

CULTURAL CENTER OF THE PHILIPPINES
NOTES TO FINANCIAL STATEMENTS
(All amounts in Philippine Peso, unless otherwise stated)

1. GENERAL INFORMATION/ENTITY PROFILE

The financial statements of the Cultural Center of the Philippines (Filipino: *Sentrong Pangkultura ng Pilipinas*, or CCP) were authorized for issue on April 19, 2022 as shown in the Statement of Management's Responsibility for Financial Statements signed by Maria Margarita Moran-Floirendo, the Chairperson of the Board of Trustees.

The CCP is located at the CCP Complex, Roxas Boulevard, Pasay City, with a total land area of 608,569 square meters. It was created in 1966 through Executive Order No. 30 and formally inaugurated on September 8, 1969, as a trust for the benefit of the people for the purpose of preserving and promoting Philippine culture in all its varied aspects. As a Government Owned and/or Controlled Corporation, the CCP through the years, has evolved into a premier Philippine institution for culture and the arts.

The CCP initially served as the center for performing arts showcasing the best in Filipino creativity and artistry notably in theater, music and dance. It expanded its reach in 1987 by becoming the coordinating center for artistic and cultural activities and continued to function as such for the next 10 years.

Upon the establishment of the National Commission for Culture and the Arts, the CCP assumed a new role and became the center for the performing arts which seeks to catalyze cultural and artistic development by encouraging, nurturing, conserving, showcasing and disseminating Filipino creativity and artistic experience as well as continue to provide world-class programs, services and facilities. It has also become the prime mover in the establishment of regional arts and culture organizations.

The CCP nurtures and promotes artistic excellence, Filipino aesthetics and identity, and cultural values towards a humanistic global society.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Statement of Compliance with International Public Sector Accounting Standards (IPSASs)

The financial statements have been prepared in compliance with the International Public Sector Accounting Standards (IPSASs), formerly Philippine Public Sector Accounting Standards (PPSASs), prescribed for adoption by the Commission on Audit (COA) through COA Resolution No. 2014-003 dated January 24, 2014. The PPSASs were renamed to IPSASs per COA Resolution No. 2020-01 dated January 9, 2020.

The accounting policies have been consistently applied throughout the year presented.

2.2 Preparation of Financial Statements

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

The financial statements are presented in Philippine Peso, the CCP's functional and presentation currency and amounts are rounded off to the nearest peso, unless otherwise stated.

The preparation of financial statements in compliance with the adopted IPSASs requires the use of certain accounting estimates. It also requires the entity to exercise judgment in applying the entity's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effects are disclosed in *Note 3.17*.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Accounting

The CCP's financial statements are prepared on an accrual basis in accordance with the IPSASs.

3.2 Financial instruments

a. Financial assets

i. Initial recognition and measurement

Financial assets within the scope of IPSAS 29 *Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through surplus or deficit, held to maturity investments, loans and receivables or available-for-sale financial assets, as appropriate. The CCP determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the CCP commits to purchase or sell the asset.

The CCP's financial assets include: cash and cash equivalents, quoted and unquoted financial instruments, derivative financial instruments, trade and other receivables, loans and other receivables.

ii. Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

1. Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading and financial assets designated upon initial recognition at fair value through surplus or deficit. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through surplus or deficit are carried in the Statement of Financial Position at fair value with changes in fair value recognized in surplus or deficit.

2. Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the CCP has positive intention and ability to hold it to maturity.

After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

3. Loans and receivables

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 taking into account 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.

iii. Derecognition

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

1. The contractual rights to the cash flows from the financial asset expired or waived; and
2. The CCP 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 *Financial Instruments: Recognition and Measurement*; 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, but has transferred the control of the asset.

iv. Impairment of financial assets

The CCP 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 has 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., changes in arrears or economic conditions that correlate with defaults).

v. Financial assets carried at amortized cost

For financial assets carried at amortized cost, the CCP first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the CCP determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the

estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or transferred to the CCP. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. The request for write-off of accounts is based on the guidelines prescribed in COA Circular No. 2016-005 dated December 19, 2016. If a future write-off is later recovered, the recovery is credited in surplus and deficit.

b. Financial liabilities

i. Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit, or loans and borrowings, as appropriate. The entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

The CCP's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, and financial guarantee contracts.

ii. 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.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

This category includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by IPSAS 29.

Gains or losses on liabilities held for trading are recognized in 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. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well through the effective interest method amortization process.

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

iii. Derecognition

A financial liability is derecognized when the obligation under the liability expires or is discharged or cancelled.

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.

c. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

d. Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

e. Derivative financial instruments

i. Initial recognition and subsequent measurement

The CCP uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to surplus or deficit. The CCP does not apply hedge accounting.

3.3 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash in bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

3.4 Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory are received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

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

3.5 Investment Property

Investment property is 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 if the recognition criteria are met and excludes the costs of 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 property is measured using the cost model and is depreciated over its estimated useful life.

Investment property is derecognized either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit or service potential is expected from its 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.

The CCP uses the cost model for the measurement of investment property after initial recognition.

3.6 Property, Plant and Equipment

a. Recognition

An item is recognized as Property, Plant, and Equipment (PPE) if it meets the characteristics and recognition criteria as a PPE.

The characteristics of PPE are as follows:

- i. Tangible items;

- ii. Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- iii. Are expected to be used during more than one reporting period.

An item of PPE is recognized as an asset if:

- i. It is probable that future economic benefits or service potential associated with the item will flow to the entity;
- ii. The cost or fair value of the item can be measured reliably; and
- iii. The cost is at least P15,000.

b. Measurement at recognition

An item recognized as PPE is measured at cost.

A PPE acquired through non-exchange transaction is measured at its fair value as at the date of acquisition.

The cost of the PPE is the cash price equivalent or, for PPE acquired through non-exchange transaction, its cost is its fair value as at recognition date.

Cost includes the following:

- i. Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- ii. Expenditure that is directly attributable to the acquisition of the items; and
- iii. Initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

c. Measurement after recognition

After recognition, all PPE, with the exception of land, are stated at cost less accumulated depreciation and impairment losses.

When significant parts of PPE are required to be replaced at intervals, the CCP recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major repair/replacement is done, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized as expense in surplus or deficit as incurred.

d. Depreciation

Each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognized as expense unless it is included in the cost of another asset.

i. Initial recognition of depreciation

Depreciation of an asset begins when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

For simplicity and to avoid proportionate computation, the depreciation is for one month if the PPE is available for use on or before the 15th of the month. However, if the PPE is available for use after the 15th of the month, depreciation is for the succeeding month.

ii. Depreciation method

The straight-line method of depreciation is adopted unless another method is more appropriate for entity's operation.

iii. Estimated useful life

The CCP uses the life span of PPE prescribed by COA in determining the specific estimated useful life for each asset based on its experience, as follows:

Building and structures	-	30 years
Medical equipment	-	10 years
Furniture and fixtures	-	10 years
Machineries	-	10 years
Motor vehicles	-	7 years
Office equipment	-	5 years
Library books	-	5 years

iv. Residual value

The CCP uses a residual value equivalent to at least five per cent (5%) of the cost of the PPE.

e. Impairment

An asset's carrying amount is written down to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

f. Derecognition

The CCP derecognizes items of PPE and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on 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.

3.7 Leases

CCP as a lessor (Operating lease)

Leases in which the CCP 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 PPE are applied to similar assets leased by the entity.

3.8 Changes in Accounting Policies and Estimates

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

The CCP corrects material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by:

- a. Restating the comparative amounts for prior period(s) presented in which the error occurred; or
- b. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

3.9 Foreign Currency Transactions

Transactions in foreign currencies are initially recognized by applying the spot exchange rate between the functional currency and the foreign currency at the transaction date.

At each reporting date:

- a. Foreign currency monetary items are translated using the closing rate;

- b. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- c. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising (a) on the settlement of monetary items, or (b) on translating monetary items at rates different from those at which they are translated on initial recognition during the period or in previous financial statements, are recognized in surplus or deficit in the period in which they arise, except as those arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation.

3.10 Revenue from Non-exchange Transactions

a. Recognition and measurement of assets from non-exchange transactions

An inflow of resources from a non-exchange transaction, other than services in-kind, that meets the definition of an asset are recognized as an asset if the following criteria are met:

- It is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and
- The fair value of the asset can be measured reliably.

An asset acquired through a non-exchange transaction is initially measured at its fair value as at the date of acquisition.

b. Recognition of revenue from non-exchange transactions

An inflow of resources from a non-exchange transaction recognized as an asset is recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.

As CCP satisfies a present obligation recognized as a liability in respect of an inflow of resources from a non-exchange transaction recognized as an asset, it reduces the carrying amount of the liability recognized and recognizes an amount of revenue equal to that reduction.

c. Measurement of revenue from non-exchange transactions

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognized by the entity, unless a corresponding liability is recognized.

d. Measurement of liabilities on initial recognition from non-exchange transactions

The amount recognized as a liability in a non-exchange transaction is the best estimate of the amount required to settle the present obligation at the reporting date.

e. Taxes

Taxes and the related fines and penalties are recognized when collected or when these are measurable and legally collectible. The related refunds, including those that are measurable and legally collectible, are deducted from the recognized tax revenue.

f. Fees and fines not related to taxes

The CCP recognizes revenue from fees and fines, except those related to taxes, when earned and the asset recognition criteria are met. Deferred income is recognized instead of revenue if there is a related condition attached that would give rise to a liability to repay the amount.

Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

g. Gifts and donations

The CCP 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 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 recognized as the conditions are satisfied.

On initial recognition, gifts and donations including goods in-kind are measured at their fair value as at the date of acquisition, which are ascertained by reference to an active market, or by appraisal. An appraisal of the value of an asset is normally undertaken by a member of the valuation profession who holds a recognized and relevant professional qualification. For many assets, the fair values are ascertained by reference to quoted prices in an active and liquid market.

h. Transfers

The CCP recognizes an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset, except those arising from services in-kind.

i. Services in-kind

Services in-kind are not recognized as asset and revenue considering the complexity of the determination of and recognition of asset and revenue and the eventual recognition of expenses.

j. Transfers from other government entities

Revenue from non-exchange transactions with other government entities and the related assets are measured at fair value and recognized on obtaining control of the asset (cash,

goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the CCP and can be measured reliably.

3.11 Revenue from Exchange Transactions

a. Measurement of revenue

Revenue is measured at the fair value of the consideration received or receivable.

b. Rendering of services

The CCP recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labor hours incurred to date as a percentage of total estimated labor hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

c. Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the CCP.

d. Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

e. Dividends

Dividends or similar distributions are recognized when the CCP's right to receive payments is established.

f. Rental income

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease terms and included in revenue.

g. Royalties

Royalties are recognized as they are earned in accordance with the substance of the relevant agreement.

3.12 Budget Information

The annual budget is prepared on a cash basis and is published in 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 comparable basis. The SCBAA is presented showing the original and final budget and the actual amounts on comparable basis to the budget. Explanatory comments are provided in the notes to the annual financial statements.

3.13 Impairment of Non-Financial Assets

a. Impairment of cash-generating assets

At each reporting date, the CCP assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the CCP estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or the cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the CCP estimates the asset's or cash-generating unit's recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in surplus or deficit.

b. Impairment of non-cash-generating assets

The CCP assesses at each reporting date whether there is an indication that a non-cash-generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the CCP estimates the asset's recoverable service amount.

An asset's recoverable service amount is the higher of the non-cash-generating asset's fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount. The CCP classifies assets as cash-generating assets when those assets are held with the primary objective of generating a commercial return. Therefore, non-cash-generating assets would be those assets from which the CCP does not intend (as its primary objective) to realize a commercial return.

3.14 Related Parties

The CCP regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the CCP, or vice versa. Members of key management are regarded as related parties.

3.15 Service Concession Arrangements

The CCP analyzes all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the CCP recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise - any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the CCP also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

3.16 Employee Benefits

The employees of CCP are members of the Government Service Insurance System (GSIS), which provides life and retirement insurance coverage.

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

3.17 Measurement Uncertainty

The preparation of financial statements in conformity with IPSASs requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenue and expenses during the period. Items requiring the use of significant estimates include the useful life of a capital asset, estimated employee benefits, rates for amortization, impairment of assets, liability for contaminated sites, etc.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

4. PRIOR PERIOD ADJUSTMENTS

4.1 Due to Change in Accounting Policy

In accordance with COA Circular No. 2016-006 dated December 29, 2016, the P15,000 capitalization threshold for PPE was applied. Tangible items below the capitalization threshold of P15,000, which were issued to end-users in prior years, for a total of P2,447,001, were reclassified and booked as adjustment in the accumulated surplus/(deficit). All PPE accounts and their corresponding accumulated depreciation were affected by the change except for Land and Other Land Improvements, Office Buildings and Transportation Equipment accounts which do not have items below the capitalization threshold.

4.2 Due to Prior Period Errors

Prior period errors include over-setup of receivables, restoration of cash due to stale checks, recognition of miscellaneous income from unutilized fund of certain projects, writing off of other payables (dormant), over/under setup of payables due to variance in actual payment of expenses and other correction of errors in the financial statements that were reported for a prior period in *Note 19*.

5. RISK MANAGEMENT OBJECTIVES AND POLICIES

The CCP is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risks
- Operational risk

This note present information about the CCP's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and its management of capital.

5.1 Risk Management Framework

The CCP Board has overall responsibility for the establishment and oversight of CCP's risk management framework. The Board is expected to establish and institute adequate control mechanisms for good governance in CCP.

Generally, the maximum risk exposure of financial assets and financial liabilities is the carrying amount of the financial assets and financial liabilities as shown in the Statements of Financial Position, as summarized below.

		2021	2020 (As Restated)
Financial assets			
Cash and cash equivalents	6	287,486,407	292,988,330
Financial assets	7	509,978,499	456,408,189
Receivables	8	41,121,593	212,089,769
		838,586,499	961,486,288
Financial liabilities			
Financial liabilities	13	151,162,909	141,469,670
Inter-agency payables	14	7,704,179	6,662,816
Trust liabilities	15	158,213,933	161,481,335
		317,081,021	309,613,821

5.2 Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the CCP. The CCP has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or security deposit where appropriate as a means of mitigating the risk of financial loss from defaults. The CCP defines counterparties as having similar characteristics if they are related entities.

Also, the CCP manages its credit risk by depositing its cash with the Land Bank of the Philippines (LBP), an authorized government depository bank.

The carrying amount of financial assets recognized in the financial statements represents the CCP's maximum exposure to credit risk.

a. Credit risk exposure

The table in the page shows the gross maximum exposure to credit risk of the CCP as of the years ended December 31, 2021 and 2020, without considering the effects of credit risk mitigation techniques.

		2021	2020 (As Restated)
Financial assets			
Cash and cash equivalents	6	287,486,407	292,988,330
Financial assets	7	509,978,499	456,408,189
Receivables*	8	125,340,369	294,439,399
		922,805,275	1,043,835,918

*Receivables at gross of allowance for impairment amounting to P84,218,776 and P82,349,630 for the years ended December 31, 2021 and 2020, respectively.

b. Management of credit risk

The management of credit risk is covered by the Risk Management Committee. The Accounting Division and the Budget and Treasury Division of the Agency are in charge of controlling, monitoring and collecting payments of all the receivables due from employees,

tenants and clientele. Receivables from employees consist of overpayment of salaries due to leave without pay, excess usage of airtime charges over the set limit, personal calls, etc. and are collected through payroll deductions. Status of outstanding receivables is summarized monthly in a schedule and is submitted together with the financial reports to the COA. Should there be no payments received, the Accounting Division follows up either through phone calls or write demand letters for collection until settled. Other concerns or issues, if any, are referred to the Legal Department or Audit Committee for appropriate action.

c. Settlement risk

The CCP's activities may give rise to risk at the time of settlement of transaction and trades. Settlement risk is the risk of loss due to the failure of a company to honor its obligations to deliver cash, securities or another asset as contractually agreed.

For certain types of transactions, the CCP mitigates this risk by conducting settlements through a settlement/clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligation. Settlement limits form part of the credit approval/limit monitoring process described earlier. Acceptance of settlement risk on free settlement requires transaction specific or counterparty specific approval from Risk Committee.

d. Risk concentration of the maximum exposure to credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions, concentrations indicate the relative sensitivity of the CCP's performance to developments affecting a particular industry or geographical location. Such credit risk concentrations, if not properly managed, may cause significant losses that could threaten the CCP's financial strength and undermine public confidence.

e. Aging analysis

An aging analysis of the CCP's receivables as of the years ended December 31, 2021 and 2020 is as follows:

	2021	2020 (As Restated)
Outstanding receivables: *		
Current accounts	8,573,792	2,372,606
Past due accounts:		
1 – 30 days past due	4,475,476	5,970,277
31 – 60 days past due	2,473,921	4,578,646
over 60 days past due	109,817,180	281,517,870
	125,340,369	294,439,399

*Receivables at gross of allowance for impairment amounting to P84,218,776 and P82,349,630 for the years ended December 31, 2021 and 2020, respectively.

f. Impairment assessment

The CCP recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.

The two methodologies applied by the CCP in assessing and measuring impairment include: (1) specific/individual assessment; and (2) collective assessment. Under specific/individual assessment, the CCP assesses each individual significant credit exposure for any objective evidence of impairment, and where such evidence exists, accordingly calculates the required impairment.

Among the items and factors considered by the CCP when assessing and measuring specific impairment allowances are: (a) the timing of the expected cash flows; (b) the projected receipts or expected cash flows; (c) the going concern of the counterparty's business; (d) the ability of the counterparty to repay its obligations during financial crises; (e) the availability of other sources of financial support; and (f) the existing realizable value of collateral. The impairment allowances, if any, are evaluated as the need arises, in view of favorable or unfavorable developments.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent or objective evidence of individual impairment.

A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment.

Impairment losses are estimated by taking into consideration the following deterministic information: (a) historical losses/write offs; (b) losses which are likely to occur but has not yet occurred; and (c) the expected receipts and recoveries once impaired.

5.3 Liquidity Risk

Liquidity risk is the risk that the CCP might encounter difficulty in meeting obligations from its financial liabilities.

a. Management of liquidity risk

The CCP's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the CCP's reputation.

The CCP maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to the CCP and other facilities, to ensure that sufficient liquidity is maintained within the CCP as a whole.

b. Exposure to liquidity risk

The liquidity risk is the adverse situation when the CCP encounters difficulty in meeting unconditionally the settlement of its obligations at maturity. Prudent liquidity management requires that liquidity risks are identified, measured, monitored and controlled in a comprehensive and timely manner. Liquidity management is a major component of the corporate-wide risk management system. Liquidity planning takes into consideration various possible changes in economic, market, political, regulatory and other external factors that may affect the liquidity position of the CCP.

The liquidity management policy of the CCP is conservative in maintaining optimal liquid cash funds to ensure capability to adequately finance its mandated activities and other operational requirements at all times. The CCP's funding requirements is generally met through any or a combination of financial modes allowed by law that would give the most advantageous results. Senior Management is actively involved in the Executive Committee headed by the Vice President for Administration with the Managers of all departments. The total liabilities of the CCP are due and demandable within 12 months as at December 31, 2021.

5.4 Market Risks

Market risk is the risk that changes in the market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's issuer's credit standing) will affect the CCP's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Management of interest rate risk

The management of interest rate risk against interest gap limits is supplemented by monitoring the sensitivity of the CCP's financial assets and liabilities to various standard and non-standard interest rate scenarios.

5.5 Operational Risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the CCP's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the CCP's operations and are faced by all business entities.

The CCP's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the CCP's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of control to address operational risk is assigned to Senior Management within each business unit. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- Requirement for appropriate segregation of duties, including the independent authorization of transaction
- Requirement for the reconciliation and monitoring of transactions
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risk faced, and the adequacy of control and procedures to address the risk identified
- Requirements for the reporting of operational losses and proposed remedial action
- Development of contingency plans
- Training and professional development
- Ethical and business standards
- Risk mitigation, including insurance where this is effective

Compliance with corporate standards/processes is supported by a program of periodic reviews undertaken by Internal Audit or the Quality Management System (QMS) Team Auditors. The results of Internal Audit reviews are discussed with Management of the CCP, with summaries to the Audit Committee and Senior Management of the CCP.

6. CASH AND CASH EQUIVALENTS

This account consists of the following:

	2021	2020
Cash on hand	117,402	182,459
Cash in bank- local currency	283,834,973	289,273,421
Cash in bank- foreign currency	3,534,032	3,532,450
	287,486,407	292,988,330

Cash on hand consists of undeposited collections of Cash Collecting Officers and Petty Cash Fund. Cash in bank-local currency consists of current accounts while cash in bank - foreign currency is the savings account for dollar account maintained at the LBP.

7. FINANCIAL ASSETS

This account consists of the following:

	2021			2020 (As Restated)		
	Current	Non-current	Total	Current	Non-current	Total
Financial assets - held						
to maturity	471,816,857	-	471,816,857	420,180,354	-	420,180,354
Other investments	38,161,642	-	38,161,642	36,227,835	-	36,227,835
	509,978,499	-	509,978,499	456,408,189	-	456,408,189

a. Financial assets- held to maturity

This account consists of money market placements with the LBP maturing beyond 90 days but within one year from date of placement.

b. Financial assets - other investments

This account includes Investment in Time Deposit maturing beyond 90 days but within one year from date of placement, as well as the value of shares of stocks, stated at cost, acquired by the Center from mining, oil and industrial companies/enterprises.

7.1 Current - Financial Assets

	Current Financial Assets As at December 31, 2021		
	Held to maturity	Other investments	Total
Beginning balance as at January 1, 2021	420,180,354	36,227,835	456,408,189
New Placement	92,822,573	2,203,497	95,026,070
Fair value increase	5,522,841	-	5,522,841
Total	518,525,768	38,431,332	556,957,100
Less: Investments sold/collected	(46,708,911)	(269,690)	(46,978,601)
Balance as at December 31, 2021	471,816,857	38,161,642	509,978,499

	Current Financial Assets As at December 31, 2020 (As Restated)		
	Held to maturity	Other investments	Total
Beginning balance as at January 1, 2020	524,991,626	40,200,245	565,191,871
Fair value increase	50,543,455	398,372	50,941,827
Total	575,535,081	40,598,617	616,133,698
Less: Investments sold/collected	(155,354,727)	-	(155,354,727)
Fair Value decrease	-	(4,370,782)	(4,370,782)
Balance as at December 31, 2020	420,180,354	36,227,835	456,408,189

8. RECEIVABLES

This account consists of the following:

	2021	2020 (As Restated)
Loans and receivables accounts- net	3,988,726	5,328,810
Lease receivable – net	6,646,004	8,795,412
Inter- agency receivables	4,372,868	192,015,472
Other receivables	26,113,995	5,950,075
	41,121,593	212,089,769

8.1 Loans and receivables accounts

	2021	2020 (As Restated)
Accounts receivable	5,791,084	6,427,716
<i>Allowance for impairment- accounts receivable</i>	(4,519,109)	(4,309,513)
Net value- accounts receivable	1,271,975	2,118,203
Notes receivable	59,147,027	59,147,027
<i>Allowance for impairment- notes receivable</i>	(59,147,027)	(59,147,027)
Net value- notes receivable	-	-
Interest receivable	2,716,751	3,210,607
<i>Allowance for impairment- interest receivable</i>		
Net value- interest receivable	2,716,751	3,210,607
	3,988,726	5,328,810

a. Accounts receivable

Accounts receivable account consists of unpaid ticket sales, theater rentals, sponsorship fees, theater subscriptions and other receivables arising from the operations of the Center.

b. Notes receivable

The Notes receivable account represents the outstanding and overdue principal of promissory notes executed by various clients from 1977 to 1978 in favor of the CCP amounting to P8.972 million as well as the interest and surcharges that accrued to the said instruments up to 1999 amounting to P50.175 million.

These accounts were referred to the Office of the Government Corporate Counsel for collection purposes through judicial or extra-judicial processes. Appropriate charges were filed in proper courts, and in some cases, the CCP was able to secure favorable decisions from the courts, but fell short of satisfying the claims of the CCP due to insolvency of a respondent, or some of the respondents have already absconded while the cases were still on appeal with the Supreme Court. On the other hand, other cases filed did not prosper since summons or warrants of arrest could not be served, as the whereabouts of the respondents were unknown.

Since previous efforts failed to satisfy the CCP's claim from these debtors, said receivables are now considered as doubtful accounts, thus a 100 per cent allowance for doubtful accounts was recognized.

c. Interest Receivable

This account represents the amount of interest earnings due from financial assets as of year-end.

8.2 Lease receivable

	2021	2020 (As Restated)
Operating lease receivable	23,759,599	24,254,030
<i>Allowance for impairment- operating lease receivable</i>	<i>(17,113,595)</i>	<i>(15,458,618)</i>
Net value- operating lease receivable	6,646,004	8,795,412

This account represents the unpaid rentals, maintenance and utilities due from the concessionaires of the CCP.

8.3 Inter-agency receivables

	2021	2020 (As Restated)
Due from national government agencies	4,181,905	191,824,509
Due from government corporations	190,963	190,963
	4,372,868	192,015,472

a. Due from national government agencies

This account includes receivables from Department of Tourism, Provincial Government of Palawan, Procurement Service, and Philippine High School for the Arts.

b. Due from government corporations

The bulk of this account represents receivables from the Government Service Insurance System (GSIS), Home Development Mutual Fund (Pag-IBIG) and Philippine Health Insurance Corporation (PhilHealth) representing over-remittance of premiums and loan amortizations and insurance claims for the CCP's motor vehicles. It also includes the receivable of P50,000 from Bangko Sentral ng Pilipinas representing its share in the cost of road upkeep for 1981.

8.4 Other receivables

	2021	2020 (As Restated)
Receivables-disallowances/charges	3,202,536	3,202,536

Due from non-government organizations/people's organizations	22,632,147	2,029,156
	25,834,683	5,231,692
Due from officers and employees	261,434	395,288
<i>Allowance for impairment- other receivables</i>	<i>(13,457)</i>	<i>(13,457)</i>
Net value- due from officers and employees	247,977	381,831
Other receivables	3,456,923	3,757,567
<i>Allowance for impairment- other receivables</i>	<i>(3,425,588)</i>	<i>(3,421,015)</i>
Net value- other receivables	31,335	336,552
	26,113,995	5,950,075

a. Receivables-disallowances/charges

This account represents Notices of Disallowance issued by the COA on various payments made by the CCP. In 2010 and 2021, the CCP had exerted effort and sent demand letters to the concerned officers and employees. Some of the demand letters were not served because the whereabouts of the respondents were unknown.

b. Due from officers and employees

This consists of cash advances granted for travel, purchase of supplies and materials and some incidental expenses in connection with the CCP productions.

c. Due from non-government organizations/people's organizations

This account represents amounts granted to Non-Government Organizations/People's Organizations for special purpose/time-bound undertakings/projects.

d. Other receivables

Lodged under this account are receivables/advances as follows:

	2021	2020 (As Restated)
Gloriamaris' account	107,184	107,184
Others:		
Agencies/corporations	2,008,973	2,309,462
Advances	636,604	636,604
Employees	411,669	411,824
Individuals	260,362	260,362
Vicor Music Corporation	32,131	32,131
	3,456,923	3,757,567
<i>Allowance for impairment- other receivables</i>	<i>(3,425,588)</i>	<i>(3,421,015)</i>
	31,335	336,552

Other receivables-agencies/corporations represent pledges and sponsorship support of various agencies, corporations or companies for the various projects that they undertook and the consumption of the utilities of the CCP.

Other receivables-advances represent advances made by the CCP on the projects/programs with funding coming from different government agencies and private entities, until such time that the approved funding is released to the CCP.

Other receivables–Vicor Music Corporation (VMC) corresponds to the unpaid balance on the P5 million loan granted to VMC by the CCP in February 1984 which was left unsettled after VMC’s privatization in October 1993.

8.5 Aging analysis of receivables

	Total	Not past due	Past Due		
			<30 days	30-60 days	>60 days
Accounts receivable	5,791,084	55,348	-	50,000	5,685,736
Notes receivable	59,147,027	-	-	-	59,147,027
Interest receivable	2,716,751	2,716,751	-	-	-
Lease receivable	23,759,599	1,340,008	1,465,451	880,392	20,073,748
Inter-agency receivables	4,372,868	321,145	252,525	64,529	3,734,669
Other receivables	29,553,040	4,140,540	2,757,500	1,479,000	21,176,000
	125,340,369	8,573,792	4,475,476	2,473,921	109,817,180

9. INVENTORIES

	2021	2020 (As Restated)
Inventory held for sale		
Carrying amount, January 1	35,846,827	14,201,936
Additions/Acquisitions during the year	93,395	22,762,994
Expensed during the year	(1,125,278)	(1,118,103)
Carrying amount, December 31	34,814,944	35,846,827
Inventory held for consumption		
Carrying amount, January 1	1,390,969	1,140,359
Additions/Acquisitions during the year	1,572,019	1,583,142
Expensed during the year	(1,821,757)	(1,332,532)
Carrying amount, December 31	1,141,231	1,390,969
	35,956,175	37,237,796

Regular purchases of office supplies for stock are recorded under the Inventory account and issuances thereof are recorded based on the Report of Supplies Issuances. Inventory held for sale account is composed of all publications that are being sold by the CCP which includes the Encyclopedia of Philippine Arts, Ani Series, and others.

10. INVESTMENT PROPERTY

This account consists of parcels of land and building held for income generation. This account consists of the following:

As at December 31, 2021

	Land	Building and other structures	Total
Carrying amount, January 1, 2021	240,382,163	58,290,204	298,672,367
Additions/Acquisitions	-	-	-
Total	240,382,163	58,290,204	298,672,367
Disposals	-	-	-
Depreciation	-	(7,298,391)	(7,298,391)
Impairment loss	-	-	-
Carrying amount, December 31, 2021	240,382,163	50,991,813	291,373,976

	Land	Building and other structures	Total
Gross Cost	240,382,163	437,442,792	677,824,955
Accumulated depreciation	-	(386,450,979)	(386,450,979)
Accumulated impairment losses	-	-	-
Carrying amount, December 31, 2021	240,382,163	50,991,813	291,373,976

As at December 31, 2020

	Land	Building and other structures	Total
Carrying amount, January 1, 2020	240,382,163	-	240,382,163
Additions/Acquisitions	-	65,588,595	65,588,595
Total	240,382,163	65,588,595	305,970,758
Disposals	-	-	-
Depreciation	-	(7,298,391)	(7,298,391)
Impairment loss	-	-	-
Carrying amount, December 31, 2020	240,382,163	58,290,204	298,672,367

11. PROPERTY, PLANT AND EQUIPMENT

This account consists of the following:

As at December 31, 2021

	Land	Land improvement	Infrastructure assets	Building & other structures	Machinery & equipment	Total
Carrying amount, January 1, 2021						
(As Restated)	572,606,386	37,891,545	26,203,295	75,577,872	327,465,464	1,039,744,562
Additions/Acquisitions	-	275,491	-	6,913,605	85,342,173	92,531,269
Reclassification to proper accounts	-	(339,897)	-	6,102,689	(5,763,364)	(572)
Total	572,606,386	37,827,139	26,203,295	88,594,166	407,044,273	1,132,275,259
Disposals	-	-	-	-	-	-
Reclassification to proper accounts	-	-	-	-	-	-
Depreciation	-	(2,612,567)	(1,498,126)	(3,666,211)	(21,328,155)	(29,105,059)
Impairment loss	-	-	-	-	-	-
Carrying amount, December 31, 2021	572,606,386	35,214,572	24,705,169	84,927,955	385,716,118	1,103,170,200

	Land	Land improvement	Infrastructure assets	Building & other structures	Machinery & equipment	Total
Gross Cost	572,606,386	120,816,955	33,291,688	313,950,935	686,628,704	1,727,294,668
Accumulated depreciation	-	(85,602,383)	(8,586,519)	(229,022,980)	(300,912,586)	(624,124,468)
Accumulated impairment losses	-	-	-	-	-	-
Carrying amount December 31, 2020	572,606,386	35,214,572	24,705,169	84,927,955	385,716,118	1,103,170,200

As at December 31, 2020

	Land	Land improvement	Infrastructure assets	Building & other structures	Machinery & equipment	Total
Carrying amount, January 1, 2020,						
As Restated	556,004,386	34,120,709	27,701,421	141,084,937	280,325,393	1,039,236,846
Additions/Acquisitions	27,610,000	8,290,672	-	3,254,069	83,591,491	122,746,232
Total	583,614,386	42,411,381	27,701,421	144,339,006	363,916,884	1,161,983,078
Disposals	-	-	-	-	(129,601)	(129,601)
Reclassification to proper accounts	(11,008,000)	-	-	(65,569,286)	(17,472,424)	(94,049,710)
Depreciation	-	(4,519,836)	(1,498,126)	(3,191,848)	(18,849,395)	(28,059,205)
Carrying amount, December 31, 2020	572,606,386	37,891,545	26,203,295	75,577,872	327,465,464	1,039,744,562

	Land	Land improvement	Infrastructure assets	Building & other structures	Machinery & equipment	Total
Gross Cost	572,606,386	120,881,361	33,291,688	300,934,641	607,049,896	1,634,763,972
Accumulated depreciation	-	(82,989,816)	(7,088,393)	(225,356,769)	(279,584,432)	(595,019,410)
Accumulated impairment losses	-	-	-	-	-	-
Carrying amount, December 31, 2020	572,606,386	37,891,545	26,203,295	75,577,872	327,465,464	1,039,744,562

11.1 Land

The CCP has a total of 625,171 square meters of land. The reclaimed area which was assigned to the CCP pursuant to Presidential Decree (PD) Nos. 15 and 774, dated October 5, 1972 and August 22, 1975, respectively, already excluded the following: (1) land area occupied by the Philippine International Convention Center - this was sold to the Bangko Sentral ng Pilipinas; (2) land area covering Philcite - this was transferred to the Philippine National Bank; and (3) land areas covering the Philippine Plaza Hotel, Gloriamaris Restaurant, and the Tahanang Pilipino - these were transferred to the GSIS in settlement of the CCP's outstanding obligations.

The land where the Manila Film Center (MFC) is situated was assigned to the CCP by the Public Estates Authority (PEA) in 1985 pursuant to Letter of Instruction No. 1411. This was considered as partial payment for the obligations of PEA, now the Philippine Reclamation Authority, to the National Government (NG) and as contribution of the NG to the CCP.

In 2015, the Department of Public Works and Highways-South Manila District Engineering Office implemented the National Road Lighting Program Package 7 (civil works) project wherein it undertook the installation of lamp posts/street lamps along the following road sections:

- Folk Arts Theater (FAT) Access road
- PICC FAT Main road
- PICC FAT Perimeter road
- Spine road
- MFC Main road
- MFC Access road

The CCP upon acceptance and recognizing in its books of accounts the transfer of the completed project in 2016 commits to secure and undertake the repair and maintenance of the road network.

In 2018, the CCP, in connection with its Complex Development Plan and joint venture purposes, commissioned an independent appraisal company to determine the current value of CCP land. The said appraisers submitted a valuation of the CCP land which amounted to P122,600 per square meter.

11.2 Buildings and other structures

The CCP owns buildings and structures, including a water reservoir and conduits with a carrying amount of P84.9 million.

11.3 Machinery and equipment

The account Machinery and equipment includes a list of PPE that are already idle, unserviceable and fully depreciated amounting to P191.230 million as submitted in 2017 to the COA for dropping from the books of accounts. The amount of P191.230 million is already net of the reclassifications made to expense/Accumulated Surplus/(Deficit) in compliance with COA Circular No. 2015-010. The CCP was not able to effect the dropping of PPE accounts because of the difficulties it encountered in complying with the requirements of Section 40(d), Chapter 10 of the Government Accounting Manual, Volume I, due to incomplete information and unavailability of supporting documents.

The bulk of this account also includes various visual art collections such as paintings and sculptures totaling P50.720 million. Paintings were valued based on the status of the artist and the importance of works in relation to the current art scene. However, some of the works were assigned a nominal value of P1 since they were only print photographs and the outputs of visual arts work-shoppers.

12. OTHER CURRENT AND NON-CURRENT ASSETS

12.1 Other current assets

	2021	2020 (As Restated)
Advances	1,256,437	1,267,765
Prepayments	87,130,225	28,013,706
Deposits	2,252,158	1,315,739
Other assets	227,510	227,510
Total	90,866,330	30,824,720

Major portion of this account represents unexpired insurance premiums on policies covering the CCP's property, the unexpired portion of the prepaid taxes withheld on interest on money market placements with government banks, and advances made for goods and services. Also included under this account are guaranty deposits, taxes withheld by suppliers and prior year's input taxes accrued by the CCP. Beginning second quarter of 2019, upon consultation and clarification with the Bureau of Internal Revenue (BIR), all expenses funded by a subsidy were no longer subjected to input tax and is recognized as expense of the CCP. This is in compliance with the provision of BIR Revenue Circular No. 16-2005, Section 4.110-4.

12.2 Deferred tax assets

This account represents the excess amount of creditable tax after deducting the actual income tax expense for taxable year 2019 filed in April 2020.

12.3 Other non-current assets

This account is used to recognize assets not falling under any of the specific asset accounts used in the books of accounts of the CCP.

13. FINANCIAL LIABILITIES

This account consists of the following:

	2021	2020 (As Restated)
Payables	150,658,489	141,012,950
Tax refunds payable	504,420	456,720
	151,162,909	141,469,670

13.1 Payables

This account represents accrued expenses classified as follows:

	2021	2020 (As Restated)
Accounts payable	136,978,023	128,582,998
Due to officers and employees	13,680,466	12,429,952
	150,658,489	141,012,950

a. Accounts payable

The Accounts payable account is composed of the following:

- Accrued liabilities committed and budgeted expenses for goods and services that were already provided to the CCP but were not yet paid because invoices and other supporting documents for payments were not yet presented.
- Unliquidated obligations/vouchers represent unpaid amounts to suppliers and service providers for various goods already delivered and services rendered as of December 31, 2021.

b. Due to officers and employees

The Due to officers and employees account is used to recognize incurrence of liability to officers and employees for salaries, benefits and other emoluments including authorized expenses paid in advance by the officers and employees.

13.2. Tax refunds payable

	2021	2020 (As Restated)
Tax refunds payable	504,420	456,720
	504,420	456,720

Tax refunds payable account is used to recognize amount refundable to taxpayers for excess amount paid/withheld. As of December 31, 2021, the balance represents unclaimed tax refunds of resigned/retired employees pending the completion of their clearances/documents required for terminal pay.

14. INTER-AGENCY PAYABLES

This account consists of the following:

	2021	2020 (As Restated)
Due to BIR	6,204,170	3,411,842
Due to GSIS	55,878	2,599,409
Due to Pag-IBIG	361,157	368,676
Due to PhilHealth	311,358	282,889
Income tax payable	771,616	-
Total	7,704,179	6,662,816

14.1 Due to BIR

Included in this account are taxes such as income tax, expanded tax, final tax, and value added tax withheld by the CCP for remittance to the BIR. The CCP regularly remits its taxes withheld in compliance with the BIR regulations.

14.2 Due to GSIS, Pag-IBIG, PhilHealth

These accounts consist of unremitted deductions from the salaries of officers and employees for life and retirement insurance premiums, optional insurance, salary, policy and real estate loans, medical and estate insurance and premiums.

15. TRUST LIABILITIES

This account consists of the following:

	2021	2020 (As Restated)
Trust liabilities	77,499,557	75,016,020
Guaranty/security deposits payable	25,278,968	30,998,297
Customer's deposits payable	55,435,408	55,467,018
	158,213,933	161,481,335

15.1 Trust liabilities

The Trust liabilities account represents collection from different government and private entities for various projects of the CCP which aim to awaken the consciousness of the Filipino people to our cultural heritage.

It also includes funds entrusted to the CCP as custodian by different entities to finance various cultural projects. Likewise, included was the fund received from the Bureau of the Treasury (BTr) in 2009 for the settlement of liability of the Republic of the Philippines to Republic Real Estate Corporation (RREC) amounting to P41.790 million. In 2009, the Court of Appeals (CA) issued a decision allowing the National Government and the CCP to consign the said funds with the courts. A Motion for Execution of the said CA Decision was already filed by the CCP with trial court, but was denied. In June 2016, the Petition for Review filed by RREC was denied upholding the CA's Decision in 2009 and Resolution in 2013.

15.2 Guaranty/security deposits payable

The account represents liability arising from the receipt of cash bond to guarantee the performance of the contract/court order.

15.3 Customer's deposits payable

This account represents liability arising from cash received for theater violations deposits, deposits of producers for production expenses, deposits from concessionaires, and other various deposits (i.e., rental and utility deposits) which are refundable to the depositors.

It also includes collection of ticket sales of lessee-produced shows collected by the CCP which were not yet remitted to the producers.

16. DEFERRED CREDITS/UNEARNED INCOME

This account consists of the following:

	2021	2020 (As Restated)
Other deferred credits	5,072,797	12,730,423
Unearned revenue/income	4,445,037	4,401,537
	9,517,834	17,131,960

The account includes income collected but not yet recognized as revenue by the CCP at the end of the accounting period, as well as the CCP's output tax and deferred output tax account. Deferred Output Tax corresponds to the 12 per cent tax on sales billed as part of the receivables. Upon collection of receivables, this account is debited and the Output tax account is then set up.

17. OTHER PAYABLES

This account includes staled checks and other liabilities not falling under any specific liability account.

	2021	2020 (As Restated)
Dividends payable	15,117,855	15,117,855
Other payables	1,711,654	1,769,369
Other payables - miscellaneous	554,700	1,608,038
	17,384,209	18,495,262

Dividends payable amounting to P15,117,855 was recognized pursuant to Section 3 of RA No. 7656 or the Dividend Law which states that all GOCCs shall declare and remit at least fifty per cent (50%) of their annual net earnings as cash, stock, or property dividends to the National Government. Total net earnings of the CCP in the year 2019 amounted to P30,235,710 as per income tax return.

18. GOVERNMENT EQUITY

Government equity amounting to P1,584,502,488 pertains to the equity contribution of the National Government for the CCP.

This account consists of the vast parcels of reclaimed land where the CCP Complex is situated, the initial capitalization of the CCP, property donated to the CCP such as the Manila Film Center building and its appurtenances, audio film recording system, motorcycles, musical instruments, and other equipment. Also included are the construction cost of the Folk Arts Theater and the cost of the furniture, fixtures and equipment contained and/or installed therein.

19. ACCUMULATED SURPLUS/(DEFICIT)

	Amount
Accumulated surplus, January 1, 2020	321,644,419
Adjustments due to prior years' errors	189,194,946
Accumulated surplus, January 1, 2020, As Restated	510,839,365
Surplus/(Deficit) from operation for 2020, as previously stated	(68,606,218)
Accumulated surplus, December 31, 2020, As Restated	442,233,147
Add/(deduct)	
Surplus/(Deficit) for 2021	(10,451,432)
Accumulated surplus, December 31, 2021	431,781,715

This account represents the accumulated net earnings/losses of the CCP, including that of the Philippine Plaza Hotel when it was still a division of the CCP until December 31, 1988.

20. SERVICE AND BUSINESS INCOME

This account consists of the following:

	2021	2020 (As Restated)
Service Income		
Other service income	167,947	331,044
Total Service Income	167,947	331,044
Business Income		
Rent/lease income	70,830,663	74,077,434
Income from printing and publication	6,909,650	2,762,045
Interest income	6,067,494	12,566,043
Landing and parking fees	4,899,824	9,741,617
Seaport system fees	1,135,211	798,176
Seminar/training fees	280,968	177,063
Theater operating revenue	172,343	4,008,289
Fines and penalties- business income	-	13,080
Admission fees	-	9,879
Total Business Income	90,296,153	104,153,626
	90,464,100	104,484,670

In 2021 and 2020, due to the pandemic brought about by Corona virus Disease 2019 (COVID-19), the CCP has granted rental reprieve and discounts to its lessees reducing its rental/lease income by P67.4 and P77.8 million, respectively.

21. SHARES, GRANTS AND DONATIONS

	2021	2020 (As Restated)
Income from grants and donation in cash	50,000	40,000
Income from grants and donation in kind	140,000	407,255
	190,000	447,255

22. PERSONNEL SERVICES

This line item consists of:

	2021	2020 (As Restated)
Salaries and wages	127,253,480	131,594,923
Other compensation	40,243,569	47,170,695
Personnel benefit contributions	17,339,647	17,917,141
Other personnel benefits	14,389,437	9,847,969
	199,226,133	206,530,728

22.1 Salaries and wages

	2021	2020 (As Restated)
Salaries and wages- regular	126,589,400	130,942,917
Salaries and wages- casual/contractual	664,080	652,006
	127,253,480	131,594,923

22.2 Other compensation

	2021	2020 (As Restated)
Other bonuses and allowances	12,953,496	19,995,188
Year-end bonus	10,861,546	11,065,294
Personnel economic relief allowance (PERA)	5,956,372	6,121,908
Representation allowance (RA)	2,557,000	2,618,375
Transportation allowance (TA)	2,335,000	2,392,593
Clothing/uniform allowance	1,500,000	1,524,000
Cash gift	1,259,000	1,282,000
Productivity incentive allowance	1,225,000	1,310,000
Overtime and night pay	916,105	460,587
Subsistence allowance	17,450	18,950
Laundry allowance	3,600	3,300
Hazard pay	659,000	118,500
Longevity pay	-	260,000
	40,243,569	47,170,695

22.3 Personnel benefit contributions

	2021	2020
Retirement and life insurance premiums	15,038,804	15,578,790
PhilHealth contributions	1,707,443	305,500
Pag-IBIG contributions	296,700	1,727,451
Employees compensation insurance premiums	296,700	305,400
	17,339,647	17,917,141

22.4 Other personnel benefits

	2021	2020
Other personnel benefits	7,477,890	4,725,335
Terminal leave benefits	6,911,547	5,122,634
	14,389,437	9,847,969

22.5 Employees future benefits

The permanent employees of the CCP contribute to the GSIS in accordance with RA No. 8291. The GSIS administers the plan, including payment of pension benefits to employees to whom the act applies. Social insurance (life and retirement) benefits are mandatory defined contribution plans fixed at nine (9) per cent of the basic salaries of regular government employees.

23. MAINTENANCE AND OTHER OPERATING EXPENSES

This line item consists of:

	2021	2020 (As Restated)
General services	87,292,791	74,147,413
Utility expenses	36,548,241	28,331,090
Professional services	16,264,784	13,779,162

	2021	2020 (As Restated)
Repairs and maintenance	8,199,585	4,291,297
Supplies and materials expenses	6,897,101	5,845,070
Taxes, insurance premiums and other fees	5,575,466	5,297,599
Communication expenses	3,317,579	3,321,199
Travelling expenses	245,260	250,630
Training and scholarship expenses	302,809	59,316
Other maintenance and operating expenses	96,438,240	84,878,149
	261,081,856	220,200,925

23.1 Other maintenance and operating expenses

	2021	2020 (As Restated)
Production expense	90,673,523	80,558,547
Other maintenance and operating expenses	2,172,280	2,219,506
Transportation and Delivery Expenses	1,634,240	-
Rent/lease expenses	467,231	792,751
Representation expenses	583,398	611,638
Subscription expenses	546,576	321,446
Advertising, promotional and marketing expenses	328,733	7,545
Membership dues and contributions to organizations	22,144	63,725
Printing and publication expenses	10,115	302,991
	96,438,240	84,878,149

Production expenses comprise of artists fees, support programs for professional dancers, and innovation/subsistence grants provided to various projects to promote and conserve culture and arts. The projects include but not limited to Cinemalaya, Virgin Labfest, Sinag, Kalinga ng Sining, Kutitap, and Kanto Canta.

23.2 General services

	2021	2020 (As Restated)
Security services	30,752,300	29,283,664
Janitorial services	20,536,139	16,387,924
Environment/Sanitary services	2,100,557	801,403
Other general services	33,903,795	27,674,422
	87,292,791	74,147,413

Other general services comprise engineering services, preventive maintenance, and services of theater crews.

23.3 Utility expenses

	2021	2020 (As Restated)
Electricity expenses	27,354,404	20,287,095
Water expenses	9,193,837	8,043,995
	36,548,241	28,331,090

23.4 Professional services

	2021	2020 (As Restated)
Auditing services	3,794,007	3,957,312
Consultancy Services	443,696	-
Other professional services	12,027,081	9,821,850
	16,264,784	13,779,162

23.5 Repairs and maintenance

	2021	2020 (As Restated)
Repairs and maintenance-buildings and other structures	3,194,915	3,228,419
Repairs and maintenance-land improvements	2,407,627	243,812
Repairs and maintenance-machinery and equipment	1,652,431	312,585
Repairs and maintenance-transportation equipment	415,801	358,977
Repairs and maintenance-other property, plant and equipment	285,582	147,504
Repairs and maintenance-furniture and fixtures	243,229	-
	8,199,585	4,291,297

23.6 Supplies and materials expenses

	2021	2020 As Restated)
Other supplies and materials expenses	2,083,532	2,281,417
Office supplies expenses	2,405,140	1,400,644
Fuel, oil and lubricants expenses	1,401,712	908,063
Semi-expendable furniture, fixtures and books expenses	191,469	679,988
Semi-expendable machinery and equipment expenses	751,438	509,257
Accountable forms expenses	1,875	42,751
Medical, dental and laboratory supplies expenses	35,542	22,950
Drugs and Medicines Expenses	26,393	-
	6,897,101	5,845,070

23.7 Taxes, insurance premiums and other fees

	2021	2020 (As Restated)
Insurance expenses	4,146,155	2,181,547
Taxes, duties and licenses	1,321,933	2,938,667
Fidelity bond premiums	107,378	177,385
	5,575,466	5,297,599

23.8 Communication expenses

	2021	2020 (As Restated)
Telephone expenses	2,067,731	2,089,098
Internet subscription expenses	1,214,333	1,232,101
Postage and courier services	35,515	-
	3,317,579	3,321,199

23.9 Travelling Expenses

	2021	2020 (As Restated)
Travelling expenses-local	245,260	250,630
Travelling expenses-foreign	-	-
	245,260	250,630

23.10 Training and scholarship expenses

	2021	2020 (As Restated)
Training expenses	302,809	59,316
	302,809	59,316

24. DIRECT COST

This account represents the cost of items under the merchandise inventory that were sold and/or given as complimentary copies or gifts by the CCP.

	2021	2020 (As Restated)
Cost of sales	1,125,278	1,118,074
	1,125,278	1,118,074

25. FINANCIAL EXPENSES

This account consists of the following:

	2021	2020 (As Restated)
Bank charges	79	289,130
Other financial charges	384,006	87,551
	384,085	376,681

26. NON-CASH EXPENSES

This account consists of the following:

	2021	2020 (As Restated)
Depreciation	36,403,450	35,337,891
Impairment loss	1,869,146	4,847,461
	38,272,596	40,185,352

27. OTHER NON-OPERATING INCOME, GAINS AND LOSSES

This account pertains to sale of waste materials and unserviceable assets, reprocessing fees of staled checks, and royalty fees for the CCP's various publications.

27.1 Other non-operating income

This account pertains to sale of waste materials and unserviceable assets, reprocessing fees of staled checks, and royalty fees for the CCP's various publications.

	2021	2020 (As Restated)
Miscellaneous income	1,008,780	249,418
	1,008,780	249,418

27.2 Gains

	2021	2020 (As Restated)
Gain on foreign exchange (FOREX)	1,479,258	-
Gain from changes in fair value of financial instruments	274,755	-
Gain on sale/redemption/transfer of investments	149,085	-
Gain from changes in fair value of investment property	-	52,062
Gain on sale of property, plant and equipment	-	22,866
	1,903,098	74,928

27.3 Losses

	2021	2020 (as Restated)
Loss on foreign exchange (FOREX)	-	2,388,032
Loss from changes in fair value of financial instruments	-	2,008,750
	-	4,396,782

28. INCOME TAX EXPENSE

This account represents the estimated income tax payable of the CCP for the taxable year 2021 to be paid on or before April 15 of the following year.

	Amount
Service and business income	84,586,606
Other non-operating income	1,008,780
Total Revenue	85,595,386
Less:	
Cost of sales	1,125,278
Printing and publication expenses	10,115
Depreciation – Investment property	7,298,391
Total Gross Income	77,161,602
Less: Taxable expenses	
Personnel services	37,400,722
Maintenance and other operating expenses	31,771,055
Non-cash expenses	5,463,893
Financial expenses	384,085
Total taxable expenses	75,019,755
Net taxable income/(loss)	2,141,847
Income Tax Expense (25%)	535,462
Minimum Corporate Income Tax (1% of Gross Income)	771,616

29. NET ASSISTANCE/SUBSIDY

This account consists of the following:

	2021	2020 (As Restated)
Subsidy from national government	404,798,000	315,833,375
Subsidy from other national government agencies		84,881
<i>Less: Financial assistance to NGOs/POs</i>	<i>(8,190,000)</i>	<i>(16,972,203)</i>
	396,608,000	298,946,053

30. NON-CASH INCOME

During the year, the CCP has received non-cash sponsorship from various companies and organizations in support of its arts programs and activities. These consist of but not limited to food, media mileage (online, radio airtime, and television plugs), design services, and other giveaways amounting to P9.2 million.

31. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

	2021	2020 (As Restated)
Surplus/(Deficit) for the period	(10,451,432)	(68,606,218)
Non-cash income/expenses:		
Depreciation expense	36,403,450	35,337,891
Impairment loss from receivable	1,869,146	4,847,461
Income from donation in kind	(140,000)	(407,255)
Increase in investments due to revaluation	(274,755)	(52,062)
Interest Income from Investment	(6,014,189)	-
Gain on sale of property, plant and equipment	-	(22,866)
Decrease in current assets	110,970,103	12,022,284
Decrease in current liabilities	(6,797,330)	(15,863,025)
Net cash flow from operating activities	125,564,993	(32,743,790)

32. RELATED PARTY TRANSACTIONS

32.1 Related Party Transactions

The CCP does not have dealings with related parties involving transfer of resources and obligations.

32.2 Key Management Personnel

The key management personnel of the CCP are the Principal Officers, consist of the President, Vice Presidents for Administration and Finance and the Artistic Sectors. The Governing Body consists of members appointed by the President of the Philippines.

33. BUDGET INFORMATION IN FINANCIAL STATEMENTS

The original budget reflected in the Statement of Comparison of Budget and Actual Amounts (SCBAA) for the year ended December 31, 2021 is the proposed Corporate Operating Budget (COB) for the year 2021 and was submitted to the Department of Budget and Management (DBM) for review/evaluation while the *final budget* is the amount as approved by DBM on October 5, 2021. The proposed/original COB is prepared considering: (1) the CCP's various programs, projects and activities in pursuance of its mandate; (2) the projected revenues and other sources of income to finance and support these programs; (3) actual expenses on previous years; and (4) effects of inflation. Aside from the COB, the CCP had received subsidy appropriated for the implementation of programs.

Changes between the original and final budget are due to the following:

- a. The CCP's revenue target for CY 2021 amounted to P120.509 million as submitted and approved by the DBM. Actual revenue recognized for the year amounted to P91.328. million.
- b. The approved budget amount of P1.465 billion was sourced from the CCP's corporate fund, current year's subsidy, Tobacco Inspection Fee and prior year's continuing appropriation.
- c. Material differences between the actual expenses as against the budget pertained to the following:
 - Personnel services – pertained to unfilled positions as of the reported year.
 - Maintenance and other operating expenses – favorable results of P231.635 million was the effect of the declaration of the enhanced community quarantine in the entire Luzon wherein offices were closed and most of the production were postponed or cancelled.
 - Capital outlay – to be collected in the succeeding years since the release of the funds from DBM for Capital outlay items are dependent upon the submission of billing statements, contracts and purchase orders.

34. SUPPLEMENTARY TAX INFORMATION UNDER REVENUE REGULATION NO. 15-2010

The CCP has paid and/or accrued the following types of taxes for CY 2021.

34.1 Value Added Tax (VAT)

Details of the CCP's net revenues/receipts and output VAT declared in the CCP's VAT returns filed are in the following page:

Particulars	2021	2020
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Sales of services	89,271,308	94,687,793
VAT exempt sales	596,654,379	229,414,710
Total Gross Receipts	685,925,687	324,102,503
Less: VAT exempt sales	596,654,379	229,414,710
Total Vatable Gross Receipts	89,271,308	94,687,793
Multiply by: Tax rate	12%	12%
Total Output Tax for the year	10,712,557	11,362,535

Particulars	2021	2020
Output VAT declared for the year	10,712,557	11,362,535
Less: Balance of input VAT at the end of the year	-	-
Total	10,712,557	11,362,535
Value Added Tax Payable for the year		
Less: VAT Payments for the current year		
1st Quarter	2,603,236	4,600,584
2nd Quarter	2,400,161	2,264,372
3rd Quarter	2,560,342	1,919,695
October and November	2,039,387	1,258,931
VAT withheld on sales to government	6,914	30,030
VAT Payable	1,102,517	1,288,923

34.2 Taxes and licenses

This includes all other taxes, local and national, including licenses and permit fees lodged under the 'Taxes, insurance premiums and other fees' account under the 'Maintenance and Other Operating Expenses' section in the Statement of Financial Performance.

	Amount Paid
National	1,280,766
Local	40,667
BIR annual registration fee	500
	1,321,933

34.3 Withholding taxes

The amount of withholding taxes paid/accrued for the year amounted to:

	Amount
Tax on compensation and benefits	13,499,949
Withholding VAT	13,609,707
Creditable withholding taxes	11,486,994
Withholding percentage taxes	1,001,359
Documentary stamp tax	162,177
Final withholding taxes	553,853
	40,314,039

Adjustments in the balances of taxes payable reflected in the trial balance as of December 31, 2021 are to be effected in 2022 to reflect the correct tax due and remittance in 2022.

35. COMPLIANCE WITH GSIS LAW, REPUBLIC ACT (RA) NO. 8291

The CCP complied with Section 14.1 of RA No. 8291 which provides that each government agency shall remit directly to the GSIS the employees' and government agency's contributions within the first 10 days of the calendar month following the month to which the contributions apply. For CY 2021, the CCP collected and remitted the employees' premium contributions and employer's shares in the amount of P28.444 million.