

The additions of P6.165 million in the *Other PE* account for CY 2022 compose of the following acquisitions:

Particulars	Amount
Fire detection and alarm system	5,000,000
Air circuit breaker	430,000
2 units magnetic contactor and dry capacitors	247,000
Thermal imager	207,733
4 units CCTV system	188,240
Split type, wall mounted air conditioner	92,400
	6,165,373

Other PE account includes various equipment amounting to P6.816 million which were initially recorded at appraised value since the original cost of the properties cannot be determined reliably by the Corporation. Appraised value was based on the appraisal report dated June 21, 2019 prepared by a private appraiser. The useful lives of these various equipment are consistent with the useful lives of the same class of properties of the Corporation.

Transportation equipment represents the donated motor vehicle from BTr. It was also initially recorded at appraised value as determined by the COA Technical Service Office.

Reclassifications were made to various equipment amounting to P827,456 due to the implementation of COA Circular No. 2022-004 dated May 31, 2022, which increased the capitalization threshold of PEs to P50,000. Carrying amount of issued tangible items acquired prior to CY 2022 with amounts from P15,000 to below P50,000 previously classified as PE were charged/adjusted to Retained Earnings. Unserviceable property amounting to P2.290 million was derecognized in CY 2022.

10. OTHER ASSETS

This account consists of unserviceable properties and deposit for telephone line subscription amounting to P1,257,468 and P26,950 as at December 31, 2022 and 2021, respectively.

11. INTER-AGENCY PAYABLES

This account consists of the following:

	2022	2021
Due to BIR	815,886	505,730
Due to SSS	19,802	19,772
Due to Pag-IBIG	9,920	9,092
Due to PhilHealth	9,103	6,188
	854,711	540,782

Due to BIR represents tax withheld for the month of December which was remitted pursuant to BIR rule that taxes withheld shall 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:

	2022	2021
Guaranty/security deposits of lessees	150,000	150,000
Performance bond	127,685	127,685
	277,685	277,685

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:

	2022	2021
Advance payment of assessment dues	234,521	234,521
Advance payment of a lessee for lease rental	145,375	51,349
Advance payment of utilities	75,127	190,265
	455,023	476,135

14. OTHER PAYABLES

This account consists of the following:

	2022	2021
Due to officers and employees	5,039	264
Due to utilities service provider (electricity)	0	3,157,353
Other payables	1,125,231	5,160,359
	1,130,270	8,317,976

Other payables represent other accrued expenses such as preventive maintenance, janitorial and security services, as at year end.

Due to officers and employees account represents excess deposit of retired employee, stale check for the per diem of one of the Board Members.

15. PROVISIONS

The reserve fund to cover the retirement program under Board Resolution No. 96-003 dated January 31, 1996, amounting to P526,501 as at December 31, 2021 has been derecognized in CY 2022 due to the implementation of CPCS.

16. REVENUE

Business income includes assessment dues from the occupants and the monthly lease rental of roof deck space from the 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, as well as interest earned from the Treasury Single Account investment.

Proceeds from insurance/indemnities refers to a claim from GSIS due to a fire incident, amounting to P1.124 million.

Miscellaneous income includes proceeds from the sale of bidding documents by the Bids and Awards Committee (BAC).

	2022	2021
BAC related income	50,000	43,000
Other miscellaneous income	0	3,500
	50,000	46,500

17. PERSONNEL SERVICES

This account is composed of the following:

	2022	2021
Salaries and wages - regular	2,622,672	1,826,124
Mid/year-end bonus	437,112	258,864
Honoraria	283,000	290,000
Retirement and life insurance premium	127,500	109,480
Other bonuses and allowances	125,000	66,500
Personnel economic relief allowance	120,000	104,000
Overtime and night pay	58,582	27,251
PhilHealth contribution	51,993	24,261
Pag-IBIG contribution	51,934	39,062
Clothing/uniform allowance	30,000	24,000
Cash gift	25,000	21,500
EC contribution	1,800	1,560
Terminal leave benefits	0	154,824
Retirement gratuity	0	89,596
Other personnel benefits	0	20,000
	3,934,593	3,057,022

18. MAINTENANCE AND OTHER OPERATING EXPENSES (MOOE)

This account is composed of the following:

	2022	2021
Repairs and maintenance	9,326,081	2,776,481
Janitorial services	4,647,968	4,478,426
Security services	3,683,515	3,674,305
Forward		

	2022	2021
Depreciation expense	2,840,766	2,421,845
Insurance expense	731,310	638,818
Telephone and internet expense	372,804	398,271
Other supplies and materials expense	164,062	148,245
Extraordinary and miscellaneous expense	154,740	188,305
Auditing services	134,939	178,011
Office supplies expense	109,618	118,681
Fuel, oil, and lubricants expense	63,194	42,410
Training expense	48,619	11,250
Semi-expendable expense - machinery and equipment	32,525	53,466
Semi-expendable expense – furniture and fixtures	17,850	0
Transportation and delivery expense	4,429	29,921
Other professional services	3,400	3,808
Fidelity bond premium	3,375	1,500
Accountable forms expense	2,500	3,600
Consultancy services	0	391,914
Postage and courier services	0	180
Other MOOE	1,030,747	823,993
	23,372,442	16,383,430

The significant increase in *Repairs and maintenance* account was due to the repair of plumbing rough ins of male and female comfort rooms from basement to fourth floor of PDGCC amounting to P2.304 million; and replacement of fire sprinkler heads amounting to P3.605 million.

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:

	2022	2021
Electricity	45,790,020	32,875,412
Water	4,975,914	3,907,257
	50,765,934	36,782,669

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 acquisition of all the units in the eight-story building of the project since the years 1980 to 1981, partitioned as follows:

Agency	Ownership
Bureau of the Treasury (BTr)	¼ of the 1 st floor, 2 nd , 3 rd , 4 th and 6 th floors (15,606.31 sq.m)
Intramuros Administration (IA)	5 th floor (3,710.60 sq.m)
Office of the President (OP)	¾ of the 1 st floor, 7 th and 8 th floors (9,589.86 sq.m)

21. RETAINED EARNINGS

Appropriation from *Retained earnings* for the projects of PDGCC are as follows:

Projects	2022	2021
Rehabilitation of monumental lightings	2,200,000	0
Replacement of 18 pcs 6" sprinkler isolation valves	1,200,000	0
Installation of 9 units TV with broadcasting system	850,000	0
Monetization of leave credits	676,905	676,905
Furniture for the improvement of PDGCC lobbies	616,000	616,000
Replacement of fire sprinkler heads	0	3,604,950
Rehabilitation of comfort rooms	0	2,417,711
	5,542,905	7,315,566

Retained earnings also includes unappropriated portion amounting to P23.123 million and P16.012 million for CYs 2022 and 2021, respectively.

Other adjustments in CY 2022 include unaccrued prior year's income amounting to P161,146 and derecognition of Retirement gratuity payable amounting to P526,501.

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, who also occupy the Officer positions, 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, 2022 are key officials of three government agencies owning unit/s in the condominium project. Details are as follows:

Name	Designation	Office	Date of assumption
Rosalía V. De Leon	President	BTr	February 2017
McJill Bryant T. Fernandez	Vice President	OP	January 2019 to March 2022
Lorajeon A. Alamin	Vice President	OP	April 2022
Crisanta Leonor Chianpian	Alternate for Mr. Fernandez/ Ms. Alamin	OP	January 2019
Atty. Gisela F. Lood	Corporate Secretary	BTr	November 2003
Eduardo Anthony G. Mariño, III	Treasurer	BTr	April 2021
Ma. Nanette C. Diaz	Assistant Treasurer	BTr	June 2003
Jone Rechie L. Gigayon	Internal Auditor	OP	June 2019
Atty. Floreida A. Apolinario	Internal Auditor	OP	June 2019 to March 2022
Gail Stephanie C. Maderazo	Legal Counsel	OP	April 2022
Atty. Mae Anne O. Sandoval	Alternate for Ms. Maderazo	OP	April 2022
Atty. Guiller B. Asido	Assistant Corporate Secretary	IA	April 2017 to June 2022
Edgardo A. Baysic	Assistant Corporate Secretary	IA	July 2022

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.

The PDGCC Board of Directors received communication allowance of P182,000 and per diem of P360,000 for CY 2022 and P192,000 and P475,000 for CY 2021, 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:

	2022	2021
Due from BTr	616,702	314,972
Due from IA	555,498	523,971
Due from OP	402,975	403,111
	1,575,175	1,242,054

23. RESTATEMENT

The financial statements for CY 2021 have been restated, as follows:

Prior period adjustment	Retained earnings	Assets
Reclassification of PEs due to increase in threshold	290,756	(290,756)

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:

	2022	2021
Final VAT withholding	2,874,531	2,172,315
Creditable withholding tax	1,150,161	844,074
Tax on compensation	324,724	148,918
Final withholding tax	33,650	58,862
	4,383,066	3,224,169

Taxes amounting to P815,886 represents tax withheld for the month of December 2022 and remitted in January 2023 pursuant to the BIR rules that taxes withheld shall 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.

The 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 in its RR Nos. 6-2014 and 5-2015 dated September 5, 2014 and March 17, 2015, respectively.