

10. OTHER ASSETS

This account consists of unserviceable properties and deposit for telephone line subscription amounting to P26,950 as at December 31, 2021 and 2020.

11. INTER-AGENCY PAYABLES

This account consists of the following:

	2021	2020
Due to BIR	505,730	229,746
Due to SSS	19,772	11,276
Due to Pag-IBIG	9,092	6,077
Due to PhilHealth	6,188	3,674
	540,782	250,773

Due to BIR represents tax withheld for the month of December which was remitted pursuant to BIR rule that taxes withheld will be remitted on or before the tenth day of the following month the withholding is made.

12. TRUST LIABILITIES

This account consists of the following:

	2021	2020
Guaranty/security deposits of lessees	150,000	298,205
Performance bond	127,685	127,685
	277,685	425,890

Guaranty/security deposits of lessees are for leased areas at the building's roof deck where three transceiver stations were installed. Performance bond represents bond of janitorial and the preventive maintenance service providers for their respective contracts.

13. OTHER UNEARNED INCOME

This account consists of the following:

	2021	2020
Advance payment of assessment dues	234,521	26,261
Advance payment of utilities	190,265	125
Advance payment of a lessee for lease rental	51,349	55,064
	476,135	81,450

14. OTHER PAYABLES

This account consists of the following:

	2021	2020
Due to utilities service provider (electricity)	3,157,353	0
Due to officers and employees	264	264
Other payables	5,160,359	7,222,207
	8,317,976	7,222,471

Other payables represent other accrued expenses such as preventive maintenance, janitorial and security services, as at year end. It also includes refund of overcharged billing for the period February 1994 to May 2003 received from a private utility company amounting to P4.258 million, for distribution to tenants and unit owners.

Due to officers and employees account represents excess deposit of retired employee.

15. PROVISIONS

This account consists of reserve fund to cover the retirement program under Board Resolution No. 96-003 dated January 31, 1996, as provided in Note 3.12 amounting to P526,500 and P436,904 for CY 2021 and CY 2020, respectively.

16. REVENUE

Business income includes assessment dues from the occupants and the monthly lease rental of roof deck space from three telecommunication companies.

Interest income from bank deposit/financial assets represents income earned from savings, current deposits, and RTB and earned discounts on treasury bills net of final withholding tax.

Miscellaneous income includes space lobby rentals from small entrepreneurs/sales agents/food vendors occupying small space at the lobby area and sale of bidding documents by the Bids and Awards Committee (BAC).

	2021	2020
BAC related income	43,000	0
Other miscellaneous income	3,500	2,500
	46,500	2,500

17. PERSONNEL SERVICES

This account is composed of the following:

	2021	2020
Salaries and wages - regular	1,826,124	1,463,430
(Forward)		

	2021	2020
Honoraria	290,000	300,000
Mid/year-end bonus	258,864	244,282
Terminal leave benefits	154,824	0
Retirement and life insurance premium	109,480	76,800
Personnel economic relief allowance	104,000	96,000
Retirement gratuity	89,596	80,128
Pag-IBIG contribution	39,062	28,916
Overtime and night pay	27,251	11,461
PhilHealth contribution	24,261	21,687
Clothing/uniform allowance	24,000	24,000
Cash gift	21,500	20,000
Other personnel benefits	20,000	0
EC contribution	1,560	1,440
Hazard pay	0	58,500
Other bonuses and allowances	66,500	80,000
	3,057,022	2,506,644

18. MAINTENANCE AND OTHER OPERATING EXPENSES (MOOE)

This account is composed of the following:

	2021	2020
Janitorial services	4,478,426	4,262,133
Security services	3,674,305	3,665,408
Repairs and maintenance	2,776,481	5,186,814
Depreciation expense	2,421,845	1,865,147
Insurance expense	638,818	618,159
Telephone and internet expense	398,271	405,552
Consultancy services	391,914	783,828
Extraordinary and miscellaneous expense	188,305	100,012
Auditing services	178,011	173,837
Other supplies and materials expense	148,245	201,631
Office supplies expense	118,681	102,810
Semi-expendable expense - machinery and equipment	53,466	146,259
Fuel, oil, and lubricants expense	42,410	42,018
Transportation and delivery expense	29,921	19,462
Training expense	11,250	0
Other professional services	3,808	3,808
Accountable forms expense	3,600	500
Fidelity bond premium	1,500	1,500
Postage and courier services	180	0
Other MOOE	823,993	2,110,374
	16,383,430	19,689,252

Other MOOE mainly represents expenses for building maintenance such as pest control, water treatment, sanitation, and disinfection.

19. POWER AND WATER CONSUMPTION

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

	2021	2020
Electricity	32,875,412	26,543,831
Water	3,907,257	5,706,784
	36,782,669	32,250,615

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 bills 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. Unit owners/occupants reimburse PDGCC for the advance payment made to the utility companies since all power and water consumptions are borne by unit owners/occupants. Hence, it is treated as receivables from occupants and not an expense of the Corporation.

20. 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.

Membership in the PDGCC is an appurtenance to the ownership of condominium unit. It is controlled by the Government of the Republic of the Philippines, thru the following agencies, upon acquisitions of all the units in the eight-story building of the project since the years 1980 to 1981, partitioned as follows:

- Bureau of the Treasury (BTr) ¼ of the 1st floor, 2nd, 3rd, 4th and 6th floors (15,606.31 sq. m)
- Intramuros Administration (IA) 5th floor (3,710.60 sq. m)
- Office of the President (OP) ¾ of the 1st floor, 7th and 8th floors (9,589.85 sq. m)

21. RETAINED EARNINGS

The Retained earnings was appropriated for the projects of PDGCC, as follows:

Projects	2021	2020
Replacement of fire sprinkler heads	3,604,950	0
Rehabilitation of comfort rooms	2,417,711	2,417,711
Monetization of leave credits	676,905	831,729

(Forward)

Projects	2021	2020
Furniture for the improvement of PDGCC lobbies	616,000	616,000
Replacement of one set transfer pump controller duplex type	0	463,000
Replacement parts for elevators three and four	0	45,024
	7,315,566	4,373,464

Retained earnings also includes unappropriated portion amounting to P16.303 million and P8.679 million for CYs 2021 and 2020, respectively.

Other adjustments in CY 2020 represent unaccrued prior year's expenses.

22. RELATED PARTY DISCLOSURES

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. The Board of Directors has the authority and responsibility for planning, directing, and controlling the activities of PDGCC. The eight members of the Board of Directors of the PDGCC as at December 31, 2021 are key officials of three government agencies owning unit/s in the condominium project. Details are as follows:

Name	Designation	Office	Date of assumption
Rosalia V. De Leon	President	BTr	February 2017
McJill Bryant T. Fernandez	Vice President	OP	January 2019
Crisanta Leonor Chianpian	Alternate for Mr. Fernandez	OP	January 2019
Atty. Gisela F. Lood	Corporate Secretary	BTr	November 2003
Sharon P. Almanza	Treasurer	BTr	April 2018 to April 2021
Eduardo Anthony G. Mariño, III	Treasurer	BTr	April 2021
Ma. Nanette C. Diaz	Assistant Treasurer	BTr	June 2003
Jone Rechie L. Gigayon	Member	OP	June 2019
Atty. Floreida A. Apolinario	Member	OP	June 2019
Atty. Guiller B. Asido	Assistant Corporate Secretary	IA	April 2017

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 allowance is granted.

PDGCC Board of Directors received communication allowance of P192,000 and per diem of P475,000 for the year 2021 and P192,000 and P350,000 for the year 2020, respectively.

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.

Significant transactions with unit owners consist of receivables and payables. The year end balances in respect of related parties included in the financial statements are as follows:

	2021	2020
Due from IA	523,971	282,770
Due from OP	403,411	421,107
Due from BTr	314,972	544,521
	1,242,354	1,248,398

23. RESTATEMENT

A restatement of receivable and revenue accounts due to non-enforcement of penalty to its lessee was made for CY 2020 in the amount of P23,673. The financial statements for CY 2020 have been restated to correct this error.

24. COMPLIANCE WITH TAX LAWS

The supplementary information required by the BIR under its existing revenue regulations (RR) are as follows:

24.1 Requirements under RR No. 15-2010

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

	2021	2020
Final VAT withholding	2,172,315	2,112,501
Creditable withholding tax	844,074	833,129
Tax on compensation	148,918	83,533
Final withholding tax	58,862	71,941
	3,224,169	3,101,104

Taxes amounting to P505,730 represents tax withheld for the month of December 2021 remitted in January 2022 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.

24.2 Tax assessment

The Corporation has no tax cases, under preliminary investigation, litigation and/or prosecution in the courts or bodies outside BIR.

24.3 Requirements under RR No. 19-2011, as amended

RR No. 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 Financial Statements.

PDGCC secured from BIR the updated Certificate of Registration (COR) with OCN No. 1RC0001102413 as replacement to old COR (1556).

The PDGCC is compliant on the filing of BIR Form Nos. 1702EX (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.