

8. PROPERTY, PLANT AND EQUIPMENT

This account is composed of the following:

	OFFICE EQUIPMENT	FURNITURES AND FIXTURES	IT EQUIPMENT	COMMUNICATION EQUIPMENT	OTHER PPE	TOTAL
COST						
January 1, 2018	132,398	101,410	496,663	-	3,231,481	3,961,932
Additions	-	-	-	-	4,108,428	4,108,428
Adjusted as Semi - Expendables	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-
Deductions (Unserviceable)	-	-	-	-	-	-
December 31, 2018	132,398	101,410	496,663	-	7,339,889	8,070,360
ACCUMULATED DEPRECIATION						
January 1, 2018	44,850	74,918	336,376	-	3,033,235	3,489,380
Depreciation	28,978	7,997	22,060	-	207,530	264,563
Adjustments	-	-	-	-	-	-
December 31, 2018	71,828	82,915	358,436	-	3,240,765	3,753,943
NET BOOK VALUE DECEMBER 31, 2018	60,572	18,495	138,227	-	4,099,124	4,316,418

	OFFICE EQUIPMENT	FURNITURES AND FIXTURES	IT EQUIPMENT	COMMUNICATION EQUIPMENT	OTHER PPE	TOTAL
COST						
January 1, 2017	216,325	289,449	461,288	10,431	3,380,529	4,358,022
Additions	-	-	86,746	-	-	86,746
Adjusted as Semi - Expendables	-53,527	-188,039	-51,372	-10,431	-179,468	-482,836
Adjustments	-30,400	-	-	-	30,400	-
Deductions (Unserviceable)	-	-	-	-	-	-
December 31, 2017	132,398	101,410	496,663	-	3,231,461	3,961,932
ACCUMULATED DEPRECIATION						
January 1, 2017	56,012	185,235	320,803	3,648	2,954,627	3,520,325
Depreciation	26,976	7,997	40,163	-	191,987	267,123
Adjustments	-38,138	-118,314	-24,590	-3,648	-113,379	-298,069
December 31, 2017	44,850	74,918	336,376	-	3,033,235	3,489,380
NET BOOK VALUE DECEMBER 31, 2017	87,548	26,492	160,287	-	198,226	472,553

9. OTHER ASSETS

This account consists of unserviceable properties of PDGCC.

10. OTHER DEPOSITS

This account is composed of investment/subscription with the Philippine Long Distance Telephone, Co. amounting to P2,000.

11. FINANCIAL LIABILITIES

This account consists of the following:

	2018	2017
Accounts payable	-	54,319
Due to officers and employees	20,264	264
	20,264	54,583

12. INTER-AGENCY PAYABLES

This account consists of the following:

	2018	2017
Due to BIR	302,071	258,455
Due to SSS	8,716	4,509
Due to Pag-IBIG	5,584	1,178
	316,371	264,142

Due to BIR represents tax withheld for the month of December 2017 and was remitted in January 2018 pursuant to BIR rules that taxes withheld will be remitted on or before the 10th day of the following month the withholding is made.

13. TRUST LIABILITIES

It includes guaranty/security deposits of Digitel Mobile Phils., Globe Telecoms, Inc. and SMART Communications for leased areas at the building's roof deck where three (3) transceiver stations were installed. It also includes the performance bond of service providers.

14. OTHER PAYABLES

This account consists of the following:

	2018	2017
Due to MERALCO	3,409,004	2,838,116
Other payables	3,449,788	616,633
	6,858,792	3,454,749

Other Payables represents unreleased checks and other accrued expenses as of December 31, 2018.

15. PROVISIONS

This account consists of the fund reserved to finance the retirement program authorized under Board Resolution No. 96-003 dated January 31, 1996, which provides as follows:

I. Compulsory Retirement

The PDGCC shall provide a retirement benefit of one-month salary for every year of service, a fraction of six months being considered as one whole year, to an employee upon reaching the compulsory retirement age of 65 years old, who has served at least five years in the company.

II. Optional Retirement

The PDGCC shall provide retirement benefits of one-half month salary for every year of service, a fraction of at least six months being considered as one whole year, to an employee upon reaching the age of:

- | | |
|----------------------|---|
| A. Employee's Option | 55 years of age plus 10 years of service, or
20 years of service if below 55 years old |
| B. Company's Option | 55 years of age plus 10 years of service, or
60 years of age |

III. Termination Due to Disability

The PDGCC may terminate the services of an employee who has been found to be suffering from a disease and whose continued employment is prohibited by law or is prejudicial to his health as well as to the health of his co-employees. Such employee shall be paid separation pay equivalent to at least one-half month salary for every year of service, a fraction of at least six months being considered as one whole year.

16. REVENUE

Business Income account includes Assessment Dues from the occupants and the monthly lease rental of roof deck space from three telecommunication companies.

Interest Income represents income earned net of tax withheld by the bank from Saving and Current Deposits with the Land Bank of the Philippines.

Miscellaneous Income account includes space lobby rentals from small entrepreneurs/sales agents/food vendors occupying small area at the lobby and BAC related procurements such as sale of bidding documents. Miscellaneous Income formed part of the common fund which are used/utilized solely for various repairs and maintenance of the condominium common areas and facilities.

	2018	2017
BAC related income	42,000	58,901
Other miscellaneous income	201,664	123,650
	243,664	182,551

17. PERSONAL SERVICES

This account is composed of the following:

	2018	2017
Salaries and wages - regular pay	1,319,820	1,794,331
Personnel economic relief allowance	96,000	106,000
Clothing/Uniform Allowance	24,000	24,000

	2018	2017
Honoraria	314,000	180,000
Overtime and night differential pay	14,275	38,313
Year End Bonus	220,284	259,432
Cash gift	20,000	20,000
Other bonuses and allowances	20,000	25,000
GSIS retirement and life insurance premium	56,578	48,327
Pag-IBIG contributions	26,321	30,283
PhilHealth contributions	18,096	11,950
Employees compensation insurance premium	1,440	1,230
Retirement Gratuity	36,701	751,402
	2,167,515	3,290,268

18. MAINTENANCE AND OTHER OPERATING EXPENSES (MOOE)

This account is composed of the following:

	2018	2017
Repairs and maintenance	14,455,192	5,983,926
Security services	3,451,235	3,185,944
Janitorial services	2,461,481	2,325,894
Consultancy services	624,000	-
Telephone and internet Expense	357,947	314,992
Insurance Expense	298,983	298,983
Depreciation Expense	264,563	267,123
Extraordinary and Miscellaneous Expense	231,406	191,451
Auditing Services	213,209	-
Taxes, Duties and Licenses	136,197	-
Other Supplies and Materials Expense	115,748	116,416
Office Supplies Expense	112,159	71,861
Semi-Expendable Expense – Machinery and Equipment	8,335	40,440
Fuel, Oil and Lubricants Expense	8,147	14,330
Training Expense	7,276	9,189
Cable, Satellite, Telegraph and Radio Expense	6,039	6,039
Transportation and Delivery Expense	4,537	5,158
Other Professional Services	3,972	30,000
Accountable form Expense	3,800	3,060
Fidelity bond premium	1,500	1,500
Postage and Courier Expense	355	437
Internet Subscription Expense	-	23,940
Other MOOE	598,250	740,038
	23,364,331.18	13,630,724

The preventive maintenance of cooling towers, rehabilitation and modification of air handling system, replacement of high voltage switch gear, and repainting of floors, walls, and ceiling of the basement caused the significant increase in MOOE.

19. GOVERNMENT EQUITY

Government Equity represents ownership of the members, the Bureau of the Treasury, Office of the President and the Intramuros Administration, in the Net Assets of the PDGCC.

20. RETAINED EARNINGS

The *Retained Earnings* was appropriated for the projects of PDGCC, details as follows:

Projects	Appropriated Cost
1. Rehabilitation of multi-riser of PLDT cabling PLDT backbone voice	800,000
2. Rehabilitation of Female and Male Comfort Rooms 5 th , 6 th , 7 th and 8 th floors of PDGCC	4,500,000
3. Furniture for the improvement of PDGCC Lobbies (Budgeted as Installation of Distribution Panel, Common Bust bar for 22 units Airconditioning Handling Unit and Lighting Panel)	616,000
Total	5,916,000

21. RELATED PARTY DISCLOSURES

The Board of Directors has the authority and responsibility for planning, directing and controlling the activities of the PDGCC. The eight members of the Board of Directors of the PDGCC as at December 31, 2018 are key officials of three government agencies owning unit/s in the condominium project, details as follows:

Name	Designation	Office	Date Assumed
Rosalia V. De Leon	President	BTr	February 2017
Atty. Michael P. Ong	Vice President	OP	September 2016
Atty. Gisela F. Lood	Corporate Secretary	BTr	November 2003
Christine L. Sanchez	Treasurer	BTr	May 2016 – March 2018
Sharon P. Almanza	Treasurer	BTr	April 2018
Ma. Nanette C. Diaz	Assistant Treasurer	BTr	June 2003
Teresita M. Mercado	Internal Auditor	OP	October 2012
Atty. Adelaida L. Tagalog	Legal Counsel	OP	October 2012
Atty. Guiller B. Asido	Assistant Corporate Secretary	IA	April 2017

However, there is no existing agreement between the Corporation and the Board of Directors relative to purchases of goods and services, rendering of services, provisions for neither guaranties nor settlement of liabilities on behalf of the Corporation.

The positions of the Board of Directors of the Corporation are without compensation. Only per diems are given to the members of the Governing Board for attendance in meetings, reasonable communication expenses in their performance of official duties and performance-based incentives for exceeding performance targets. No other allowances are granted.

22. POWER AND WATER CONSUMPTION

The total amount of electricity and water consumption of the entire building of the condominium project are shown below:

	2018	2017
Electricity	39,610,418	33,242,211
Water	6,644,934	6,078,486
	46,255,352	39,320,697

Electricity and water consumption of the entire building are borne by the unit owners/occupants. The monthly statements of accounts of MERALCO and MAYNILAD are directly billed to the PDGCC based on monthly reading per mother meter. The Corporation makes advance payment to the utility companies and billed the occupants accordingly, as reimbursement of the total amount paid by the corporation based on their monthly consumption per sub-meter. Any difference between the mother meter and sub-meters are charged to the common areas and shared proportionately based on the determined share of the occupants.

No amount of power and water consumption is determined or allocated in the annual budget of the corporation. It is neither recognized as revenue nor expense of the corporation. All power and water consumptions are borne by unit owners/occupants and are treated merely as offsetting of receivables.

23. COMPLIANCE WITH TAX LAWS

Presented below is the supplementary information which is required by the BIR under its existing revenue regulations (RR).

23.1 Requirements under RR 15-2010

In compliance with the requirements set forth by BIR RR No. 15-2010, hereunder is the information on withholding taxes paid/remitted during the taxable year:

	2018	2017
Tax on compensation	91,101	266,640
Creditable withholding tax	1,064,881	731,356
Final withholding tax	69,500	48,700
Final VAT withholding	2,706,244	1,622,929
	3,931,726	2,669,625

Taxes amounting to P307,624.45 represents tax withheld for the month of December 2018 remitted in January 2019 pursuant to the BIR rules that the taxes withheld will be remitted on or before the 10th day of the following month the withholding is made.

23.2 Requirements under RR 19-2011, as Amended

RR 19-2011 requires schedules of taxable revenues and other non-operating income, cost of sales and services, itemized deductions and other significant tax information, to be disclosed in the notes to the financial statements.

PDGCC secured from BIR the updated Certificate of Registration (COR) with Official Control Number 1RC0001102413 as replacement to old COR (1556).

The PDGCC is compliant on the filing of BIR Form Nos. 1702 EX (Annual Income Tax Return – Exempt), 1604CF (Annual Information Return of Income Tax Withheld on Compensation and Final Withholding Taxes, 1604E (Annual Information Return of Creditable Income Taxes Withheld/Income Payments Exempt from Withholding Taxes), and other BIR returns required for a withholding agent to file and remit the amount due thereon.

The PDGCC has also complied in filing the returns through the E-Filing System as prescribed by the BIR per RR Nos. 6-2014 and 5-2015 dated September 5, 2014 and March 17, 2015, respectively.