

**NATIONAL HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

December 31, 2015

(Amounts in Philippine Peso)

1. CORPORATE INFORMATION

The National Housing Authority (NHA) is a government-owned and controlled corporation, duly organized and established by virtue of Presidential Decree No. 757 dated July 31, 1975, as amended by Executive Order (EO) No. 90 dated December 17, 1986. It operates under the policy and administrative supervision of the Housing and Urban Development Coordinating Council (HUDCC). It is the primary government agency in charge of providing housing assistance to the lowest 30 per cent of urban population through slum upgrading, squatter relocation, development of sites and services and construction of core housing units.

Republic Act (RA) No. 7279, otherwise known as the Urban Development and Housing Act (UDHA) was enacted on March 24, 1992, mandating the NHA to provide technical and other forms of assistance to local government units.

RA No. 7835, otherwise known as the Comprehensive and Integrated Shelter Financing Act (CISFA) was approved on December 16, 1994, mandating the NHA to implement the components of the National Shelter Program: resettlement, medium-rise public and private housing, cost recoverable program and local housing.

EO No. 195 was issued on December 31, 1999, mandating the NHA to focus on socialized housing.

In 2004, Administrative Order (AO) No. 111 dated November 8, 2004, was issued by the President directing NHA as lead agency in the implementation of the Rail-related Relocation and Resettlement Program.

AO No. 9 issued on April 11, 2011, directed the NHA to lead the implementation of the Armed Forces of the Philippines/Philippine National Police (AFP/PNP) Housing Program. In March 2011, NHA Board Resolution No. 5314 was issued for the implementation of the President's Housing Project for the AFP/PNP personnel.

The National Disaster and Risk Reduction Plan (NDRRP) from CYs 2011 to 2018 designated NHA as lead agency in the Disaster Rehabilitation and Recovery Phase particularly in the development of disaster-resilient, safe and sustainable settlements for families affected by calamities.

The registered office address of the NHA is Elliptical Road, Diliman, Quezon City with 30 project offices and in 9 various regions of the country. The Authority is under the Office of the President and shall exist for 50 years but maybe extended.

As of December 31, 2015, the NHA has a total of 2,435 employees.

The financial statements of NHA for CY 2015 were approved for issuance per NHA Board Resolution No. 6065 dated February 23, 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, VALUATION & ESTIMATES

2.1. Statement of Compliance

The financial statements as of December 31, 2015, were presented in accordance with state accounting principles generally accepted in the Philippines.

2.2. Basis for the preparation of the financial statements

The financial statements of the NHA are composed of the accounts of the NHA-owned funds and the Comprehensive and Integrated Shelter Financing Act (CISFA) fund which are consolidated quarterly. CISFA funds were released by the Bureau of Treasury (BTr) for the Local Housing Program and the Medium-Rise Public and Private Housing.

No set of books are being maintained in the provincial, district and project offices. Cash Receipts Register together with copies of Official Receipts and deposit slips are being prepared for collections and the same are submitted to the NHA Accounting Department for recording. Likewise, Monthly Summary of Expenses is submitted together with copies of disbursements and supporting documents for recording.

In compliance with COA Circular No. 2004-001 dated May 7, 2004, and COA Circular Letter No. 2004-002 dated April 29, 2004, bearing on the guidelines and procedures on the adoption of the Chart of Accounts under the New Government Accounting System (NGAS) by Government-Owned and/or Controlled Corporations (GOCCs), the NHA implemented the new system effective October 1, 2005. The balances of accounts as of September 30, 2005 were converted to the prescribed chart of accounts.

COA Circular No. 2008-001 dated January 29, 2008, the Revised Philippine Government Chart of Accounts (PGCA) is issued to prescribe the use of a more comprehensive Chart of Accounts to respond to the information needs of government agencies in implementing the New Government Accounting System (NGAS). The NHA reclassified all account balances in the Trial Balance as of March 31, 2008 to the revised chart of accounts.

To enhance the accountability and transparency of the financial reports, and ensure comparability of financial information, the COA recognizes the need to revise the New Government Accounting System (NGAS) Chart of Accounts with the adoption of the Philippine Public Sector Accounting Standards/(PPSAS) which were harmonized with the International Public Sector Accounting Standards (IPSAS).

The Authority will comply on the adoption of PPSAS upon receipt of the approved revised chart of accounts for GOCCs.

2.3. Cash and cash equivalents

Cash includes cash on hand and in banks. Cash equivalents are temporary investments in Treasury Bills with the BTr with maturities of three months or less. Petty cash funds are maintained under the imprest system.

2.4. Receivables

Receivables are stated at face value, except for rental receivables, which is net of allowance for doubtful accounts.

2.5. Allowance for doubtful accounts

The allowance for doubtful accounts is based on estimated collectability of rental receivable balances. Higher rate of allowance is provided for long-outstanding accounts based on the aging report as follows: 4 to 6 months, 10 per cent; 7 to 12 months, 20 per cent; over 1 year to 3 years, 30 per cent; over 3 years to 5 years, 40 per cent; and over 5 years, 50 per cent.

Allowance for doubtful accounts were set up for dormant receivables from local government units, loans receivables, due from GOCCs, Local Government Units (LGUs), and National Government Agencies (NGAs).

2.6. Investments in securities

Treasury bills with more than 91 days maturity period are classified under Investments in Securities. The investments are recorded at acquisition cost and the interest earned therein is recorded upon maturity.

2.7. Inventories

Inventories in the form of housing projects completed and undergoing development are valued at construction cost plus pre-development costs and expenses for design and supervision. Acquired assets, which represent foreclosed property, are valued at the total amount due from such account at the time of foreclosure plus all incidental expenses such as legal fees and foreclosure expenses.

2.8. Property and equipment

Property and equipment are carried at cost less accumulated depreciation. Significant improvements are capitalized, while cost of maintenance and repairs are charged to expense. When property is disposed, the cost and the related accumulated depreciation are eliminated. Any gain or loss resulting from their disposal is credited or charged to current operations.

Completed projects for transfer to various government agencies based on Deed of Transfer and Acceptance (DOTA) or Deed of Donation and Acceptance (DODA) is recognized under the Building and Structures account - Completed Development for Transfer - Land and Other Structure, not subject to depreciation.

2.9. Depreciation

Depreciation is computed using the straight-line method, which recognizes equal periodic charges over the estimated lives of the assets ranging from five to 30 years.

Estimated salvage value pegged at 10 per cent of the acquisition cost is deducted before dividing the same by the estimated useful life. This is in accordance with COA Circular No. 2003-007 dated December 11, 2003.

2.10. Recognition of Liability

Liability is recognized at the time goods are accepted, services are rendered and when supplier/creditor bills are received.

2.11. Recognition of income and expenses

The NHA adopts the modified accrual basis of accounting. All expenses are recognized when incurred and reported in the financial statements in the period to which they relate. Income is recognized at the time it is earned and is regarded as applicable to the period in which it is realized.

Time-based accrual policy is being used for uncollected interest. Under this policy, an account shall be accrued for a period of one year only and there will be an automatic stoppage of accruals once the subject account becomes more than one year delinquent.

2.12. Taxes and licenses

Under Republic Act No. 7279, the NHA is exempted from national taxes on sale, exchange or other disposition of real property under the socialized housing program. However, NHA is not exempted from the 20 per cent final withholding tax on interest from currency bank deposits, yield, or any other monetary benefits from deposit substitutes, trust funds, and similar arrangements and royalties; and income taxes from transactions not directly related to socialized housing.

3. CASH AND CASH EQUIVALENTS

The account consists of:

	2015	2014
Cash on hand		
Collecting officers	5,347,085	7,579,907
Disbursing officers	22,770,507	41,816,988
Petty cash fund	466,496	277,718
Cash in bank		
Current	9,774,006,802	13,388,651,352
Savings	169,031,985	99,460,334
Time deposit	2,167,526,209	640,503,068
	12,139,149,084	14,178,289,367

Cash disbursing officers account includes cash advances for special purpose.

The decrease in Cash in bank-current account were due to decrease in subsidy received from the National Government. Placements to high yield and special savings deposits were initiated in January and February 2015.

4. RECEIVABLES

This account is composed of the following:

	2015	2014
Accounts receivable		
Receivables – cash sales	83,082,942	83,082,942
Rental receivables	2,379,721,804	2,337,511,259
Receivables – mortgage sales	113,179,294	116,470,561
Receivables – installment sales	1,387,386,435	1,163,967,487
Due from officers and employees	232,293	485,625
Loans receivable		
LGUs	19,794,033	16,056,223
Others	708,898,213	532,640,504
Interest receivable	58,862,249	45,419,572
Due from		
NGAs	930,806,519	938,582,408
GOCCs	8,458,907	13,295,164
LGUs	1,350,327,071	1,149,331,309
NGOs/POs	11,278,694	11,278,694
Receivables – disallowances/charges	682,856	1,839,677
Other receivables	38,343,594	37,752,604
	7,091,054,904	6,447,714,029
Allowance for doubtful accounts	(270,731,497)	(272,728,497)
	6,820,323,407	6,174,985,532

Accounts receivable represents the current portion due from beneficiaries in various housing projects. The amount of P2.380 billion pertains to Rental receivables from Department of Transportation and Communication (DOTC) for the lease of the North Triangle property covered by a Contract of Lease executed in April 1998. In March 2007, DOTC, NHA and MRT Development Corporation executed a Memorandum of Agreement and Assignment of Agreement, wherein DOTC assigned its Depot Development Rights Payment (DRP) due from MRT Development Corporation, and authorized the latter to remit the same to NHA. The Authority receives monthly remittance from MRT based on Depot DRP schedule starting July 2007.

Loans receivable – LGUs represent current portion of loans granted to various local government units under the local housing program of the CISFA funds.

Loans receivable – others represent loans granted to beneficiaries under the Northrail/Southrail Relocation Program and other loans, such as employees housing and car loans and other loans granted to beneficiaries, like commercial and industrial loan, housing material loans, small business loans and community mortgage program loans. The account also includes CISFA funds granted to various water districts, cooperatives and community associations for the implementation of socialized housing projects in urban and urbanizable areas in all congressional districts.

Interest receivable of P58.862 million pertains to accrued interest on Installment Sales from accounts with one year arrearages per Aging Report.

Due from NGAs are funds release to DPWH of P878 million for the implementation of Zamboanga City Roadmap to Recovery and Reconstruction Plan. The fund covers the expenses necessary for land development and civil works which was conceptualized due to armed conflict that caused heavy damage and burning homes in Zamboanga last September 9, 2013.

Due from LGUs and Due from NGAs are advances made by NHA to the different government units, which are subject to liquidation, supported by the Statement of Obligations and Disbursements, duly certified by the City Treasurer, approved by the City Mayor and verified and audited by the Auditor of the City. Thus, the increase in said account was primarily due to advances made to various local government units to cover the construction of houses on stilts, footbridges, communal septic tanks and construction of housing units for indigenous people.

Due from Non-Government Organizations (NGOs)/Peoples' Organizations (POs) are advances made to various Electric Cooperatives for the installation of lighting facilities.

Other receivables include receivable from various joint venture partners, receivable from beneficiaries for water and electric services, real estate tax, MERALCO meters and service deposits.

The allowance of P270.731 million covers the doubtful accounts from beneficiaries' rental accounts and for dormant receivables from LGUs, GOCCs and Loans Receivable, totaling to P28.465 million.

5. INVENTORIES

The account consists of the following:

	2015	2014
Merchandise inventory		
Completed development for disposition/sale—land	8,022,132,647	4,733,384,193
Completed development for disposition/sale—building	3,817,393,542	2,447,999,639
Construction in progress		
Housing units	4,492,661,284	3,266,183,250
Resettlement project	3,134,723,140	2,190,325,969
Sites and services	49,807,101	49,807,101
Slum upgrading	20,299,817	36,849,843
Acquired assets	61,445,836	70,174,102
	19,598,463,367	12,794,724,097

Merchandise inventory/items for sale or transfer account represents the cost of completed projects available for disposition/sale. This also includes property foreclosed by NHA.

Construction in progress pertains to the cost of on-going projects of the Authority.

6. PREPAYMENTS

The account consists of the following:

	2015	2014
Advances to contractors	2,543,035,452	551,668,324
Prepaid insurance	795,697	792,305
Office supplies inventory	9,017,981	6,509,945
Medical, dental and laboratory supplies	-	24,700
Other supplies inventory	137,503	430,174
Drugs and medicine inventory	125,803	163,801
	2,553,112,436	559,589,249

Advances to contractors refers to advances made to contractors representing mobilization fee equivalent to 15 per cent of the contract cost. Dormant receivables from contractors amounting to P16.571 million were reclassified to non-current assets.

7. LONG-TERM RECEIVABLES

This account is composed of the long-term portion of the following receivables:

	2015	2014
Installment sales		
NHA – owned fund	8,228,633,069	6,973,816,631
CISFA fund	748,713,569	583,071,466
Loans receivable – others		
NHA – owned fund	43,487,959,220	37,594,968,861
CISFA fund	40,511,175	42,026,112
Loans receivable – LGUs		
NHA – owned fund	83,077,201	87,877,202
CISFA fund	99,754,787	107,428,225
Due from LGUs	16,633,900	35,889,700
Due from NGAs	231,610,990	289,195,558
	52,936,893,911	45,714,273,755
Allowance for doubtful accounts	(19,534,124)	(19,534,124)
	52,917,359,787	45,694,739,631

Receivable from installment sales represents the principal amount not yet due as of balance sheet date from customers arising from the sale of real estate investments.

Loans receivable – others represent loans granted to beneficiaries under Northrail/Southern Relocation Program, AFP/PNP Housing Program, Emergency Housing Assistance for Calamity Victims, Housing Program for Informal Settler Families (ISFs) living in danger areas and other loans such as car loans, commercial and industrial loans, small business loans and housing material loans. The account also includes CISFA funds granted to various water districts, cooperatives and community associations for the implementation of socialized housing projects in urban and urbanizable areas in all congressional districts. The account consists of:

	2015	2014
Subsidized project loan	43,382,076,387	37,495,012,144
Bridge financing	86,820,072	86,820,073
Employees assistance program	7,108,703	2,690,391
Housing material loan	7,922,996	6,426,532
Community mortgage program	1,049,357	1,038,008
Small business loans	472,092	472,100
Sanitary core	13,307	13,307
Others	2,496,306	2,496,306
Total Main Office	43,487,959,220	37,594,968,861
CISFA fund	40,511,175	42,026,112
	43,528,470,395	37,636,994,973

Loans receivable – LGUs pertains to loans granted to various local government units under the local housing program of the CISFA funds.

8. INVESTMENTS

This account consists of the following:

	2015	2014
Investments in stocks	38,890	1,403,038,890
Investments in bonds	-	969,500
Other long term investments and marketable securities	6,209,720,366	6,209,720,366
	6,209,759,256	7,613,728,756

Investments in stocks account pertains to the P1.403 billion Smokey Mountain Project Participating Certificates issued to the NHA by the Smokey Mountain Asset Pool for the value of NHA's share in the project. These investments were reclassified to Merchandise Inventory since the Joint Venture Agreement (Asset Pool) between NHA, RII Builders - developer, HGC - guarantor and PNB - trustee was terminated in 2003 and housing units were already sold by NHA.

Investments in bonds represents the P0.970 million Land Bank Bonds with maturity date of 25 years. These were fully redeemed upon receipt of Notice of Lifting of Execution dated June 24, 2015.

Other long-term investments and marketable securities represent the NHA's equity on various joint venture projects as follows:

	2015	2014
Main		
Urban Triangle Development Project	6,128,409,000	6,128,409,000
AFP Military Housing	4,664,075	4,664,075
Zamboanga Teachers Village Housing	10,213,625	10,213,625
Canduman Resettlement Project	5,049,934	5,049,934
Kadayawan Resettlement Project	4,355,582	4,355,582

	2015	2014
Tarlac Housing Phase II-C	312,057	312,057
Fortune Towne	819,933	819,933
Pag-IBIG Teachers Housing (GMA, Cavite)	3,256	3,256
Kapayapaan Ville Ph. 2 A-1	211,442	211,442
Uptown Housing Project Ph 1	68,784	68,784
Various Joint Venture Projects	13,883,383	13,883,383
	6,167,991,071	6,167,991,071
CISFA		
Brgy. McKinley	12,197,970	12,197,970
Concepcion Resettlement Site	6,500,000	6,500,000
San Juan Cooperative Housing Project	6,176,579	6,176,579
Sibuan Otong	3,135,244	3,135,244
Dumalinao Employees Housing	3,109,881	3,109,881
Menzi Housing Project	3,078,436	3,078,436
Dagupan MRH	498,230	498,230
Dapitan City Employees Housing	550,340	550,340
Bolinao Socialized Housing Project	455,444	455,444
Candon City Housing Project	422,441	422,441
Various	5,604,730	5,604,730
	41,729,295	41,729,295
	6,209,720,366	6,209,720,366

9. LAND ASSEMBLY FOR FUTURE PROJECTS

Land assembly for future projects represents costs of undeveloped lots in the following areas acquired for future development and amount deposited with the PNB for the land expropriation.

	2015	2014
Northern and Central Luzon	479,816,867	537,791,565
Visayas	174,859,810	183,569,434
Southern Luzon and Bicol	161,468,521	161,468,521
Mindanao	433,698,211	408,313,199
National Capital Region	61,902,644	44,261,368
	1,311,746,053	1,335,404,087

10. PROPERTY AND EQUIPMENT

This account is composed of the following (amount in thousand pesos):

	Land & Land Improvements	Buildings and Structures	Office Equipment, Furniture & Fixtures	Machineries Equipment	Transportation Equipment	Other PPE	Total
Cost							
Beginning	1,397,087	712,451	139,868	15,680	100,465	1,562	2,367,113
Additions	10,419	433,440	9,742	742	-	318	454,661
Adjustments	(81,030)	(400,465)	(5,968)	(746)	(1,434)	-	(489,643)
	1,326,476	745,426	143,642	15,676	99,031	1,880	2,332,131

	Land & Land Improvements	Buildings and Structures	Office Equipment, Furniture & Fixtures	Machineries Equipment	Transportation Equipment	Other PPE	Total
Accumulated Depreciation							
Beginning balance	777	177,123	88,400	13,431	76,527	181	356,439
Charge for the Year	-	2,340	7,561	646	8,718	291	19,556
Disposal/Retirements	-	-	(5,360)	(606)	(1,375)	-	(7,341)
	777	179,463	90,601	13,471	83,870	472	368,654
Net Book Value, 12/31/14	,325,699	565,963	53,041	2,205	15,161	1,408	1,963,477
Cost							
Beginning	1,326,476	745,426	143,641	15,676	99,031	1,880	2,332,131
Additions	30,954	450,770	63,891	560	74,546	318	621,039
Adjustments	12,448	(484,387)	(1,896)	(1,509)	(45,792)	-	(521,137)
	1,369,878	711,809	205,636	14,727	127,785	2,198	2,432,033
Accumulated Depreciation							
Beginning balance	777	179,463	90,601	13,471	83,870	472	368,654
Charge for the Year	2,469	3,008	12,929	604	9,612	338	28,960
Disposal/Retirements	-	-	(1,460)	(1,480)	(13,601)	-	(16,541)
	3,246	182,471	102,070	12,595	79,881	810	381,073
Net Book Value, 12/31/15	1,366,632	529,338	103,566	2,132	47,904	1,388	2,050,960

Buildings and structures account includes the sub-account, Completed development for transfer – other structures, with a balance of P495.200 million, covering completed health centers, multi-purpose halls and schools already due for transfer to the local government units and Department of Education (DepEd) pending submission of the duly approved Deed of Transfer and Acceptance (DOTA) or Deed of Donation and Acceptance (DODA). No depreciation is recognized for this item of PPE.

11. OTHER NON-CURRENT ASSETS

This account consists of the following:

	2015	2014
Restricted fund/cash		
Deposit held-in-trust	922,105,757	276,702,059
Deposit for expropriation	38,705,263	41,278,106
Deposit held-in-escrow	31,382,606	31,119,001
Time deposit held in trust	103,706,780	102,796,987
Loans receivable	193,628,326	203,757,099
Accounts receivable	56,952,263	65,644,220
Guaranty deposits	63,264,795	63,219,195
Due from LGUs	29,288,264	40,744,675
Other assets	35,523,793	35,535,438
Due from GOCCs	17,252,212	17,252,212
Advances to contractors	16,571,321	16,571,321
Other receivables	7,379,811	7,947,173
Due from NGAs	167,944	167,944
Rental deposits	572,865	572,865
Miscellaneous assets	-	158,465
	1,516,502,000	903,466,760
Allowance for doubtful accounts	(28,465,580)	(28,465,580)
	1,488,036,420	875,001,180

Restricted fund/cash account represents fund for Special Purpose which cannot be used in the operation of the Agency. Collections from various projects covered by Trust Agreements with GOCCs such as Public Estate Authority (PEA) Pabahay, Air Transportation Office (ATO), Civil Aviation Authority (CAA), Bases Conversion and

Development Authority (BCDA), Philippine Ports Authority (PPA), and Philippine National Red Cross (PNRC) contributed to the increase of P644.004 million.

Deposit held-in-trust is collection from housing projects turned-over by other government agencies for administration of NHA, wherein such collection to the funding agency are to be remitted to the BTr as the case maybe.

Deposits for expropriation are deposits for land expropriation cases filed in court.

Deposit held-in-escrow pertains to deposits intended for joint venture projects.

Loans receivable includes bridge financing to Joint Venture partners which are non-moving for five years or more.

Accounts receivable pertains to receivable from mortgage sales which are dormant from 1994 to 2014.

Guaranty deposits include deposits made to National Home Mortgage Finance Corporation (NHMFC) for mortgage take-out loans of various NHA beneficiaries without individual lot titles. These also include deposits to MERALCO, MWSS, various water districts, etc. made for various NHA housing projects and offices for electric and water service connections.

Due from NGAs/LGUs/GOCCs represent receivables and advances made to different government units wherein Audited Statement of Disbursements is not yet submitted to record the liquidation.

Other Assets includes investment in the joint venture with Trustek Conclad Aus-Phil., Inc. and unserviceable office equipment/Furniture and Fixtures/IT equipment, etc. The joint venture was terminated and the machineries and equipment which are idle are in the custody of the NHA. The equipment had been offered for bids but there were no takers. They are now looking for other means to dispose the assets that were appraised.

Advances to contractors represent the 15 per cent advance payment for mobilization not yet recouped due to termination/suspension or rescission of contract. The P16.571 million are dormant accounts reclassified from Prepayments.

Other receivables represent receivables from various joint venture partners, receivables from beneficiaries for water and electric services, MERALCO meters and service deposits. It also includes receivables from employees no longer with NHA and/or collecting officers who were separated from NHA with outstanding balances.

Due from NGOs and POs pertains to advances for installation of power supplies for three electric cooperatives which remain outstanding to date.

Prepaid rent are advances made for the use of spaces for Project Offices.

Allowance for doubtful accounts pertains to the set-up of allowance for doubtful accounts from beneficiaries' rental accounts that had been outstanding for more than five years as follows:

Loans receivables - LGUs	15,830,794
Loans receivables - Others	8,910,914
Due from GOCCs	3,307,887
Due from LGUs	415,985
	28,465,580

12. PAYABLES

This account includes the following:

	2015	2014
Dividends payable	168,323,387	126,450,476
Accounts payable	128,237,198	97,527,601
Due to officers and employees	49,638,231	52,049,966
Interest payable	-	-
	346,198,816	276,028,043

The Authority set-up the accrual for the grant of Performance Based Bonus (PBB) to officers and employees pursuant to the Governance Commission for Government-Owned and Controlled Corporations (GCG) Memorandum Circular No. 2012-11 dated December 06, 2012, hence, a huge amount was provided.

The increase of 41.87 million in Dividends payable was brought about by the increase in current financial performance due to increase in sales of institutional/commercial lot and collection of delinquent interest; thus, CY 2015 is higher than the previous years' dividends payable which is the basis for declaration of dividends.

13. INTER-AGENCY PAYABLES

This account consists of the following:

	2015	2014
Due to BTr (CISFA Funds)	2,505,815,593	2,458,267,188
Due to other GOCCs	-	-
NLRC Northrail Project	-	130,000,000
PPA	112,390,575	115,008,596
ATO	147,869,167	132,269,279
PEA	167,591,139	126,463,003
BCDA-Villamor Airbase	1,491,101	5,432,957
Philippine Centennial	-	25,873,518
Others	38,982,890	92,763,275
Due to LGUs	116,895,787	97,234,476
Due to BIR	33,086,540	21,906,527
Due to GSIS	745,482	1,248,283
Due to Pag-IBIG	1,307,510	567,910
Due to Philhealth	601,034	325,871
Due to Other GOCCs	50,852,834	-

	2015	2014
Due to other NGAs	1,434,286,185	691,533,256
	4,611,915,837	3,898,894,139

Due to BTr are trust funds released by DBM through the Bureau of Treasury (BTr) for Medium-Rise Public and Private Housing and Local Housing Program as mandated in the CISFA of 1994. It also includes P9.096 million land cost of Dumagok Resettlement Project, which the NHA shall reimburse to the National Government the value of land after the final payment of the areas reserved for socialized housing purposes by the qualified beneficiaries.

Due to other GOCCs mainly represent collections from various housing projects covered by Trust Agreements such as PEA Pabahay, ATO Civil Aeronautics Administration, Pasig River Rehabilitation Commission (Kasiglahan 1 to 5 Project), and BCDA (Philippine Centennial Village).

Due to LGUs pertains to collections from various Zonal Improvement Project (ZIP) projects for remittance to LGUs based on Metro Manila Commission Memorandum which was for adjustment in the books to be treated as payment of the beneficiaries.

Due to BIR, GSIS, Pag-IBIG and Philhealth represent personal/corporate contribution/loan repayment, and withholding taxes for remittance to said agencies.

Due to other NGAs and GOCCs are mostly funds entrusted to NHA for special purposes.

The P130 million advances from North Luzon Railways Corporation (NLRC) to NHA were for the relocation of informal settler families to pave the way for the implementation of Northrail Project, from Caloocan City to Malolos, Bulacan.

14. LOANS PAYABLE

This account consists of loans from the National Government as follows:

Creditor/Project	Date of Loan	Maturity Date	Terms of Payment	Interest Rate	2015	2014
Current						
IBRD-Urban III-LA#1821 \$ 29,435,099 P335,493,245	6/21/1980	12/15/1999	Semi-Annual	8.25%	97,001,686	97,001,686
IBRD-Urban III-LA#2067 \$ 25,452 P241,002	2/24/1982	-	No Loan Agreement	11.60%	241,002	241,002
GOP Portion – Urban III	1982	-	-	-	239,949,865	240,748,000
KFW-DBB-LA#1937952 DM 9,701,614 P38,376,338	10/15/1982	6/30/2012	Semi-Annual	2%	-	3,878,009
Total					337,192,553	341,868,697

IBRD-Urban III - LA#1821 pertains to the loan to be assumed by MWSS for water systems funded by the World Bank under the Zonal Improvement Projects, subject to issuance of a negative Advice of Allotment by the Bureau of the Treasury.

GOP Portion - Urban III represents Government of the Philippines (GOP) 5% share of the total cost for ZIP and Sites and Services Project (SSP).

Urban III, LA#2067 represents Urban Engineering Loan of NEDA for technical assistance to Kinhill Pty. Ltd.

15. OTHER CURRENT LIABILITIES

This is composed of the following:

	2015	2014
Guaranty deposits payable	3,097,854,951	2,468,174,142
Performance/bidders bonds payable	9,261,674	14,043,753
Tax refunds payable	130,396	31,284
Other payables	1,505,534,607	1,454,809,022
	4,612,781,628	3,937,058,201

Guaranty deposits payable refers to the amount deducted from the progress billing of contractors/developers, to guarantee performance which is refundable upon completion of the project.

16. OTHER PAYABLES

Other payables includes: (a) NHA and developer's share from sales under mortgage take-out scheme in joint venture projects; (b) Contingent liability for Additional Cost of Pre-sold/Completed Projects represent additional cost to be incurred to complete various

projects which are sold, although the projects are not yet completed; (c) Miscellaneous liabilities/Due to contractors consist of amounts received from prospective buyers, tenants, awardees and contractors to guarantee performance of awarded contracts.

17. DEFERRED CREDITS

This account consists of the following:

	2015	2014
Deferred income from installment sales	4,816,809,233	3,910,960,819
Depository liabilities-beneficiaries	758,845,013	565,468,948
Restricted funds (Smokey Mountain)	-	61,014,540
Deferred profit - uncollected claims	14,788,141	14,788,141
	5,590,442,387	4,552,232,448

Deferred income from Installment sales is the difference between the selling price and cost of sales of lots, houses and lots or units sold.

Depository liabilities - beneficiaries represents beneficiaries/buyers' deposit on lots and titles and rental deposit from beneficiaries of various NHA projects.

Collection of P61 million from sale of housing units in the Smokey Mountain Development and Reclamation Project (now Paradise Heights Housing Project) was reclassified from Deferred Credits to Receivable from Installment Sales.

Deferred profit – uncollected claims represents amount due from G and M Realty Construction and Development Corporation, a joint venture partner, out of over expenditure in the project development of the Consuelo Heights Housing Projects in Tuguegarao, Cagayan per Court Decision under Civil Case No. Q 95-24669 dated February 2, 1998 and writ of execution dated March 1, 1999.

18. CAPITAL STOCK

The authorized capitalization of the Authority is P5 billion per PD No. 1924 dated May 06, 1984, to provide NHA the long term capability to undertake the comprehensive national housing program for marginal and low income families. The amount of P2.893 billion has been issued by the National Government leaving an unissued capitalization of P2.107 billion.

19. MISCELLANEOUS CAPITAL

This account mostly consists of value of properties acquired by NHA thru various Republic Acts, Presidential Proclamations or Executive Orders. The Authority in coordination with other government agencies was designated to develop, convert into housing units and administer the disposition of the properties to bona fide occupants. Details are as follows:

	2015	2014	Status
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	2015	2014	Status
JOINT VENTURE PROJECT/ASSET POOL			
Vitas Reclamation Project	1,520,185,412	1,520,185,412	On-going sale
Smokey Mountain Development and Reclamation Project	758,110,161	1,403,000,000	On-going sale
THRU PRESIDENTIAL DECREE/ PROCLAMATION			
Three (3) lots from the Municipalities of Pasig, Cainta and Taytay	57,843,697	57,843,697	On-going sale
Lualhati Housing Project, Baguio City	17,425,061	17,425,061	On-going sale
DAR BPI Compound (Cresencia Village, Baguio City)	21,600,000	21,600,000	Sold out
Lot located in Brgy. Katipunan, Quezon City	14,513,760	14,513,760	On-going sale
Land Cost of Tala I, MRH	26,209,000	26,209,000	On-going sale
Land cost – Maria Orosa and Jorge Bocobo Housing Project	108,200	108,200	On-going sale
Lianga Housing Project, Surigao del Sur	37,820,160	37,820,160	On-going construction
Caingin Housing Project, Iloilo City	26,034,720	26,034,720	On-going sale
Tala Estate, Caloocan City	15,460,016	15,460,016	On-going sale
Bagong Silang Project, Phase XI	21,461,165	21,461,165	On-going sale
Land cost of Tala 2, MRH, Caloocan City	52,000,000	52,000,000	On-going construction
Bagong Silang Proj. Phase XI, Package 9	14,533,506	14,533,506	On-going sale
Land cost of Smokey Mountain Development & Reclamation Project	65,862,720	65,862,720	On-going sale
Land cost of Tala III MRH	52,171,600	52,171,600	On-going construction - MRB
Brgy. Valencia Project, Quezon City	18,510,000	18,510,000	On-going sale
Camp Gregg PNP Housing Project	8,793,823	-	
FROM OTHER GOVERNMENT AGENCY (THRU PD/PP)			
Monterrazza Subd., Benguet from Presidential Management Staff	117,618,100	117,618,100	On-going sale
Lot from Department of Public Works and Highways			
DPWH, Sta. Ana, Manila	17,753,150	17,753,150	On-going sale
Lot in Sta. Ana, Manila from DSWD	10,826,000	10,826,000	On-going sale
Polo Transmitting Community Development Cooperative	193,450	193,450	On-going sale
Land cost of NHA Sambag Ville 2 Housing Project, Cebu City	-	59,521,773	On-going sale- Rented Property
Philippine Centennial Village Project, Taguig	242,724,323	242,724,323	On-going sale
Housing for 1 st District of Agusan del Norte	3,263,360	3,263,360	On-going sale
DONATION			
Three (3) Motor Vehicles	800,500	800,500	
One (1) Computer unit	25,000	25,000	
	3,121,846,884	3,817,464,673	

The amount of P1.520 billion represents the NHA's share in the Vitas Reclamation Project. The value of the lot is computed based on the total lot area of 253,645 square meters multiplied by P6,000, the existing zonal value of the lot.

The Smokey Mountain certificate of P1.403 billion represents the value of non-interest veering participation certificates issued by the Asset Pool due to the conveyance of the Smokey Mountain site and the 79 has. Manila Bay Foreshore property. The value was reduced to P758 million with the application of loss on sale of housing units.

The three (3) lots from Pasig, Cainta and Taytay with an area of 171.03 hectares more or less were transferred to NHA during the last quarter of 1999. These lots are intended for socialized housing under Presidential Proclamation No. 458 dated August 29, 1994.

The land located at Barangay Katipunan Quezon City was conveyed per Deed of Reconveyance under Board Resolution No. 4477 dated January 2002 – approved the conversion of its land use from slaughter house site to residential lot for proper distribution and award to its occupants.

The Caingin Housing Project which has an area of 54,239 square meters situated in the City of Iloilo, Island of Panay under Presidential Proclamation No. 419 is for utilization in relation to socialized housing, urban development, resettlement and slum improvement.

The amount of P37.820 million represents Lianga Housing Project located at Brgy. Diatagon, Lianga, Surigao del Sur under Presidential Proclamation No. 403 with an area of 27.3958 hectares for disposition in accordance with the provisions of Republic Act No. 7279.

The 808 hectare Tala Estate in Caloocan City was transferred to NHA thru Presidential Proclamation No. 843 for various government uses as well as for housing and urban development.

The amount of P21.461 million represents project in Bagong Silang, Phase XI, Package 10 under Presidential Proclamation No. 843.

The amount of P52 million represents 20,000 sqm land cost in Caloocan City for Tala 2 under Presidential Proclamation No. 843.

The amount of P14.534 million represents project in Bagong Silang, Phase XI, Package 9 under Presidential Proclamation No. 843.

The P65.863 million represents the cost of 14,520 sqm lot for the construction of the (9) five-storey low rise building for the Smokey Mountain Development and Reclamation Project.

The P52.172 million represents 20,066 sqm land cost in Caloocan City for Tala 3 under Presidential Proclamation No. 843.

The Monterraza property donated by the Presidential Management Staff covering an area of 88,474 square meters more or less. The transfer authorized NHA to administer

and sell the subject lots to bonafide settlers, as well as acquire and develop alternative sites, all for socialized housing as approved by the President on July 7, 1997.

The 3,869 sqm at P50/sqm land in Karuhatan, Valenzuela, for proper disposition to members of Polo Transmitting Community Development Cooperative, Inc.

The Philippine Centennial Village Project in Taguig City was turned-over by HUDCC to NHA pursuant to Executive Order No. 70/465 as amended.

The parcel of land turned-over by the DPWH thru Deed of Transfer to the NHA for disposition primarily to barangays under 1st District of Agusan del Norte.

20. APPRAISAL CAPITAL

The amount of P6.127 billion represents the appraised value of the lot located at the Government Center North Triangle, a joint venture project with Ayala Land, Inc. and the Smokey Mountain Project in Tondo, Manila.

21. SUBSIDY INCOME FROM THE NATIONAL GOVERNMENT

As of December 31, 2015, the total allotment for the various projects - relocation/resettlement, AFP/PNP housing and for calamity projects amounted to P98.889 billion, including the amount of P10.763 billion sourced from the Unprogrammed Fund, FY 2011 General Appropriations Act, RA No. 10147.

Projects	Source of Fund	Amount Advice of Allotment	Cash Received		Total Utilization		Balance of Cash	Balance of Allotment	
			2015	2014 & prior	2015	2014 & prior			
Disbursement Acceleration Program *									
1	Housing Project for Families Living along Danger Areas in Metro Manila	Unprogrammed Fund, FY 2011 GAA, RA 10147	10,000,000,000	-	7,115,366,000	836,752,117	6,446,624,984	(168,011,101)	1,594,794,000
2	Housing for BFP/BJMP	Unprogrammed Fund, FY 2011 GAA, RA 10147	500,000,000	-	500,000,000	91,036,000	346,312,088	62,651,912	-
3	North Triangle Relocation Project	Unprogrammed Fund, FY 2011 GAA, RA 10147	163,298,000	106,325,000	-	17,469,900	171,700,968	(82,845,868)	56,973,000
4	Iloilo Resettlement Project	Unprogrammed Fund, FY 2011 GAA, RA 10147	100,000,000	-	100,000,000	-	98,128,039	1,871,961	-
			10,763,298,000	106,325,000	7,715,366,000	945,258,017	7,062,766,079	(186,333,096)	1,651,767,000
Regular Appropriation									
1	Resettlement Program	FY 2015 GAA, RA 10651	577,220,000	-	-	51,359,896	-	(51,359,896)	577,220,000
		FY 2014 GAA, RA 10633	200,000,000	100,000,000	-	57,447,195	11,634,952	30,917,853	100,000,000
		FY 2013 GAA, RA 10352	4,882,200,000	365,773,000	2,970,485,000	499,069,172	1,288,438,920	1,548,749,908	1,545,942,000
		FY 2012 GAA, RA 10155	5,503,180,000	294,339,000	4,806,178,000	364,062,749	2,298,255,171	2,438,199,080	402,663,000
2	North Triangle Relocation Project	FY 2014 Supplemental	286,702,000	-	-	-	-	-	286,702,000
3	Resettlement Upgrading Program	FY 2013 GAA, RA 10352	127,845,000	38,564,000	4,270,000	9,042,527	1,331,998	32,459,475	85,011,000
4	Emergency Housing Assistance for Calamity Victims	FY 2013 GAA, RA 10352	620,980,000	143,880,000	406,782,000	17,315,179	453,130,868	80,215,953	70,318,000
		FY 2014 GAA, RA 10633	100,000,000	48,928,000	-	53,381,796	-	(4,453,796)	51,072,000

Projects	Source of Fund	Amount Advice of Allotment	Cash Received		Total Utilization		Balance of Cash	Balance of Allotment	
			2015	2014 & prior	2015	2014 & prior			
	FY 2015 GAA, RA 10651	618,268,000	61,880,000	-	69,329,197	-	(7,449,197)	556,388,000	
5	AFP/PNP/BF P/BJMP/ BuCor Housing Program	FY 2013 GAA, RA 10352	1,621,740,000	-	-	271,332,562	170,676,552	(442,009,114)	1,621,740,000
		FY 2014 GAA, RA 10633	5,458,000,000	-	-	293,295,751	113,953,500	(407,249,251)	5,458,000,000
		FY 2015 GAA, RA 10651	100,000,000	-	-	-	-	-	100,000,000
6	Housing Program for Informal Families living along danger areas in Metro Manila	FY 2013 GAA, RA 10352	10,108,725,000	1,830,262,000	5,165,712,000	2,353,913,304	3,903,299,225	738,761,471	3,112,751,000
		FY 2014 GAA, RA 10633	4,377,892,000	2,085,541,000	844,253,000	1,647,541,312	1,225,278,651	56,974,037	2,563,976,000
			1,115,878,000						
	FY 2015 GAA, RA 10651	2,843,923,000	-	-	585,981,741	-	(585,981,741)	2,843,923,000	
7	Housing Program for Informal Families living along danger areas in Bacoor, Cavite	FY 2015 GAA, RA 10651	50,000,000	-	-	-	-	-	50,000,000
			38,592,553,000	4,969,167,000	14,197,680,000	6,273,072,381	9,465,999,837	3,427,774,782	19,425,706,000
Other Releases									
1	AFP & PNP Housing Project, Phase 2	Unprogrammed Fund, FY 2012 GAA, RA 10155	4,514,480,000	-	4,514,480,000	348,768,513	6,140,301,475	980,406,012	-
		FY 2013 GAA, RA 10352	4,000,000,000	-	2,954,996,000				1,045,004,000
2	Housing Project Typhoon "Pablo"	Unprogrammed Fund, FY 2013 GAA, RA 10352	4,084,600,000	286,661,000	3,122,272,000	841,527,386	2,275,123,428	292,282,186	675,667,000
3	Housing Project Zamboanga Conflict	Unprogrammed Fund, FY 2013 GAA, RA 10352	2,566,000,000	-	2,566,000,000	613,289,082	1,175,957,299	776,753,619	-
4	Permanent housing Typhoon "Yolanda"	Unprogrammed Fund, FY 2013 GAA, RA 10352	2,200,000,000	-	2,200,000,000	905,290,637	9,193,300	1,285,516,063	-
		Unprogrammed Fund, FY 2014 GAA, RA 10633	18,999,978,000	1,828,229,000	-	3,999,669,726	-	(175,522,726)	15,175,831,000
			1,995,918,000						
	Unprogrammed Fund, FY 2015 GAA, RA 10651	11,669,040,000	2,128,040,000	-	29,687,468	-	2,098,352,532	9,541,000,000	
5	Reconstruction & Rehabilitation Program Fund	Unprogrammed Fund, FY 2014 GAA, RA 10633	1,500,000,000	-	-	163,359,357	168,836,132	(332,195,489)	1,500,000,000
			49,534,098,000	6,238,848,000	15,357,748,000	6,901,592,169	9,769,411,634	4,925,592,197	27,937,502,000
			98,889,949,000	11,314,340,000	37,270,794,000	14,119,922,567	26,298,177,550	8,167,033,883	49,014,975,000

*NHA has stopped obligating the DAP funds after the Supreme Court decision on July 1, 2014, declaring it as unconstitutional and continued utilizing cash released for obligated disbursements prior to the decision. Thus the balances presented, to wit:

1. Housing Project for Families Living along Danger Areas in Metro Manila: Out of the P10B allotment, only P8.71B was obligated as of June 30, 2014, thus leaving a balance of allotment amounting to (8.71B-7.115B) P1.595B.
2. Housing for BFP/BJMP: Out of the P500M allotment, only P408.964M was obligated as of June 30, 2014, thus leaving a balance of P91.036M unobligated cash released which was remitted to BTr on 11/11/15.
3. North Triangle Relocation Project: Out of the P450M allotment, only P163.298 was obligated as of June 30, 2014, thus leaving a balance of P286.702M which was released later as a supplemental appropriation.
4. Iloilo Resettlement Project: P100M allotment was fully obligated as of June 30, 2014.

The funds intended for the housing program for typhoon Yolanda victims and other programs were utilized by the Authority to cover the cash requirements in the implementation of the HPISFLDA in Metro Manila, AFP/PNP and BFP/BJMP housing programs in the total amount of P5.385 billion.

22. CORRECTION OF PRIOR YEARS' ERRORS

This account is broken down as follows:

	2015	2014
Subsidy		
Northrail/Southrail relocation projects	-	(31,223,636)
Typhoon Pablo and Yolanda	(63,865,970)	
Zamboanga Conflict	(101,941,154)	-
AFP/PNP/BJMP	(335,980,547)	(308,141,282)
Informal Settler Families Living in Danger Area	(461,241,291)	(686,369,012)
Various resettlement projects	(1,011,869,684)	(879,276,282)
Prior Years' Charges		
Various adjustments	-	(2,479,114)
Donations	-	(12,872,105)
Personal services	(25,665,969)	(3,827,428)
Maintenance and other operating expenses	(41,188,089)	(12,173,292)
Prior Years' Credits		
Prior years' amortization interest, delinquency interest, notarial fees, service fees, miscellaneous income	70,792,178	132,621,999
Administration Fee	-	56,691,942
Income from Joint Venture	-	1,006,461
Accrued rental and amortization receivable	(31,926,584)	(89,355,430)
Various adjustments to income	(58,406,812)	(3,919,509)
	(2,061,293,922)	(1,839,316,688)

23. FINANCIAL RISK MANAGEMENT

The Authority has significant exposure to the following risk:

- a. Credit Risk – refers that one will default by failing to make the required payments. The risk of financial loss due to inability or unwillingness to settle one's obligation in accordance with the agreed terms. Since the Authority is providing housing assistance to informal settler families and low salaried government employees, the exposure to credit risk is of great magnitude.

The Authority, in managing its credit risk, makes regular review of policies regarding loan restructuring and lowering of interest. Past due accounts are being monitored and evaluated closely. The Authority also engages in livelihood programs to help the beneficiaries meet their daily needs.

- b. Liquidity Risk – refers to the possibility that the Authority will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Authority manages liquidity risk by maintaining adequate reserves to meet its currently maturing obligations.
- c. Interest Rate Risk (IRR) – is the exposure to adverse movements in interest rates.

Investments – in managing the IRR, the Authority invests in financial institutions with a fixed interest rate agreement either for 30 days or 90 days. Any variation

in the interest rate will not have a material impact on the net profit of the Authority.

Receivables – interest rate exists in the trade receivables/interest bearing assets due to the change in the assets value resulting from the variability of interest rates. The financial expenses being charged in the cost of assets vary depending on the payment of principal and interest on the borrowings by the Authority.

24. PENDING CASES IN COURT

As of December 31, 2015, no provision for liability was recognized or taken up in the books for cases in court because the amount cannot be measured reliably, pending court decision. The following are the list of the NHA pending cases:

NO.	CASE NO. & DOCKET NO.	PROPERTY	DESCRIPTION
1.	NHA vs. A.C. Yulo, et al. Case No. 1355	Bacolod City	Expropriation case
2.	NHA vs. Ernesto Reyes, et al Civil Case No. 4255	Mandurriao Sites & Services Iloilo City	Expropriation case
3.	NHA vs. Jaime Pajara, et al. Civil Case No. 6509 CA GR CV No. 07490	Kadunganan, Sagcahan, Tacloban City, Leyte	Expropriation case
4.	NHA vs. Humberto Villareal, et al. SCA-007-01	Poblacion Sur, Ivisan, Capiz	Expropriation case
5.	NHA vs. Bernabe Noble, et al. Case No. 7847	Lapasan, Cagayan de Oro City	Expropriation case
6.	NHA vs. City of Cagayan de Oro, et al. Civil Case No. 7465	Macabalan, Cagayan de Oro City	Expropriation case
7.	NHA vs. Casimiro Tamparong, et al. Civil Case No. 7464	Puntod, Cagayan de Oro City	Expropriation case
8.	NHA vs. Celso delos Angeles, et al. Case No. 3906	Karangalan, Pasig City	Expropriation case
9.	NHA vs. Aurea Abrera, et al. Case No. 58413	West Crame, San Juan, M.M.	Expropriation case
10.	NHA vs. Elisa Cabrera Luna, et al. Case No. C-10688	Bagong Barrio, Caloocan City	Expropriation case
11.	NHA vs. Patricia L. Tiongson, et al. CC No. 87-42018 and CC No. 87-42019, RTC Br. 41, Manila (CA GR CV No. 37367)	Tambunting, Tondo, Manila	Expropriation case
12.	NHA vs. Patricia L. Tiongson, et al. CC No. C-87-42017 and CC No. 87-42016, RTC Br. 40, Manila (CA GR CV 37367)	Sunog Apog, Tondo, Manila	Expropriation case

NO.	CASE NO. & DOCKET NO.	PROPERTY	DESCRIPTION
13.	NHA vs. Ruperto Marero, et al. Case No. 27933	Antipolo City	Expropriation case
GRACE PARK SUBDIVISION/ BARRIO RODRIGUEZ, CALOOCAN CITY Handled by the Office of the government Corporate Counsel			
14.	NHA vs. Domingo Lim, et al. CC No. C-6226 GR No. 116176	Grace Park Subd., Caloocan City	Expropriation case
15.	NHA vs. Julia Diez, et al. CA GR CV No. 10200-10212,	Grace Park Subd., Caloocan City	Expropriation case
16.	NHA vs. Fermin Manapat CC No. C-6229, Gr I-10200-10212	Grace Park Subd., Caloocan City	Expropriation case
17.	Rosemarie A. Guanzon, et al C-6226 & C-6225 GR No. 110462-74	Grace Park Subd., Caloocan City	Expropriation case
18.	NHA vs. Maximo Loberanes, et al C No. 6231, CA GR No. 10200- 10212	Grace Park Subd., Caloocan City	Expropriation case
19.	NHA vs. Cesario Vega, et al. CC No. C-6435, CA GR CV 10200- 10212 (consolidated)	Grace Park Subd., Caloocan City	Expropriation case
20.	NHA vs. Conrado Ng Sinco, CC No. C-6234	Grace Park Subd., Caloocan City	Expropriation case
21.	NHA vs. Alfredo de Guzman et al. CC No. C-6435, CA GR CV 10200- 10212 (consolidated)	Grace Park Subd., Caloocan City	Expropriation case
22.	NHA vs. Dominador Ramos CC No. C-6228, CA GR CV 10200-10212 (consolidated)	Grace Park Subd., Caloocan City	Expropriation case
23.	NHA vs. Carcco Motors Sales, Inc. Now Philtrust Bank, CC No. C-6236	Grace Park Subd., Caloocan City	Expropriation case
24.	NHA vs. Virginia Castro, et al., CC No. C-6226, CA GR CV 116176	Grace Park Subd., Caloocan City	Expropriation case
25.	NHA vs. Angelita Puno, et al C-6232, CA GR CV 10200- 10212	Grace Park Subd., Caloocan City	Expropriation case
26.	NHA vs. Juan Puno et al, C-6238, CA GR CV 10200- 10212	Grace Park Subd., Caloocan City	Expropriation case
27.	NHA vs. Leoncia F. Cesar, et al C-6435, CA GR CV-10200- 10212	Grace Park Subd., Caloocan City	Expropriation case

25. SUPPLEMENTARY INFORMATION REQUIRED UNDER BUREAU OF INTERNAL REVENUE REGULATION NOS. 15-2010 AND 19-2011

In compliance to the above regulations, the following taxes and withholding taxes were paid and accrued in CY 2015:

Taxes paid in 2015	
On compensation	71,159,838
Expanded	76,789,125
VAT and other percentage tax	42,230,665
	190,179,628
Add: Taxes withheld (to be paid in 2016)	
On compensation	3,595,400
Expanded	12,937,156
VAT and other percentage tax	5,445,061
	21,977,617
	212,157,245

The NHA, being the primary government agency in charge of providing housing for the underprivileged and homeless, shall be exempted from the payment of all fees and charges of any kind, whether local or national, such as income and real taxes. All documents or contracts executed by and in favor of the NHA shall also be exempted from the payment of documentary stamp and registration fees, including fees required for the issuance of transfer certificates of titles per Section 19 of Republic Act (RA) 7279, otherwise known as the Urban Development and Housing Act of 1992, Providing Tax Incentives to Government-Owned and Controlled Corporations and Local Government Units as well as Private Mortgage Program, amending for the purpose pertinent provisions of Sections 2.4 and 5 of Revenue Regulations No. 9-93.

26. GSIS

National Housing Authority has complied with the GSIS regulations on the proper deductions of GSIS premiums from the salaries of employees and the timely remittances thereof to the GSIS in accordance with RA No. 8291.

27. Pag-IBIG

The statutory deductions withheld from the salaries of employees were remitted to the Home Development Mutual Fund (HDMF/Pag-IBIG) as required under the Presidential Decree No. 1752.

28. PHILHEALTH

Management remitted the Philhealth personal and corporate share contributions on a monthly basis as required under Sec. 20 (b) Title III, Rule III of the Revised Implementing Rules and Regulations of RA No. 9241.

29. TRUST FUNDS

29.1 NATIONAL GOVERNMENT CENTER (NGC)

On March 29, 2005, the Home Guaranty Corporation (HGC) transferred to the NHA the operation and management of the National Government Center (NGC) Housing Project, by virtue of Republic Act No. 9207, otherwise known as the National Government Center (NGC) Housing and Land Utilization Act of 2003. Under this Act, the NHA was made the trustee of the NGC Housing Project (East and West) excluding those where the Home Guaranty Corporation (HGC) has acquired proprietary interest.

Prior to its transfer to NHA, the NGC Housing Project came into existence by virtue of Proclamation No. 137 dated August 11, 1987, thereby segregating lands covering more or less 150 hectares from the National Government Center situated at West of Commonwealth Avenue, Quezon City to be utilized as socialized housing for the beneficiaries living thereat. In April 1998, Proclamation No. 1169 was issued excluding additional portion of land in the east side (approximately 238 hectares) and declaring the same for development and disposition into a mixed use for government complexes, buildings and offices, socialized housing and other purposes.

The financial position of NGC and the results of its operations are as follows:

Particulars	2015	2014	Increase/ (Decrease)
A. Financial Position			
Assets	827,675,848	742,813,714	84,862,134
Liabilities	904,997,072	904,762,465	234,607
Equity	(77,321,224)	(161,948,751)	84,627,527
B. Results of Operations			
Revenue from general income	101,828,174	6,869,510	94,958,664
Operating expenses	18,895,192	20,884,345	(1,989,153)
Gain/ (Loss) from operations	82,932,982	(14,014,835)	96,947,817
Other income	904,624	1,277,969	(373,345)
Net Income (Loss)	83,837,606	(12,736,866)	96,574,472

29.2 PINATUBO PROJECT MANAGEMENT OFFICE (PPMO)

Executive Order No. 552 dated August 1, 2006, mandates the Housing and Urban Development Coordinating Council (HUDCC) to transfer the administration and management of the Mt. Pinatubo Lowland Communities and all other functions performed by the Pinatubo Project Management Office (PPMO) to the National Housing Authority (NHA).

The NHA shall establish a Trust Fund for the Mt. Pinatubo and maintain a separate set of books independent from the books and records of the NHA.

The HUDCC turned-over 14 lowland resettlement sites, various assets, liabilities and capital as of July 31, 2006. Recording of assets and liabilities were taken up in the

books. Collection and disbursements were reclassified from NHA books to Mt. Pinatubo books.

As of December 31, 2015, PPMO fund resources amounted to P2,642,758,956, and from its operations, it has a net income of P110,974.

29.3 FINANCIAL HIGHLIGHTS

Particulars	2015	2014	Increase/ (Decrease)
A. Financial Position			
Assets	2,642,758,956	2,638,808,246	3,950,710
Liabilities	64,627,097	60,309,044	4,318,053
Equity	2,578,131,859	2,578,499,202	(367,343)
B. Results of Operations			
Revenue from general income	1,300,441	1,356,134	(55,693)
Operating expenses	1,211,365	2,284,777	(1,073,412)
Gain/ (Loss) from operations	89,076	(928,643)	1,017,719
Interest income	21,898	13,462	8,436
Net Income (Loss)	110,974	(915,181)	1,026,155