Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines

CORPORATE GOVERNMENT AUDIT SECTOR
Cluster 6 – Social, Cultural, Trading, Promotional and Other Services

June 27, 2022

Received by:
EDSHI CORDERO
06/27/2022

THE TOURISM BOARD
Tourism Promotions Board
Legaspi Towers 300
Roxas Boulevard, Manila

Gentlemen/Mesdames:

Pursuant to Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines, we transmit herewith our report on the results of the audit of the accounts and transactions of the **Tourism Promotions Board (TPB)**, for the years ended December 31, 2021 and 2020.

The report consists of the Independent Auditor's Report, the Audited Financial Statements, the Observations and Recommendations, and the Status of Implementation of Prior Year's Audit Recommendations, and Annex.

The Auditor rendered a qualified opinion on the fairness of the presentation of the financial statements of the TPB for the years ended December 31, 2021 and 2020 in view of the following:

1. The faithful representation in the financial statements of the Receivables account with a balance of P801.482 million with carrying amount of P774.478 million as of December 31, 2021 could not be ascertained due to the unreliability of the balance of the Inter-Agency Receivables (IAR) of P773.620 million, contrary to Paragraph 27 of International Public Sector Accounting Standard (IPSAS) 1. The IAR balance of P773.620 million differs by P22.935 million as compared with the total of its Subsidiary Ledger (SL) balances, and results of confirmation of 10 sample accounts with SL balance totaling P85.025 million disclosed a discrepancy of P41.132 million.

2. Non-submission of the liquidating documents on completed programs or projects covered by the fund transfers (FTs) of the TPB to various implementing agencies amounting to P402.165 million, resulted in the non-recording of the expenses, consequently understating the expense and overstating the accumulated surplus/(deficit) accounts of the TPB for an undetermined amount, contrary to paragraph 27 of IPSAS 1.

3. The faithful representation in the financial statements of the balance of the Inventories account with a carrying amount of P30.642 million as of

December 31, 2021 was not established due to the variance of P8.323 million between the General Ledger (GL) balance of Other Supplies and Materials Inventory sub-account of P28.119 million and the balance per Report on Annual Inventory on Promotional Materials and Giveaways of P19.796 million contrary to Paragraph 27 of IPSAS 1.

4. The balance of the Inter-Agency Payable account of P24.226 million is not fairly presented in the books due to: (a) derecognition of the Due to National Government Agencies (NGAs) account of P196.853 million despite the non-reversion/remittance of the fund to the National Treasury; and (b) variance totaling P1.037 million between the amounts per book and amounts confirmed by the concerned Government-Owned and/or Controlled Corporations, contrary to Paragraph 27 of IPSAS 1.

For the afore-cited observations, which caused the issuance of a qualified opinion, we recommended that Management:

1.1. Direct the Finance Department, particularly the Accounting Division (AD) to:

a. Exert more efforts in tracing/verifying the discrepancy between the GL and SLs balances, thereafter ensure that the SLs are properly maintained/updated;

b. Send confirmation letters to the Implementing Agencies (IA), and for those balances which are confirmed liquidated, coordinate with their respective AD and request for a copy of the Reports of Checks Issued and other related documents to support the liquidation; and

c. Make the corrections/adjustments in the records/books of the TPB as necessary.

2.1. Make a final demand for the liquidation of the FTs and assess the need to initiate other appropriate actions to facilitate and/or cause the immediate liquidation of the FTs for completed projects;

2.2. Direct the AD to:

a. Properly monitor the FTs by regularly coordinating with the IAs and demand the immediate submission of the liquidation documents for completed programs/projects, and the refund of excess fund, if any;

b. Effect the necessary adjustments once the FTs are liquidated; and

c. Strictly comply with the provisions of COA Circular No. 94-013.

3.1. Direct the AD and/or General Services Division to:

a. Continue the reconciliation of the remaining unaccounted variance of P8.323 million;

b. Include in the inventory report the promotional items transferred to other department/s yet to be released to end-users, to reflect the correct inventory balance as of December 31, 2021, and,

c. Update their respective books/records/reports, and thereafter, observe a periodic reconciliation of their inventory records.

4.1. Direct the AD and the concerned offices to:

a. Prepare an adjusting entry for the derecognized amount of P196.853 million to correct the understatement of the Due to NGAs account and overstatement of the Accumulated Surplus as of December 31, 2021;

b. Revert/remit to the National Treasury the subject amount, thereafter record the remittance/reversion;

c. Coordinate with the Duty Free Philippines Corporation (DFPC) and the Tourism Infrastructure and Enterprise Zone Authority (TIEZA) on the noted variance. For the account with the DFPC, exert effort to locate the records/documents, and prepare the adjusting entry in the books; for the account with the TIEZA, if the project has been completed, collate the liquidation documents and submit the same to the TIEZA; likewise, make the adjustments in the books; and

d. For the two unidentified long outstanding accounts (Florikultura and Pinoy Homecoming), provide the necessary adjusting entries to revert them to Accumulated Surplus/(Deficit).

The other significant audit observations and recommendations that need immediate action are as follows:

5. The TPB did not declare and remit the to the National Treasury the required dividends totaling P7.903 million representing 50 per cent of the Net Earnings of the TPB in CYs 2021 and 2020, contrary to the 2016 Revised Implementing Rules and Regulations (RIRR) of Republic Act (RA) No. 7656, otherwise known as the Dividend Law, thereby depriving the National Government of the additional funds to carry out its various project and programs and exposing the TPB to unnecessary interests and penalties.

5.1. We recommended that the Management direct the Finance Department to compute the final amount of net earnings and the required dividends to be declared and for the Board of Directors to declare the 50 per cent dividends thereon.

5.2. Further, we recommended that the Management comply with the provisions of the 2016 RIRR of RA No. 7656.

The other observations together with the recommended courses of action which were discussed by the Audit Team with concerned Management officials and staff during the exit conference conducted on May 27, 2022 are discussed in detail in Part II of the report. We also invite your attention to the prior year's partially and unimplemented audit recommendations embodied in Part III of the report.

In our transmittal letter of even date, we request the Chief Operating Officer of TPB to implement the recommendations contained in the report and to inform this Commission of the actions taken thereon within 60 days from receipt of the report.

We acknowledge the support and cooperation extended to the Audit Team by the TPB Management, thus facilitating the submission of the report.

Very truly yours,

COMMISSION ON AUDIT

By:

Atty. CHITO C. JANABAN
Director IV

Copy furnished:

The President of the Republic of the Philippines
The Vice President
The President of the Senate
The Speaker of the House of Representatives
The Chairperson – Senate Finance Committee
The Chairperson – Appropriations Committee
The Secretary of the Department of Budget and Management
The Governance Commission for Government-Owned or Controlled Corporations
The Presidential Management Staff, Office of the President
The UP Law Center
The National Library
The COA Central Library

Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines

CORPORATE GOVERNMENT AUDIT SECTOR
Cluster 6 – Social, Cultural, Trading, Promotional and Other Services

June 27, 2022

TOURISM PROMOTIONS BOARD
Office of the Chief Operating Officer
RECEIVED
Date: 27 June 2022
Received by: Ethel Kapotalo

Atty. MARIA ANTHONETTE VELASCO-ALLONES
Chief Operating Officer (COO)
Tourism Promotions Board
Legaspi Towers 300
Roxas Boulevard, Manila

Dear COO Velasco-Allones:

Pursuant to Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines, we transmit herewith our report on the results of the audit of the accounts and transactions of the **Tourism Promotions Board (TPB)**, for the years ended December 31, 2021 and 2020.

The report consists of the Independent Auditor's Report, the Audited Financial Statements, the Observations and Recommendations, and the Status of Implementation of Prior Year's Audit Recommendations, and Annex.

The Auditor rendered a qualified opinion on the fairness of the presentation of the financial statements of the TPB for the years ended December 31, 2021 and 2020 in view of the following:

1. The faithful representation in the financial statements of the Receivables account with a balance of P801.482 million with carrying amount of P774.478 million as of December 31, 2021 could not be ascertained due to the unreliability of the balance of the Inter-Agency Receivables (IAR) of P773.620 million, contrary to Paragraph 27 of International Public Sector Accounting Standard (IPSAS) 1. The IAR balance of P773.620 million differs by P22.935 million as compared with the total of its Subsidiary Ledger (SL) balances, and results of confirmation of 10 sample accounts with SL balance totaling P85.025 million disclosed a discrepancy of P41.132 million.

2. Non-submission of the liquidating documents on completed programs or projects covered by the fund transfers (FTs) of the TPB to various implementing agencies amounting to P402.165 million, resulted in the non-recording of the expenses, consequently understating the expense and overstating the accumulated surplus/(deficit) accounts of the TPB for an undetermined amount, contrary to paragraph 27 of IPSAS 1.

3. The faithful representation in the financial statements of the balance of the Inventories account with a carrying amount of P30.642 million as of December 31, 2021 was not established due to the variance of P8.323 million between the General Ledger (GL) balance of Other Supplies and Materials Inventory sub-account of P28.119 million and the balance per Report on Annual Inventory on Promotional Materials and Giveaways of P19.796 million contrary to Paragraph 27 of IPSAS 1.

4. The balance of the Inter-Agency Payable account of P24.226 million is not fairly presented in the books due to: (a) derecognition of the Due to National Government Agencies (NGAs) account of P196.853 million despite the non-reversion/remittance of the fund to the National Treasury; and (b) variance totaling P1.037 million between the amounts per book and amounts confirmed by the concerned Government-Owned and/or Controlled Corporations, contrary to Paragraph 27 of IPSAS 1.

For the afore-cited observations, which caused the issuance of a qualified opinion, we recommended that Management:

1.1. Direct the Finance Department, particularly the Accounting Division (AD) to:

   a. Exert more efforts in tracing/verifying the discrepancy between the GL and SLs balances, thereafter ensure that the SLs are properly maintained/updated;

   b. Send confirmation letters to the Implementing Agencies (IA), and for those balances which are confirmed liquidated, coordinate with their respective AD and request for a copy of the Reports of Checks Issued and other related documents to support the liquidation; and

   c. Make the corrections/adjustments in the records/books of the TPB as necessary.

2.1. Make a final demand for the liquidation of the FTs and assess the need to initiate other appropriate actions to facilitate and/or cause the immediate liquidation of the FTs for completed projects;

2.2. Direct the AD to:

   a. Properly monitor the FTs by regularly coordinating with the IAs and demand the immediate submission of the liquidation documents for completed programs/projects, and the refund of excess fund, if any;

   b. Effect the necessary adjustments once the FTs are liquidated; and

   c. Strictly comply with the provisions of COA Circular No. 94-013.

3.1. Direct the AD and/or General Services Division to:

   a. Continue the reconciliation of the remaining unaccounted variance of P8.323 million;

b. Include in the inventory report the promotional items transferred to other department/s yet to be released to end-users, to reflect the correct inventory balance as of December 31, 2021, and,

c. Update their respective books/records/reports, and thereafter, observe a periodic reconciliation of their inventory records.

4.1. Direct the AD and the concerned offices to:

a. Prepare an adjusting entry for the derecognized amount of P196.853 million to correct the understatement of the Due to NGAs account and overstatement of the Accumulated Surplus as of December 31, 2021;

b. Revert/remit to the National Treasury the subject amount, thereafter record the remittance/reversion;

c. Coordinate with the Duty Free Philippines Corporation (DFPC) and the Tourism Infrastructure and Enterprise Zone Authority (TIEZA) on the noted variance. For the account with the DFPC, exert effort to locate the records/documents, and prepare the adjusting entry in the books; for the account with the TIEZA, if the project has been completed, collate the liquidation documents and submit the same to the TIEZA; likewise, make the adjustments in the books; and

d. For the two unidentified long outstanding accounts (Florikultura and Pinoy Homecoming), provide the necessary adjusting entries to revert them to Accumulated Surplus/(Deficit).

The other significant audit observations and recommendations that need immediate action are as follows:

5. The TPB did not declare and remit the to the National Treasury the required dividends totaling P7.903 million representing 50 per cent of the Net Earnings of the TPB in CYs 2021 and 2020, contrary to the 2016 Revised Implementing Rules and Regulations (RIRR) of Republic Act (RA) No. 7656, otherwise known as the Dividend Law, thereby depriving the National Government of the additional funds to carry out its various project and programs and exposing the TPB to unnecessary interests and penalties.

5.1. We recommended that the Management direct the Finance Department to compute the final amount of net earnings and the required dividends to be declared and for the Board of Directors to declare the 50 per cent dividends thereon.

5.2. Further, we recommended that the Management comply with the provisions of the 2016 RIRR of RA No. 7656.

The other observations together with the recommended courses of action which were discussed by the Audit Team with concerned Management officials and staff during the exit conference conducted on May 27, 2021 are discussed in detail in Part II of the report. We also invite your attention to the prior year's partially and unimplemented audit recommendations embodied in Part III of the report.

We request that appropriate actions be taken on the observations and recommendations contained in the report and that we be informed of the action(s) taken thereon by submitting the duly accomplished Agency Action Plan and Status of Implementation form (copy attached) within 60 days upon receipt hereof.

We acknowledged the support and cooperation that you and your staff extended to the Audit Team, thus facilitating the submission of the report.

Very truly yours,

COMMISSION ON AUDIT

By:

Atty. CHITO C. JANABAN
Director IV

Copy furnished:

The President of the Republic of the Philippines
The Vice President
The President of the Senate
The Speaker of the House of Representatives
The Chairperson – Senate Finance Committee
The Chairperson – Appropriations Committee
The Secretary of the Department of Budget and Management
The Governance Commission for Government-Owned or Controlled Corporations
The Presidential Management Staff, Office of the President
The UP Law Center
The National Library
The COA Central Library

(Name of the Agency and Address)

AGENCY ACTION PLAN and
STATUS OF IMPLEMENTATION
Audit Observations and Recommendations
For the Calendar Year 20XX
As of _______________

Ref.	Audit Observations	Audit Recommendations	Agency Action Plan				Status of Implementation	Reason for Partial/Delay/ Non-Implementation, if applicable	Action Taken/Action to be Taken
			Action Plan	Persons/Dept. Responsible	Target Implementation Date				
					From	To			

Agency sig-off:

________________________________ ____________

Name and Position of Agency Officer **Date**

Note: Status of Implementation may either be (a) Fully Implemented, (b) Ongoing, (c) Not Implemented, (d) Partially Implemented, or (e) Delayed

Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines

INDEPENDENT AUDITOR'S REPORT

THE TOURISM BOARD
Tourism Promotions Board
Legaspi Towers 300
Roxas Boulevard, Manila

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of the **Tourism Promotions Board (TPB)**, which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of financial performance, statements of changes in net assets/equity, and statements of cash flows for the years then ended, statement of comparison of budget and actual amounts for the year ended December 31, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects and possible effects of the matters described in the Bases for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the TPB as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Public Sector Accounting Standards (IPSASs).

Bases for Qualified of Opinion

The faithful representation in the financial statements of the Receivables account with a balance of P801.482 million with carrying amount of P774.478 million as of December 31, 2021 could not be ascertained due to the unreliability of the balance of the Inter-Agency Receivables (IAR) of P773.620 million, contrary to Paragraph 27 of IPSAS 1. The IAR balance of P773.620 million differs by P22.935 million as compared with the total of its Subsidiary Ledger (SL) balances, and results of confirmation of 10 sample accounts with SL balance totaling P85.025 million disclosed a discrepancy of P41.132 million.

Non-submission of the liquidating documents on completed programs or projects covered by the fund transfers of the TPB to various implementing agencies amounting to P402.165 million, resulted in the non-recording of the expenses, consequently understating the expense and overstating the accumulated surplus/(deficit) accounts of the TPB for an undetermined amount, contrary to paragraph 27 of IPSAS 1.

Likewise, the faithful representation in the financial statements of the balance of the Inventories account with a carrying amount of P30.642 million as of December 31, 2021 was not established due to the variance of P8.323 million between the General Ledger balance of Other Supplies and Materials Inventory sub-account of P28.119 million and the balance per Report on Annual Inventory on Promotional Materials and Giveaways of P19.796 million contrary to Paragraph 27 of IPSAS 1.

Moreover, the balance of the Inter-Agency Payable account of P24.226 million is not fairly presented in the books due to: (a) derecognition of the Due to National Government Agencies account of P196.853 million despite the non-reversion/remittance of the fund to the National Treasury; and (b) variance totaling P1.037 million between the amounts per book and amounts confirmed by the concerned Government-Owned and/or Controlled Corporations, contrary to Paragraph 27 of IPSAS 1.

We conducted our audits in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the TPB in accordance with the Revised Code of Conduct and Ethical Standards for the Commission on Audit Officials and Employees (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

In our report dated July 12, 2021, we expressed a modified opinion on the Calendar Year 2020 financial statements because the faithful representation in the financial statements of the balances of the Financial Liabilities and Other Payables accounts in the amounts of P242.065 million and P6.679 million, respectively, as of December 31, 2020 could not be established due to: (a) absence of delivery receipts, certificate of acceptance, and other related documents to ascertain that the goods/services were already delivered/rendered/ completed and accepted to support the booking of the Accounts Payable of P198.289 million; (b) discrepancies totaling P1.746 million between the balances per General Ledger and as confirmed by suppliers which remained unreconciled at year-end; and (c) unsubstantiated bank reconciling items totaling P4.997 million recorded under Other Payables account, contrary to Paragraph 27 of IPSAS 1 and Item 3.26 of the Conceptual Framework on the General Purpose Financial Reporting by Public Sector Entities.

Also, interest income from trust accounts invested with the Land Bank of the Philippines in the amount of P3.844 million was not recognized in the books at year end resulting in the understatement of the Investments and Interest Income accounts.

TPB Management was able to provide the necessary adjustments to correct the deficiencies noted affecting Financial Liabilities, Investments, Interest Income and Accumulated Surplus/(Deficit) account. Accordingly, our present opinion on the restated 2020 financial statements, as presented herein is no longer modified concerning these matters.

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 IPSASs, 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 TPB'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 TPB or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatement 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 ISSAIs, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 TPB'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 TPB's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our 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 TPB to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and the significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2021, required by the Bureau of Internal Revenue as disclosed in Note 33 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with IPSASs. Such supplementary information is the responsibility of management.

COMMISSION ON AUDIT

CDTenorio
CORAZON D. TENORIO
OIC Supervising Auditor
Audit Group E - Trading and Promotions Group
Cluster 6, Corporate Government Audit Sector

May 27, 2022

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

The Management of the Tourism Promotions Board (TPB) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the TPB'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 TPB or to cease operations, or has no realistic alternative but to do so.

The Board of Trustees is responsible for overseeing the TPB's financial reporting process. The Board of Trustees reviews and approves the financial statements, including the schedules attached therein, and submits the same to stakeholders and other users.

The Commission on Audit has examined the financial statements of the TPB in accordance with the International Standards of Supreme Audit Institutions, and in its report to the Board of Trustees, has expressed its opinion on the fairness of presentation upon completion of such audit.

MARIA ANTHONETTE C. VELASCO-ALLONES
Chief Operating Officer, Tourism Promotions Board
Date: 27 May 2022

MARLITO D. RODRIGUEZ
Department Manager III, Finance
Date: 27 May 2022

ASEC. HOWARD LANCE UYKING
Alternate Chairperson, Tourism Promotions Board
Date: 27 May 2022

TOURISM PROMOTIONS BOARD
STATEMENTS OF FINANCIAL POSITION
As at December 31, 2021 and 2020
(In Philippine Peso)

	Note	2021	2020 (As Restated)
ASSETS			
Current Assets			
Cash and cash equivalents	6	1,210,089,334	1,567,924,602
Other investments	7	13,550,918	5,181,871
Receivables - net	8	774,478,233	338,493,999
Inventories	9	30,642,382	71,320,387
Other current assets	10	23,196,591	14,481,181
Total Current Assets		**2,051,957,458**	**1,997,402,040**
Non-Current Assets			
Other investments	7	123,600	123,600
Property, plant and equipment - net	11	47,132,933	41,737,328
Intangible assets	12	6,467,658	2,748,275
Other non-currrent assets	13	877,585,277	877,585,277
Total Non-Current Assets		**931,309,468**	**922,194,480**
TOTAL ASSETS		**2,983,266,926**	**2,919,596,520**
LIABILITIES			
Current Liabilities			
Financial liabilities	14	189,338,616	251,958,737
Inter-agency payables	15	24,226,267	37,782,330
Trust liabilities	16	34,983,071	33,576,520
Other payables	17	20,955,656	7,259,136
Total Current Liabilities		**269,503,610**	**330,576,723**
Non-Current Liabilities			
Trust liabilities	16	877,585,277	877,585,277
Total Current Liabilities		**877,585,277**	**877,585,277**
TOTAL LIABILITIES		**1,147,088,887**	**1,208,162,000**
NET ASSETS (TOTAL ASSETS LESS TOTAL LIABILITIES)		**1,836,178,039**	**1,711,434,520**
NET ASSETS/EQUITY			
Accumulated surplus/(deficit)	31	1,585,052,368	1,460,386,043
Government equity	30	250,000,000	250,000,000
Unrealized gain from changes in the fair value of the financial instruments	29	1,125,671	1,048,477
TOTAL NET ASSETS/EQUITY		**1,836,178,039**	**1,711,434,520**

The notes on pages 11 to 48 form part of these financial statements.

TOURISM PROMOTIONS BOARD
STATEMENTS OF FINANCIAL PERFORMANCE
For the Years Ended December 31, 2021 and 2020
(In Philippine Peso)

	Note	2021	2020 (As Restated)
REVENUE			
Service and business income	18	9,957,329	6,692,461
TOTAL REVENUE		**9,957,329**	**6,692,461**
CURRENT OPERATING EXPENSES			
Personnel services	19	110,688,618	105,642,744
Maintenance and other operating expenses	20	435,885,277	567,985,318
Financial expenses	21	373,218	1,073,442
Non-cash expenses	22	12,872,798	22,815,770
TOTAL CURRENT OPERATING EXPENSES		**559,819,911**	**697,517,274**
SURPLUS/(DEFICIT) FROM CURRENT OPERATIONS		**(549,862,582)**	**(690,824,813)**
Other non-operating income	23	2,765,325	5,703
Gains	24	5,063,255	208
Losses	25	(2,212,300)	(4,065,219)
DEFICIT BEFORE SUBSIDY		**(544,246,302)**	**(694,884,121)**
Net assistance/subsidy	26	828,394,574	1,245,498,886
NET SURPLUS/(DEFICIT) FOR THE PERIOD		**284,148,272**	**550,614,765**

The notes on pages 11 to 48 form part of these financial statements.

TOURISM PROMOTIONS BOARD
STATEMENTS OF CHANGES IN NET ASSETS/EQUITY
For the Years Ended December 31, 2021 and 2020
(In Philippine Peso)

	Accumulated surplus Note 31	Government equity Note 30	Unrealized gain from changes in the fair value of the financial instruments Note 29	Total
BALANCE AT JANUARY 1, 2020	1,117,938,729	250,000,000	-	1,367,938,729
ADJUSTMENTS:				
Add/(Deduct):				
Change in accounting policies	-	-	-	-
Prior year's adjustments	181,736,696	-	-	181,736,696
Other adjustments	-	-	-	-
RESTATED BALANCE AT JANUARY 1, 2020	**1,299,675,425**	**250,000,000**	**-**	**1,549,675,425**
Changes in Net Assets/Equity for CY 2020				
Add/(Deduct):				
Surplus/(Deficit) for the period, as previously stated	615,921,049	-	-	615,921,049
Prior year's adjustments	(65,306,284)	-	-	(65,306,284)
Surplus/(Deficit) for the period, as restated	550,614,765	-	-	550,614,765
Other Adjustments	(389,904,147)	-	1,048,477	(388,855,670)
RESTATED BALANCE AT DECEMBER 31, 2020	**1,460,386,043**	**250,000,000**	**1,048,477**	**1,711,434,520**
Changes in Net Assets/Equity for CY 2021				
Add/(Deduct):				
Surplus/(Deficit) for the period	284,148,272	-	-	284,148,272
Other adjustments	(159,481,947)	-	77,194	(159,404,753)
BALANCE AT DECEMBER 31, 2021	**1,585,052,368**	**250,000,000**	**1,125,671**	**1,836,178,039**

The notes on pages 11 to 48 form part of these financial statements.

TOURISM PROMOTIONS BOARD
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2021 and 2020
(In Philippine Peso)

	Note	2021	2020 (As Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash inflows			
Collection of revenue		2,463,976	3,028,018
Receipt of assistance/subsidy		828,394,574	1,245,498,886
Trust receipts		2,226,333	717,619
Other receipts		51,627,910	36,787,066
Total cash inflows		**884,712,793**	**1,286,031,589**
Adjustments		22,057,598	108,469,680
Adjustment Cash Inflows		**906,770,391**	**1,394,501,269**
Cash outflows			
Payment of expenses		279,857,370	254,024,636
Purchase of inventory		2,252,138	21,702,208
Grant of cash advance		5,014,165	5,729,556
Prepayments		9,416,454	6,897,772
Payment of accounts payable		236,220,205	394,819,563
Remittance of personnel benefit contributions and mandatory deductions		21,480,824	30,759,314
Release of inter-agency fund transfers		423,539,577	525,977,973
Other disbursements		116,259,945	102,195,668
Total cash outflows		**1,094,040,678**	**1,342,106,690**
Adjustments		159,481,947	389,904,147
Adjustment Cash Outflows		**1,253,522,625**	**1,732,010,837**
Net cash provided by (used in) operating activities		**(346,752,234)**	**(337,509,568)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash inflow			
Proceeds from sale/disposal of property, plant and equipment		84,701	36,350
Proceeds from matured investments		-	205,775,037
Total cash inflow		**84,701**	**205,811,387**
Cash outflow			
Purchase/construction of property, plant and equipment		10,074,675	3,904,990
Purchase of intangible assets		3,719,383	470,000
Total cash outflow		**13,794,058**	**4,374,990**
Net cash provided by (used in) investing activities		**(13,709,357)**	**201,436,397**
Net increase (decrease) in cash and cash equivalents		(360,461,591)	(136,073,171)
Effects of exchange rate changes on cash and cash equivalents		2,626,323	(3,936,823)
Cash and cash equivalents, January 1		1,567,924,602	1,707,934,596
Cash and cash equivalents, December 31	**6**	**1,210,089,334**	**1,567,924,602**

The notes on pages 11 to 48 form part of these financial statements.

TOURISM PROMOTIONS BOARD
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
For the Year Ended December 31, 2021
(In Philippine Peso)

	Budgeted Amount Original	Budgeted Amount Final	Actual Amounts on Comparable Basis	Difference Final Budget vs. Actual
	Note 31			
RECEIPTS				
Service and business income	39,759,000	39,759,000	9,957,329	29,801,671
Assistance and subsidy	1,741,720,000	1,741,720,000	1,741,720,000	-
Other non-operating income	-	-	1,903	(1,903)
Others	-	-	51,627,910	(51,627,910)
Total receipts	**1,781,479,000**	**1,781,479,000**	**1,803,307,142**	**(21,828,142)**
PAYMENTS				
Personnel services	151,002,000	146,295,000	103,156,199	43,138,801
Maintenance and other operating expenses	1,595,152,000	1,578,725,000	618,834,472	959,890,528
Capital outlay	35,325,000	35,325,000	12,749,058	22,575,942
Total payments	**1,781,479,000**	**1,760,345,000**	**734,739,729**	**1,025,605,271**
NET RECEIPTS/(PAYMENTS)	**-**	**21,134,000**	**1,068,567,413**	**(1,047,433,413)**

The notes on pages 11 to 48 form part of these financial statements.

TOURISM PROMOTIONS BOARD
NOTES TO FINANCIAL STATEMENTS
(*All amounts in Philippine Peso, unless otherwise stated*)

1. GENERAL INFORMATION

The Tourism Promotions Board (TPB), a Government-Owned and/or Controlled Corporation (GOCC) and an attached agency of the Department of Tourism (DOT), was created by virtue of Republic Act (RA) No. 9593, otherwise known as the "Tourism Act of 2009" and its Implementing Rules and Regulations provided for the reorganization of the Philippine Convention and Visitors Corporation (PCVC). The Tourism Board under Resolution No. 16, series of 2010, also confirmed during its June 21, 2010 meeting, the reorganization of the PCVC into the TPB.

The TPB is responsible for marketing and promoting the Philippines domestically and internationally as a major global tourism destination, highlighting the uniqueness and assisting the development of its tourism products and services, with the end in view of increasing tourist arrivals and tourism investments; marketing the Philippines as a major Meetings, Incentives, Conventions and Exhibitions destination; attracting, promoting, facilitating and servicing large scale events, international fairs and conventions, congresses, sports competitions, expositions and the like; ensuring the regular local and international advertisement of the country's major tourism destinations and other tourism products, including Tourism Economic Zones; and providing incentives to travel agencies, tour operators, wholesalers and investors abroad capable of drawing a sizeable number of tourists and tourism investments to the country.

The TPB shall have all the general powers of a corporation as provided under the Corporation Code. In addition, it shall have the following functions:

(a) Organize the Philippine TPB in a manner most efficient and economical for the conduct of its business and the implementation of its mandate;

(b) Develop and implement a plan to market the Philippines as a premier tourist destination;

(c) Direct and coordinate the resources and efforts of the government and the private sector in the tourism and allied fields for the full realization of the tourism marketing plans and programs;

(d) Develop and promote the Philippines as a center for international meetings, incentive programs, conventions, exhibitions, sports and wellness, medical tourism and other special events;

(e) Engage in the business of tourism and perform acts in consonance therewith, such as, but not limited to, creating subsidiaries in support of its marketing functions in partnership with the private sector; as well as attending conventions and other events abroad in representation of the country, encouraging sales promotions and advertising, and implementing programs and projects with the objective of promoting the country and enticing tourists to visit its tourism destinations and to enjoy its tourism products;

(f) Contract loans, indebtedness and credit, and issue commercial papers and bonds, in any local or convertible foreign currency from international financial institutions, foreign government entities, and local or foreign private commercial banks or similar institutions under terms and conditions prescribed by law, rules and regulations;

(g) Execute any deed of guarantee, mortgage, pledge, trust or assignment of any property for the purpose of financing the programs and projects deemed vital for the early attainment of its goals and objectives, subject to the provisions of the Constitution [Article VII, Section 20 and Article XII, Section 2, paragraphs (4) and (5)];

(h) Receive donations, grants, bequests and assistance of all kinds from local and foreign governments and private sectors and utilize the same;

(i) Extend loans through government banks and financial assistance for manpower training, heritage preservation, infrastructure development and other programs of the Department;

(j) Obtain the services of local and foreign consultants and enter into contracts locally and abroad in the performance of its functions; and

(k) Perform all other powers and functions of a corporation.

The agency's office is located at Fourth Floor, Legaspi Towers 300, Roxas Boulevard corner Vito Cruz, Manila.

The financial statements of the TPB was authorized for issue on May 27, 2022, as shown in the Statement of Management's Responsibility for Financial Statements signed by DOT Assistant Secretary Howard Lance A. Uyking, representing the Chairperson of the Board of Trustees.

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 IPSASs, formerly the Philippine Public Sector Accounting Standards (PPSASs), prescribed for adoption by the Commission on Audit (COA) in 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 financial statements are prepared by fund cluster in compliance with the requirements of COA Circular No. 2016-006.

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

2.2 Preparation of Financial Statements

The TPB's financial statements have been prepared under the 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 TPB'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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Basis of Accounting*

The TPB'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 TPB 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 TPB commits to purchase or sell the asset.

The TPB's financial assets include: cash and cash equivalents, receivables from employees and other agencies, and investments.

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. Receivables

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.

3. Held-to-maturity

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

Held-to-maturity investments, which consist of special contingency fund deposited at a government short-term high-yield savings account, are initially measured at principal amount and adjusted for any interest income that accrues therefrom. Upon maturity of high-yield savings account, the principal amount plus the interest are redeposited for another term.

iii. Derecognition

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

1. The contractual rights to the cash flows from the financial asset expired or waived; and

2. The TPB 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 TPB 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 TPB 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 TPB 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 TPB. 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.

The estimated allowance for impairment loss on a given period is computed following a certain percentage determined based on the experience of Management on the collectability of loans and receivables, as follows:

Age of Accounts	Percentage
1– 60 days	- 1%
61-180 Days	- 2%
181 days to 1 year	- 3%
More than 1 year	- 5%

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 TPB's financial liabilities include payables to supplier, employees and other contractors, inter-agency payables, and trust liabilities such as guarantee deposits and retention fees.

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.

3.3 *Cash and Cash Equivalents*

Cash and cash equivalents comprise cash on hand and cash in bank, high-yield savings account with an original maturity of three months, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Dollar collections are translated into the local currency based on the Bangko Sentral ng Pilipinas daily rate.

3.4 *Inventories*

Inventory is measured at cost upon initial recognition. After initial recognition, inventory is measured at the lower of cost and net realizable value.

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

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

3.5 *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 are stated at cost less accumulated depreciation and impairment losses.

When significant parts of PPE are required to be replaced at intervals, the TPB 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.

Depreciation starts on the second month from the date of acquisition.

ii. Depreciation method

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

iii. Estimated useful life

The TPB 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:

Buildings	- 30 years
Motor vehicles	- 10 years
Furniture and fixtures	- 10 years
Office equipment	- 5 years
Information, communication and technology equipment	- 5 years
Other property, plant and equipment	- 5 years

iv. Residual value

The TPB uses a residual value equivalent to at least 10 per cent 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 TPB 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.

3.6 *Intangible Assets*

a. Recognition and measurement

Intangible assets are recognized when the items are identifiable non-monetary assets without physical substance; it is probable that the expected future economic benefits or service potential that are attributable to the assets will flow to the entity; and the cost or fair value of the assets can be measured reliably.

Intangible assets acquired separately are initially recognized at cost.

If payment for an intangible asset is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognized as interest expense over the period of credit unless it is capitalized in accordance with the capitalization treatment permitted in IPSAS 5, *Borrowing Costs*.

b. Recognition of an expense

Expenditure on an intangible item is recognized as expense when it is incurred unless it forms part of the cost of an intangible asset that meets the recognition criteria of an intangible asset.

c. Subsequent measurement

The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with a finite life are amortized over their useful lives.

The straight-line method is adopted in the amortization of the expected pattern of consumption of the expected future economic benefits or service potential.

An intangible asset with indefinite useful life is not to be amortized.

Intangible assets with indefinite useful lives or intangible assets not yet available for use are assessed for impairment annually and whenever there is an indication that the assets may be impaired.

The amortization period and the amortization method, for an intangible asset with a finite useful life, are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on an intangible asset with a finite life is recognized in surplus or deficit as the expense category that is consistent with the nature of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the surplus or deficit when the asset is derecognized.

3.7 *Provisions, Contingent Liabilities and Contingent Assets*

a. Provisions

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

Where the TPB expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the Statement of Financial Performance net of any reimbursement.

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

b. Contingent liabilities

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

c. Contingent assets

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

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

3.8 *Changes in Accounting Policies and Estimates*

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

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

- Restating the comparative amounts for prior period(s) presented in which the error occurred; or

- 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 TPB 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. Gifts and donations

The TPB 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.

f. Transfers

The TPB 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.

g. 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.

h. 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 TPB 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

TPB recognizes revenue from rendering of services by full completion or the outcome of the transaction can be measured reliably.

c. 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.

d. Dividends

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

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 *Note 32*.

3.13 *Related Parties*

The TPB 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 TPB or vice versa.

Members of key management and the Members of the TPB Board are regarded as related parties.

3.14 *Employee Benefits*

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

The TPB 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.

3.15 *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, impairment of assets, 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 Prior Period Errors*

Prior period errors consist of unrecorded advertising, marketing and promotional expenses, accrued expenses, depreciation and other correction of errors in the financial statements. Details were provided in *Note 31*.

5. RISK MANAGEMENT OBJECTIVES AND POLICIES

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

- Credit risk
- Liquidity risk
- Interest/Market risks
- Operational risk

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

5.1 *Risk Management Framework*

The TPB Board has overall responsibility for the establishment and oversight of the TPB's risk management framework. The Board is expected to establish and institute adequate control mechanisms for good governance in the TPB. The minimum internal control mechanisms for the Board's oversight responsibility include but shall not be limited to:

1. Formulation and adoption of organization and procedural controls through an effective management information system and risk management reporting system.

2. Appropriation of remedial measures when conflict of interest situations may arise.

3. Institute adequate selection, appointment and retention policies, and procedures for the qualified and competent Management.

4. Ensure the development and review of personnel and human resource policies of the Agency, compensation plan and management succession plan as may be provided.

In view of the foregoing and in accordance with the Governance Commission for GOCC Memorandum Circular No. 2012-07 (Code of Corporate Governance and Section 17 of the TPB Manual of Corporate Governance), the Board has created the TPB's Executive Committee, Governance Committee, Audit Committee and Risk Management Committee where each committee is composed of three board members and one executive or manager knowledgeable in audit, accounting and finance while the Executive Committee is headed by the Chief Operating Officer (COO), the Deputy COOs, and all Department Managers as Members.

The Risk Management Committee is specifically responsible for the following:

1. Perform oversight risk management functions specifically in the areas of:

    a. Management of financial liquidity, solvency and viability, organizational and operational stability and sustainability, legal, reputational and other risks.

b. Crisis management which includes receiving from Senior Management periodic information on risk exposures and risk management activities.

2. Develop the Risk Management Policy and ensure that the risk management processes and compliances are embedded throughout the operations of TPB, especially at the Board and Management levels.

3. Provide reports and updates on key risk management issues as well as ad hoc reports and evaluation on investment proposals.

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.

	Note	2021	2020 (As Restated)
Financial assets			
Cash and cash equivalents	*6*	1,210,089,334	1,567,924,602
Other investments	*7*	13,550,918	5,181,871
Receivables – net	*8*	774,478,233	338,493,999
		1,998,118,485	**1,911,600,472**
Financial liabilities			
Financial liabilities	*14*	189,338,616	251,958,737
Inter-agency payables	*15*	24,226,267	37,782,330
Trust liabilities	*16*	34,983,071	33,576,520
		248,547,954	**323,317,587**

5.2 *Credit Risk*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the TPB. The TPB 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 TPB defines counterparties as having similar characteristics if they are related entities.

Also, the TPB manages its credit risk by depositing its cash with Land Bank of the Philippines (LBP), an authorized government depository bank. Further, the TPB ensures timely liquidation of cash advances/accountabilities.

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

a. Credit risk exposure

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

	Note	2021	2020 (As Restated)
Financial assets			
Cash and cash equivalents	*6*	1,210,089,334	1,567,924,602
Other investments	*7*	13,550,918	5,181,871
Receivables*	*8*	774,478,233	338,493,999
		1,998,118,485	**1,911,600,472**

**Receivables at net of allowance for impairment amounting to P27,003,792 and P24,820,170 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 Remedial and Management Committee. The Finance Department and Cash Unit of the Agency are in charge of controlling, monitoring and collecting payments of all its receivables due from employees, foreign offices and clientele. Receivables from employees consist of cash advances for project implementations and travel allowances. Status of outstanding receivables is summarized quarterly in a schedule and is submitted to the COA. Should there be no payments received, the Accounting Division follows up either through phone call or write demand letters for collection until settled. Failure of employees and foreign offices to liquidate and refund the balances, if any, would result in the withholding of salaries and future remittances.

c. Settlement risk

The TPB'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 other assets as contractually agreed.

For certain types of transactions, the TPB mitigates this risk by ensuring that an obligation is settled only when both parties have fulfilled their contractual deliverables.

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 TPB'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 TPB's financial strength and undermine public confidence.

e. Aging analysis

An aging analysis of the TPB's receivables as of the year ended December 31, 2021 is disclosed in Note 8.3.

f. Impairment assessment

The TPB 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 TPB in assessing and measuring impairment include: (1) specific/individual assessment; and (2) collective assessment. Under specific/individual assessment, the TPB 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 TPB 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 TPB might encounter difficulty in meeting obligations from its financial liabilities.

a. Management of liquidity risk

The TPB'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 TPB's reputation.

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

b. Exposure to liquidity risk

The liquidity risk is the adverse situation when the TPB 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 TPB.

The liquidity management policy of the TPB 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 TPB'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 Administrator with the Deputy Administrator, Assistant Administrator and Managers of all departments.

The table below summarizes the maturity profile of the TPB's financial liabilities as at December 31, 2021.

As at December 31, 2021	Within 1 Year	Over 1 – 5 Years	Over 5 Years	Total
Financial liabilities	189,338,616	-	-	189,338,616
Inter-agency payables	24,226,267	-	-	24,226,267
Trust liabilities	34,983,071	877,585,277	-	912,568,348
Other payables	20,955,656	-	-	20,955,656
Total	**269,503,610**	**877,585,277**	**-**	**1,147,088,887**

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 TPB's income, liquidity or the value of its holdings of financial assets. 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 market risk

The management of interest rate risk against interest gap limits is supplemented by monitoring the sensitivity of the TPB'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 TPB'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 TPB's operations and are faced by all business entities.

The TPB's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the TPB'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 Team Auditors. The results of Internal Audit reviews are discussed with Management, with summaries to the Audit Committee and Senior Management.

6. CASH AND CASH EQUIVALENTS

This account consists of the following:

	2021	2020 (As Restated)
Cash in bank	1,209,969,334	1,567,804,602
Cash on hand	120,000	120,000
	1,210,089,334	**1,567,924,602**

The Cash in bank account includes the: (a) Special Account in the General Fund; (b) Special Contingency Fund; (c) Trust Liability Accounts Fund; and (d) Foreign Currency – Savings Dollar Account converted at P50.774 closing rate.

7. INVESTMENTS

This account consists of the following:

	2021			2020 (As Restated)		
	Current	Non-current	Total	Current	Non-current	Total
Available for sale securities	13,550,918	-	13,550,918	5,181,871	-	5,181,871
Investments in stocks	-	123,600	123,600	-	123,600	123,600
	13,550,918	**123,600**	**13,674,518**	**5,181,871**	**123,600**	**5,305,471**

7.1 Available for Sale Securities

This account consists earnings from the TPB Trust Fund with the LBP invested in financial securities at fair value through other comprehensive income.

7.2 Investment in stocks

This account pertains to the investment in securities of service enterprises that represents agency's preferred shares of stocks with Philippine Long Distance Telephone, Inc. as subscriber's investment for telephone lines as required by Presidential Decree No. 217.

7.3 Other Investments

This account represents the portion of the TPB Trust Fund with the LBP, consisting of the investments in financial securities which do not fall under the classification of Financial Assets at Fair Value though Other Comprehensive Income.

8. RECEIVABLES

This account consists of the following:

	2021	2020 (As Restated)
Inter-agency receivables		
Due from national government agencies	624,400,141	284,590,383
Less: Allowance for impairment-Due from national government agencies	(21,373,890)	(23,061,411)
Net Value	603,026,251	261,528,972
Due from local government units	148,638,397	76,752,049
Less: Allowance for impairment-Due from local government units	(428,140)	(1,504,041)
Net Value	148,210,257	75,248,008
Due from government-owned and/or controlled corporations	27,540,030	1,068,280
Less: Allowance for impairment-Due from government-owned and/or controlled corporations	(5,156,589)	(233,652)
Net Value	22,383,441	834,628
Sub-total –Inter-agency receivables, net	**773,619,949**	**337,611,608**
Other receivables		
Due from officers and employees	176,056	176,056
Less: Allowance for impairment-Due from officers and employees	(8,803)	(8,802)
Net Value	167,253	167,254

	2021	2020 (As Restated)
Other receivables	727,401	727,401
Less: Allowance for impairment- other receivables	(36,370)	(12,264)
Net Value	691,031	715,137
Sub-total –Other receivables, net	**858,284**	**882,391**
	774,478,233	**338,493,999**

8.1 Inter-agency receivables

8.1.1 Due from national government agencies (NGAs)

Due from NGAs account consists of fund remittances to local and foreign DOT offices for the implementation of various events or projects. Liquidation period for local and foreign fund transfers is 60 days.

This account also includes receivables from the Department of Foreign Affairs (DFA) and the DOT amounting to P4,200,000 each representing unpaid annual contributions from other government agencies represented in the PCVC-Board of Trustees covering the period 1988 - 2008 at P200,000 per annum as provided for under Section 14.1 of Executive Order No. 120-A dated July 20, 1978.

Receivables from these two agencies were not accrued since 2009. An allowance for bad debts for these were never provided. The Board of Directors approved the writing off of the receivables from the DOT and the DFA but still needs the submission of approved budgets of these two agencies to prove that there were no appropriations provided for the annual contributions, as advised by the COA Resident Auditor. Once the documents required are complied with, the request for write off shall be forwarded to the COA.

8.1.2 Due from local government units (LGUs)

Due from LGUs account represents financial assistance and sponsorship to LGUs.

8.1.3 Due from government-owned and/or controlled corporations (GOCCs)

Due from GOCCs account represents share of the Tourism Infrastructure and Enterprise Zone Authority (TIEZA), formerly the Philippine Tourism Authority in the ASTA World Congress/other miscellaneous receivables. Also included is the fund transfer to Philippine Children's Medical Center for the provision of RT-PCR tests to domestic tourists.

8.2 Other receivables

8.2.1 Due from officers and employees

Due from officers and employees account refers to receivables from employees' disallowances, personal calls, overpayments of salary, and overtime pay.

8.2.2 Other receivables

Other receivables account represents over payment made to various suppliers.

8.3 Aging analysis of receivables as at December 31, 2021

	Not Past Due	Past Due < 30 days	Past Due > 60 days	Total
Inter-agency receivables:				
Due from NGAs	101,667,280	100,519,187	422,213,674	624,400,141
Due from LGUs	24,960,000	18,017,500	105,660,897	148,638,397
Due from GOCCs	20,000,000	1,407,000	6,133,030	27,540,030
Sub - total – Inter-agency receivables	146,627,280	119,943,687	534,007,601	800,578,568
Other receivables:				
Due from officers and employees	-	-	176,056	176,056
Other receivables	-	-	727,401	727,401
Sub- total – Other receivables	-	-	903,457	903,457
	146,627,280	**119,943,687**	**534,911,058**	**801,482,025**
Less: Allowance for impairment	(3,499,233)	(5,401,358)	(18,103,201)	(27,003,792)
Total Receivables, net	**P143,128,047**	**114,542,329**	**516,807,857**	**774,478,233**

9. INVENTORIES

	2021 Inventories carried at lower of cost and net realizable value	2020 (As Restated) Inventories carried at lower of cost and net realizable value
Office supplies inventory		
Carrying amount, January 1	3,454,473	2,168,058
Additions/acquisitions during the year	2,094,088	3,041,558
Expensed during the year except write-down	(3,025,508)	(1,755,143)
Carrying amount, December 31	**2,523,053**	**3,454,473**
Other supplies and material inventory		
Carrying amount, January 1	67,865,914	37,829,871
Additions/acquisitions during the year	93,068	43,125,454
Expensed during the year except write-down	(34,967,257)	(13,089,411)
Other Adjustments	(4,872,396)	-
Carrying amount, December 31	**28,119,329**	**67,865,914**
Semi-expendable inventory		
Carrying amount, January 1	-	-
Additions/acquisitions during the year	440,700	146,307
Expensed during the year except write-down	(440,700)	(146,307)
Carrying amount, December 31	-	**-**
	30,642,382	**71,320,387**

Inventories are measured at cost upon initial recognition and are recognized as an expense when issued for consumption in the ordinary course of operation of the TPB.

10. OTHER CURRENT ASSETS

This account consists of the following:

	2021	2020 (As Restated)
Advances:		
Advances to special disbursing officer	3,038,539	1,276,814
Sub- total – Advances	3,038,539	1,276,814
Prepayments:		
Prepaid rent	-	-
Prepaid insurance	73,957	39,028
Other prepayments	17,086,703	10,173,486
Sub- total – Prepayments	17,160,660	10,212,514
Deposits:		
Guaranty deposits	2,997,392	2,991,853
Sub- total – Deposits	2,997,392	2,991,853
	23,196,591	**14,481,181**

Prepaid insurance pertains to the unexpired portion as at December 31, 2021 of GSIS insurance premiums paid for vehicles.

Other prepayments pertain to the consumable deposit to the Department of Budget and Management (DBM) - Procurement Service relative to the procurement of office supplies and air ticket requirements per Government Fares Agreement with Philippine Airlines and Cebu Pacific.

10.1 Aging of advances to officers and employees as at December 31, 2021

	Not Past Due	Past Due		Total
		< 30 days	> 60 days	
Advances to special disbursing officer	2,298,000	-	740,539	3,038,539
	2,298,000	**-**	**740,539**	**3,038,539**

11. PROPERTY, PLANT AND EQUIPMENT

This account consists of the following:

As at December 31, 2020 (Restated)

	Buildings and other structures	Office equipment	Info. & Com. tech. & equipment	Other machinery & equipment	Furniture & fixtures	Books	Motor vehicles	Total
Carrying amount, January 1, 2020	14,298,278	3,482,176	15,346,377	100,142	1,318,681	6,445	9,288,993	43,841,092
Additions/Acquisitions	50,000	375,353	5,576,537		120,000			6,121,890
Total	14,348,278	3,857,529	20,922,914	100,142	1,438,681	6,445	9,288,993	49,962,982
Disposals	-	(123,739)	(40,800)	-	-	-	-	(164,539)
Depreciation	(457,269)	(1,282,186)	(4,515,519)	(17,672)	(120,449)	-	(1,361,499)	(7,754,594)
Adjustment-	(50,000)	(251,201)	13,159	83,314	(101,793)	-		(306,521)
Carrying amount, December 31, 2020	**13,841,009**	**2,200,403**	**16,379,754**	**165,784**	**1,216,439**	**6,445**	**7,927,494**	**41,737,328**
Gross cost	24,004,753	6,564,412	43,894,757	578,203	1,910,048	64,450	16,895,852	93,912,475
Less: Accumulated depreciation	(10,163,744)	(4,364,009)	(27,515,003)	(412,419)	(693,609)	(58,005)	(8,968,358)	(52,175,147)
Carrying amount, December 31, 2020	**13,841,009**	**2,200,403**	**16,379,754**	**165,784**	**1,216,439**	**6,445**	**7,927,494**	**41,737,328**

As at December 31, 2021

	Buildings and other structures	Office equipment	Info. & Com. tech. & equipment	Other machinery & equipment	Furniture & fixtures	Books	Motor vehicles	Leased Assets Improve ments, Buildings	Total
Carrying amount, January 1, 2021	13,841,009	2,200,403	16,379,754	165,784	1,216,439	6,445	7,927,494	-	41,737,328
Additions/Acquisitions	50,000	505,075	5,362,409	-	-	-	6,659,800	995,000	13,572,284
Total	13,891,009	2,705,478	21,742,163	165,784	1,216,439	6,445	14,587,294	995,000	55,309,612
Disposals	-	(96,039)	(151,691)	(3,285)	-	-	-	-	(251,015)
Depreciation	(461,768)	(705,997)	(5,077,858)	(17,672)	(151,115)	-	(1,511,344)	-	(7,925,754)
Adjustment-	-	-	90	-	-	-	-	-	90
Carrying amount, December 31, 2021	**13,429,241**	**1,903,442**	**16,512,704**	**144,827**	**1,065,324**	**6,445**	**13,075,950**	**995,000**	**47,132,933**
Gross cost	24,054,753	6,495,183	48,074,078	545,350	1,673,042	64,450	23,555,652	995,000	105,457,508
Less: Accumulated depreciation	(10,625,512)	(4,591,741)	(31,561,374)	(400,523)	(607,718)	(58,005)	(10,479,702)	-	(58,324,575)
Carrying amount, December 31, 2021	**13,429,241**	**1,903,442**	**16,512,704**	**144,827**	**1,065,324**	**6,445**	**13,075,950**	**995,000**	**47,132,933**

Out of the total acquisition, P47,200 is unpaid as at December 31, 2021.

12. INTANGIBLE ASSETS

	2021	2020 (As Restated)
Carrying amount, January 1	2,748,275	2,278,275
Additions – acquisition	3,719,383	470,000
Carrying amount, December 31	**6,467,658**	**2,748,275**

The additions in the account pertains to the acquisition of computer software for procurement and human resources.

Intangible assets are recognized and measured initially at cost. Subsequent measurement is at cost less any accumulated amortization and any accumulated impairment loss. Amortization shall start when the asset is available for use, in the location and condition necessary for the asset to be capable of operating in the manner intended by the Management.

13. OTHER NON-CURRENT ASSETS

This account consists of the following:

	2021	2020 (As Restated)
Restricted fund	877,585,277	877,585,277
	877,585,277	**877,585,277**

This account consists of the proceeds from the sale of Hilaga Property received from TIEZA. In compliance with Section 54 of RA No. 9593, *otherwise known as the Tourism Act of 2009*, a Tourism Promotions Trust was established for the said proceeds and thereafter invested with the LBP. Investment earnings from the said Trust Fund shall be available to finance the activities of the TPB.

14. FINANCIAL LIABILITIES

This account consists of the following:

	2021	2020 (As Restated)
Payables	189,220,758	251,673,093
Tax refunds payable	117,858	285,644
	189,338,616	**251,958,737**

14.1 Payables

	2021	2020 (As Restated)
Accounts payable	179,047,852	246,589,354
Due to officers and employees	10,172,906	5,083,739
	189,220,758	**251,673,093**

14.1.1 Accounts payable

The Accounts Payable account represents outstanding unpaid obligations to suppliers and contractors for the implementation of promotional and marketing projects.

14.1.2 Due to officers and employees

The Due to Officers and Employees account represents unpaid salaries and allowances, terminal leave and separation incentive package of the retired employees.

14.2 Tax refunds payable

Tax Refunds Payable refers to over withheld taxes from employees during the year and balance of unclaimed tax refunds of employees who have already separated from service.

14.3 Aging of financial liabilities as at December 31, 2021

	< 30 days	< 90 days	<360 days	> 360 days	Total
Accounts payable	73,241,419	-	-	105,806,433	179,047,852
Due to officers and employees	6,978,153	25,127	11,729	3,157,897	10,172,906
Tax refunds payable	117,858	-	-	-	117,858
	80,337,430	**25,127**	**11,729**	**108,964,330**	**189,338,616**

15. INTER-AGENCY PAYABLES

This account consists of the following:

	2021	2020 (As Restated)
Due to BIR	16,390,270	15,980,528
Due to GSIS	1,868,766	869,420
Due to Pag-IBIG	942,630	946,613
Due to PhilHealth	195,970	115,380
Due to Other NGAs	-	15,041,758
Due to GOCC	4,828,631	4,828,631
	24,226,267	**37,782,330**

Advances received for the implementation of various tourism promotional/marketing projects and advertising campaign program of the TIEZA comprise Due to GOCCs.

16. TRUST LIABILITIES

	2021			2020 (As Restated)		
	Current	Non-current	Total	Current	Non-current	Total
Trust liabilities	146,700	877,585,277	877,731,977	-	877,585,277	877,585,277
Guaranty/security deposits payable	34,836,371	-	34,836,371	33,576,520	-	33,576,520
	34,983,071	**877,585,277**	**912,568,348**	**33,576,520**	**877,585,277**	**911,161,797**

The current portion and non-current portions of the Trust Liabilities consists of the payable to Employees' Provident Fund and the proceeds from the sale of Hilaga Property, respectively.

Guaranty/Security Deposits Payable account represents the receipts from service providers/suppliers to guarantee their performance to be refunded upon full delivery of service and termination/completion of contract.

17. OTHER PAYABLES

	2021	2020 (As Restated)
Undistributed collections	17,055,855	3,997,216
Other payables	3,899,801	3,261,920
	20,955,656	**7,259,136**

The Undistributed Collections account represents direct deposits which source and nature are yet to be determined, whereas Other Payables account consists of collections from bid documents, insular insurance fee and mobile loans deducted from the payroll of regular employees.

18. REVENUES

This line item consists of the following**:**

	2021	2020 (As Restated)
Service income:		
Registration fees	-	1,206,954
Total service income	-	1,206,954
Business income:		
Other business income	1,614,757	244,500
Interest income	8,033,749	5,225,888
Fines and penalties	308,823	15,119
Total business income	9,957,329	5,485,507
	9,957,329	**6,692,461**

The interest income derived from investing activities amounts to P7,515,112 and P3,843,838 for CYs 2021 and 2020, respectively.

19. PERSONNEL SERVICES

This line item consists of:

	2021	2020 (As Restated)
Salaries and wages	64,616,670	54,234,102
Other compensation	33,714,818	33,641,913
Personnel benefit contributions	8,555,944	8,317,935
Other personnel benefits	3,801,186	9,448,794
	110,688,618	**105,642,744**

19.1 Salaries and wages

	2021	2020 (As Restated)
Salaries and wages – regular	64,616,670	54,234,102
	64,616,670	**54,234,102**

19.2 Other compensation

	2021	2020 (As Restated)
Personnel economic relief allowance	2,611,760	2,591,000
Representation allowance	2,055,435	1,980,352
Transportation allowance	2,044,875	1,859,602
Clothing/uniform allowance	642,000	660,000
Productivity incentive allowance	535,500	532,500
Hazard duty pay – civilian	405,500	135,500
Overtime and night pay	976,558	344,417
Cash gift	537,500	531,000
Year-end bonus	6,305,413	4,787,558
Mid-year bonus	4,929,860	4,375,729
Other bonuses and allowances	12,670,417	15,844,255
	33,714,818	**33,641,913**

19.3 Personnel benefit contributions

	2021	2020 (As Restated)
Retirement and life insurance premiums	7,531,422	7,279,316
Pag-IBIG contributions	132,100	139,700
PhilHealth contributions	762,722	759,619
Employees compensation insurance premiums	129,700	139,300
	8,555,944	**8,317,935**

19.4 Other personnel benefits

	2021	2020 (As Restated)
Terminal leave benefits	1,662,549	6,670,791
Other personnel benefits	2,128,637	2,721,003
Incentive and loyalty award	10,000	30,000
Retirement gratuity	-	27,000
	3,801,186	**9,448,794**

19.5 Employees future benefits

The permanent employees of the TPB contribute to the GSIS in accordance with the 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 per cent of the basic salaries of regular government employees. Total contributions to GSIS for CY 2021 amounted to P12,685,469 broken down as follows: employees' share – P5,445,649 and government share – P7,239,820.

20. MAINTENANCE AND OTHER OPERATING EXPENSES

This line item consists of:

	2021	2020 (As Restated)
Traveling expenses	3,859,768	8,692,499
Training and scholarship expenses	4,477,504	6,494,152
Supplies and materials expenses	7,631,392	4,890,951
Utility expenses	2,096,757	1,737,505
Communication expenses	4,712,881	3,224,874
Confidential, intelligence and extraordinary expenses	544,564	532,284
Professional services	26,414,086	26,013,733
Awards, rewards, and prizes	163,500	-
General services	9,866,904	9,349,298
Repairs and maintenance	2,488,218	1,108,161
Taxes, insurance premiums and other fees	3,066,479	2,628,622
Other maintenance and operating expenses	370,563,224	503,313,239
	435,885,277	**567,985,318**

20.1 Traveling expenses

	2021	2020 (As Restated)
Traveling expenses-local	3,005,111	5,727,362
Traveling expenses-foreign	854,657	2,965,137
	3,859,768	**8,692,499**

20.2 Training and scholarship expenses

	2021	2020 (As Restated)
Training expenses	4,477,504	6,494,152
	4,477,504	**6,494,152**

20.3 Supplies and materials expenses

	2021	2020 (As Restated)
Office supplies expenses	3,488,235	1,919,094
Fuel, oil & lubricants expenses	1,217,741	823,679
Semi-expendable office equipment expense	71,570	-
Semi-expendable information and communications technology equipment expenses	16,700	-
Semi-expendable other machinery & equipment expenses	44,464	4,600
Semi-expendable furniture and fixtures	318,089	55,050
Other supplies expense	2,474,593	2,088,528
	7,631,392	**4,890,951**

20.4 Utility expenses

	2021	2020 (As Restated)
Water expenses	101,099	16,928
Electricity expenses	1,995,658	1,720,577
	2,096,757	**1,737,505**

20.5 Communication expenses

	2021	2020 (As Restated)
Telephone expenses	1,879,894	1,667,550
Internet subscription expenses	2,832,987	1,557,324
	4,712,881	**3,224,874**

20.6 Confidential, intelligence and extraordinary expenses

	2021	2020 (As Restated)
Extraordinary and miscellaneous expenses	544,564	532,284
	544,564	**532,284**

20.7 Professional services

	2021	2020 (As Restated)
Legal services	-	3,000,000
Auditing services	3,742,683	1,720,638
Consultancy services	3,608,540	1,879,703
Other professional services	19,062,863	19,413,392
	26,414,086	**26,013,733**

Other professional services pertains to the compensation of job order personnel.

20.8 Awards, Rewards, and Prizes

	2021	2020 (As Restated)
Award/ rewards expenses	120,000	-
Prizes	43,500	-
	163,500	**-**

20.9 General services

	2021	2020 (As Restated)
Security services	3,931,202	3,458,330
Janitorial services	5,935,702	5,890,968
	9,866,904	**9,349,298**

20.10 Repairs and maintenance

	2021	2020 (As Restated)
Repairs and maintenance-buildings and other structures	475,976	202,013
Repairs and maintenance-machinery and equipment	429,989	164,712
Repairs and maintenance-transportation equipment	1,246,843	687,136
Repairs and maintenance-furniture and fixtures	335,410	54,300
	2,488,218	**1,108,161**

20.11 Taxes, insurance premiums and other fees

	2021	2020 (As Restated)
Taxes, duties and licenses	408,138	430,996
Insurance expenses	417,214	1,861,995
Fidelity bond premiums	2,241,127	335,631
	3,066,479	**2,628,622**

20.12 Other maintenance and operating expenses

	2021	2020 (As Restated)
Advertising, promotional and marketing expenses	340,005,294	480,861,156
Printing and publication expenses	76,000	-
Representation expenses	1,110,589	358,696
Transportation and delivery expenses	4,330,803	1,353,935
Rent/lease expenses	8,781,592	10,817,148
Membership dues and contributions to organizations	1,823,046	1,874,944
Postage and courier services	3,108,584	3,897,770
Subscription expenses	5,241,595	3,244,720
Donations	-	2,284
Board of Directors allowance and other benefits	251,000	340,710
Other maintenance and operating expenses	5,834,721	561,876
	370,563,224	**503,313,239**

The Advertising, promotional and marketing expenses pertains to the expenses incurred for the implementation of tourism programs, projects and or events.

21. FINANCIAL EXPENSES

	2021	2020 (As Restated)
Bank charges	373,218	1,073,442
	373,218	**1,073,442**

22. NON-CASH EXPENSES

This account consists of the following:

	2021	2020 (As Restated)
Depreciation-buildings and other structures	461,768	457,269
Depreciation-machinery and equipment	5,801,527	5,815,377
Depreciation-transportation equipment	1,511,344	1,361,499
Depreciation-furniture, fixtures and books	151,115	120,449
Depreciation-other property plant and equipment	-	-
Impairment loss-loans and receivables	4,947,044	15,061,176
	12,872,798	**22,815,770**

23. OTHER NON-OPERATING INCOME

	2021	2020 (As Restated)
Reversal of impairment loss	2,763,422	-
Miscellaneous income	1,903	5,703
	2,765,325	**5,703**

24. GAINS

This line item consists of the following:

	2021	2020 (As Restated)
Gain on foreign exchange (FOREX)	5,046,029	208
Gain on Sale of PPE	17,226	-
	5,063,255	**208**

25. LOSSES

This line item consists of the following:

	2021	2020 (As Restated)
Loss on FOREX	2,074,759	3,937,030
Loss on sale of PPE	137,541	128,189
	2,212,300	**4,065,219**

26. ASSISTANCE/SUBSIDY

	2021	2020 (As Restated)
Subsidy income from Special Account in the General Fund (SAGF)	828,394,574	1,090,198,827
Subsidy income from other national government agencies	-	155,300,059
	828,394,574	**1,245,498,886**

The subsidy income from SAGF consists of subsidy from SAGF – Philippine Amusement and Gaming Corporation (PAGCOR), seaports and airports less reversions. The total subsidy income from SAGF received in the CY 2021 is P1,741,720,000. Out of the total subsidy received in CY 2021, P913,325,426 was reverted to the Bureau of the Treasury.

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

	2021	2020
Surplus for the year	284,148,272	550,614,765
Depreciation	7,925,754	7,754,594
Impairment loss – loans and receivables	4,947,044	15,061,176
Losses	2,212,300	4,065,219
Gains	(5,063,255)	(208)
Return of SAGF funds to National Treasury	(159,481,947)	(389,904,147)
Interest earned categorized as investing activity	(7,515,112)	(3,843,838)
Prior period adjustments	-	178,451,923
(Increase) Decrease in receivables less impairment losses recognized	(440,931,278)	(157,279,542)
(Increase) Decrease in inventories	40,678,005	(31,322,458)
(Increase) Decrease in other assets less adjustment due to disposal	(9,500,737)	(3,744,705)
Increase (Decrease) in financial liabilities less unpaid PPE acquisition and prior year expenses adjusted in 2021	(65,718,288)	(321,072,063)
Increase (Decrease) in inter-agency payables	(13,556,063)	(191,362,743)
Increase (Decrease) in trust liabilities	1,406,551	(101,734)
Increase (Decrease) in other payables	13,696,520	5,174,193
Net cash flows from operating activities	**(346,752,234)**	**(337,509,568)**

28. RELATED PARTY TRANSACTIONS

28.1 Related party transactions

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

28.2 Key management personnel

The key management personnel of the TPB are the COO, the Deputy COOs for Corporate Affairs and Marketing and Promotions, and the executives/managers of all departments. The TPB Board consists of the Chairman, COO as Vice Chairman and the six board members representing TIEZA, DFA, Department of Trade and Industry, Department of Transportation and two from the Private Sectors, all are appointed by the President of the Philippines.

28.3 Key management personnel compensation

The Chairman and the Members of the TPB Board receive per diem for every board meeting attended. The following is the aggregate remuneration for the COO, inclusive of the remuneration pay of officers who are/were permanently appointed and acted as COO throughout CY 2021 and are/were part of the organization's structure/plantilla and on a fulltime basis:

	Aggregate remuneration
Salaries and wages	4,558,920
Other compensation	2,161,730
Total personnel benefits	**6,720,650**

29. UNREALIZED GAIN/(LOSS)

This account represents the unrealized gain on changes in fair market value on the investments managed by LBP.

30. GOVERNMENT EQUITY

This account consists of the P250 million authorized capital which is fully subscribed by the National Government as provided in RA No. 9593 (Tourism Act of 2009).

30.1 Capital management

The primary objective of the TPB's capital management is to ensure that resources of the Agency is geared towards the attainment of its mandate and the implementation of its objectives through the programs to be undertaken for the promotion of the Philippines domestically and internationally.

The total government equity of P250 million is currently deposited with LBP current account.

The TPB sources its funds from the share in the annual remittances of PAGCOR, ports and income of Duty Free Philippines Corporation, as provided in the RA No. 9593. The TPB manages its net assets/equity by establishing controls in disbursements and collection of fees and other sources of revenues. The TPB monitors the status of its projects and regularly reports the utilization and disbursements of its funds.

31. ACCUMULATED SURPLUS

	Amount
Accumulated surplus, January 1, 2020 (As Restated)	1,117,938,729
Adjustments due to prior period errors:	
Unrecorded depreciation expense in CY 2013 - 2017	(118,430)
Over-recorded advertising, promotional and marketing expenses for CYs 2015 - 2019	227,886,074
Unrecorded advertising, promotional and marketing expenses in CYs 2015 - 2019	(45,677,954)
Over-recording of other business income CY 2013 - 2015	(352,994)
Accumulated Surplus, January 1, 2020 (As Restated)	**1,299,675,425**
Surplus/(Deficit) for 2020, as previously stated	615,921,049
Adjustments due to prior period errors:	
Unrecorded interest income	3,843,837
Over-recording of registration fees	(362,032)
Over-recording of salaries and wages	384,326
Over-recording of telephone expenses	5
Under-recording of advertising, promotional and marketing expenses	(69,176,170)

	Amount
Over-recording of depreciation expenses	3,750
Other Adjustment:	
Reversion of Cash – Treasury, special account	(389,904,147)
Accumulated Surplus, December 31, 2020 (As restated)	**1,460,386,043**
Surplus for 2021	284,148,272
Other Adjustment:	
Reversion of Cash – Treasury, special account	(159,481,947)
Accumulated Surplus, December 31, 2021	**1,585,052,368**

The prior year's adjustments represent various unrecorded expenses due to late submission of liquidation reports by the Philippine DOT foreign/local offices. Prior period errors represent all the unaccrued expenses in CY 2020.

32. BUDGET INFORMATION IN FINANCIAL STATEMENTS

The *original budget* reflected in the SCBAA for December 31, 2021 is the proposed Corporate Operating Budget (COB) for the year 2021 submitted to the DBM for review/evaluation, while the *final budget* is the amount as approved by DBM on September 13, 2021. The proposed/original COB is prepared considering: (a) the Agency's various programs, projects and activities in pursuance of its mandate; (b) the projected revenues and other sources of income to finance and support these programs; (c) actual expenses in previous years; and (d) effects of inflation.

During the year, the Agency has received subsidy from the Special Account in the General Fund in the amount of P1,741,720,000.

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

a. Reduction in the level of budget for Personnel Services due to over-provision for Loyalty Award and Token, and the disapproval of allocation for the implementation of the Salary Standardization Law 5.

b. Reduction in the level of budget for Maintenance and Other Operating Expenses due to the excess in the computation considering the activity details provided, authorized rates per General Appropriations Act, audited/actual expenses and inflation.

33. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR)

33.1 Revenue Regulation No. 15-2010

The TPB has been regularly withholding taxes due from salaries and other benefits of its employees as well as on goods and services purchased. The amounts of taxes withheld and remitted to the BIR are as follows:

	Amount withheld	Amount remitted
On compensation	4,994,567	4,994,567
Expanded creditable income tax	4,859,069	4,859,069
VAT from suppliers and contractor/other percentage taxes	85,500	85,500
Total	**9,939,136**	**9,939,136**

As provided in the National Internal Revenue Code of 1997, as amended, and Section 57 of RA No. 9593, the TPB is exempt from payment of corporate income tax.

34. COMPLIANCE WITH GSIS LAW, RA NO. 8291

The TPB has been regularly deducting premiums from its employees and remitting the total amount withheld as well as the government share to the GSIS. The employees' and employer's share remitted to GSIS for CYs 2021 and 2020 were as follows:

	2021	2020
Employees' share	5,445,649	5,146,906
Employer's share	7,239,820	6,886,734
	12,685,469	**12,033,640**