY-2015, maintenance of the corporate fishpond area and pangasius live stock was undertaken by project personnel. The Authority intends to pursue the joint venture undertaking with any private company in producing aqua products like bangus and prawns within the 67-hectare production areas. Likewise, the Authority will enhance the operations and management of the project to maximize profitability and explore other potential aquaculture venture in the area aimed to increase revenue.



Portion of SPDA VFE at Zone 9 in Sitio Tindalo retained by SPDA as part of its 67-hectare corporate area.

SPDA is one of the agencies included in the proposed Bill and the Annex on Wealth Sharing. SPDA has proposed this 1,200-hectare fishpond project to be one of the possible areas for development and investment under the Bangsamoro specifically for aquaculture halal production and processing.

SPDA INTEGRATED SOLAR SALT AND FISH FARM PROJECT **Alubijid, Misamis Oriental** **Region X**



Pump House located at Sea Shore.



Administrative Building, facing the Fish Pond.

For the calendar year, the maintenance of the project facilities was undertaken by the project personnel. The Authority also effected the conversion of the property from salt production to aquaculture production considering the unpredictable weather conditions in the region.

PROPOSED DEVELOPMENT OF THE SPDA BONBON, BUTUAN CITY PROPERTY FOR HOUSING



For the CY-2015, the Authority continued the mango and rice production while scouting for prospective land developer under Joint Venture Undertaking for the redirection of the property usage into a Housing Project. The project generated a total of P 268,000 shares of proceed from the mango and rice production. Maintenance of the project facilities in the area was also undertaken.

OTHER DEVELOPMENTS AND ACTIVITIES ACCOMPLISHED

SPDA PROPERTY MANAGEMENT AND DISPOSITION

SPDA PROPERTIES IN ZAMBOANGA CITY

1. SPDA RIO HONDO AND MARIKI PROPERTIES

One of the areas affected by the Zamboanga City crisis last September 9, 2013 brought about by the MNLF attack which rendered the residents of Mariki and Rio Hondo homeless is the property placed under the disposition of SPDA in the 1970s.

In 1975, a project known as Sahaya Village was established in Mariki, then a sitio of Barangay Rio Hondo, Zamboanga City, by the government through the Southern Philippines Development Authority (SPDA) pursuant to Presidential Proclamation No. 1458 and letter of Instructions 481. Said project triggered the exodus of people from the neighboring provinces into Mariki and due to its ideal geographical location and by virtue of the fact that Zamboanga city is the center of commerce and host to prominent educational institutions, many opted to establish residency in the area not only for economic reasons but foremost, the education of their children.

This reality propelled Mariki into a full pledge Barangay after satisfying all the basic requirements for the establishment of the same, particularly in terms of population, income and geographical size. Such creation was likewise in pursuance of PP 1458 AND LOI 481.



Pictures of the destruction and situation prevailing within Mariki and Rio Hondo during the aftermath of the Zamboanga siege.



Site inspection of the Rio Hondo and Mariki properties in Zamboanga City and coordination with NHA Region IX undertaken by SPDA officers from the Main Office

Last April 2015, the Group Manager of the Mindanao Management Office of the Central Office of the National Housing Authority, Architect Maria Alma T. Valenciano and Engineer Indanan of the Region IX NHA met with the SPDA Administrator and officers to discuss the collaboration proposed for the Rio Hondo 5.2316 hectares property to be developed as settlement for the affected residents of the area. A Memorandum of Agreement is being finalized by NHA Central Office in coordination with their Region IX office for the terms of the collaboration.

2. SPDA PROPERTY IN PASOBOLONG, ZAMBOANGA CITY

The Pasobolong property is a subject of negotiation for the road construction of DPWH which will pass through portion of the SPDA property. The survey of the property has been finalized by DPWH and follow-ups on the compensation to SPDA are being pursued with DPWH Regional Office IX.



SPDA PROPERTY IN CATITIPAN, DAVAO CITY

Subject property has been subjected to the Community Land Acquisition Support Program of the National Housing Authority. The assistance of the Office of the Government Corporate Counsel (OGCC) was sought by the Agency for some of the settlers who have not paid their accounts despite negotiated agreements made. The OGCC has written the recalcitrant members (those who did not make any payments) through the association to settle their obligations otherwise vacate the premises within thirty days. Following this, legal cases to about ten (10) members who have not fully settled their obligations after the grace period are being prepared by OGCC.

On the other hand, SPDA has also sent out demand notices to the association to update their obligations as they are long in default in payments per the MOA and Conditional Contract to Sell. A letter notice informing the association that the contract is expiring on July 8, 2015 was sent out to the association on June 8, 2015. The association has requested the Office of the President to intercede on their

behalf to extend their repayment period for another two years. CAHOA for their part has not formally written SPDA on this request. A cancellation of the contract is being prepared by SPDA legal to be forwarded to CAHOA upon the expiration of the contract.

- SPDA conducted an Interagency Meeting with Housing and Urban Development Coordinating Council (HUDCC), National Housing Authority Regional Office XI (NHA XI), Social Housing Finance Corporation (SHFC), representatives of the Office of Congresswoman Mylene Garcia-Albano (Second District, Davao City) and Catitipan Homeowners Association (CAHOA) officers last August 4, 2015 held in Linmarr Apartelle, Davao City.



- SPDA, Catitipan Homeowner's Association, Inc. (CAHOA) and Communities Davao, Inc. (Camella) signed the **Agreement of Easement of Right of Way** and the **Deed of Assignment and Transfer of Rights** last August 19, 2015 held in SPDA Conference Room, Davao City.



SPDA PROPERTY IN VALENCIA, BUKIDNON

The informal settlers' association, the Northern Valencia Homeowners Association Inc. (NOVAHAI) has conveyed their interest to purchase the property from SPDA. Subject property is covered by Executive Order 98 which directed SPDA to allocate subject property for socialized housing. Total area is 1.6137 hectares. Negotiation is on-going between SPDA and NOVAHAI.



SPDA MARAWI ICE PLANT

Inspection and inventory of the Marawi Ice Plant was undertaken in June 2015 by SPDA Administrative officers and staff.



SPDA'S INCLUSION IN THE SIGNED ANNEX ON REVENUE GENERATION AND WEALTH SHARING OF THE COMPREHENSIVE AGREEMENT ON THE BANGSAMORO AND THE PROPOSED BANGSAMORO BASIC LAW

The Agency continue to coordinate with the Bangsamoro Development Agency (BDA) and the Bangsamoro Transition Commission for mainstreaming of SPDA in the Bangsamoro plans. The BDA is also an implementing arm of the MILF programs and projects in coordination with the World bank and JICA and the Mindanao Trust Fund Program. Pending the approval of the Bangsamoro Basic Law which is still being deliberated upon by both Congress and Senate, the Agency will keep abreast of the developments and continue planning and coordination.

*Article XII Section 30 of House Bill No. 4994 which states that the "**Southern Philippine Development Authority (SPDA)** and Al-Amanah Islamic Investment Bank. – Within six (6) months from the establishment of the BTA, the Intergovernmental Fiscal Policy Board shall determine the participation of the Bangsamoro in the ownership and management of Al-Amanah Islamic Investment Bank of the Philippines and the **Southern Philippines Development Authority (SPDA)** as provided in P.D. 690 as amended by P.D. 1703 and the mode of transfer of ownership to the Bangsamoro Government."*



- October 15, 2015, the SPDA Administrator and officials traveled to Camp Darapanan for consultation with **MILF Chairman AL HAJ MURAD EBRAHIM**.

FINANCIAL HIGHLIGHTS

SPDA BUDGETARY PROPOSAL FOR CY-2016 was submitted to DBM and underwent budget hearing last March 2015. The total approved budgetary appropriation for CY-2015 is P42.030 million which is lower by 19.235% compared to the approved appropriated amount of P52.040 million in CY-2014. The Congress Committee on Appropriation and Senate Committee on Finance chaired by Senator Francis Escudero approved SPDA's budget of P42.030 million for CY-2015 after the budget hearings.



SPDA officers during the technical budget review with DBM Bureau F at the DBM Head Office in Manila

Revenues and other income generated for CY-2015 consisted of rental income of P1,254,528.00 from the one-unit SPDA Makati condominium which is being rented by World Logistics and P 354,000.00 for the SPDA Zamboanga City Veterans Avenue property; guaranteed income collections from the ITM Enterprises for the operation of the ice plant in the amount of P350,000; collections/payments from the SPDA Catitipan property subjected to the housing program in the amount of P 9,112,500.00 taken up under Other Income and the revenue from the SPDA Koronadal Business Center amounting to P 3,259,442.65.

The results of the Bangsamoro Basic Law still pending with the Congress and Senate has held some of the proposed programs and plans particularly those with proposed private partnership and new directions in abeyance which are target potential revenue generating activities for the Agency.

FINANCIAL HIGHLIGHTS

BALANCE SHEET							
ASSETS	2015 (PRELIMINARY)		2014 (AUDITED)		INCREASE/ (DECREASE)	%	
CURRENT ASSETS	P	57,841,592.57	P	41,785,261.75	P	16,056,330.82	38.426%
PROPERTY, PLANT AND EQUIPMENT		78,082,129.80		78,475,996.88		(393,867.08)	-0.502%
OTHER ASSETS		0.00		0.00		0.00	0%
INVESTMENTS		11,212,422.77		11,212,422.77		0.00	0%
TOTAL ASSETS	P	147,136,145.14	P	131,473,681.40	P	15,662,463.74	11.913%
LIABILITIES AND EQUITY							
CURRENT LIABILITIES	P	20,306,620.78	P	6,651,824.78	P	13,654,796.00	205.279%
LONG TERM LIABILITIES		0.00		169,354.80		(169,354.80)	-100%
TOTAL LIABILITIES	P	20,306,620.78	P	6,821,179.58	P	13,485,441.20	197.70%
TOTAL EQUITY	P	126,829,524.36	P	124,652,501.82	P	2,177,022.54	1.746%
TOTAL LIABILITIES AND EQUITY	P	147,136,145.14	P	131,473,681.40	P	15,662,463.74	11.913%

Current assets increased by 38.426% due to the adjustment of the account receivables from CY-2014 to CY-2015. Current liabilities also increased in CY-2015 by 205.279% due to the accounts receivables compared to CY-2014.

STATEMENT OF REVENUES AND EXPENSES **As of CY-2015 AND CY-2014**

		2015 (PRELIMINARY)	2014 (AUDITED)	INCREASE/ (DECREASE)	%
SUBSIDY RELEASES	P	42,030,000.00	P 52,040,000.00	P (10,010,000.00)	-19.235%
TOTAL SUBSIDY INCOME	P	42,030,000.00	P 52,040,000.00	P (10,010,000.00)	-19.235%
EXPENSES:					
PERSONAL SERVICES	P	28,093,769.86	P 26,057,474.61	P 2,036,295.25	7.815%
MAINTENANCE AND OTHER OPERATING EXPENSES		28,160,680.20	30,749,150.06	(2,588,469.86)	-8.418%
FINANCIAL EXPENSES		30,623.63	15,600.00	15,023.63	96.305%
TOTAL CURRENT OPERATING EXPENSES	P	56,285,073.69	P 56,822,224.67	P (537,150.98)	-0.945%
SURPLUS/ (DEFICIT)	P	(14,255,073.69)	P (4,782,224.67)	P 9,472,849.02	198.147%
ADD: REVENUES AND OTHER INCOME	P	14,537,112.44	P 6,372,157.37	P 8,164,955.07	128.135%
LESS: COST OF SALE SKBC	P	1,633,068.45			
NET SURPLUS/ (DEFICIT)	P	(1,351,029.70)	P 1,589,932.70	P 2,940,962.40	184.974%

Subsidy support from the National Government decreased by 19.235% in CY-2015 compared to CY-2014. Personal Services Expenses decreased by 7.815% from CY-2014 to CY-2015. Maintenance and Other Operating Expenses (MOOE) for CY-2015 also decreased by 8.418% amounting to P 28.16M compared to CY-2014. Revenues and Other Income increased by 128.135% compared to CY-2014 due to collection/payments of SPDA Catitipan Property subjected from the housing program.

Other income consists of the following:

REVENUES AND OTHER INCOME FOR CY-2015		
RENT INCOME	SPDA Zamboanga City Veterans Avenue Property	P 354,000.00
	SPDA Makati Condominium	1,254,528.00
SALES REVENUE/ INCOME FROM PROJECTS	SPDA Koronadal Business Center Business Inn/Hotel, Function Hall Rooms/Catering	3,259,442.65
	Sales Discount	(82,145.00)
	Total Net Sales	3,177,297.65
	SPDA Agusan Valley Integrated Project	268,000.00
	SPDA Pikit Ice Plant Management Contract Income	344,800.00
	Other Business	9,975.00
PROCEEDS FROM DISPOSAL OF SPDA ASSETS AND PROPERTIES	SPDA Catitipan Davao City property under Community Land Acquisition Support Program (CLASP)- proceeds for the year	9,112,500.00
INTEREST INCOME	Land Bank of the Philippines (LBP)/ Philippines National Bank(PNB)	16,011.79
GRAND TOTAL		P 14,537,112.44

*Based on the Unaudited Consolidated Statement of Income and Expenses

ORGANIZATIONAL HIGHLIGHTS

- The Board of Directors of SPDA convened on January 30, 2015 at the SPDA Koronadal Business Center in Koronadal City. With the resignation of Chairman Daof late 2014, the SPDA Administrator/CEO Sultan Yahya Jerry M. Tomawis, the Ex-Officio Vice-Chairman, presided as Acting Chairman.



- Civil Service Commission Region XI Seminar on Strengthening Excellence Human Resource Actions held at Pinnacle Hotel, Davao City on February 11-12, 2015 attended by Acting Manager Finance and Administrative Department, Administrative Officer V and Human Resource Management Officer III.



- Last February 15, 2015, SPDA officials, employees and staff participated the **PhilHealth: Ready, TSeKap, Go!** Fun Run held in Sm City Davao, Ecoland.



- February 23-27, 2015, Supervisory Development Course Track 2 facilitated by the Civil Service Commission Region XI attended by Acting Manager Finance and Administrative Department, Administrative Officer V, Chief Accountant, Division Chiefs Corporate Planning/MIS and Business Development.



- April 13-17, 2015, Supervisory Development Course Track 1 facilitated by the Civil Service Commission Region XI attended by Chief Project Development Division, Acting Chiefs Project Implementation and Management Division, Human Resource & Management Officer III.



- **SPDA's 40TH Anniversary Celebration** marking its creation on April 22, 1975.



- Orientation Seminar on the Strategic Performance and Management System (SPMS) facilitated by Director Nilda Rigodon of the Civil Service Commission Region XI on June 15, 2015 at the El Bajada Hotel, Davao City attended by SPDA personnel.



- SPDA celebrates the **115th Philippine Civil Service Anniversary: *KAYANG KAYA MO, LINGKOD BAYANI!*** of Civil Service Commission (CSC).



SPDA Personnel participated in the R.A.C.E. to Serve V Fun Run sponsored by CSC last September 6, 2015 held in SM City Davao Parking Lot.

- October 7, 2015, SPDA officials headed by the Acting Deputy Administrator attended the meeting held in the office of the Governance Commission for GOCC (GCG) concerning the status of the Authority.



SPDA Officials with Hon. Sec. Cesar L. Villanueva and Dir. Atty. Johann Carlos S. Barcena

- October 8, 2015, SPDA headed by Acting Deputy Administrator attended the Senate Plenary Budget Hearing presided by the **Hon. Sen. Paolo Benigno Aquino IV** held in Senate of the Philippines.



- The Annual Audit Exit Conference for CY-2014 was held last October 21, 2015 conducted by the Commission on Audit Region-XI (COA-XI) in SPDA Conference Room, Davao City.
- SPDA Officials, employees and staff attended the Seminar/Workshop on Gender Sensitivity, Gender Analysis and GAD Planning and Budgeting held last November 26-28, 2015 conducted by Mrs. Rosena D. Sanchez and Atty. Romeo T. Cabarbe, JR. in Linmarr Appartelle, Davao City.



- Compensation and Position Classification System (CPCS) for GOCC training/workshop was held last December 16, 2015 in Best Western Plus Antel Hotel, Makati City which was attended by the HRD personnel headed by the Chief, HR/GSLD conducted by GCG and a private consultant, Tower Watson for the new proposed salary based system of all GOCC.
- SPDA's Year-End Thanksgiving celebration last Dec. 21-22, 2015 held in Leticia by the Sea, Talikud Island.



SPDA Employees enjoys an overnight stay on the island.

SOUTHERN PHILIPPINES DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS
(As of December 31, 2015)

Chairman, Board of Directors

HON. SULTAN YAHYA JERRY M. TOMAWIS
Administrator/CEO
Ex-Officio Vice-Chairman

HON. TERESITA SOCORRO C. RAMOS
Acting Chairperson, RDC– IX/NEDA Region IX Director
Ex- Officio Member

HON. MOHAMAD KHALID Q. DIMAPORO
Chairperson, RDC-X/GOVERNOR, LANA O DEL NORTE
Ex-Officio Member

HON. RODOLFO DEL ROSARIO
Chairperson, RDC-XI/GOVERNOR, DAVAO DEL NORTE
Ex-Officio Member

HON. ARTURO G. VALERO
Acting Chairman, RDC-XII/NEDA Region XII Director
Ex-Officio Member

HON. SOL F. MATUGAS
Chairperson, RDC-CARAGA/GOVERNOR, SURIGAO DEL SUR
PPROVINCE
Ex-Officio Member