

**FILINVEST EASTVILLE HOMEOWNERS
ASSOCIATION, INC.**

FINANCIAL STATEMENTS AS OF

DECEMBER 31, 2021

AND

AUDITOR'S REPORT

PHILIPPINE PESOS



FILINVEST EASTVILLE HOMEOWNERS ASSOCIATION, INC.
(A Non-stock, Non-profit Organization)
Eastville Clubhouse, Eastville Avenue, Filinvest Homes East
Marcos Highway, Cainta, Rizal

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

**DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN DEVELOPMENT
HOMEOWNERS ASSOCIATION AND COMMUNITY DEVELOPMENT BUREAU
DHSUD/HSAC Bldg. Kalayaan Avenue
Corner Mayaman St., Diliman, Quezon City**

The management of **FILINVEST EASTVILLE HOMEOWNERS ASSOCIATION, INC.**, is responsible for the preparation and fair presentation of the financial statements for the year ended, **December 31, 2021**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Associations' ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Board of Director is responsible for overseeing the Associations' financial reporting process.

The Board of Director reviews and approves the financial statements including the schedules attached therein, and submits the same to the Association.


ALFONSO M. MABOLO, CPA, the independent auditor, has audited the financial statements of the Association in accordance with Philippine Standards on Auditing and has expressed its opinion on the fairness of presentation upon completion of such audit.



REGINA G. SOLIONGCO
Treasurer



JOYCE FELISA D. DAPAT
Vice-President



JOSE RONALD V. VALLES
President



Signed on March 15, 2022

FILINVEST EASTVILLE HOMEOWNERS ASSOCIATION, INC.
(A Non-stock, Non-profit Organization)
Eastville Clubhouse, Eastville Avenue, Filinvest Homes East
Marcos Highway, Cainta, Rizal

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN**

The Management of **FILINVEST EASTVILLE HOMEOWNERS ASSOCIATION, INC.**, (herein referred to as "the Association") is responsible for all information and representations contained in the **Annual Income Tax Return** for the calendar year ended **December 31, 2021**. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached financial statements for the year ended December 31, 2021 and the accompanying Annual Income Tax Return are in accordance with the books and records of the Association complete and correct in all material respects. Management likewise affirms that:

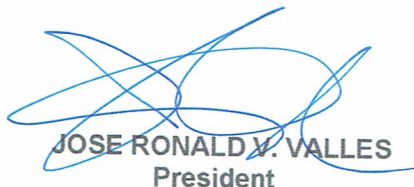
The Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;



REGINA G. SOLIONGCO
Treasurer



JOYCE FELISA D. DAPAT
Vice-President



JOSE RONALD V. VALLES
President

Signed on March 15, 2022



ALFONSO M. MABOLO
CERTIFIED PUBLIC ACCOUNTANT

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Bacoor, Cavite
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REPORT OF INDEPENDENT AUDITOR

To the Members and Board of Directors
FILINVEST EASTVILLE HOMEOWNERS ASSOCIATION, INC.
Eastville Clubhouse, Eastville Ave., Filinvest Homes East
Marcos High Way, Cainta, Rizal 1900

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements **FILINVEST EASTVILLE HOMEOWNERS ASSOCIATION, INC.**, a **non-stock, non-profit organization** which comprise the statement of financial position as at **December 31, 2021**, and the related statement of income and expenses, statement of changes in equity and statement cash flow for the year ended, and notes to the financial statements, including a summary of significant changes in accounting policies.

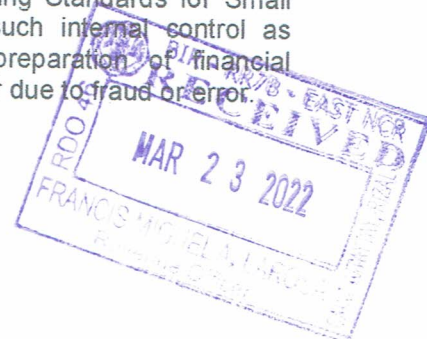
In my opinion, the accompanying financial statements give a true and fair view of (or "present fairly, in all material respects,") the financial position of **FILINVEST EASTVILLE HOMEOWNERS ASSOCIATION, INC.**, as at December 31, 2021, and of its financial performance and its cash flow for the year then ended in accordance with Philippine Financial Reporting Standards for Small Entities (PFRS for SEs).

Basis for Opinion

I conducted my audit in accordance with Philippine Standards on Auditing (PSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Association in accordance with the Code of Ethics for Professional Accountants in the Philippines, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRS for SMEs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

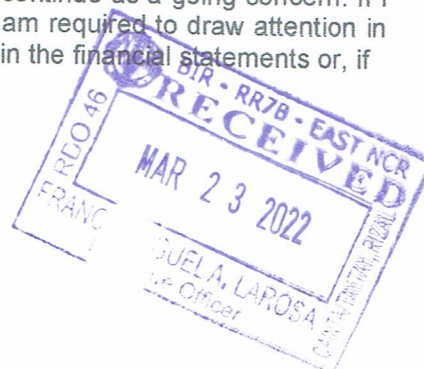
Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in our auditor's report to the related disclosures in the financial statements or, if



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such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of our auditor's report.

- However, future events or conditions may cause the Association to cease to continue as a going concern I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during my audit

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and licence fees in Note 16 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in my audit of the basic financial statements. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as whole.


ALFONSO M. MABOLO
CERTIFIED PUBLIC ACCOUNTANT
CPA Certificate No. 53827
Tax Identification No. 138-514-136-000
PTR No. 2284644, Issued on January 21, 2022, at Bacoor, Cavite
BOA/PRC Registration No. 3259 valid until August 02, 2024
BIR Registration No. AN-09-006064-001-2021 valid until January 05, 2024

March 15, 2022
Bacoor City, Cavite, Philippines



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**INDEPENDENT AUDITORS REPORT
TO ACCOMPANY INCOME TAX RETURN**

To the Members and Board of Directors
FILINVEST EASTVILLE HOMEOWNERS ASSOCIATION, INC.
Eastville Clubhouse, Eastville Avenue, Filinvest Homes East
Marcos Highway, Cainta, Rizal

I have audited the financial statements of **FILINVEST EASTVILLE HOMEOWNERS ASSOCIATION, INC.**, for the year December 31, 2021 on which I have rendered the attached report dated March 10, 2022.

In compliance with Revenue Regulations V-20, I am stating that I am not related by consanguinity or affinity to the Board of Directors of the Association.


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**“TO THE DEPARTMENT OF HUMAN SETTLEMENTS
AND URBAN DEVELOPMENT**

In connection with my examination of the financial statements of **FILINVEST EASTVILLE HOMEOWNERS ASSOCIATION, INC.**, which are to be submitted to the Board, I hereby represent the following:

1. That I am in the active practice of the accounting profession and duly registered with the Board of Accountancy (BOA);
2. That financial statements are presented in conformity with Philippine Financial Reporting Standards in all cases where I shall express an unqualified opinion; Except that in case of any departure from such standards, I shall indicate the nature of the departure, the effects thereof, and the reasons why compliance with the standards would result in a misleading statement, if such is a fact;
3. That I shall fully meet the requirements of independence as provided under the Code of Professional Ethics for CPA's;
4. That in the conduct of the audit, I shall comply with the Philippine Standard on Auditing promulgated by the Board of Accountancy; in case of any departure from such standards or any limitation in the scope of my examination, I shall indicate the nature of the departure and the extent of the limitation, the reasons thereof and the effects thereof on the expression of my opinion or which may necessitate the negation of the expression of an opinion;
5. That I shall comply with the applicable rules and regulations of the **Department Of Human Settlements and Urban Development** in the preparation and submission of financial statements; and
6. That relative to the expression of my opinion on the said financial statements, I shall not commit any acts discreditable to the profession as provided under Code of Professional Ethics for CPAs.

As a CPA engaged in public practice, I make these representations in my individual capacity.


ALFONSO M. MABOLO
CERTIFIED PUBLIC ACCOUNTANT

CPA Certificate No. 53827

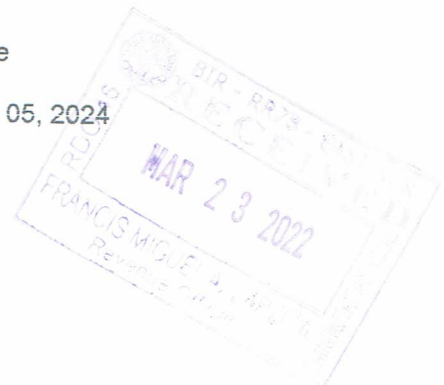
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March 15, 2022
Bacoor City, Cavite, Philippines



FILINVEST EASTVILLE HOMEOWNERS ASSOCIATION INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 2021
(With comparative figure for December 31, 2020)

ASSETS	Notes	<u>2021</u>	<u>2020</u>
Current Assets			
Cash and Cash Equivalent	4	P 6,192,967	P 5,241,613
Receivables - Net	5	<u>29,975</u>	<u>15,530</u>
Total Current Assets		<u>6,222,942</u>	<u>5,257,143</u>
Non-Current Assets			
Property, Plant and Equipment - (Net)	6	8,325,775	8,730,462
Refundable Deposits	7	<u>400,000</u>	<u>400,000</u>
Total Non-Current Assets		<u>8,725,775</u>	<u>9,130,462</u>
TOTAL ASSETS		<u>P 14,948,717</u>	<u>P 14,387,605</u>
LIABILITIES AND MEMBERS EQUITY			
Current Liabilities			
Accounts Payable	8	P 862,283	P 1,118,296
Sundry Credits	8	<u>210,585</u>	<u>0</u>
Total Current Liabilities		<u>1,072,868</u>	<u>1,118,296</u>
Non-Current Liabilities			
Construction Bonds Payable	9	3,525,000	2,700,000
Advance Deposits	9	<u>270,005</u>	<u>270,005</u>
Total Non-Current Liabilities		<u>3,795,005</u>	<u>2,970,005</u>
TOTAL LIABILITIES		<u>4,867,873</u>	<u>4,088,301</u>
Members' Equity			
Member, Contribution		100,000	100,000
Member, Equity		<u>9,980,844</u>	<u>10,199,305</u>
Total Equity		<u>10,080,844</u>	<u>10,299,305</u>
TOTAL LIABILITIES AND EQUITY		<u>P 14,948,717</u>	<u>P 14,387,605</u>



FILINVEST EASTVILLE HOMEOWNERS ASSOCIATION, INC.
STATEMENT OF MEMBERS' CONTRIBUTIONS AND EXPENSES
For the Year Ended, December 31, 2021

(With comparative figures for the year ended December 31, 2020)

	Notes	2021	2020
Members' Contributions	10 P	2,481,862	2,304,253
Less: Direct Cost and Expenses	11	4,066,988	3,041,318
Gross Member's Contributions		(1,585,126)	(737,065)
Add: Other Receipts	12	2,731,924	2,106,892
Total Gross Member's Contributions		1,146,798	1,369,827
Less: Operating Expenses			
General and Administrative Expenses	13	873,680	839,529
Depreciation Expense	6	520,612	95,218
Total Operating Expenses		1,394,292	934,747
Add: Finance Cost			
Interest Earned from Bank Deposits (net)	14	8,234	20,353
Excess Members' Contributions over Expenses		(239,260)	455,433
Provision for Income Tax			
Corporate Income Tax		0	0
MCIT		0	0
Excess Members' Contributions over Expenses		(239,260)	455,433



FILINVEST EASTVILLE HOMEOWNERS ASSOCIATION, INC.
STATEMENT OF CHANGES IN MEMBERS' EQUITY

For the Year Ended, December 31, 2021

(With comparative figures for the year ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
MEMBERS' EQUITY		
Members' Contribution	P <u>100,000</u>	P <u>100,000</u>
Members' Equity, Beginning	10,199,305	10,199,305
Excess of members' contribution over expenses	(239,260)	0
Prior Period Adjustment	20,799	0
Members' Equity, Ending	<u>9,980,844</u>	<u>10,199,305</u>
Total Members' Equity	P <u><u>10,080,844</u></u>	P <u><u>10,299,305</u></u>



FILINVEST EASTVILLE HOMEOWNERS ASSOCIATION, INC.
STATEMENT OF CASH FLOWS

For the Year Ended, December 31, 2021

(With comparative figures for the year ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of Members' contributions over expenses	P (239,260)	P 455,433
Adjustments for:		
Prior period adjustments	20,799	353,107
Depreciation	520,612	95,218
Net revenues before working capital changes	<u>302,152</u>	<u>903,758</u>
(Increase) / Decrease in Assets		
Receivables	(14,445)	(2,155)
Other Current Assets		
Increase/ (Decrease) in Liabilities		
Accounts Payable	(256,012)	356,643
Construction Bonds Payable	825,000	475,000
Sundry Credits	210,585	0
Net cash provided by operating activities	<u>1,067,279</u>	<u>1,733,246</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, Plant and Equipment - (Net) (Acquisition)	(115,925)	(30,946)
Net cash provided from investing activities	<u>(115,925)</u>	<u>(30,946)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	951,354	1,702,300
CASH BALANCE, Beginning	<u>5,241,613</u>	<u>3,539,313</u>
CASH BALANCE, Ending	<u><u>P 6,192,967</u></u>	<u><u>P 5,241,613</u></u>



FILINVEST EASTVILLE HOMEOWNERS ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED, DECEMBER 31, 2021

1. Corporate Information

FILINVEST EASTVILLE HOMEOWNERS ASSOCIATION, INC. (Association) is a non - stock, non - profit organization formed to promote the best interest of the FEHAL by maintaining close cooperation with the homeowners, civic organizations and nearby homeowner's association in Filiinvest Homes East, Marcos Highway, Cainta, Rizal, as well as with other government authorities and agencies.

The registered office of the Association is located at Eastville Clubhouse, Eastville Avenue, Filiinvest Homes East, Marcos Highway, Cainta, Rizal.

The Association is a member in good standing of Department of Human Settlements and Urban Development (DHSUD) and duly registered with the Bureau of Internal Revenue (BIR) under TIN No. 298-143-745-000.

The financial statements of the Association have been approved and authorized for issuance by the Board of Directors on March 15, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below. These policies have been consistently applied to the years presented, unless otherwise stated.

2.1 Basis of preparation of Financial Statements

- (a) Statement of Compliance with Philippine Financial Reporting Standards for Small Entities (PFRS for SEs)

The accompanying financial statements have been prepared in accordance with Philippine Financial Reporting Standards for Small Entities (PFRS for SEs).

The PFRS for SE's are organized by topic, with each topic presented in separate numbered section. The following sections that have been published and issued by the International Accounting Standards Board (IASB) and adopted by the FRSC which became effective for accounting periods beginning on or after January 1, 2010 were adopted by the Association:

Section 3	-	Financial Statement Presentation
Section 4	-	Statement of Financial Position
Section 5	-	Statement of Comprehensive Members Contribution and Expenses
Section 6	-	Statement of Changes in Members Equity
Section 7	-	Statement of Cash Flows
Section 8	-	Notes to the Financial Statements
Section 10	-	Accounting Policies, Estimates and Errors
Section 17	-	Property, Plant and Equipment
Section 23	-	Revenue
Section 28	-	Employee Benefits
Section 32	-	Events after the End of the Reporting Period

Section 3 (Financial Statement Presentation) provides fair presentation of financial statements, compliance with the PFRS for Small Entities (SEs) requires, and a complete set of financial statements. This section prescribes the basis for presentation of general purpose financial statements for SEs to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. It sets out overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content

FILINVEST EASTVILLE HOMEOWNERS ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED, DECEMBER 31, 2021

Section 4 (Statement of Financial Position) sets out the information that is to be presented in a statement of financial position and how to present it. The statement of financial position (sometimes called the balance sheet) presents an entity's assets, liabilities and equity as of a specific date—the end of the reporting period and provides the minimum line items that should

be included in the statement of financial position, however, additional line items, heading and subtotals shall be presented if they will be relevant to an understanding of the entity's financial position.

Section 5 (Statement of Comprehensive Members' Contributions and Expenses) requires an entity to present its total comprehensive income for a period—i.e. its financial performance for the period—in one or two financial statements. It sets out the information that is to be presented in those statements and how to present it.

Section 6 (Statement of Changes in Members Equity) sets out requirements for presenting the changes in an entity's equity for a period, either in a statement of changes in equity or, if specified conditions are met and an entity chooses, in a statement of member's contribution and expenses. The statement of member's contribution and expenses presents an entity's profit or loss and changes in excess fund for a reporting period. It permits an entity to present a statement of member's contribution and expenses in place of a statement of comprehensive income and a statement of changes in equity if the only changes to its equity during the periods for which financial statements are presented arise from profits or loss, payment of dividends, corrections of prior period errors, and changes in accounting policy.

Section 7 (Statement of Cash Flows) sets out the information that is to be presented in a statement of cash flows and how to present it. The statement of cash flows provides information about the changes in cash and cash equivalents of an entity for a reporting period, showing separately changes from operating activities, investing activities and financing activities.

Section 8 (Notes to Financial Statements) sets out the principles underlying information that is to be presented in the notes to the financial statements and how to present it. Notes contain information in addition to that presented in the statement of financial position, statement of comprehensive income, income statement (if presented), combined statement of income and retained earnings (if presented), statement of changes in equity, and statement of cash flows. Notes provide narrative descriptions or desegregations of items presented in those statements and information about items that do not qualify for recognition in those statements. In addition to the requirements of this section, nearly every other section of this PFRS requires disclosures that are normally presented in the notes.

Section 10 (Accounting Policies, Estimates and Errors) provides guidance for selecting and applying the accounting policies used in preparing financial statements. It also covers changes in accounting estimates and corrections of errors in prior period financial statements.

Section 17 (Property and Equipment) prescribes the accounting treatment for property and equipment so that users of the financial statements can discern information about an entity's investment in its property and equipment and the changes in such investment. The principal issues in accounting for property and equipment are the recognition of the assets, the determination of their carrying amounts and the depreciation charges and impairment losses to be recognized in relation to them. An entity shall measure an item of property and equipment at initial recognition at its cost. The cost of an item of property and equipment is the cash price equivalent at the recognition date. If payment is deferred beyond normal credit terms, the cost is the present value of all future payments.

Section 23 (Revenue) prescribes the accounting treatment of revenue arising from certain types of transactions and events. The primary issue in accounting for revenue is determining when to recognize revenue. Revenue is recognized when it is probable that future economic

FILINVEST EASTVILLE HOMEOWNERS ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED, DECEMBER 31, 2021

benefits will flow to the entity and these benefits can be measured reliably. This section identifies the circumstances in which these criteria will be met and, therefore, revenue will be recognized. It also provides practical guidance on the application of these criteria. An entity shall measure revenue at the fair value of the consideration received or receivable. Revenue arises from the following transactions and events: (a) the sale of goods (whether produced by the entity for the purpose of sale or purchased for resale), (b) the rendering of services, (c) construction contracts in which the entity is the contractor, (d) the use by others of entity assets yielding interest, royalties or dividends.

Section 28 (Employee Benefits) deals with accounting and reporting by the plan to all participants as a group. It does not deal with reports to individual participants about their retirement benefit rights. An entity shall recognize the cost of all employee benefits to which its employees have become entitled as a result of service rendered to the entity during the reporting period: (a) as a liability (b) as an expense. This section shall be applied in the financial statements of retirement benefit plans where such financial statements are prepared.

Section 32 (Events after the End of the Reporting Period) defines events after the end of the reporting period and sets out principles for recognizing, measuring and disclosing such events. Events after the end of the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Its objective is to prescribe: (a) when an entity should adjust its financial statements for events after the reporting period; and (b) the disclosures that an entity should give about the date when the financial statements were authorized for issue and about events after the reporting period. It also requires that an entity should not prepare its financial statements on a going concern basis if events after the reporting period indicate that the going concern assumption is not appropriate.

(b) **Presentation of Financial Statements**

The financial statements are presented in accordance with PAS 1 (Revised 2007), Presentation of Financial Statements. The Association presents all items of income and expense in a single statement of comprehensive income. Two comparative periods are presented for the statement of financial position when the Association applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements, or reclassifies items in the financial statements.

(c) **Functional and Presentation Currency**

These financial statements are presented in **Philippine Pesos**, the Association's functional presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Association are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

(d) **Going concern**

In the preparation of financial statement, the management of the Association using this IFRS make an assessment of the Association's ability to continue as a going concern. The Association is a going concern unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the reporting date.

The Management is aware in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the Association's ability to

FILINVEST EASTVILLE HOMEOWNERS ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED, DECEMBER 31, 2021

continue as a going concern, the Association disclose those uncertainties. When an Association does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern.

The significant sections and practices of the Association are set forth based on Philippine Accounting Standards (PAS) and Philippine Financial Reporting Standards (PFRS) to facilitate the understanding of the financial statements:

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in bank and petty cash fund.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payment that are not quoted in an active market. They arise when the Association provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after reporting period which are classified as non-current assets.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment loss, if any. Any changes in their value are recognized in profit or loss. The amount of the impairment loss is determined as difference between the assets' carrying amount and the present value of estimated cash flows.

Property, Plant and Equipment

• **Recognition**

The Association recognize the cost of an item of property, plant and equipment as an asset if, and only if (a) it is probable that future economic benefits associated with the item will flow to the Association and (b) the cost of the item can be measured reliably.

• **Measurement**

The Association measured an item of property, plant and equipment at initial recognition at its cost. The cost of an item of property, plant and equipment comprises the following: (a) its purchase price, including legal and brokerage fee, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. (b) any cost directly attributable to bringing the asset to the location and conditions. (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The cost of an item of property, plant and equipment is the cash price equivalent at the recognition date. If payment is deferred beyond normal credit terms, the cost is the **present value** of all future payments.

An item of property, plant or equipment may be acquired in exchange for a non-monetary assets or assets, or a combination of monetary and non-monetary assets. The Association measures the cost of the acquired assets at **fair value**.

The Association measure all items of property, plant and equipment after initial recognition at cost less any accumulated.

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Land is not depreciated.

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets as follows:

Building and improvements	20 years
Machinery and equipment	5 years
Office furniture	5 years

Building and Improvements represents properties under construction and is stated at cost. This includes cost of construction, applicable borrowing cost and other direct costs. The account is not depreciated until such time that the assets are completed and available for use.

The residual values and estimated useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Revenue and Expense Recognition

• Measurement

Revenue comprises receipts of **Association Dues** measured by reference to the fair value of consideration received or receivable by the Association.

Revenue is recognized to the extent that the revenue can reliably measure; it is probable that the economic benefits will flow to the Association; and the cost incurred or to be incurred can be measured reliably.

Revenue and Expenses are recognized in profit or loss upon collection /utilization of **Association Dues** at the date they are incurred. All finance costs are reported in profit or loss, except capitalized borrowing costs which are included as part of the cost of the related qualifying asset on accrual basis.

Revenue and expenses are recognized in the financial statement of comprehensive revenue when decrease in future economic benefits related to a decreased in an asset or an increase of a liability has arisen that can be measured reliably.

Cost, administrative and operating expenses are recognized in the statement of income upon utilization of the services or on the dates they were incurred.

Employee Benefits

Employee benefits are all form of consideration given by the Association in exchange for services rendered by employees, including directors and management.

(a) Termination Benefits

Termination benefits are payable when employment is terminated by the Association before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Association recognizes termination benefits when it is demonstrably committed to either: (a) terminating employment of current employees according to a detailed formal plan without possibilities of withdrawal; or (b) providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits fall due more than 12months after the reporting period are discounted to present value.

(b) Bonus Plans (Short-term employee benefits)

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The Association recognizes a liability and an expense for 13th month and bonuses, based on a formula provided by existing laws. The Association recognizes a provision where it is contractually obliged to pay the benefits, or where there is a past practice that has created a constructive obligation.

Members' Equity

The cumulative excess fund of receipts over expenses in the operation of the Association.

Provisions

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

Provisions are reviewed at each end of financial reporting period and adjusted to reflect the current estimate.

Contingencies

Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefit is probable.

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Events after end of Financial Reporting Period

Post year-end events that provide additional information about the Association's position at the end of financial reporting period (adjusting events) are reflected in the Association's financial statements. Post year-end events that are non-adjusting events are disclosed in the notes to financial statements when material.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The Association's financial statements prepared in accordance with PFRS for SEs requires management to make judgments estimates that affect amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Association's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amount recognized in the financial statement:

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(a) *Provisions and Contingencies*

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosure of provision and disclosure of contingencies are discussed in ...

3.2 Key Sources of Estimation Uncertainty

The following are the key assumption concerning the failure, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) *Useful Lives of Property, Plant and Equipment*

The Association estimates the useful lives of property plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. The carrying amounts of property, plant and equipment were analysed in Note 6. Based on management's assessments as of December 31 2019, there is no change in estimated useful lives of property, plant and equipment during the year. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

4. Cash and Cash Equivalents

	2021	2020
Cash in Bank	6,112,993	5,118,717
Petty Cash/ Revolving Fund	66	122,896
Revolving Fund	79,908	0
Total	P 6,192,967	P 5,241,613

5. Receivables

	2021	2020
Receivable – Employees Loans (Current)	11,975	15,530
Cash Advances - Contractuals	18,000	0
Total	P 29,975	P 15,530

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AGING SCHEDULE OF RECEIVABLES AND ADVANCES – CY 2021

	Current	Over 1 Year but not Over 2 Years	Over 2 Years
Employee Emergency Loan	11,975	0	0
Receivable from Employee- PEACH – 2016	0	0	297,422
Allowance for Bad Debts			(297,422)
Cash Advance - Contractual	18,000	0	0
Total	P 29,975	0	P 0

6. Property, Plant and Equipment

ASSETS	Tools and Equipment	Office Equipment	Office Furniture	Social Hall	Swimming Pool	TOTAL
Balance, Beginning (CY 2020)	56,715.00	518,229.99	11,000.00	1,956,778.00	6,404,463.50	8,947,186.49
Acquisition during the year	84,425.00	31,500.00	0	0	0	115,925.00
Total	141,140.00	549,729.99	11,000.00	1,956,778.00	6,404,463.50	9,063,111.49
Retirement during the year	0	0	0	0	0	0
Balance, Ending (CY 2021)	141,140.00	549,729.99	11,000.00	1,956,778.00	6,404,463.50	9,063,111.49

Acquisition and retirement of Property, Plant and Equipment

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ACCUMULATED DEPRECIATION	Tools and Equipment	Office Equipment	Office Furniture	Social Hall	Swimming Pool	TOTAL
Accumulated Depreciation for CY 2020	21,517.17	192,456.98	2,750.00	0	0	216,724.15
Depreciation for during the year	15,487.20	84,862.40	2,200.00	97,838.90	320,223.18	520,611.68
Accumulated depreciation for CY 2021	37,004.37	277,319.38	4,950.00	97,838.90	320,223.18	737,335.83
Net Book Value	104,135.63	272,410.61	6,050.00	1,858,939.10	6,084,240.32	8,325,775.66

7. Other Non-Current Assets

	2020	2019
Refundable Deposit – MANILA WATER	400,000	400,000
Total	P 400,000	P 400,000

8. Current Liabilities

	2021	2020
Accounts Payable – Homeowners	628,876	888,961
Accounts Payable - Others	0	20,000
Accounts Payable – Govt. Entity	13,807	11,335
Accounts Payable –Rental Bond (Social Hall)	17,000	18,000
Accounts Payable - SSS	2,600	0
Accounts Payable – Construction Bond Refund	200,000	0
Sundry Credits	210,585	0
Total	1,072,868	P 938,296

9. Non-Current Liabilities

	2021	2020
Construction Bonds Payable	3,525,000	2,700,000
Advance Deposits – Events Place	270,005	270,005
Total	P 3,795,005	P 2,970,005

Pertain to advance payments for refund to Homeowners pending submission of documents after completion of construction and future use of benefit,

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10. Members' Contribution

	2021	2020
Association Dues	2,481,862	2,304,253
Total	P 2,481,862	P 2,304,253

This represents payment for Association Dues of Homeowners

11. Direct Cost and Expenses

	2021	2020
Direct Cost – Labor	1,193,123	1,034,338
Security Services	1,190,769	1,098,130
Maintenance/Supplies Expenses	842,114	445,946
Power & Light	371,960	179,330
Water	173,249	94,086
Oil and Fuel	115,293	92,952
Direct Cost - SSS Contributions	68,635	57,390
Communication	53,852	19,281
Representation and Entertainment	35,958	0
Direct Cost - PHILHEALTH Contributions	13,535	12,165
Direct Cost - PAG-IBIG Contributions	8,500	7,700
Total	P 4,066,988	P 3,041,318

12. Other Receipts

	2021	2020
Lot Association Dues	1,028,952	734,486
Delivery/Toll Fees	552,950	393,660
Swimming Pool Income	306,207	125,293
Construction Bond Income	290,000	590,000
Miscellaneous Income	213,015	43,393
Construction Fees	187,500	150,000
Social Hall Income	83,000	30,000
ID Card Fees	70,050	38,260
Golf Driving Range Fees	250	1,800
Total	P 2,731,924	P 2,106,892

13. General and Administrative Cost and Expenses

	2021	2020
Contractual Expenses	345,009	221,231
Meetings and Conferences	170,308	9,181
Office Supplies	161,869	131,901

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Professional Fees	102,000	58,000
Transportation and Meal	26,254	21,086
Repairs and Maintenance	24,350	0
Miscellaneous Expenses	21,156	23,406
Medical Expenses	21,000	0
Taxes and Licenses	1,300	500
Bank Fees, Fines and Penalties	433	225
Donation	0	2,000
Election Expenses	0	2,050
Fines and Penalties	0	1,000
Representation and Entertainment	0	15,842
Bad Debts	0	353,107
	0	
Total	P 873,680	P 839,529

14. Finance Cost

	2021	2020
Interest Earned from Bank Deposit	8,234	20,353
Total	P 8,234	P 20,353

15. Supplementary Information Required by Bureau of Internal Revenue (BIR)

On December 28, 2010, Revenue Regulation (RR) No. 15-2010 became effective and amended certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns. Section 2 of RR No. 21-2002 was further amended to include in the Notes 14 to Financial Statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by PFRS for Small Entities.

Below is the additional information required by RR No. 15-2010. This information is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

Annual Registration Fee	P	500.00
Chainsaw Permit		800.00