



## NOTES TO FINANCIAL STATEMENTS For the years ended December 31, 2021, and 2020

### 1. CORPORATE INFORMATION

The National Housing Authority (NHA or Authority) is a government-owned & controlled corporation, duly organized and established under Presidential Decree No. 757 dated July 31, 1975 and mandated to develop and implement a comprehensive and integrated housing program which shall include, among others, housing development and resettlement, sources and schemes of financing and delineation of government and private sector participation. It operates under the policy and administrative supervision of the Housing and Urban Development Coordinating Council (HUDCC). The Authority is under the direct supervision of the Office of the President and shall exist for 50 years.

Executive Order No. 90 dated December 17, 1986, the NHA was designated as the primary government agency in charge of providing housing assistance to the lowest 30% of the urban population through slum upgrading, squatter relocation, development of sites, and services, and construction of core housing units. It was also tasked to undertake programs for the improvement of blighted urban areas and provision of technical assistance to private developers undertaking low-cost housing projects.

Republic Act No. 7279, otherwise known as the Urban Dev't 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 (LGUs) in the implementation of their urban development and housing programs to enhance local government capabilities in housing provision.

Republic Act 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 program.

Executive Order No. 195 was issued on December 31, 1999, mandating the NHA to focus on socialized housing through the development and implementation of comprehensive and integrated housing development and resettlement; fast-tracking the determination and development of government lands suitable for housing; and ensuring the sustainability of socialized housing funds by improving its collection efficiency, among others.

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

Administrative Order 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.

The National Disaster and Risk Reduction Plan (NDRRP) for 2011 to 2018 designated NHA as the 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.

Executive Order No. 03 dated June 28, 2017, Task Force Bangon Marawi was created for the recovery, reconstruction, and rehabilitation of the City of Marawi and other affected localities. This was amended by Executive Order No. 9, designating the HUDCC as Chairperson and exercising administrative supervision over NHA to develop and undertake housing development and/or resettlement.

Republic Act No.11201, the Department of Human Settlements and Urban Development (DHSUD) Act, approved on February 14, 2019, the NHA is an attached agency and under the administrative supervision of the DHSUD. It shall continue to function as a production and financing arm in housing and shall exercise all other functions based on its existing charter and its other mandates as provided under existing laws.

In response to the Covid-19 pandemic, the NHA institutionalized the *Balik Probinsya, Bagong Pag-asa* (BP2) Program as pillar of balanced regional development pursuant to EO No. 114 dated May 6, 2020. A committee was created to provide technical, administrative, and operational support to BP2 Council.

Aligned with EO No. 120 dated November 18, 2020, on Strengthening Rehabilitation and Recovery Efforts in Typhoon-Hit Areas Through the Creation of the Build Back Better Task Force (BBB TF), the NHA initiated the development of a database model focused on identifying informal settler families in areas susceptible to hazards for program planning.

The General Manager is assisted in the management of NHA by the Assistant General Manager, three Group Managers and 13 Department Managers of the Head Office Staff Departments, and 17 Regional Managers of the operating units.

The registered office address of the NHA is Elliptical Road, Diliman, Quezon City. NHA has 17 regional offices (including NCR North, South, East, and West Sector Offices) and 45 district offices nationwide. As of December 31, 2021, the NHA has a total of 1,864 regular employees and 1,639 contract of service personnel.

#### *Approval of Financial Statements*

The financial statements of the NHA as at and for the year ended December 31, 2021, with comparative financial statements as at and for the year ended December 31, 2020, were approved and authorized for issue by the NHA Board of Directors.

## **RESTRUCTURING OF THE NATIONAL HOUSING AUTHORITY (NHA)**

### **GCG Memorandum Order No. 2016-12 dated August 26, 2016**

The Governance Commission for GOCCs approved the Restructuring Plan of NHA. The Restructuring Plan is expected to improve service delivery, particularly in the regions in terms of area coverage, production, monitoring collection, and socio-economic development.

### **Office Order No. 4056 dated December 13, 2017**

The Management issued an Office Order regarding the Adoption of the New Nomenclatures of NHA Offices.

### **Office Order No. 4535 dated May 23, 2018, and Office Order No. 4782 dated July 26, 2018**

Designates/identifies and/or reassigns Heads for Regional Operations and District Offices.

### **Office Order No. 6423 and Office Order No. 6424 dated December 5, 2019**

Implementation of the Job Rotation Program (JRP) for Regional Managers and designation and reassignment of select officers effective January 2, 2020.

Part of the Authority's transition is the regionalization/decentralization of finance functions. In 2019, some of the FSG functions were gradually devolved to Regional/District Offices – preparation of the operating budget, cash receipts and deposits journal, processing of disbursement vouchers for COE (PS & MOOE), and remittances to BIR, HDMF, PhilHealth, GSIS, PFAI, and others.

## **2. MAJOR PROGRAMS AND PRIORITIES**

### **a. Housing Program for Informal Settler Families (ISFs) Living along with Danger Areas**

The program involves relocation and resettlement of families residing in or along with dangerous areas, particularly those along waterways such as creeks, rivers, and esteros. NHA undertakes housing development while estate management/building maintenance shall be undertaken either by LGUs, NGOs, or homeowners' associations. It also covers the implementation of alternative in-city project schemes proposed by program stakeholders and off-city resettlement where in-city project plans are not feasible.

### **b. Regional Resettlement Program**

This involves the implementation of local/regional resettlement projects as joint national government-local government undertakings. The program addresses the resettlement requirements of LGUs outside Metro Manila involving families in dangerous areas, those affected by infrastructure projects, indigenous people, and former rebels.

### **c. Housing Assistance Program for Calamity Victims**

This is a nationwide program intended mainly to respond to the housing need of low and marginal-income and/or informal settler families for permanent shelter affected by natural or man-made calamities for relocation to safer areas. It also involves the provision of housing materials assistance to families whose homes are partially damaged by calamities and do not require relocation and resettlement.

### **d. Settlement Upgrading Program**

The program is intended to address the security of tenure and infrastructure requirements of informal settlements on government-owned lands proclaimed or designated as socialized housing sites. It covers survey and titling of individual lots for disposition to qualified occupants, infrastructure development, housing construction, and rehabilitation of existing project sites.

### **e. Government Employees' Housing Program**

The program is intended to provide decent and affordable housing to low-salaried government employees including members of the Armed Forces of the Philippines (AFP), Philippines National Police (PNP), Bureau of Jail Management Penology (BJMP), Bureau of Fire Protection (BFP), and Bureau of Corrections (BuCor).

**f. New Housing Program**

- Special Housing for Senior Citizens
- Halfway Houses
- Special Housing for PWDs

**g. Local Housing Program**

Mandated under RA 7835 or the CISFA Act of 1994, it covers the implementation of a cost-recoverable socialized housing project in urban and urbanizable areas in all congressional districts.

**3. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

**a. Statement of Compliance with International Public Sector Accounting Standards (IPSAS)**

The NHA's financial statements have been prepared in accordance with the IPSAS applicable to public entities classified as Non-Commercial Public Sector Entities.

<b>COA Resolution No./Date</b>	<b>Particulars</b>
2014-003 January 24, 2014	Prescribed the adoption of 25 PPSAS effective January 1, 2014, by Non-Government Business Entities (Non-GBEs).  These PPSAS were based on the International Public Sector Accounting Standards (IPSAS) which were published in the 2012 Handbook of International Public Sector Accounting Pronouncements (HIPSAP) of the International Public Sector Accounting Standards Board.
2015-040 December 01, 2015	Amended the effectivity of the adoption of the PPSAS to January 1, 2016
2017-006 April 26, 2017	Adoption of additional six PPSAS and update on the PPSAS prescribed through COA Resolution No. 2014-003 dated January 24, 2014, in accordance with the 2016 Edition of the Handbook of International Public Sector Accounting Pronouncements published by the International Federation of Accountants.
2020-001 January 9, 2020	Renaming the Philippine Public Sector Accounting Standards (PPSAS) to International Public Sector Accounting Standards (IPSAS) with corresponding Philippine Application Guidance (PAG) – COA Circular No. 2021-004, dated July 21, 2021

**b. Presentation of Financial Statements**

The accounting policies have been consistently applied to all the years presented.

The financial statements have been prepared based on historical cost, the basis of accounting unless stated otherwise. The Statement of Cash Flows is prepared using the direct method.

The preparation of financial statements in compliance with the adopted IPSAS requires the use of certain accounting estimates. It also requires the NHA to exercise judgment in applying the entity's accounting policies.

**c. Functional and Presentation Currency**

The financial statements are presented in the Philippine peso, which is also the country's functional currency.

**4. CHANGE IN GOVERNMENT ACCOUNTING SYSTEM**

**a. New Government Accounting System (NGAS)**

In compliance with COA Circular Nos. 2004-01 dated May 7, 2004, & 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 Authority 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.

## **b. Revised Philippine Government Chart of Accounts (PGCA)**

COA Circular No. 2008-001 dated January 29, 2008, the Revised Philippine Government Chart of Accounts (PGCA) was 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 Authority reclassified all account balances in the Trial Balance as of March 31, 2008, to the revised chart of accounts.

## **c. Suspension of PGCA**

Account balances in the Trial Balance as of March 31, 2009, were reclassified back to the New Government Accounting System (NGAS) chart of accounts to comply with COA Circular No. 2008-03 dated December 24, 2008, suspending the implementation of PGCA.

## **d. PPSAS and RCA for GCs-Non-GBEs**

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 converted the balances of accounts in the Financial Statements as of June 30, 2016, to the prescribed chart of accounts. Financial transactions in July 2016 and thereafter were recorded in accordance with PPSAS and RCA.

## **e. Updated RCA for GC-Non-GBEs**

Account balances of some accounts in the Financial Statements as of December 31, 2020, were converted to the prescribed Updated Revised Chart of Accounts for Government Corporations (2019) under COA Circular No. 2020-002 dated January 28, 2020.

## **f. Renaming PPSAS to IPSAS, Non-GBEs to Non-CPSE**

COA Circular No. 2021-004 dated July 21, 2021, renaming the PPSAS to IPSAS to avoid a notion that COA developed the national public sector accounting standards. Non-Government Business Enterprises also renamed as Non-Commercial Public Sector Entities.

# **5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

## **5.1 Basis of accounting**

The financial statements are prepared on an accrual basis in accordance with the International Public Sector Accounting Standards (IPSAS).

Accrual basis means a basis of accounting under which transactions and other events are recognized when they occur (and not only when cash or its equivalent is received or paid). Therefore, the transactions and events are recorded in the accounting records and recognized in the financial statements of the periods to which they relate.

## **5.2 Basis of consolidation**

The financial statements reflect the assets, liabilities, revenues, and expenses of the NHA-owned funds and the Comprehensive and Integrated Shelter Financing Act (CISFA) fund. CISFA funds were released by the Bureau of the Treasury (BTr) for the Local Housing Program and the Medium-Rise Public and Private Housing.

## **5.3 Financial Instruments**

### **a. Financial Assets**

The NHA's financial assets include cash and cash equivalents and loans & receivables.

In compliance with PPSAS No. 29, *Financial Instruments: Recognition and Measurements*, receivables are recognized initially at fair value and subsequently at amortized cost using Management's best estimate on collectability.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

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

#### *Derecognition*

The NHA derecognizes a financial asset or where applicable, a part of a financial asset or part of NHA of similar financial assets when:

1. the contractual rights to the cash flows from the financial asset expired or waived; and
2. the NHA has transferred its contractual rights to receive the cash flows of the financial assets, or retains the contractual rights to receive the cash flows of the financial assets but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets the conditions set forth in IPSAS 29; and either the entity has:
  - transferred substantially all the risks and rewards of ownership of the financial asset; or
  - neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, NHA determines whether it has retained control of the financial assets. If the control is not transferred or retained, the financial asset is derecognized and recognized separately as assets any rights and obligations created or retained in the transfer. Otherwise, NHA continues to recognize the financial asset to the extent of its continuing involvement in the financial asset.

#### *Impairment of financial assets*

The NHA assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include the following indicators:

1. The debtors or a group of debtors are experiencing significant financial difficulty;
2. Default or delinquency in interest or principal payments;
3. The probability that debtors will enter bankruptcy or other financial reorganization; and
4. Observable data indicates a measurable decrease in estimated future cash flows (e.g. increase in the amount of arrears in payments or economic conditions that correlate with defaults)

#### **b. Financial Liabilities**

Financial liabilities are measured initially at fair value. Financial liabilities are recognized when, and only when, the entity becomes a party to the contractual provisions of the financial instrument. The management determines the classification of its financial liabilities at initial recognition.

#### *Subsequent measurement*

The measurement of financial liabilities depends on their classification.

1. Financial liabilities at fair value through surplus or deficit

Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through surplus or deficit.

2. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

#### *Derecognition*

Financial liabilities are derecognized from the statement of financial position when the obligation specified in the contracts is extinguished either through discharge, cancellation, or expiration. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated

as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

The NHA's financial liabilities include accounts payables, loans payable, and amounts due to officers and employees.

#### **5.4 Cash & Cash Equivalents**

Cash and cash equivalents include cash on hand and in bank. The cash in bank includes time deposits with a maturity of three months or less, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

#### **5.5 Inventories**

Inventories are measured at cost (construction cost plus pre-development costs and expenses for design and supervision) upon initial recognition. To the extent that inventory is received through non-exchange transactions (for no cost or a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

The cost of an item of PE is recognized as an asset if it meets the capitalization threshold of P15,000. Said inventories are recognized as expenses once issued, transferred, lost, or disposed of.

After initial recognition, inventories are measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the NHA.

#### **5.6 Investment Property**

A property will be recognized as Investment Property if it is held to earn rentals or for capital appreciation or both if future economic benefits are probable to flow to the entity and its cost is reliably measurable. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred in the recognition criteria are met and excludes the costs of the day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated using the straight-line method over their estimated useful life of 20-30 years, based on the structure, size, and design of a building.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit or service potential is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use.

#### **5.7 Property and Equipment (PE)**

Property and equipment (PE) are initially recorded at cost and subsequently carried in the financial statements at cost less accumulated depreciation and impairment losses. Major repairs and improvements are added to the initial cost and amortized for the remaining life of the property. Minor repairs and maintenance are charged against the proper expense accounts.

Depreciation is calculated using the straight-line method based on the estimated life of the assets less the residual value equivalent to at least ten percent of the cost of the PE. The depreciation charge for each period is recognized as an expense unless it is included in the cost of another asset. The following are the estimated useful life of NHA's assets:

<b>Item of PE</b>	<b>Estimated Useful Life</b>
Land Improvements	Over the useful life of the asset to which the improvement was made or the useful life of the improvement if significantly shorter
Infrastructure assets	20 to 50 years
Buildings and other structures	30 to 50 years
Machinery and equipment	5 to 15 years
Transportation equipment	5 to 15 years

Item of PE	Estimated Useful Life
Furniture, fixtures, and books	2 to 15 years
Leased assets, excluding land	If there will be a transfer of title to the lessee, over the useful life of the leased asset. If there is no transfer of title to the lessee, over the shorter between the useful life of the leased asset or the lease term. The lease term would include any renewal option periods where extension of the lease is expected
Leased assets improvements	Over the useful life of the improvement or the lease term, whichever is shorter. The lease term would include any renewal option periods where an extension of the lease is expected.
Other property, plant, and equipment	2 to 15 years

An item of PE is derecognized upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

### 5.8 Leases

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term. Rent received from an operating lease is recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

#### a. NHA as a lessee

##### i. Finance lease

Finance leases are leases that transfer substantially all the risk and reward incidental to ownership of the leased item to the NHA.

Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The NHA also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured at the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the NHA will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

##### ii. Operating lease

Operating leases are leases that do not transfer substantially all the risks and rewards incidental to ownership of the leased item to the NHA. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

#### b. NHA as a lessor

##### i. Finance lease

The NHA recognizes lease payments receivable under a finance lease as assets in the statement of financial position. The assets are presented as receivable at an amount equal to the net investment in the lease.

The finance revenue is recognized based on a pattern reflecting a constant periodic rate of return on the net investment in the finance lease.

##### ii. Operating lease

Leases in which the NHA does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term. Rent received from an operating lease is recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

The depreciation policies for PE are applied to these assets of NHA.

### **5.9 Provisions, Contingent Liabilities, and Contingent Assets**

Provisions are recognized when the NHA has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the NHA expects some or all a provision to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provisions are reversed.

The NHA does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Moreover, the NHA does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHA in the notes to the financial statements.

### **5.10 Changes in Accounting Policies and Estimates**

The NHA recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

The NHA recognizes the effects of changes in accounting estimates prospectively through surplus or deficit.

### **5.11 Classification of current and non-current assets and liabilities**

The assets and liabilities are primarily classified as current when the amounts are expected to be realized, recovered, or settled within 12 months after the reporting date, or in normal operations. Also, the account is current if it has no restriction or unconditional right from being exchanged or used as a liability for at least 12 months after reporting date. Otherwise, the account is considered non-current assets and liabilities. Revenue from non-exchange transactions

The NHA recognizes assets and revenues from gifts and donations when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Goods in-kind are recognized as assets when the goods are received, or there is a binding arrangement to receive the goods. If goods in-kind are received without conditions attached, revenue is recognized immediately. If conditions are attached, a liability is recognized, which is reduced, and revenue is recognized as the conditions are satisfied.

### **5.12 Revenue from exchange transactions**

Revenue is recognized when it is probable that economic benefits or service potential associated with the transaction will flow to the entity and the revenues can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

NHA applies the Installment Sales Method for dealing with the uncertainty of cash collections where the risk and rewards of the goods are not fully transferred at the time of sale. This method of revenue recognition defers gross profit until cash from the sale is received.

Revenue includes sales revenue, rental income, interest income, and other business income, which are recognized on an accrual basis.

### **Revenue from non-exchange transactions**

The NHA recognizes assets and revenue from gifts and donations when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Goods-in-kind is recognized as assets when the goods are received, or there is a binding arrangement to receive the goods. If goods in-kind are received without conditions attached, revenue is recognized immediately. If conditions are attached, a liability is recognized, which is reduced, and revenue is recognized as the conditions are satisfied.

### **5.13 Budget Information**

The annual budget is prepared on a cash basis and is published on the government website. A separate Statement of Comparison of Budget and Actual Amounts (SCBAA) is prepared since the budget and the



financial statements are not prepared on a comparable basis. The SCBAA is presented showing the original and final budget and the actual amounts on a comparable basis to the budget.

The financial statements – Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets/Equity, and Statement of Cash Flows are prepared on an accrual basis using a classification based on the nature of expenses in the Statement of Financial Performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the SCBAA. In addition to the basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

The reconciliation of SCBAA with Statement of Financial Performance (SFP) is presented as follows:

Particulars	Actual amounts	Budgeted amounts
	(In Millions)	
Net Surplus/Deficit for the period	15,153.465	15,153.465
Items included in SCBAA but not included in SFP		
Services and business income	2,642.706	7,722.652
Unutilized budgeted amount	-	36,533.288
Personnel services	(83.318)	(371.054)
MOOE	88.490	(224.214)
Capital Expenditures	(22,607.412)	(66,176.494)
Reverted to trust funds	(5,020.774)	-
Dividends	(15.011)	-
Other expenses	(3.231)	-
	(24,998.550)	(22,515.821)
Items included in SFP but not included in SCBAA		
Gross Income	(2,262.746)	(2,262.746)
Financial Expenses		0.610
Other non-operating income	(24.482)	(24.482)
Non-cash Expenses	123.046	123.046
Discounts/Rebates and Losses	14.623	14.623
Financial Assistance Subsidy	10,577.689	10,577.689
	8,428.129	8,428.739
<b>Net fund sources/uses</b>	<b>(1,416.956)</b>	<b>1,066.383</b>

#### 5.14 Employee Benefits

The employees of NHA are members of the Government Service Insurance System (GSIS), which provides life and retirement insurance coverage; Philippine Health Insurance Corporation (PHIC), which provides health insurance coverage and ensure affordable, acceptable, and available health care services; and Home Development Mutual Fund (HDMF), which provides affordable shelter financing.

The NHA recognizes the undiscounted amount of short-term employee benefits, like salaries, wages, bonuses, allowance, etc., as an expense unless capitalized, and as a liability after deducting the amount paid.

#### Commutation of Accumulated VL and SL

Each employee is entitled to 1-day vacation leave and 1-day of sick leave for every 24 days of actual service or a total of 15 days of vacation leave and 15 days of sick leave annually with pay. Vacation and sick leave shall be cumulative and any part thereof, which may not be taken within the calendar year may be carried over to the succeeding years. Whenever any official or employee retires, voluntarily resigns, or is allowed to resign or is separated from the service through no fault of his own, he shall be entitled to the commutation of all the accumulated vacation and/or sick leave to his credit.

#### 5.15 Events after the Reporting Date

Post-year-end events that provide additional information about the NHA's financial position at the end of the reporting date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

#### 5.16 Prior Period Adjustments

Prior period errors are omissions from, and misstatements in, the NHA financial statements for prior periods arising from a failure to use, or misuse of, relevant information.

Errors in the previous year are corrected by restating the opening balance of affected accounts in the current year using the Accumulated Surplus/Deficit account.

## 5.17 Related Parties

Pursuant to PD No. 757 and EO No. 90, the NHA shall be governed by a Board of Directors which shall be composed of the Secretary of DHSUD, as Chairman; the Secretaries of the Office of the President, Public Works and Highways (DPWH), Finance (DOF), Labor and Employment (DOLE), Trade and Industry (DTI) and Acting Secretary of National Economic & Development Authority (NEDA); and the General Manager, NHA. The members of the Board may have their respective alternates who shall be the officials next in rank to them and whose acts shall be considered the acts of their principals with the right to receive their benefits. Provided, that in the absence of the Chairman, the Board shall elect a temporary presiding officer.

## 5.18 Other Accounting Policy

### Foreclosed Properties

Acquired Assets 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.

### Receivables

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

### Allowance for Impairment

The allowance for impairment is based on estimated collectability of Operating Lease Receivable and Installment Sales Receivable balances. A higher rate of allowance is provided for long-outstanding accounts based on the aging report as follows: 91-180 days, 10%; 181-365 days, 20%; and over 365 days, 30%.

Using variable rates depending upon the nature of receivables, the allowance for D/A is provided based on a study of the estimated collectability of the receivable balances.

Allowance for impairment is set-up for dormant receivables on Loans Receivable-LGUs and Loans Receivable- Others, 100%.

### Taxes and Licenses

Under RA No. 7279, the NHA is exempted from national taxes on the sale, exchange, or other disposition of real properties under the socialized housing program.

However, NHA is not exempted from the 20% 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.

## 6. CASH AND CASH EQUIVALENTS

The account consists of:

	2021	2020
Cash-Collecting Officers	3,964,112.34	16,232,298.36
Petty Cash	1,141,001.56	1,597,206.44
Cash in Bank-Local Currency, Current Account	3,510,552,896.86	4,942,229,330.00
Cash in Bank-Local Currency, Savings Account	289,386,907.05	262,018,790.91
Time Deposits-Local Currency	17,299,115.53	17,222,473.41
	<b>3,822,344,033.34</b>	<b>5,239,300,099.12</b>

The NHA maintains its cash balances in the Land Bank of the Philippines (LBP) and Philippine Veterans Bank (PVB). The LBP is a government depository bank authorized by law to maintain depository accounts of government funds. The PVB is authorized to accept government deposits subject to limitations prescribed by the Monetary Board of the Bangko Sentral ng Pilipinas.

For CY 2021, Cash in banks earns interest at 0.05 to 0.125 percent per annum for current accounts and 0.55 to 1.05 percent per annum with a term of 30 days to 90 days High Yield Savings Accounts.

The decrease of P1.421 billion was mainly due to the net reversion of P5.021 billion out of cross borrowed funds from trust fund accounts from other government agencies and a low collection rate of 35% vs a collection target of 63% of the Total Amount Due (TAD).

Of the total amount of NHA deposits under various accounts being maintained with the Philippine Veterans Bank (PVB), P294.266 is being withheld given Notice of Garnishment re Construction Industry Arbitration Commission (CIAC) Case

No. 13-2014 vs NHA. On May 28, 2018, the Court of Appeals issued a final and executory decision reversing the final award, dismissed the complaint, and denied the Petition for Review of the contractor and on November 8, 2018, NHA filed a Very Urgent Motion to Lift/Cancel Notice of Garnishment and Release Order of Money to CIAC. To date, the Authority is still waiting for the response of the CIAC.

## 7. RECEIVABLES

The account is composed of the following:

	2021	2020
<b>Current:</b>		
Loans and receivables	6,695,141,526.36	6,546,313,086.50
Inter-agency receivables	7,238,058,482.72	4,954,196,934.31
Other receivables	315,873,408.35	51,992,470.14
	<b>14,249,073,417.43</b>	<b>11,552,502,490.95</b>
<b>Non-current:</b>		
Loans and receivables	71,941,288,047.88	69,236,273,009.76
Inter-agency receivables	169,567,541.03	202,332,375.68
	<b>72,110,855,588.91</b>	<b>69,438,605,385.44</b>

### 7.1 Loans and Receivables include the following:

	2021	2020
<b>Current:</b>		
Operating Lease Receivable	2,754,330,599.28	2,694,336,298.87
Installment Sales Receivable	1,531,739,687.72	1,489,728,328.09
Mortgage Contracts Receivable	109,198,463.64	109,136,185.30
Loans Receivable – LGUs	24,210,373.29	22,019,204.82
Interests Receivable	746,265,110.23	678,913,431.33
Loans Receivable	2,171,176,189.38	1,846,790,122.85
	<b>7,336,920,423.54</b>	<b>6,840,923,571.26</b>
<i>Allowance for Impairment</i>		
<i>Operating Lease Receivable</i>	<i>(220,881,652.60)</i>	<i>(224,339,941.50)</i>
<i>Installment Sales Receivable</i>	<i>(420,897,244.58)</i>	<i>(70,270,543.26)</i>
	<b>6,695,141,526.36</b>	<b>6,546,313,086.50</b>
<b>Non-current:</b>		
Installment Sales Receivable	9,064,090,610.59	9,286,298,072.34
Loans Receivable – LGUs	115,169,075.48	129,382,732.35
Interests Receivable	2,393,598,334.20	1,409,988,186.32
Loans Receivable	60,368,434,655.61	58,410,604,018.75
	<b>71,941,288,047.88</b>	<b>69,236,273,009.76</b>

*Operating Lease Receivable* – mainly pertains to receivable from the Department of Transportation (DOTr – formerly DOTC) for the lease of the North Triangle property covered by a Contract of Lease executed in April 1998. In March 2007, DOTr, NHA, and MRT Development Corporation executed a Memorandum of Agreement and Assignment of Agreement wherein DOTr assigned its Depot Development Rights Payment (DRP) due from MRT Development Corporation and authorizes the latter to remit the same to NHA. The NHA, starting July 2007, receives monthly remittance from MRT Dev. Co.

*Installment Sales Receivable* – covered by Conditional Contract to Sell (CCS) with terms of up to 30 years. This account also recognizes capitalization of amortization Interest and delinquency interest as a result of the restructuring of accounts due to condonation.

*Mortgage Contracts Receivable* – the amount due as NHA shares from financing partners like Home Development Mutual Fund (HDMF) and National Home Mortgage Financing Corporation (NHMFC).

*Interests Receivable* of ₱746.265 million pertains to accrued interest on installment sales which are classified as current for accounts with one-year arrearages and non-current with over one-year arrearages per aging report. The total increase of P1.051 billion was due to recognition in CY 2021 of earned interest expected to be received within one year and more than one year.

*Loans Receivable – LGUs* - represent loans granted to various LGUs that availed the Local Housing Program of NHA. The amount financed is subject to repayment of the LGUs according to terms and conditions stated in the Memorandum of Agreement.

*Loans Receivable – others* - represent loans granted to beneficiaries under the various housing projects of NHA as well as 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. For the CISFA account, the loans are 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.

Details are as follows:

Subsidized project loan	62,322,031,720.75
Bridge financing	82,021,801.70
Dinalungan Heights and San Luis Villas Resettlement Project	69,000,000.00
Housing material loan	7,585,335.83
Dormitory loan	6,710,748.19
Employees assistance program	2,985,506.38
Small business loans	785,552.42
Apartment Financing	574,258.02
Sanitary core	13,306.79
Total Main Office	62,491,708,230.08
CISFA fund	47,902,614.91
	<b>62,539,610,844.99</b>

*Allowance for Impairment* - covers the doubtful accounts from beneficiaries' rental accounts and installment sales that are already due and demandable.

The allowance for impairment is based on estimated collectability of Operating Lease Receivable and Installment Sales Receivable balances. A higher rate of allowance is provided for long-outstanding accounts based on the aging report as follows:

<b>Age</b>	<b>Rate of allowance (in percent)</b>
4 to 6 months	10
7 to 12 months	20
1 to 3 years	30

Allowance for impairment is set up for dormant receivables on Loans receivable-LGUs and Loans receivable-others. Using variable rates, depending upon the nature of receivables, the allowance for D/A (dormant accounts) is provided based on a study of the estimated collectability of the receivable balances. Details are as follows:

<b>Non-Current</b>	<b>Balance 01/01/2021</b>	<b>Additional Provision</b>	<b>Recoveries/Write- offs/Adjustments</b>	<b>Balance 12/31/2021</b>
Loans Receivable – LGUs	54,187,774.79	-	6,278,408.29	47,909,366.50
Loans Receivable	125,404,954.55	-	4,081,032.78	121,323,921.77
Other Receivables	41,995,205.25	-	7,178,949.66	34,816,255.59
	<b>221,587,934.59</b>	-	<b>17,538,390.73</b>	<b>204,049,543.86</b>

## 7.2 Inter-Agency Receivables

	2021	2020
<b>Current:</b>		
Due from NGAs	1,191,554,802.66	1,192,765,439.92
Due from LGUs	6,012,097,766.08	3,747,964,466.05
Due from Other Government Corporations	34,405,913.98	13,467,028.34
	<b>7,238,058,482.72</b>	<b>4,954,196,934.31</b>
<b>Non-current:</b>		
Due from NGAs	19,534,124.31	43,737,599.25
Due from LGUs	150,033,416.72	158,594,776.43
	<b>169,567,541.03</b>	<b>202,332,375.68</b>

### *Due from LGUs*

This account represents advances to 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. The advances are primarily for housing materials assistance for families affected by calamities, mobilization, construction of houses on stilts, footbridges, communal septic tanks, and construction of housing units for indigenous people.

This account also represents non-interest-bearing loans to LGUs which shall be paid in 72 months or six years and covered by a MOA.

### *Due from NGAs*

This account represents advances of the Authority to DPWH, DOH, and DSWD which are subject to liquidation. The majority of cash advance to DPWH is for the implementation of the Zamboanga City Roadmap to Recovery and Reconstruction Plan. The fund covers the expenses necessary for land development and civil works which were conceptualized due to armed conflict that caused heavy damage and burning homes in Zamboanga last September 9, 2013.

This also includes receivables from the Department of Education (DepEd) for the construction of school buildings/facilities in the resettlement sites in Laguna, Cavite, Rizal, Bulacan, Muntinlupa, and Metro Manila, relative to the North/South Rail Relocation Program. The DepEd shall reimburse NHA the expenses for the completed school buildings as stated in the Memorandum of Agreement (MOA) dated November 16, 2009.

Part also of this account covers the advances made in 1983 to the Office of the President for the implementation of the Malacañang Community Environmental Renewal Project (MACERP) amounting to ₱19.534 million. The fund was used for the acquisition of land alongside the Malacañang Palace, renovation of the guesthouse, improvement of the ground parks, and re-texturing of sidewalks in the area. The account is not yet recovered to date.

### *Due from Other Government Corporations*

This account mainly represents advances/loans to various Government-Owned and Controlled Corporations subject to reimbursement to NHA.

- MWSS – ₱ 5,630,350.23  
The account refers to the cost of repair and rehabilitation works of sewerage lift stations, the connection of water service lines, rental for the MWSS-ZIP team, and various charges.
- PNOC – ₱ 2,483,790.11  
The amount pertains to the cost of design and supervision on the relocation and resettlement project for the informal occupants of the PNOC Petrochemical Development Corporation Petrochemical Complex. This was confirmed by PNOC on December 10, 2004.

### 7.3 Other Receivables

	2021	2020
Receivables-Disallowances/Charges	682,856.00	682,856.00
Due from Officers and Employees	38,153.40	88,032.16
Due from NGOs/Civil Society Organizations	287,522,748.72	34,597,410.42
Other Receivables	27,629,650.23	16,624,171.56
	<b>315,873,408.35</b>	<b>51,992,470.14</b>

*Due from NGOs/Civil Society Organizations* are advances made to various Electric Cooperatives. The increase of P253 million was mainly due to payment made to Lanao Del Sur Electric Cooperative, Inc. for the Rehabilitation of Overhead 3-Phase 13.2 KV Distribution Line in the Most Affected Areas of Marawi City and other affected localities.

*Other Receivables* represent receivables from beneficiaries for utilities installed in various housing projects. The account is also used as a reciprocal account to record the transactions between the NHA and the National Government Center (NGC)/Pinatubo Project Management Office (PPMO). The increase of P11 million was mainly due to recognition of Management/ Trusteeship Fees from NGC and PPMO.

### 8. INVENTORIES

The account consists of the following:

	2021	2020
Merchandise Inventory		
Completed Development for Sale – Land	6,597,391,705.69	6,953,362,940.31
Completed Development for Sale – Building	3,195,783,939.52	3,362,421,150.74
Properties Held for Rent	711,575,406.05	711,575,406.05
	<b>10,504,751,051.26</b>	<b>11,027,359,497.10</b>
Property & Equipment for Distribution		
Completed Development for Transfer – Land	1,174,816,905.10	1,521,777,418.78
Completed Development for Transfer – Building	2,560,154,703.05	3,348,774,943.05
	<b>3,734,971,608.15</b>	<b>4,870,552,361.83</b>
Work-in-Process Inventory		
Sites and Services	30,823,904.01	39,010,869.15
Slum Upgrading	95,687,278.36	95,192,778.36
Housing Units	7,911,459,081.32	6,037,096,538.29
Resettlement Projects	41,999,976,392.13	39,260,522,828.17
Community Facilities	3,715,052,073.44	1,904,674,323.04
	<b>53,752,998,729.26</b>	<b>47,336,497,337.01</b>
Inventory Held for Consumption		
Office Supplies Inventory	12,113,688.05	8,500,238.86
Medical, Dental, and Laboratory Supplies Inventory	2,875.00	-
Drugs and Medicines Inventory	256,674.24	28,296.94
Other Supplies and Materials Inventory	427,004.46	103,521.46
Semi-Expendable Communication Equipment	1,400,000.00	-
Semi-Expendable Furniture and Fixtures	5,513,261.51	-
Semi-Expendable Other Machinery and Equipment	4,046,640.00	-
	<b>23,760,143.26</b>	<b>8,632,057.26</b>
	<b>68,016,481,531.93</b>	<b>63,243,041,253.20</b>

### *Merchandise Inventory*

This represents the cost of developed lots, houses, and buildings transferred from the Work-in-Process Inventory to this account for disposition/sale. The sale is supported by a Sales Report from the project office to reflect the cost of sales. Any adjustment or cancellation is supported by an amended/canceled Sales Report.

### *Property and Equipment for Distribution*

This pertains to the cost of infrastructure/community facilities for transfer to various government agencies particularly to the concerned LGUs and DepEd and those completed housing projects to be awarded to the beneficiaries as grants or donations.

#### **a. Land**

- *MWSS – ₱204.216 Million*

Pertains to costs of water and sewer systems in various NHA projects already turned over to MWSS but the transfer of costs could not be effected in the books of NHA pending the issuance of Advice of Allotment (AA) from the Bureau of Treasury (BTR). On October 25, 1988, MWSS and NHA came into agreement on the mechanics of transfer as concurred by Sec. Vicente R. Jayme of DOF. As agreed, an Advice of Allotment to be issued by the BTR is needed before the adjustment (transfer of the equity portion from the capital stock of NHA to MWSS' capital stock account) could be effected in both the NHA and MWSS' books. Follow-up letters were sent to the DBM as early as July 16, 1989, until April 27, 1989, however, BTR was not able to issue an AA on the subject transfer.

- *DPWH – ₱1.201 Million*
- *DLGCD – ₱966.161 Million*
- *AURELCO – ₱1.204 Million*
- *LWUA – ₱2.035 Million*

Under the memorandum of President Corazon C. Aquino dated November 28, 1988, the NHA has been instructed to proceed with its financial restructuring, which covers the transfer to concerned agencies of the works done by NHA on their behalf.

The transfer of assets from NHA to the above government agencies could not be effected due to lack of documents as a basis for drawing journal vouchers, to wit:

1. Inventory list of the assets being transferred
2. Deeds of donation/transfer
3. Physical acceptance of the assets by the transferee agencies
4. Advice from the BTR re: the subject transfer as these involve reduction in capital and liability accounts.

#### **b. Building**

This pertains to other structures such as health centers, multipurpose centers, and schools not subject to depreciation, subject to the submission of Deed of Transfer and Acceptance (DOTA) and Deed of Donation and Acceptance (DODA) from LGUs and DepEd.

### *Work-in-Process Inventory*

This represents the cost of ongoing projects of the Authority. This was presented in the 2016 Annual Audit Report (AAR) under the Construction in Progress-Infrastructure Assets account, reclassified in 2017 to Work-in-Process Inventory, a more appropriate account.

- **Sites and Services** – these are raw lands acquired and developed by NHA to turn into serviced home lots which will serve as an alternative to informal settlers as well as catchment areas for in-migration and population growth
- **Slum Upgrading** – entails the acquisition and on-site improvement of occupied lands through the introduction of road or alleys and basic services such as water and power
- **Housing Units** – this pertains to Low Rise Buildings (LRB) and Medium Rise Buildings (MRB) constructed for sale upon completion
- **Resettlement Projects** – this involves acquisition and development of large tracts of raw land to generate serviced lots or core housing units for families displaced from dangerous areas such as waterways, esteros, and railroad tracks and sites intended for government infrastructure projects
- **Community Facilities** – this includes other structures such as school buildings, Multipurpose Hall, Livelihood Centers, Health Centers, etc. to be transferred to LGUs and DepEd upon completion

## 9. OTHER CURRENT ASSETS

The account consists of the following:

	2021	2020
Advances		
Advances for Operating Expenses	1,105,804,669.54	697,704,075.81
Advances for Payroll	190,078.88	5,575.00
Advances to Special Disbursing Officer	176,163,019.12	33,376,532.72
Advances to Officers and Employees	90,900.00	10,020.00
Prepayments		
Advances to Contractors/Sub-Contractors	3,393,727,363.43	3,351,632,250.75
Prepaid Insurance	1,126,038.47	717,816.00
	<b>4,677,102,069.44</b>	<b>4,083,446,270.28</b>

### *Advances for Operating Expenses*

The amount represents the working fund granted to the accountable officers of Regional Offices. The increase of P408 million was due to an increase in the revolving funds to cover the Maintenance and Other Operating Expenses and cash requirements for the implementation of projects.

### *Advances to Special Disbursing Officer*

The amount granted to accountable officers and employees for special purpose/time-bound undertakings to be liquidated within the specified period. The increase of P184 million was mainly due to cash advances for Emergency Housing Assistance Program for families affected by Typhoon Ursula and Ulysses.

### *Advances to Officers and Employees*

The amount advanced to officers and employees for official travel.

### *Advances for Payroll*

The amount represents the wages of employees under a contract of service in the Main and District Offices. It also includes hazard pay granted for employees who are physically reporting for work during the COVID-19 pandemic.

### *Advances to Contractors/ Sub-Contractors*

This account refers to advances made to contractors representing mobilization fees equivalent to 15% of the contract cost.

A portion of the P3.394 billion Advances to Contractors or P321 million pertains to mobilization for the construction of 19-storey NHA Office Tower. The total contract cost of the tower is P2.140 billion, which, once completed, will be for lease and is estimated to earn P500 million per year.

## 10. INVESTMENTS

This account consists of the following:

	2021	2020
Investments in Joint Venture		
Urban Triangle Development Project	4,314,939,679.65	4,319,145,202.02
AFP Military Housing	10,047,693.03	15,205,628.11
Bgy. McKinley	15,205,628.11	12,197,970.00
Zamboanga Teachers Village Housing	4,649,571.05	10,047,693.03
Concepcion Resettlement Site	4,355,581.80	6,500,000.00
San Juan Cooperative Housing	6,500,000.00	6,075,033.17



	2021	2020
Canduman Resettlement Project	6,075,033.17	4,649,571.05
Kadayawan Homes	12,197,970.00	4,355,581.80
Various Joint Venture Projects	23,046,579.29	23,267,794.49
Investments in Stocks	38,890.00	38,890.00
	<b>4,397,056,626.10</b>	<b>4,401,483,363.67</b>

The *investments in joint venture* represent the NHA's equity on various joint venture projects.

The Urban Triangle Development Project (NSJB area) is one of the three parcels of land owned by NHA commonly called the "North Triangle Property. It is a lease in favor of New San Jose Builders, Inc. (NSJBI), but waived its rights to a joint venture project between NHA and Ayala Land, Inc. (ALI) for a sum of P500.00 million. The joint venture agreement was executed on August 27, 2009, wherein the NHA's contribution is the land area while the ALI is responsible for the development of the project and purchase of NSJB leasehold rights. The ALI shall also finance the clearing and relocation by NHA of the informal settler families in the area. In return for their respective contributions to the project, the NHA shall receive an allocation of 28.28% while the ALI shall receive 71.72% of the total reference value of all developed lots.

## 11. INVESTMENT PROPERTY, NET

The account consists of the following:

Investment Property	2021			2020		
	Land	Building	Total	Land	Building	Total
Cost						
January 1	293,029,860.45	38,723,835.57	331,753,696.02	294,114,603.81	749,214,498.26	1,043,329,102.07
Additions/Acquisitions	240,992.43	-	240,992.43	-	-	-
Disposal/Adjustments	(235,308.45)	-	(235,308.45)	(1,084,743.36)	(710,490,662.69)	(711,575,406.05)
	293,035,544.43	38,723,835.57	331,759,380.00	293,029,860.45	38,723,835.57	331,753,696.02
Accumulated Depreciation						
January 1	-	30,183,606.32	30,183,606.32	-	64,964,932.25	64,964,932.25
Charge for the year	-	336,947.04	336,947.04	-	336,947.04	336,947.04
Disposal/Adjustments	-	-	-	-	(35,118,272.97)	(35,118,272.97)
	-	30,520,553.36	30,520,553.36	-	30,183,606.32	30,183,606.32
	<b>293,035,544.43</b>	<b>8,203,282.21</b>	<b>301,238,826.64</b>	<b>293,029,860.45</b>	<b>8,540,229.25</b>	<b>301,570,089.70</b>

These properties represent land and tenement housing projects rented out to NHA beneficiaries.

## 12. PROPERTY AND EQUIPMENT, NET

This account is composed of the following:

*As at December 31, 2021*

Accounts	Land	Land Improvements	Bldgs. & Other Structures	Machinery & Equipment	Transportation Equipment	Furniture, Fixtures & Books	Other PPE	Leased Assets Improvements	Construction in Progress	TOTAL
Cost										
January 1, 2021	1,404,834,394.74	19,364,975.42	268,937,992.28	323,254,585.75	150,926,237.75	10,378,632.63	2,953,200.00	977,140.86	288,846,920.08	2,470,474,079.51
Additions/Acquisitions	12,138,977.37	18,394,353.41	33,259,566.80	55,040,564.62	1,101,000.00	9,547,843.01	4,080,000.00	-	229,652,234.00	363,214,539.21
Disposal/Adjustments	(2,757,941.22)	-	157,114,311.73	29,996.00	(6,330,123.51)	-	-	-	(156,482,784.00)	(8,426,541.01)
	1,414,215,430.89	37,759,328.83	459,311,870.81	378,325,146.37	145,697,114.24	19,926,475.64	7,033,200.00	977,140.86	362,016,370.07	2,825,262,077.71
Accu. Depreciation										
January 1, 2021	-	11,153,519.51	155,326,199.49	204,988,586.95	119,248,064.54	4,062,696.93	2,454,948.00	32,581.76	-	497,266,597.18
Charge for the year	-	1,623,448.40	3,879,587.16	26,404,719.64	5,384,394.24	2,062,808.28	122,040.00	43,971.32	-	39,520,969.04
Disposal/Adjustments	-	-	-	-	(6,047,615.51)	-	-	-	-	(6,047,615.51)
	-	12,776,967.91	159,205,786.65	231,393,306.59	118,584,843.27	6,125,505.21	2,576,988.00	76,553.08	-	530,739,950.71
	1,414,215,430.89	24,982,360.92	300,106,084.16	146,931,839.78	27,112,270.97	13,800,970.43	4,456,212.00	900,587.78	362,016,370.07	2,294,522,127.00

*As at December 31, 2020*

Accounts	Land	Land Improvements	Bldgs. & Other Structures	Machinery & Equipment	Transportation Equipment	Furniture, Fixtures & Books	Other PPE	Leased Assets Improvements	Construction in Progress	TOTAL
Cost										
January 1, 2020	1,882,416,255.03	19,364,975.42	257,755,416.77	313,329,846.78	150,926,237.75	5,325,664.63	2,953,200.00	479,754.07	201,286,995.49	2,833,838,345.94
Additions/Acquisitions	226,497,480.50	-	11,182,575.51	10,206,625.40	-	4,840,030.00	-	497,386.79	75,214,297.99	328,438,396.19
Disposal/Adjustments	(704,079,340.79)	-	-	(281,886.43)	-	212,938.00	-	-	12,345,626.60	(691,802,662.62)
	1,404,834,394.74	19,364,975.42	268,937,992.28	323,254,585.75	150,926,237.75	10,378,632.63	2,953,200.00	977,140.86	288,846,920.08	2,470,474,079.51
Accu. Depreciation										
January 1, 2020	-	9,480,571.91	151,620,587.73	175,606,532.37	110,592,545.30	3,291,196.05	2,261,772.00	-	-	452,853,205.36
Charge for the year	-	1,672,947.60	3,705,611.76	29,382,054.58	8,655,519.24	771,500.88	193,176.00	32,581.76	-	44,413,391.82
Disposal/Adjustments	-	-	-	-	-	-	-	-	-	-
	-	11,153,519.51	155,326,199.49	204,988,586.95	119,248,064.54	4,062,696.93	2,454,948.00	32,581.76	-	497,266,597.18
	1,404,834,394.74	8,211,455.91	113,611,792.79	118,265,998.80	31,678,173.21	6,315,935.70	498,252.00	944,559.10	288,846,920.08	1,973,207,482.33

## Land

Breakdown of this account:

Housing & Community Development Administrative Site	52,277,057.46
Land Assembly for Future Projects	1,361,938,373.43
<b>Totals</b>	<b>1,414,215,430.89</b>

- **Housing and Community Development Administrative Site** represents the cost of the land utilized as an administrative site for project offices of NHA, staff building, livelihood centers, and the like
- **Land Assembly for Future Projects** represents the cost of undeveloped lots acquired for eventual development or redevelopment and intended for future projects

*Building and other structures* are used for administrative purposes such as office buildings, multipurpose halls, recreational centers, and the like.

Fully depreciated property and equipment such as office equipment, information technology equipment, motor vehicles, and other property and equipment acquired in 1987-2014 with an aggregate residual value of ₱50.348 million that remain in service or use are still reported unless disposed or destroyed.

*Leased assets improvements-building* pertains to the refurbishment of leased office space in Baguio City by CAR I Regional Office and Koronadal/ South Cotabato District Office.

### 13. INTANGIBLE ASSETS

This account consists of the following:

	2021	2020
Websites	8,273,664.00	-
	<b>8,273,664.00</b>	<b>-</b>

*Websites* pertain to the Official Electronic Mail (E-mail) solution for the National Housing Authority.

### 14. OTHER NON-CURRENT ASSETS

This account consists of the following:

	2021	2020
Loans & Receivables		
Loans Receivable - LGUs	47,909,366.50	54,187,774.79
<i>Allowance for Impairment – LGUs</i>	(47,909,366.50)	(54,187,774.79)
Mortgage Contracts Receivable	42,440,485.74	42,440,485.74
Loans Receivable	121,323,921.77	126,040,793.92
<i>Allowance for Impairment</i>	(121,323,921.77)	(126,040,793.92)
	<b>42,440,485.74</b>	<b>42,440,485.74</b>
Inter-Agency Receivables		
Due from National Government Agencies	167,943.91	167,943.91
Due from Local Government Units	27,700,232.60	27,842,700.59
Due from Government Corporations	17,148,471.93	17,164,811.93
	<b>45,016,648.44</b>	<b>45,175,456.43</b>
Other Receivables		
Other Receivables	34,816,255.59	41,995,205.25
<i>Allowance for Impairment – Other Receivables</i>	(34,816,255.59)	(41,995,205.25)
	<b>-</b>	<b>-</b>

	2021	2020
Other Assets		
Restricted Fund	6,470,697,276.06	4,782,207,594.07
Foreclosed Property/Assets	58,402,333.32	58,402,333.32
Guaranty Deposits	10,261,902.64	10,752,451.49
Advances to Contractors/Sub-Contractors	16,571,321.27	16,571,321.27
Prepaid Rent	1,692,639.81	1,692,639.81
Other Assets	678,198,929.40	678,198,929.40
	<b>7,235,824,402.50</b>	5,547,825,269.36
	<b>7,323,281,536.68</b>	5,635,441,211.53

*Loans Receivable* – LGUs are loans extended for the following programs/projects which are non-moving for more than five years:

Projects	Amount
Pambansang Bagong Nayon	6,566,231.68
Zonal Improvement Project	6,270,950.17
Joint Venture Project	5,007,574.55
Slum Upgrading	692,187.28
Regional Cities Development	103,974.07
Various LGUs projects – Housing, Improvement of Water System, Survey & Drainage Works	29,268,448.75
	<b>47,909,366.50</b>

*Loans receivable* also include bridge financing to Joint Venture partners which are non-moving for five years or more amounting to P89.324 million.

*Mortgage Contracts Receivable* pertain to receivables from mortgage sales that are dormant from 1994 to 2022.

*Due from NGAs/LGUs/GOCCs* represent advances made to different government units wherein Audited Statement of Disbursements is not yet submitted to record the liquidation. This also includes advances not yet reimbursed to NHA for a long period.

For reimbursement to NHA -

- Philippine Coconut Authority (PCA) of P3,011,035.45 in 1979 for the initial construction of the “Ang Tahanan Project” not yet reimbursed to NHA to date. A request for write-off was sent to COA but denied per Decision No. 2011-103 dated December 14, 2011. In 2003, the PCA requested NHA to consider the loan as a donation.
- City of San Fernando Pampanga of P3.136M was used for the rehabilitation and concreting of roads and canals
- The Municipality of Navotas of P247,000.00 was released for the completion of remaining works in Tangos Zonal Improvement Project

*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. Breakdown as follows:

Terminated Joint Venture Partners	25,453,986.04
Receivable from beneficiaries for water and electric services	5,751,383.88
Meralco meters and Service deposits	639,032.07
Inactive savings and current accounts	1,352,553.80
Collecting officers separated from NHA	618,937.72
Receivable from Homeowners Associations	1,190,922.79
Negative balances (for reconciliation)	(190,560.71)
	<b>34,816,255.59</b>

*Restricted Fund* represents funds for a special purpose that cannot be used in the operation of the Agency. The account consists of Deposit for Expropriation (deposits for land expropriation filed in court), Deposit Held-in-Trust (combination of collection from housing projects turned over to NHA for administration and funds from other government agencies entrusted to NHA for special purposes), and Deposit Held-in-Escrow (deposits intended for joint venture projects). The increase of P1.688 billion consists of the net reverted funds that were borrowed from trust funds to cover cash requirements of various subsidy programs, amounting to P5.021 billion. Also, there are newly downloaded funds from DPWH amounting to P421.329 million and utilizations of the trust funds made in CY 2021.

*Foreclosed Property/Assets* pertain to the following properties which are foreclosed/acquired by the NHA:

NHA-SSS Apt/Dorm Leila Cristobal Prop	17,142,510.43
NHA-SSS Apt/Dorm Andrew & Ester Nocon	14,694,405.78
NHA-SSS Apt/Dorm Enrique Mabasa Prop	13,658,004.83
NHA-SSS Apt/Dorm MaryChristine Yu Prop	6,670,314.69
NHA-SSS Apt/Dorm Jose Morales Property	2,954,358.29
A. Basa Property - Quezon City	1,055,825.17
Northern Hills Subdivision	1,036,760.00
Others	1,190,154.13
	<b>58,402,333.32</b>

*Advances to Contractors/ Sub-Contractors* represent the 15% advance payment for mobilization not yet recouped due to termination/suspension or rescission of the contract.

*Allowance for Impairment* pertains to the 100% set-up of allowance for doubtful accounts from loans granted that had been outstanding for more than five years.

*Guaranty Deposits* are deposits made to NHMFC for mortgage take-out loans of various NHA beneficiaries without individual lot titles and rental deposits of various NHA offices.

These also comprise deposits to Meralco, MWSS, various water districts, etc. made for various NHA housing projects and offices for electric and water service connections.

#### *Other Assets*

This account consists of the following:

Joint Venture with Trustek Conclad	35,000,000.00
Terminated Project – Freedom Valley	618,708,317.92
Project Under Court Litigation: Bo. Cupang	10,356,535.88
Aristocrat Medium Rise Housing Project	13,983,715.58
Unserviceable Office Equipment	7,194.87
MVP Project	25,718.20
Muntinlupa MRH Project	117,446.95
	<b>678,198,929.40</b>

- The investment in a joint venture with Trustek Conclad Aus-Phil., Inc. of ₱35 Million was terminated, custody of idle machinery and equipment were transferred to NHA. The equipment had been offered for bids but there were no takers. The Authority is looking for other means to dispose of the assets that were appraised.
- **Terminated Project** pertains to cost of land already developed and the project already started but due to some geographical location issues the project cannot pursue and thus terminated
- **Project under Court Litigation** pertains to the cost of land subject for development but cannot proceed due to encumbrances and legal claims attached to the title

## 15. FINANCIAL LIABILITIES

This account consists of:

	2021	2020
Accounts Payable	182,862,239.58	88,297,800.70
Due to Officers and Employees	106,477,764.63	184,251,054.32
	<b>289,340,004.21</b>	<b>272,548,855.02</b>

The increase in Accounts Payable is mainly due to the accrual of various expenses to be disbursed in 2022.

The Due to Officers and Employees account represents unclaimed benefits, tax refunds, and accruals of salaries and wages from various NHA Regional Offices. As of December 31, 2021, the earned leave credits of officers and employees that are not recognized in the books, are broken down as follows:

Main Office personnel	140,851,350.90
Regional and District Offices personnel	302,557,611.35
<b>TOTAL</b>	<b>443,408,962.25</b>

## 16. INTER-AGENCY PAYABLES

This account consists of:

	2021	2020
<b>Current:</b>		
Due to BIR	30,841,953.95	74,780,763.97
Due to GSIS	1,696,513.67	4,987,456.10
Due to Pag-IBIG	985,871.06	890,577.11
Due to PhilHealth	638,321.06	174,209.16
	<b>34,162,659.74</b>	<b>80,833,006.34</b>
<b>Non-current:</b>		
Due to Treasurer of the Philippines	2,056,478,563.84	2,056,478,563.84
Payables to Joint Ventures	120,626,202.13	120,626,202.13
Due to NGAs	13,090,374.00	-
Due to LGUs	67,734,463.88	67,734,463.88
Due to Other Government Corporations	49,972,461.48	49,980,989.78
	<b>2,307,902,065.33</b>	<b>2,294,820,219.63</b>

*Due to BIR/GSIS/Pag-IBIG and PhilHealth* represents personal/corporate contribution/loan repayment and withholding taxes for remittance to said agencies.

*Due to Treasurer of the Philippines* are trust funds released by DBM through the Bureau of the Treasury (BTR) for the Medium-Rise Public and Private Housing and Local Housing Program as mandated in the Comprehensive Integrated Shelter and Financing Act (CISFA) of 1994.

The account includes the P9.096 million land cost of the Dumagok Resettlement Project, which the NHA shall reimburse the national government the value of the land after the final payment of the areas reserved for socialized housing purposes by the qualified beneficiaries.

It also includes Urban III, Loan Agreement No. 1821 amounting to P95.278 million, which was reclassified from Loans Payable to Due to Treasurer of the Philippines account in CY 2017. This is to be assumed by MWSS for water systems funded by the World Bank under the Zone Improvement Program, subject to the issuance of a negative Advice of Allotment by the BTr.

*Due to NGAs* represents payable to Department of Environment and Natural Resources (DENR) for the land cost of 602nd Brigade Housing Project intended for active and retired military personnel situated at Brgy. Poblacion and Nasapian, Carmen, Cotabato under Presidential Proclamation No. 2021, S. 2010.

*Due to LGUs* consists of:

- Due to the provincial government of Pangasinan of P2.698 million representing the share of the province in the housing project of 257 beneficiaries. NHA shall remit 30 percent to the province upon receipt of take-out mortgage loan from HDMF;

- Due to the provincial government of Rizal of P65.036 million representing the share of the province in the housing project of ISFs living in dangerous areas displaced by typhoon Ondoy. NHA will remit 27 percent of its collection from the beneficiaries to the province.

*Due to Other Government Corporations* pertains to miscellaneous fees paid by beneficiaries to be deducted from the loan proceeds of NHMFC mortgage take-out.

## 17. TRUST LIABILITIES

	2021	2020
Trust Liabilities		
National Government Agencies	4,413,721,758.97	7,672,407,068.07
Government Corporations	593,565,580.83	576,399,056.09
Others	247,576,036.72	1,328,011,070.05
CISFA	918,290,188.34	642,050,677.78
Guaranty/Security Deposits Payable	5,987,428,672.75	5,475,805,179.90
	<b>12,160,582,237.61</b>	<b>15,694,411,985.24</b>

The *Trust Liabilities* consist of funds entrusted to NHA for special purpose and collection from beneficiaries' housing projects covered by Trust Agreement.

<b>National Government Agencies</b>	
DOTC	
- DZR Airport Redevelopment	339,396.31
- Laguindingan Airport Resettlement Project	5,322,106.75
- Puerto Princesa, Palawan	2,704,064.69
DOTr	
- PNR I (Valenzuela Segment)	37,178,209.94
- PNR I (Manila and Caloccan Segment)	222,367,302.93
- North-South Commuter Railway Extension Project	631,925,256.79
- Metro Manila Subway Project	3,728,971.05
- Mass Rail Transit 7 (MRT 7)	140,873,738.86
- South Long Haul Project	457,907,389.11
DPWH	
- Zamboanga Water District	54,744,605.41
- Harbor Link Project	553,849,494.30
- Mindanao Avenue Extension Project, Stage II-C	97,892,185.00
- C3 Road Widening	90,770,094.35
- C5 Northern Link Road Project Segment 8.2	(990,457,367.35)
- C5 Southlink Expressway Project	309,958,932.36
- NLEX-SLEX Connector Road Project	1,117,684,276.74
- Tondo, R-10 Widening Project	97,277,691.92
- Katipunan Avenue Extension	128,799,781.83
- Pasig – Marikina River Channel Improvement IV	412,564,067.01
- By-Pass Road Marikina	8,818,500.00
Presidential Management Staff (PMS)	
- Main Office Collections	1,025,000.00
- PSF-Tangos	1,143,830.06
Public Attorney's Office (PAO)	79,271.33
Pasig River Rehabilitation Center (PRRC)	42,797,222.82
DILG – Oplan Likas Program	149,943,602.42
<b>National Government Agencies</b>	
DENR – Tagging and Census Validation for ISFs Along Pasig River	1,603,842.11
Office of the President	
- Marawi City Recovery Program	714,148,922.42
Office of the Presidential Adviser on the Peace Process ( OPAPP)	
- OPAPP	17,231,369.81
- OPAPP Kapatiran	101,500,000.00
	<b>4,413,721,758.97</b>

<b>Government Corporations</b>	
Philippine Ports Authority (PPA)	18,131,315.32
SLEX - Alabang Sto. Tomas Development Inc.	232,978.68
Aurora Pacific Economic Zone and Freeport Authority (APECO)	9,125,236.63
HUDCC-San Miguel, Bulacan	1,000,000.00
Authority of the Freeport Area of Bataan	37,823.55
Public Estate Authority (PEA)	89,377,418.46
Philippine Charity Sweepstakes (PCSO)	3,168,166.22
Collections	472,492,641.97
	<b>593,565,580.83</b>
<b>Others</b>	
Ayala Land, Inc.	192,922,052.12
Underprivileged and Homeless Citizens (UPHC)	18,335,497.64
Villa Barbara Socialized Housing Project	171,734.59
Central Luzon State University	30,152,576.00
Bonifacio East Development Project	3,788,978.37
National Grid Corporations of the Philippines (NGCP)	2,205,198.00
Comprehensive And Integrated Shelter Financing Act (CISFA)	918,290,188.34
	<b>1,165,866,225.06</b>

<b>Breakdown of Collection</b>	<b>Amount</b>
MIAA-Baclaran/Tambo	437,630.45
Air Transportation Office	241,261,904.67
Phil. National Railways for NAIS	137,911.50
BCDA/Villamor Airbase	2,241,367.98
PEA-Pabahay 2000	218,501,239.81
BCDA - Jusmag	190,584.15
Kasiglahan 1 – BSP	9,319,678.27
SSS-NHA Apartment Loan Program	402,325.14
	<b>472,492,641.97</b>

The *Guaranty/Security 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.

## 18. OTHER PAYABLES

This is composed of the following:

	2021	2020
<b>Current:</b>		
Dividends Payable	5,700,641.84	15,011,130.51
Other Payables		
Miscellaneous Liability	3,541,712.58	7,114,400.45
Contractors	48,623,235.82	91,669,232.37
PPMO	785,826.53	909,985.01
NGC	453,531.12	50,425,865.26
Other Payables	427,138,181.10	476,411,114.49
	<b>486,243,128.99</b>	<b>641,541,728.09</b>

	2021	2020
<b>Non-current:</b>		
Other Payables – Additional cost of pre-sold/completed projects	196,304,024.71	189,102,219.76
	<b>196,304,024.71</b>	<b>189,102,219.76</b>

*Other Payables* consist of amounts received from prospective buyers, tenants, awardees, and contractors to guarantee the performance of awarded contracts.

Additional Cost of Pre-sold/Completed Projects represents an additional cost to be incurred to complete various projects. Miscellaneous liabilities/Due to Contractors consist of amounts received from prospective buyers, tenants, awardees, and contractors to guarantee the performance of awarded contracts.

## 19. DEFERRED CREDITS/UNEARNED INCOME

This account consists of the following:

	2021	2020
Other Deferred Credits		
Deferred Income from Installment Sales	4,079,397,937.20	4,134,796,459.73
Depository Liabilities	579,344,804.65	573,626,579.67
Deferred Profit - Uncollected Claims	14,788,140.74	14,788,140.74
Other Unearned Revenue/Income	-	10,322.00
	<b>4,673,530,882.59</b>	<b>4,723,221,502.14</b>

*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* represent buyers' deposits on lots and titles and rental deposits from beneficiaries of various NHA projects.

*Deferred Profit – Uncollected claims* represent the amount due to G & M Realty Construction & 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.

## 20. GOVERNMENT EQUITY

	2021	2020
Accumulated Surplus/(Deficit)	144,419,549,383.48	128,500,696,507.58
Government Equity	2,893,406,770.09	2,893,406,770.09
Contributed Capital	3,494,386,953.22	3,494,386,953.22
	<b>150,807,343,106.79</b>	<b>134,888,490,230.89</b>

### *Accumulated Surplus/(Deficit)*

The cumulative results of operations of the Authority include subsidy fund received from the National Government for:

- Various resettlement projects
- Informal Settler Families Living in Danger Areas in Metro Manila
- Calamity assistance for families affected by Typhoon/Earthquake
- Zamboanga Conflict
- AFP/PNP housing program/BJMP
- Marawi Transitional Housing

### *Government Equity*

The NHA is a non-stock GOCC with an authorized capitalization of P500 million under PD No. 757 dated July 31, 1975, and subsequently increased to P5 billion under PD No. 1924 dated May 6, 1984, to provide NHA the long-term capability to undertake the comprehensive national housing program for marginal and low-income families.



The National Government paid and subscribed a total amount of P2.893 billion through a subsidy from CYs 1976 to 2000, leaving a balance of P2.107 billion unsubscribed capital.

*Contributed Capital*

The account mostly consists of properties acquired by NHA thru Republic Acts, Executive Orders, or Presidential Proclamations. The Authority in coordination with other government agencies was designated to develop, convert into housing units and administer the disposition of the properties to bonafide occupants.

<b>Joint Venture Project/Asset Pool</b>	
Vitas Reclamation Project	1,520,185,412.45
Smokey Mountain Development and Reclamation Project	758,110,160.52
<b>Thru Presidential Decree/Proclamation</b>	
3 lots from the Mun. of Pasig, Cainta & Taytay	56,504,126.35
Brgy. Lualhati Project-Baguio	17,425,060.60
BPI Compound (Cresencia Vill), Baguio City	21,600,000.00
Barangay Katipunan, Q.C.	14,513,760.00
Tala 1 MRH	26,209,000.00
Maria Orosa & Jorge Bacobo Housing Project	108,200.00
Liang Housing Project, Surigao del Sur	37,820,160.00
Caingin Housing Project, Iloilo	26,034,720.00
Tala Estate, Caloocan City	15,460,016.00
<b>Thru Presidential Decree/Proclamation</b>	
Bagong Silang Project, Phase XI, Package 10	21,461,164.92
Tala 2 MRH	52,000,000.00
Bagong Silang Project, Phase XI, Package 9	14,533,506.00
Smokey Mountain Dev't & Reclamation Project (MRB-10B)	65,862,720.00
Tala 3 MRH	52,171,600.00
Brgy. Valencia Project, QC	18,510,000.00
Tala Development Project Phase 5	50,235,000.00
Tala Development Project Phase 2	45,781,000.00
Tala Development Project Phase 4	277,863,640.00
Camp Greg PNP Housing Project	8,793,822.98
<b>From Other Government Agency (thru PD/PP)</b>	
Monterraza Subdivision, Benguet	117,618,100.00
J. Posadas St., Sta. Ana Manila – from DPWH	17,753,150.37
Bo. Puso Project, Sta. Ana Manila – from DSWD	10,826,000.00
Polo Transmitting Coop Hsg, Valenzuela – from DOTC	193,450.00
Philippine Centennial Village Project, Taguig – from BCDA	242,724,323.17
Housing for 1 <sup>st</sup> Dist. of Agusan del Norte – from DPWH	3,263,359.86
<b>Donation</b>	
Three (3) Motor Vehicles	800,500.00
One (1) Computer unit	25,000.00
	<b>3,494,386,953.22</b>

The amount of ₱1.520 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 ₱6,000, the existing zonal valuation of the lot.

The Smokey Mountain certificate of ₱1.403 billion represents the value of non-interest bearing participation certificates issued by the Asset Pool due to the conveyance of the Smokey Mountain site & the 79 has. Manila Bay Foreshore property. The value was reduced to ₱758 Million with the application of loss on the 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 8,981.99<sup>2</sup>m at ₱1,940/sqm land in Brgy. Lualhati, Baguio was acquired thru PD No. 262 as amended by PD No.396 dated March 1989.

The BPI Compound, Cresencia Village in Baguio City is intended for socialized housing under Presidential Proclamation No. 360 and MOA dated August 05, 1999, OCT No. P-3045 and Special Patent No. 3659. The land located at Barangay Katipunan Quezon City was conveyed per Deed of Reconveyance Board Resolution Number 4477 dated January 2002 – approved the conversion of its land use from slaughterhouse site to a residential lot for proper distribution and award to its occupants.

The amount of ₱26.209 million represents the partial land cost of Tala I MRH, 26,209 sqm at ₱1,000 per sqm under Presidential Proclamation No. 843 as amended by R.A.7999 and Proclamation No.366.

The amount of ₱37.820 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 by the provisions of Republic Act No. 7279.

The Caingin Housing Project which has an area of 54,239 sqm, 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 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 ₱21.461 million represents the project in Bagong Silang, Phase XI, Package 10 under Presidential Proclamation No. 843.

The amount of ₱52 Million represents 20,000 sqm land cost in Caloocan City for Tala 2 under Presidential Proclamation No. 843.

The amount of ₱14.534 million represents the project in Bagong Silang, Phase XI, Package 9 under Presidential Proclamation No. 843.

The ₱65.863 million represents the cost of a 14,520 sqm lot for the construction of the (9) five-story low rise building for the Smokey Mountain Development and Reclamation Project.

The ₱52.172 million represents 20,066 sqm land cost in Caloocan City for Tala 3 under Presidential Proclamation No. 843.

The ₱18.510 million is a parcel of land located in Barangay Valencia, Quezon City which was declared under Presidential Proclamation No. 543, a socialized housing site for disposition in favor of bonafide occupants.

The ₱50.235 million and ₱45.781 million represent the land cost of Tala Development Project Phase 5 & 2 under Presidential Proclamation No. 843.

The Monterraza property was donated by the Presidential Management Staff covers 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 10,826 sqm. lot located in Sta. Ana, Manila from DSWD identified as lots 6 and 11, blk 22 located at Sta. Ana Manila is covered by TCT No. 234394 and 234399 at P1,000 per sqm. for Bo. Puso Homeowners Association.

The 20,315 sqm. lot located in Sta. Ana, Manila, was transferred by DPWH to NHA under Proclamation No. 848 dated January 14, 1992, as a relocation site of the squatters, flood victims, and other indigents of the Greater Manila area.

The 3,869<sup>2</sup>m at ₱50/sqm land in Karuhatan, Valenzuela, for proper disposition to members of Polo Transmitting Community Development Cooperative, Inc.



Projects		Amount Advice of Allotment	Cash Received		Total Utilization		Balance of Cash	Balance of Allotment
			2021	2020 and prior	2021	2020 and prior		
12	Regional Resettlement Program- Socialized Housing	20,067,000	-	-	-	-	-	20,067,000
13	ISFs Affected by Infrastructure Projects	54,000,000	54,000,000	-	-	-	54,000,000	-
14	Site Acquisition, Development and Shelter Construction, Tiwi, Albay	350,000,000	-	-	-	-	-	350,000,000
15	Cagayan de Oro City ISF Housing Project in Brgy. San Simon, Cagayan de Oro City	5,000,000	-	-	-	-	-	5,000,000
16	Housing Assistance Program for Indigenous Peoples	10,000,000	-	-	-	-	-	10,000,000
17	Resettlement Program for ISFs affected by DOTr Infrastructure Projects	500,000,000	-	-	-	-	-	500,000,000
18	Construction of four (4) units 5-Storey Low-Rise Residential Buildings in Region 6 for the Resettlement of ISFs	200,000,000	-	-	-	-	-	200,000,000
19	Resettlement Project in Talisay, Batangas for families affected by the Taal Eruption (Phase 2)	259,437,000	-	-	-	-	-	259,437,000
20	Resettlement Project in Brgy. Mauraro, Guinobatan, Albay for families affected by the Mayon Volcano Eruption (Phase 2)	305,300,000	-	-	-	-	-	305,300,000
21	Resettlement Program for Families Affected by Construction of Bukidnon Airport	41,000,000	-	-	-	-	-	41,000,000
<b>Sub-total</b>		<b>95,992,874,382</b>	<b>12,349,189,000</b>	<b>61,207,886,422</b>	<b>13,524,021,088</b>	<b>63,854,283,281</b>	<b>(3,821,228,947)</b>	<b>22,435,798,960</b>
<b>Other Releases</b>								
1	AFP and PNP Housing Project	13,190,580,000	-	13,190,580,000	144,843,549	12,646,265,439	399,471,012	-
2	Permanent Housing Project for Typhoon Yolanda	40,340,978,000	6,071,280,000	27,777,068,000	3,507,411,838	30,429,854,997	(88,918,835)	6,492,630,000
3	Typhoon Pablo Housing Project	4,084,600,000	-	3,745,101,000	2,184,750	3,889,139,250	(146,223,000)	339,499,000
4	"Zamboanga Conflict" Housing Project	2,593,735,775	-	2,566,000,000	83,997,525	2,508,027,077	(26,024,602)	27,735,775
5	Reconstruction and Rehabilitation Program Fund	1,500,000,000	-	1,230,687,000	112,777,936	1,305,783,251	(187,874,187)	269,313,000
6	Irosin Resettlement Project	63,040,000	-	63,040,000	-	60,424,000	2,616,000	-
7	Construction of 50 hsg units-Cateel, Davao Oriental	5,000,000	-	5,000,000	-	5,000,000	-	-
8	NDDRMF - Repair and rehab of existing resettlement site for families affected by Typhoon Nina in 2016	699,986,898	-	25,966,000	87,256,716	108,069,366	(169,360,082)	674,020,898
9	Rehabilitation of the Most Affected Area (MAA) in Marawi	2,355,500,000	-	2,331,465,000	-	2,676,888,789	(345,423,789)	24,035,000
10	Emergency Housing Assistance Program	400,000,000	-	399,642,000	48,395,272	85,961,200	265,285,528	358,000
11	Emergency Housing Assistance Program	753,204,356	569,765,000	-	348,308,718	-	221,456,282	183,439,356
12	Site Development and Core Housing for the families affected by Typhoon Usman	1,351,706,461	1,050,204,000	-	619,769,918	-	430,434,082	301,502,461
13	Housing Programs for Families Affected by Marawi Conflict	1,910,900,000	1,554,520,000	352,359,000	431,976,129	484,177,101	990,725,770	4,021,000
14	Road Infrastructure Project with Underground Facilities in the Most Affected Area in Marawi City	2,303,115,711	-	2,303,115,711	1,158,535,253	843,971,938	300,608,520	-
15	Marawi Road Infrastructure with Underground Facilities and Construction of 2000 Permanent Shelter	2,195,743,807	2,195,743,807	-	707,557,241	-	1,488,186,566	-
16	Construction of Permanent Housing Units for the localities affected by the series of the earthquake that occurred in FY 2019 in the Provinces of Davao del Sur and Cotabato	1,651,887,000	1,651,887,000	-	108,882,268	395,979,254	1,147,025,478	-
15	North Triangle Relocation Project	286,702,000	212,534,000	-	-	54,614,329	157,919,671	74,168,000
<b>Sub-total</b>		<b>75,686,680,008</b>	<b>13,305,933,807</b>	<b>53,990,023,711</b>	<b>7,361,897,113</b>	<b>55,494,155,991</b>	<b>4,439,904,414</b>	<b>8,390,722,490</b>
<b>Grand Total</b>		<b>181,061,978,390</b>	<b>25,712,095,807</b>	<b>122,928,565,133</b>	<b>20,896,067,931</b>	<b>129,109,818,079</b>	<b>(1,365,225,070)</b>	<b>32,421,317,450</b>

Out of the total original P10 billion allotments for the Housing Project for Families Living along with Danger Areas in Metro Manila, the amount of P1.290 billion could no longer be released by the BTr due to the Supreme Court declaring that the fund intended for DAP was considered as unconstitutional.

The DAP fund of P408.964 million for the Bureau of Fire Protection (BFP)/Bureau of Jail Management and Penology (BJMP) represents the amount of allotment at the net of P91.036 million that was remitted to the BTr on November 11, 2015.

The allotment for the North Triangle Relocation Project originally amounted to P450 million. However, the amount of P286.702 million was canceled by DBM and subsequently provided a supplemental appropriation of the same amount for FY 2014 which was reclassified under Other Releases.

Allotment amounting to P100 million was fully obligated for the Iloilo Resettlement Project as at June 30, 2014.

### 23. REVENUE

	2021	2020
<b>Service Income</b>		
Permit Fees	59,165.00	86,595.77
Clearance and Certification Fees	5,240,127.21	3,994,226.00
Processing Fees	40,483,927.73	24,201,088.33
Fines and Penalties-Service Income	-	155,145.63
Other Service Income	296,349.21	255,121.69
	<b>46,079,569.15</b>	<b>28,692,177.42</b>
<b>Business Income</b>		
Rent/Lease Income	453,961,814.91	350,562,340.76
Sales Revenue	285,251,923.26	214,861,726.87
Interest Income	10,422,579.24	6,448,659.43
Share in the Profit/Revenue of Joint Venture	-	2,702,862.36
Fines and Penalties-Business Income	121,173,181.67	95,632,509.64
Management Fees	402,204,281.28	462,854,240.03
Other Business Income	927,441,804.93	860,377,678.22
	<b>2,200,455,585.28</b>	<b>1,993,440,017.31</b>
<b>Shares, Grants, and Donations</b>		
Donations in Kind	16,211,309.51	-
	<b>16,211,309.51</b>	<b>-</b>
	<b>2,262,746,463.94</b>	<b>2,022,132,194.73</b>

*Donations in kind* of P16.221 million consist of Communication Equipment and various Semi-Expendable Furniture and Equipment from Philippine Sports Commission totaling P15.110 million; and one unit of Toyota Hiace Cargo (Ambulance) from Nonagon Security Services, Inc. amounting to P1.101 million. No income for grants and donations was recognized in CY 2020.

Rent/lease income is generated from the following properties:

Projects	2021	2020
Investment properties include:		
Government Center (DOTC)	233,512,184.02	308,266,936.00
Vitas Reclamation	22,687,192.25	11,962,996.43
Bagong Silang	1,931,155.08	308,653.51
Dagat-Dagatan Dev. Project	-	85,863.00
Disiplina Village Project -Bignay	-	1,209,831.00
Disiplina Village Project- Ugong	-	814,315.21
BLC Pag-asa	489,069.50	126,445.48
Tatalon Estate	100,854.67	30,000.00
Tatalon Estate - Tamasdeco Market	1,163,280.00	-
BLC Taguig	-	2,458,781.95
Bagong Lipunan Condominium	6,401,465.00	-
National Bilibid Prison - Southville 3	279,177.71	185,706.54
Philippine Centennial	310,020.53	2,109,485.01
Kasiglahan III	611,200.00	-
Kasiglahan IV	148,600.00	-
Kasiglahan V	760,186.47	-
Sr. San Roque	510,874.35	-

<b>Projects</b>	<b>2021</b>	<b>2020</b>
Macabalan - Kadiwa (Land Bank Rental)	46,497.49	123,435.55
Ayala Land Inc. - Avida Vita, Quezon City	1,018,733.59	-
Ayala Land Inc.- Vertis North, Quezon City	168,259,532.91	-
Tokwing-Metro Stonerich Corp., Quezon City	-	1,328,806.28
Petron Corporation, Quezon City	1,128,561.02	6,771,366.07
	<b>439,458,584.59</b>	<b>335,782,622.03</b>
Residential lot/building includes:		
Juan Luna (SESE)	-	75,977.18
Tondo Foreshore	-	20.00
Vitas Reclamation	-	503,990.40
Vitas Housing Project	26,700.00	6,410.88
B. Rodriguez	252,573.97	51,176.72
Bagong Barrio	90,499.76	77,480.37
Bagong Barrio - OB Montessori	-	64,036.21
Bagong Silang-Residential	-	225.00
Dagat-Dagatan Dev. Project - Residential	-	3,884,650.89
Disiplina Village Project -NSCRP	1,377,420.33	86,725.50
Disiplina Village Project - MMSP	1,635,668.92	260,601.38
Disiplina Village Project -Bignay	6,393,533.29	4,473,394.99
Disiplina Village Project- Ugong	1,439,790.17	1,811.50
Disiplina Village Project -Bignay (NLEX)	3,017,345.92	-
Kalikasan Hills	-	11,551.04
Maysilo Estate	-	957,857.45
Tangos	68,219.61	143,702.06
BLC Pag-asa	-	135,777.45
TBC II Balintawak	61,803.50	177,078.61
Tatalon Estate	-	75,000.00
BLC Taguig	-	1,640.10
Maharlika Village Project	-	888.76
National Bilibid Prison - Southville 3	-	183,725.13
Bagong Lipunan Condominium	-	7,964.00
Mabalacat	23.11	-
LTAP - San Pedro San Pablo HOA	-	300.00
Henson	-	3,671.39
Sandico	275.19	417.08
Lim Sioco	-	1,461.64
Lim Bautista	1,075.13	2,593.04
Tizon	-	886.59
Towerville Project	138,301.42	41,150.00
Kasiglahan Village I	-	3,326,552.42
LTAP - San Pedro Tunasan HOA (SPETHAI)	-	29,370.73
Bata	-	5,234.01
Sr. San Roque	-	156,933.18
Macabalan - Kadiwa (Land Bank Rental)	-	29,463.03
	<b>14,503,230.32</b>	<b>14,779,718.73</b>
<b>Total</b>	<b>453,961,814.91</b>	<b>350,562,340.76</b>

#### 24. PERSONNEL SERVICES

	<b>2021</b>	<b>2020</b>
<b>Salaries and Wages</b>		
Salaries and Wages – Regular	799,264,697.37	717,531,752.04
	<b>799,264,697.37</b>	<b>717,531,752.04</b>
<b>Other Compensation</b>		
Personnel Economic Relief Allowance (PERA)	43,771,588.22	39,834,578.46
Representation Allowance (RA)	10,661,211.72	9,809,414.39
Transportation Allowance - (TA)	6,438,943.18	5,549,704.72
Clothing/Uniform Allowance	11,175,000.00	10,122,000.00
Subsistence Allowance	18,150.00	17,600.00

	2021	2020
Laundry Allowance	2,474.94	2,399.94
Productivity Incentive Allowance	11,816.04	680,212.58
Honoraria	1,846,975.00	666,950.00
Hazard Pay	17,855,306.00	3,536,913.62
Overtime and Night Pay	2,065,743.32	2,576,733.04
Year End Bonus	67,840,071.10	60,028,162.55
Cash Gift	9,153,000.00	8,724,988.00
Other Bonuses and Allowances	121,232,922.88	169,780,024.98
	<b>292,073,202.40</b>	<b>311,329,682.28</b>
<b>Personnel Benefit Contributions</b>		
Retirement and Life Insurance Premiums	95,371,342.41	83,567,238.39
Pag-ibig Contributions	2,181,900.00	2,038,800.00
PhilHealth Contributions	10,915,158.29	9,978,554.54
Employees Compensation Insurance Premiums	2,167,700.00	1,956,000.00
	<b>110,636,100.70</b>	<b>97,540,592.93</b>
<b>Other Personnel Benefits</b>		
Retirement Gratuity	-	9,359,165.66
Terminal Leave Benefits	88,359,789.49	52,809,618.86
Other Personnel Benefits	25,192,488.70	16,417,707.82
	<b>113,552,278.19</b>	<b>78,586,492.34</b>
	<b>1,315,526,278.66</b>	<b>1,204,988,519.59</b>

*Other Bonuses and Allowances* mainly consist of meal allowance, rice allowance. Productivity Enhancement Incentive, mid-year financial assistance, and loyalty bonus. This also includes GADtimpala Bronze Award, as conferred by the Philippine Commission on Women (PCW) on August 14, 2019. MC No. 2020-077 dated December 17, 2020, was issued for the guidelines on the grant of the said incentive to all regular NHA officers and employees. Also, a one-time Service Recognition Incentive (SRI) was granted to NHA employees by AO No. 19 dated December 2, 2019, issued by the OP authorizing the grant of a one-time SRI to all government employees for CY 2019 and DBM Budget Circular No. 2019-6 dated December 9, 2019, prescribing the guidelines on the grant and funding of the SRI.

## 25. MAINTENANCE AND OTHER OPERATING EXPENSES

	2021	2020
<b>Traveling Expenses</b>		
Traveling Expenses – Local	13,252,039.63	18,443,197.41
Traveling Expenses - Foreign	255,189.45	387,681.32
	<b>13,507,229.08</b>	<b>18,830,878.73</b>
<b>Training and Scholarship Expenses</b>		
Training Expenses	1,058,773.44	2,652,434.07
<b>Supplies and Materials Expenses</b>		
Office Supplies Expenses	31,608,598.33	22,558,782.27
Accountable Forms Expenses	1,237,500.00	860,350.00
Drugs and Medicines Expenses	26,810.94	8,151.81
Medical, Dental & Laboratory Supplies Expenses	1,352,155.49	1,105,071.35
Fuel, Oil, and Lubricants Expenses	15,336,117.76	11,078,095.01
Semi-Expendable Machinery and Equipment Expenses	10,645,514.20	1,736,583.33

	2021	2020
Semi-Expendable Furniture, Fixtures and Books Expenses	8,699,737.43	6,461,015.90
Other Supplies and Materials Expenses	1,858,079.05	1,371,544.20
	<b>70,764,513.20</b>	45,179,593.87
<b>Utility Expenses</b>		
Water Expenses	9,854,501.98	9,983,632.53
Electricity Expenses	31,623,457.43	24,654,781.10
	<b>41,477,959.41</b>	34,638,413.63
<b>Communication Expenses</b>		
Postage and Courier Services	1,800,936.11	1,735,213.27
Telephone Expenses	6,033,331.89	5,979,423.12
Internet Subscription Expenses	3,726,692.16	3,013,666.01
Cable, Satellite, Telegraph & Radio Expenses	51,761.10	28,760.00
	<b>11,612,721.26</b>	10,757,062.40
<b>Survey, Research, Exploration, and Development Expenses</b>		
Survey Expenses	1,823,210.34	491,860.00
<b>Demolition/Relocation &amp; Desilting/Drilling/Dredging Expenses</b>		
Demolition and Relocation Expenses	-	149,245.50
<b>Confidential, Intelligence and Extraordinary Expenses</b>		
Extraordinary and Miscellaneous Expenses	108,032.76	64,420.00
<b>Professional Services</b>		
Legal Services	144,818.99	152,248.54
Auditing Services	31,711,292.20	31,632,034.30
Consultancy Services	16,799,701.50	9,431,113.06
Other Professional Services	372,599,425.37	284,997,629.30
	<b>421,255,238.06</b>	326,213,025.20
<b>General Services</b>		
Janitorial Services	19,019,681.64	12,769,965.98
Security Services	65,159,638.24	103,308,002.85
	<b>84,179,319.88</b>	116,077,968.83
<b>Repairs and Maintenance</b>		
Repairs & Maintenance-Land Improvements	526,751.31	-
Repairs & Maintenance-Buildings & Other Structures	28,200,640.71	15,390,413.61
Repairs & Maintenance-Machinery & Equipment	3,140,077.73	865,748.78
Repairs & Maintenance-Transportation Equipment	9,071,137.83	6,129,010.12
Repairs & Maintenance-Furniture & Fixtures	114,090.75	25,988.50
Repairs and Maintenance-Leased Assets Improvements	332,494.00	943,000.00
Repairs & Maintenance-Semi-Expendable Machinery & Equipt	203,441.00	48,240.00
Repairs & Maintenance-Semi-Expendable Furniture, Fixtures & Books	31,059.10	7,927.00
	<b>41,619,692.43</b>	23,410,328.01



	2021	2020
<b>Taxes, Insurance Premiums, and Other Fees</b>		
Taxes, Duties, and Licenses	1,106,516.39	14,723,210.69
Fidelity Bond Premiums	8,335,580.41	6,431,053.96
Insurance/Reinsurance Expenses	7,317,233.77	6,502,548.02
	<b>16,759,330.57</b>	<b>27,656,812.67</b>
<b>Other MOOE</b>		
Advertising, Promotional, and Marketing Expenses	658,902.60	194,573.60
Printing and Publication Expenses	5,792,050.64	2,821,769.45
Representation Expenses	3,070,717.11	2,985,880.24
Transportation and Delivery Expenses	1,077,092.86	147,118.54
Rent/Lease Expenses	49,812,247.39	29,636,483.67
Membership Dues & Contributions to Organizations	9,200.00	89,826.23
Subscription Expenses	267,570.51	181,095.68
Donations	-	560,000.00
Documentary Stamp Expenses	27,597.00	1,320.00
Other Maintenance & Operating Expenses	49,483,846.77	42,459,317.75
	<b>110,199,224.88</b>	<b>79,077,385.16</b>
	<b>814,365,245.31</b>	<b>685,199,428.07</b>

*Other Professional Services* represent the salaries of the contract of service personnel.

*Other MOOE Rent/Lease* comprises mainly of rent/lease of office spaces of regional/district offices and staff houses.

**Estimated rent/lease for the next three years are as follows:**

Office space and staff house	Payable within the next year (2022)	Payable within the next two to three years (2023-2024)
South Sector	1,536,599.76	3,073,199.52
West Sector	494,448.00	988,896.00
Region 1 (Baguio)	2,401,896.12	4,803,792.24
Region 3 (Regional Office)	700,800.00	1,401,600.00
Region 3 (Bulacan Dist Office)	342,000.00	684,000.00
Region 5(Masbate Dist Office)	144,000.00	288,000.00
Region 6 (Bacolod Dist Office)	268,800.00	537,600.00
Region 6 (Iloilo District Office)	927,401.04	1,854,802.08
Region 7 (Regional Office)	986,496.00	1,972,992.00
Region 7 (Cebu District)	2,493,120.00	4,986,240.00
Region 7 (Bohol District)	843,914.76	1,687,829.52
Region 7 (Negros District)	660,000.00	1,320,000.00
Region 9 (Regional Office and Pagadian)	1,612,800.00	3,225,600.00
Region 9 (Zamboanga Dist Office)	864,864.00	1,729,728.00
Region 11 (Davao)	8,732,034.84	17,464,069.68
Region 11 (Compostella Valley-District II)	846,720.00	1,693,440.00
Region 12 (Regional Office)	1,401,074.76	2,802,149.52
Region 12 (GSCKSCSar Dist Office)	944,491.56	1,888,983.12
Region 13 (Regional Office)	720,000.00	1,440,000.00
	<b>28,327,860.84</b>	<b>56,655,721.68</b>

**26. FINANCIAL ASSISTANCE**

	2021	2020
Financial Assistance	7,656,862.69	5,994,000.00
Assistance/Subsidies/Contribution-Others	10,570,031,746.98	4,888,800,386.98
	<b>10,577,688,609.67</b>	<b>4,894,794,386.98</b>

Of the total *Financial Assistance* of ₱7.657 million, ₱6.812 million covers the tagging and census operation to clear the waterways of Informal Settlers Families occupying Lupang Arenda, and ₱826,862.69 for the implementation of Balik Probinsya, Bagong Pag-asa Program (BP2).

*Assistance/Subsidies/Contribution-Others* refers to expenses chargeable to Subsidies received from the National Government, allotted for the implementation of various projects/ programs of NHA for families affected by calamities, regular resettlement, and relocation of informal settlers.

## 27. FINANCIAL EXPENSES

	2021	2020
Bank Charges	143,964.30	96,688.95
Other Financial Charges	466,036.98	20,200.00
	<b>610,001.28</b>	<b>116,888.95</b>

## 28. NON-CASH EXPENSES

	2021	2020
<b>Depreciation</b>		
Depreciation-Investment Property	336,947.04	336,947.04
Depreciation-Land Improvements	1,623,448.40	1,672,947.60
Depreciation-Buildings & Other Structures	3,879,587.16	3,705,611.76
Depreciation-Machinery & Equipment	26,404,719.64	29,382,054.58
Depreciation-Transportation Equipment	5,384,394.24	8,655,519.24
Depreciation-Furniture, Fixtures, and Books	2,062,808.28	771,500.88
Depreciation-Leased Assets Improvements	43,971.32	32,581.76
Depreciation-Other Property, Plant & Equipment	122,040.00	193,176.00
	<b>39,857,916.08</b>	<b>44,750,338.86</b>
<b>Impairment Loss</b>		
Impairment Loss - Loans Receivable	83,187,820.60	70,881,942.96
	<b>123,045,736.68</b>	<b>115,632,281.82</b>

## 29. OTHER NON-OPERATING INCOME/LOSSES

	2021	2020
<b>Non-Operating Income</b>		
Gain on Sale of Property, Plant, and Equipment	488.79	-
Gain on Sale of Unserviceable Property	2,103,080.00	112,067.50
Proceeds from Insurance/Indemnities	2,267,255.56	1,702,620.08
Miscellaneous Income	20,111,286.50	33,062,184.12
	<b>24,482,110.85</b>	<b>34,876,871.70</b>
<b>Non-Operating Losses</b>		
Rebates	14,284,700.41	14,945,176.28
Loss on Sale of Assets	338,466.09	110,510.70
	<b>14,623,166.50</b>	<b>15,055,686.98</b>
	<b>9,858,944.35</b>	<b>19,821,184.72</b>

### 30. SUBSIDY FROM NATIONAL GOVERNMENT

	2021	2020
Subsidy from National Government	25,712,095,807.00	18,140,572,996.00
	<b>25,712,095,807.00</b>	<b>18,140,572,996.00</b>

As of December 31, 2021, subsidy releases of P25.712 billion consist of P21.342 billion prior year subsidy and P4.370 billion current year subsidy.

### 31. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS

The reconciliation of net cash flows from operating activities to Surplus is presented as follows:

	2021	2020
Surplus for the year	15,302,931,549	13,281,794,870
Non-cash items:		
Depreciation expense	39,857,916	44,750,339
Impairment loss	83,187,821	70,881,943
Discounts and rebates	14,284,700	14,945,176
Income from grants and donations in kind	(16,211,310)	0
Increase in assets due to revaluation	0	275,995,179
(Increase) Decrease in Receivables, net	(5,477,370,973)	(7,845,635,084)
(Increase) Decrease in Inventories	(4,774,477,903)	(3,819,764,264)
(Increase) Decrease in Other assets	(2,289,149,432)	(2,784,325,580)
(Increase) Decrease in Investment in joint ventures, net	4,426,738	82,973,351
Increase (Decrease) in Financial liabilities	15,876,958	64,423,873
Increase (Decrease) in Inter-agency payables	(36,301,378)	30,961,943
Loss on sale of assets	338,466	110,510
Gain on sale of PE	(2,103,569)	(112,067)
Increase (Decrease) in Trust liabilities	(3,539,379,115)	(413,469,995)
Increase (Decrease) in Deferred credits/ unearned income	(49,690,620)	21,712,727
Increase (Decrease) in Other payable	(138,786,305)	60,293,950
<b>Net cash flows from operating activities</b>	<b>(1,012,032,662)</b>	<b>(914,463,129)</b>

### 32. SEPARATE SET OF BOOKS

#### NATIONAL GOVERNMENT CENTER (NGC)

On March 29, 2005, the Home Guaranty Corporation (HGC) transferred to the NHA the operations and management of the National Government Center (NGC) Housing Project, by Republic Act No. 9207, otherwise known as the National Government Center 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 propriety interest.

The transactions of the NGC Housing Project are off-book transactions and a separate set of books are being maintained for this trust fund and therefore not included in NHA's financial statements. As of December 31, 2021, total assets amounted to ₱ 1,161,585,810.38.

National Government Center Housing Project generated a Gross Revenue of ₱ 44,829,700.73 in December 2021 and expenses of ₱ 36,857,233.41 resulting in a net income of ₱ 7,972,467.32.

Before its transfer to NHA, the NGC Housing Project came into existence by 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 the additional portion of land on 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	2021	2020	Inc (Dec)
<b>Financial Performance</b>			
Revenue	44,281,570.65	5,578,244.71	38,703,325.94
Expenses	36,857,233.41	25,314,392.58	11,542,840.83
Other Non-Operating Income, net	548,130.08	1,138,640.52	(590,510.44)
<b>Surplus (Deficit)</b>	<b>7,972,467.32</b>	<b>(18,597,507.35)</b>	<b>26,569,974.67</b>
<b>Financial Position</b>			
Assets	1,161,585,810.38	1,088,416,301.10	73,169,509.28
Liabilities	1,224,098,289.25	1,185,729,431.74	38,368,857.51
Equity	(62,512,478.87)	(97,313,130.64)	(34,800,651.77)

### **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 Authority.

The HUDCC turned over fourteen (14) lowland resettlement sites, various assets, liabilities, and capital as of July 31, 2006. Based on the audited financial statements, NHA recorded the assets and liabilities of Mt. Pinatubo in August 2010. Given the collection and disbursements from 2006 to April 2010, these were reclassified from NHA books to Mt. Pinatubo books in December 2010.

As of December 31, 2021, PPMO, total assets amounted to ₱ 2,692,504,552.05, and a net income of ₱ 1,710,928.76.

Particulars	2021	2020	Inc (Dec)
<b>Financial Performance</b>			
Revenue	5,446,930.19	925,764.68	4,521,165.51
Expenses	3,609,004.19	1,834,158.65	1,774,845.54
Other Non-Operating Income/(Loss)	(126,997.24)	39,293.26	(166,290.50)
<b>Surplus</b>	<b>1,710,928.76</b>	<b>(869,100.71)</b>	<b>2,580,029.47</b>
<b>Financial Position</b>			
Assets	2,692,504,552.05	2,683,528,278.97	8,976,273.08
Liabilities	117,360,908.19	116,058,935.01	1,301,973.18
Equity	2,575,143,643.86	2,567,469,343.96	7,674,299.90

### **33. FINANCIAL RISK MANAGEMENT**

The Authority has significant exposure to the following financial risks:

#### **Credit Risk**

Credit risk refers to the risk that borrowers will default by failing to make the required payments. The risk of financial loss is due to inability or unwillingness to settle one's obligation in accordance with the agreed terms. Since the NHA is providing housing assistance to informal settler families and low salaried government employees, the exposure to credit risk is of great magnitude. Its maximum exposure is equivalent to the carrying amount of financial assets. The amount of loan availed by beneficiaries has a maximum of 30 years term based on their affordability level vis-à-vis approved monthly rental or amortization payments as the basis for an award of housing units. Also, for housing projects adopting the Community Based Initiative Approach, the NHA encourages the beneficiaries to pay by providing a loanable amount equivalent to the cost of the developed lots and completed housing units net of P35,000 discount.

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

During this pandemic the Authority issued the following Circulars on the moratorium on amortization:

- MC No. 2020-025 dated March 20, 2020 – Guidelines on the grant of an automatic moratorium on housing loan amortization or lease payments of residential account holders in NHA projects effective March 16, 2020, to June 30, 2020
- MC No. 2020-030 dated April 27, 2020 – Guidelines on the waiver of delinquency interest on commercial, industrial, and institutional accounts within the spirit of Republic Act No. 11469 approved on March 24, 2020 (Bayanihan to Heal as One Act) and Presidential Proclamation No. 929 dated March 16, 2020
- MC No. 2020-055 dated October 9, 2020 – Guidelines for the implementation of the provision of Republic Act No. 11494 for existing residential, commercial, industrial, and institutional accounts. The MC provides for the grant of the automatic moratorium for the period November 1, 2020, to December 31, 2020
- MC No. 2021-048 dated November 10, 2021 – Updated Guidelines on Reduction Rate of Amortization Interest for Accounts/Loans Covering NHA Socialized Horizontal and Vertical Housing Projects

### Interest Rate Risk (IRR)

Interest rate risk (IRR) is the exposure to adverse movements in interest rates. In managing the IRR, the NHA 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 NHA.

Moreover, interest rate exists in the trade receivables/interest-bearing assets due to the change in the asset's 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 NHA.

### Liquidity Risk

Liquidity risk refers to the possibility that the NHA will encounter difficulty in meeting obligations associated with its financial liabilities. The NHA manages liquidity risk by maintaining adequate cash in bank and cash allocation to be received from the national government to meet its currently maturing obligations. Using the one fund concept and analyzing the amount of cash provided or used in the operations, they manage the risk to fund the following current liabilities:

	2021	2020
Financial liabilities	289,340,004	272,548,855
Inter-agency payables	34,162,660	80,833,006
Other payables	486,243,129	641,541,728
	<b>809,745,793</b>	<b>994,923,589</b>

## 34. RELATED PARTY DISCLOSURE

Parties are related if one party has the ability, directly and indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are related if they are subject to common control. Related parties may be individuals or corporate entities.

34.1 Pursuant to PD No. 757 and EO No. 90 s.1986, the NHA is governed by the Board of Directors, which as at December 31, 2021, is composed of the following members:

Position	Name	Position from Other Agency
Chairman	Eduardo D. Del Rosario	Secretary, Department of Human Settlements and Urban Development (DSHUD)
Member	Salvador C. Medialdea	Secretary, Office of the President
Member	Karl Kendrick T. Chua	Acting Secretary, National Economic and Development Authority (NEDA)
Member	Roger A. Mercado	Acting Secretary, Department of Public Works and Highways (DPWH)
Member	Carlos G. Dominguez III	Secretary, Department of Finance (DOF)

Position	Name	Position from Other Agency
Member	Silvestre H. Bello III	Secretary, Department of Labor and Employment (DOLE)
Member	Ramon M. Lopez	Secretary, Department of Trade and Industry (DTI)
Member	Marcelino P. Escalada, Jr.	General Manager, NHA

The members of the Board may have their respective alternates who shall be the officials next in rank to them and whose acts shall be considered the acts of their principals with the right to receive their benefits. Provided, that in the absence of the Chairman, the Board shall elect a temporary presiding officer.

#### 34.2 Key Management Personnel Remuneration and Compensation

The key management personnel of the NHA are the General Manager, Assistant General Manager, and the Group Managers of the Management Services Group, Financial Services Group, and Housing Support Services Group. The remuneration of key management personnel during the year is as follows:

Particulars	2021	2020
Salaries	<b>7,603,716.00</b>	7,958,717.48
Other allowances and benefits	<b>2,590,811.00</b>	2,786,139.09
	<b>10,194,527.00</b>	10,744,856.57

The total remuneration received by the members of the Board of Directors during the years 2021 and 2020 is P267,239.15 and P291,976.04, respectively.

#### 35. COMPLIANCE WITH TAX LAWS

In compliance with the requirements set forth by the Bureau of Internal Revenue (BIR) Revenue Regulation (RR) Nos. 15-2010 and 19-2011, the following are the taxes and withholding taxes paid and accrued by NHA:

Particulars	2021	2020
Taxes paid		
VAT and other percentage tax	<b>250,737,932</b>	96,877,296
Expanded	<b>101,813,648</b>	55,441,307
On compensation	<b>87,893,496</b>	70,542,231
Taxes withheld		
VAT and other percentage tax	<b>225,763,598</b>	10,720,662
Expanded	<b>90,809,640</b>	21,911,582
On compensation	<b>79,934,470</b>	42,148,520
	<b>836,952,784</b>	297,641,597

The NHA, being the primary government agency in charge of providing housing for the underprivileged and homeless, is exempted from the payment of all fees of any kind, whether local or national, such as income and real property taxes. All documents or contracts executed by and in favor of the NHA shall also be exempted from the payment of documentary stamp tax and registration fees including fees required for the issuance of transfer certificates of titles per Section 19 of RA No. 7279, otherwise known as the Urban Development and Housing Act of 1992, providing tax incentives to GOCCs and LGUs as well as Private Mortgage Program, amending for the purpose pertinent provisions of Sections 2.4 and 5 of RR No. 9-93.

##### *Status of Notice of Discrepancy for the tax liabilities covering CY 2017 transactions*

The NHA received a Notice of Discrepancy for CY 2017 transactions relative to non-withholding of Value-Added Tax (VAT) and Expanded Withholding Tax (EWT) for socialized housing projects without the Certificate of Tax Exemption (CTE) and deficiency withholding on various payments to suppliers. Reconciliations and coordination with the representative from the Bureau of Internal Revenue (BIR) were made and discrepancies noted of ₱111.635 million including interest and penalty was reduced to ₱24.659 million.

Of the total final assessment of ₱24.659 million, P10.198 million was covered by CTE, ₱6.482 million was remitted on December 22, 2021, and the remaining P7.979 million representing interest has a pending NHA request for the abatement or cancellation of tax liabilities.

### 36. MANDATORY SALARY DEDUCTIONS

The NHA has complied with the Government Service Insurance System (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.

The statutory deductions withheld from the salaries of employees were remitted to the HDMF or Pag-ibig as required under PD No. 1752.

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

### 37. RESPONSE TO COVID-19 PANDEMIC

As a continuing response to the pandemic, the following are the summary of Covid-19 related expenses as of December 31, 2021, chargeable to corporate funds:

Particulars	Disbursements
Balik Probinsya Bagong Pag-asa Program (BP2)	97,766,669.99
Swab Test	2,642,104.31
Hazard Pay	23,262,405.41
Related Expenditures	12,752,460.85
<b>TOTAL</b>	<b>136,423,640.56</b>

Of the total P136 million Covid-19 related expenses, 39% or P53 million pertains to constructions of multi-purpose centers, roads, billboards, and gates.

### 38. STATUS OF LAWSUITS

The Authority is a party to 526 cases pending resolution that may materially affect its financial position. Among these cases, 315 are under NCR Courts, 51 cases are under the Court of Appeals and 37 cases under the Supreme Court. Details of the nature of cases are as follows:

Nature of the case	Quantity	Percentage to total
Land registration	291	55
Expropriation	15	3
Others*	220	42
<b>TOTAL</b>	<b>526</b>	<b>100</b>

Land registration cases include those pending before the administrative agencies where NHA is a party, or an employee therein. Other cases include those pending before the Supreme Court, Courts of Appeals and cases of various nature (e.g. damages, ejectment, criminal cases, etc. ; may also involve cases against NHA employee/s).

### 39. OTHER MATTERS

- **Contingent Liabilities**

- a) Claims of Home Guaranty Corporation (HGC)

The NHA contingent liability of P4.119 billion to HGC relative to the terminated Smokey Mountain Asset Pool Agreement is not yet recognized in the books pending the results of the evaluation, reconciliation, coordination/mediation and compromise with the parties concerned.

- b) Compromise Agreement of NHA with RII-Builders

The compromise agreement amounting to P1.122 billion entered by NHA with R-II Builders, Inc. to amicably settle the litigation under CA-GR CV No. 99324 dated February 7, 2018, was approved by the Court of Appeals per Decision promulgated on May 30, 2019. Pending submission of the claim for settlement to the proper authorities pursuant to Section 20(1), Chapter IV, Subtitle B, Title I, Book V of EO No. 292, the amount of P1.122 billion is not yet recognized in the books.

- **Status of NHA's share from the proceeds on the sale of Military Camps by BCDA**

Pursuant to RA No. 7227 "Bases Conversion and Development Act of 1992" as amended by RA No. 7917 and Administrative Order No. 236, prescribing the rules and regulations, the NHA, NHMFC, and PGC (formerly HIGC) have corresponding percent shares equivalent to 12% from the proceeds on the sale of military camps by BCDA.

On March 15, 2022, the DHSUD called for a meeting to discuss the allocation of 12% among the concerned agencies, and they were instructed to prepare a proposal on how the funds should be allocated and how the funds will be spent.

The DHSUD will be writing to the BTr to validate/confirm the ₱1.800 billion releases in 1995 and 1996 to the three agencies. Apparently, the amount of ₱1.050 billion was downloaded to NHMFC, ₱700 million to NHA, and ₱50 million to HIGC. Only NHMFC confirmed the receipt from the BTr.

On March 17, 2022, the NHA sent a letter to BCDA raising how the share of ₱806 million was applied to the payment of properties transferred by BCDA to NHA by virtue of EO No. 70, as amended by EO No. 465. This is in connection with the letter reply of BCDA to an inquiry made by the NHA-COA Supervising Auditor. According to BCDA, of the total P2.775 billion representing 12% shares from the disposition proceeds for the period May 1993 to December 2021, P806 million was applied to properties transferred to NHA and P1.970 billion was remitted to the BTr.

- **Improvements in Systems Development**

The Authority completed the Information Systems Strategic Plan (ISSP) for 2019-2021. It was submitted to DICT on August 8, 2021, and approved by the NHA Board on September 26, 2021, with the following deliverables:

- a) ICT Projects

- Geographical Information System (GIS)
- Data Center Migration and Network Rehabilitation of NHA Main Office

- b) Information Systems

- Human Resource Information System (HRIS)
- Beneficiary Management Information System (BMIS)
- Approved TOR for Financial Management Information System (FMIS)

- c) Government Employees Housing Program (GEHP) Service Program

- d) EHAP Service Program