



2024

ANNUAL REPORT

TERRAZAS DE PUNTA FUEGO VILLAGE HOMEOWNERS' ASSOCIATION, INC

Terrazas De Punta Fuego Village, Brgy. Natipuan, Nasugbu Batangas
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Chairman's Message

Dear Fellow Homeowners,

Warm greetings to all.

It is with heartfelt appreciation that I welcome you to this year's Annual General Meeting. This occasion gives us the chance to reflect on the past year's journey, our progress, the hurdles we've overcome, and the shared goals we continue to pursue for our community's future.

The year 2024 brought meaningful developments for Terrazas. From infrastructure improvements to community programs, these milestones are a testament to what we can accomplish together through collaboration and shared purpose.

None of these would have been possible without the continued support and involvement of our homeowners, volunteers, and partners. Your collective spirit is what keeps our village strong, inclusive, and moving forward. As we plan the next steps in our community's growth, we encourage everyone to stay involved, share your insights, and be part of shaping what's ahead.

I thank you sincerely for your trust and continued engagement. Every contribution matters, and it is this spirit of community that makes Terrazas not just a place to live, but a place to belong.

With gratitude,

ANTONIO CABRERA
Chairman



President's Report

Dear Homeowners,

It is with great pride that I share with you this Annual Report, which reflects the many strides we've made as a community in 2024.

Throughout the year, we focused on delivering tangible improvements that address both the immediate and long-term needs of the village. Among our key accomplishments were the installation of CCTV cameras in previously uncovered areas, the completion of the water riser replacement project, and the corrective works on the leaning transformer platform. These infrastructure upgrades have not only improved safety and reliability but have also contributed to operational efficiency, particularly the reduction in system losses in our water supply starting September 2024.

Financially, we maintained a 79% collection efficiency rate, which allowed us to fund essential services and sustain ongoing programs. We remain committed to prudent fiscal management to ensure the Association's continued ability to meet its obligations and invest in community development.

We also saw positive results from our community engagement initiatives. These efforts, big and small, help cultivate a sense of connection among residents, a value we continue to uphold as central to our village identity.

Looking ahead, we are preparing to implement further facility improvements, introduce digital tools to improve homeowner services, and organize more events that promote meaningful interactions among neighbors.

I extend my sincere gratitude to the Board of Directors, the Property Management Office, and especially to all of you, our homeowners, for your continued trust, support, and active involvement. Together, we move forward, stronger, smarter, and more united than ever.

Maraming salamat po.

SUSAN MEILY-SANTOS

President





BOARD OF DIRECTORS' ACCOMPLISHMENT REPORTS

VILLAGE SECURITY

The Board of Directors, through Property Management, remains steadfast in its commitment to maintaining a safe and secure environment for the entire Terrazas de Punta Fuego community. Regular security assessments and proactive safety measures are continuously implemented to ensure that residents feel safe and well-protected within the village.

Security operations were further strengthened through a series of training programs from Ultimate Shield Security Agency, Inc. (USSAI) and the ongoing integration of the village's security monitoring systems. To date, 22 additional CCTV cameras have been installed to cover previously unmonitored areas within the village. In close coordination with USSAI, the village consistently upholds high standards in its security operations.

GUEST POLICY

A Town Hall meeting was held on November 30, 2024, both in-person and via Zoom, moderated by Director Sonny Yang. The sole agenda was the introduction and discussion of the draft Village's Guest Policy, aimed at obtaining comments and suggestions from members. The Village Guest Policy is a critical policy tool for safeguarding the community's assets, enhancing security, and regulating guest access.

Home Owner	Year 2022	Year 2023	Year 2024	%	Monthly Average
A	1264	3,311	6,564	46%	547
B	909	1144	2,272	16%	189
C	1099	1033	1,236	9%	103
D	81	100	1080	8%	90
E	1022	784	560	4%	47
F	702	583	579	4%	48
G	860	743	563	4%	47
H	0	209	529	4%	44
I	201	50	122	1%	10
J	296	204	113	1%	9
Regular Resident	2556	1127	631	4%	53
TOTAL:	8990	9288	14249		

Village Occupancy Report for 2022 to 2024

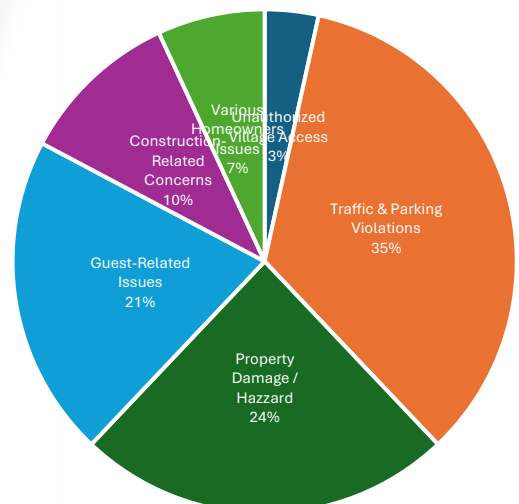
The Town Hall was attended by 20 members in person and 27 members via zoom.

VILLAGE SECURITY INCIDENTS

<u>Incident Type</u>	<u>No. of Reported Incident</u>
Unauthorized Village Access	1
Traffic & Parking Violations	10
Property Damage / Hazard	7
Guest-Related Issues	6
Construction-Related Concerns	3
Various Homeowners Issues	2

Note:

Zero major security breaches, with quick response to minor incidents.



SECURITY INSPECTION

At USSAI, security guards meetings were held every Monday and Friday to examine security issues, covering guest management, homeowner concerns, special instructions, and PMO-endorsed items. Security posts must remain clean, organized, and inspection-ready. Security Guards were regularly reminded to verify guests, enforce all policies, and consistently deliver excellent customer service.



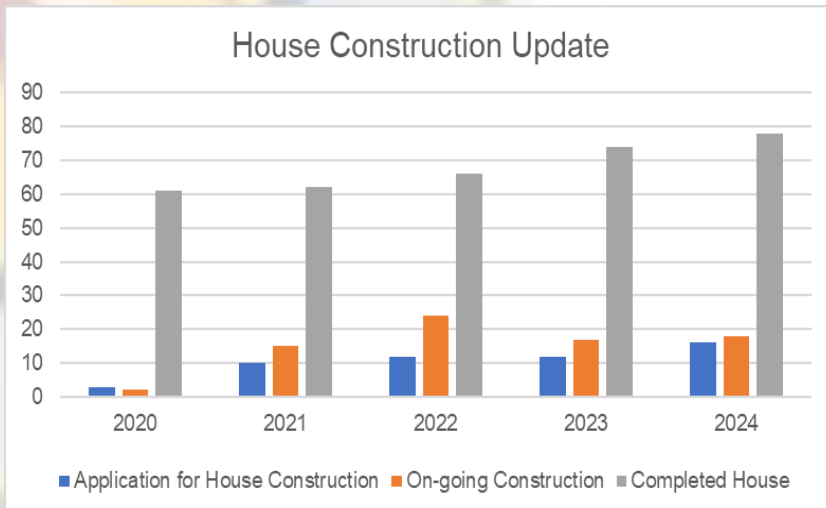
VILLAGE DEVELOPMENT

By the end of 2024, the village had a total of 78 built houses and 18 ongoing constructions.

The PMO conducted regular inspections of construction sites to monitor compliance with approved plans and construction guidelines of Terrazas de Punta Fuego.

More houses are expected to be built in the coming two years as the Architectural Design and Construction Committee has approved 10 house plans while 6 plans are under review by the PMO as of December 2024.

Total occupancy rate was 16.6% at end of 2024.



CONSTRUCTION OF THE RESIDENCES

On February 13, 2024, Landco Pacific Corporation began construction of their condominium project, “The Residences At Terrazas”, at the Cacam Area. Construction is expected to take about 4 years.

The TPFVHAI Board and Landco signed a Memorandum of Agreement dated September 2023 to set the terms and conditions relative to the development and mutually agreed on a number of measures on top of the Village’s construction guidelines.



REGULAR COORDINATION MEETING WITH CONTRACTORS

The PMO Engineering Team, along with USSAI Detachment senior officers, held monthly coordination meetings with the contractors to discuss and reiterate the implementation of the Terrazas de Punta Fuego construction guidelines and Deed of Restrictions.



MANAGEMENT OF VILLAGE INFRASTRUCTURE AND FACILITIES



Three sets of leaning electrical poles were corrected to prevent hazards to the community and minimize power service interruptions. Another line-up of poles is set to be rectified soon.



August 2024 – Water utility meter of PrimeWater (Nawad) relocated away from customer piping junction to achieve meter movement accuracy. These activity significantly lowered water billing losses.

Continuation of riser replacement from galvanized iron pipes to polypropylene random pipes (PPR) thus reducing incidents of water leaks. Project is on-going.



Improvement on front gate entrance. Repainting, installation of additional signages and solar lamps. Village landscape beautification is on a continuous process.

One unit of 100kVa transformer in Phase 2 was replaced. Testing of dormant transformers are for scheduling.



Fabrication of concrete precast fence. Mass production by our in-house maintenance personnel is on-going. Damaged old fences are gradually being replaced to ensure village privacy and security.



Repair of damaged riprap at parking area by in-house maintenance.

Damages brought by previous typhoons are constantly repaired and restored to original appearances.

Improvements of Amphitheater and surrounding area. Continuous maintenance is undertaken to entice residents for nature walks.



Cutting and trimming of tree branches that pose power interruptions. This is now being done regularly to minimize power outages caused by sagging branches during heavy rains and windy conditions.

Landscape beautification and maintenance. Two additional grasscutters acquired to improve grounds and maintenance efficiency.



POWER, WATER AND WASTE MANAGEMENT

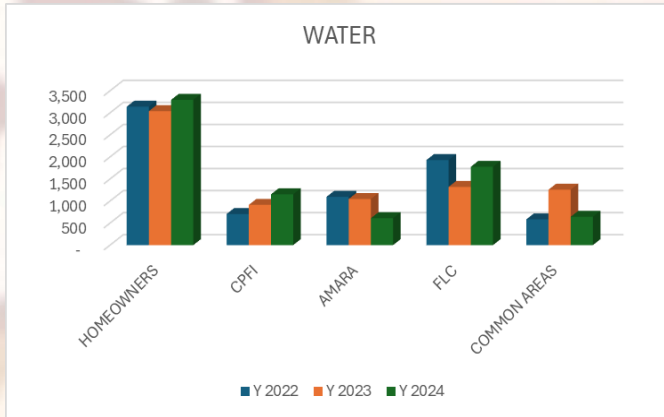
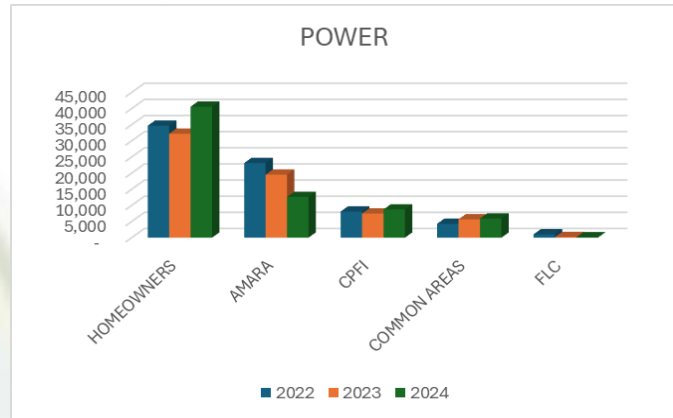
POWER

Power is currently distributed through two main lines, Feeder 1 and Feeder 3.

In 2024, the average system losses recorded were 14% compared to 13% of 2023.

To reduce these inefficiencies, the following measures were carried out by the PMO: corrected leaning transformer structures within the village; replaced the transformer that was damaged by lightning; and cleared vegetation from cables. In addition, the Engineering team of the PMO regularly monitored loads on transformers to anticipate potential issues.

TPFVHAI Village continued to face problems of unreliable or frequent voltage fluctuations in Batelec-1 supplied power.



WATER

Utility water supply is delivered by Primewater via daily replenishment schedule to the 3-chamber reservoir holding a total capacity of 1200 cu.m. This supplies 5 groups of consumers – Homeowners, CPFI, Amara, Peak and Ridge, and Common Areas.

During the first half of 2024, the village experienced a spike in water system losses due to inaccurate and excessive readings from the Primewater flowmeter. This issue

was addressed in the third quarter after the faulty meter valve was corrected and relocated. The faulty readings explain increase average water system loss in 2024, 42% from 31% in 2023.

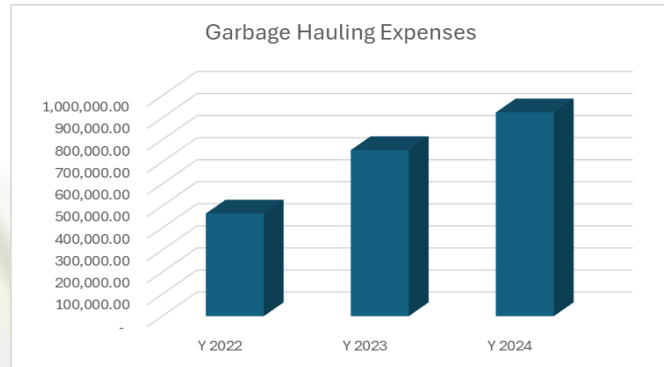
To further reduce water system losses, several measures were undertaken by the PMO Engineering Team: replacement of water pipes, regular inspection of areas to identify water leaks, guidance to grounds and maintenance team to prevent accidental damage to water pipes

Water potability testing was also done every month. As part of regular maintenance, each chamber of the water reservoir was flushed and cleaned every quarter.

SEWAGE TREATMENT AND SOLID WASTE MANAGEMENT

The village Sewage Treatment Plant (STP) was fully operational throughout the year, with routine maintenance activities regularly conducted to ensure standard performance. All required reports and submissions to the DENR have been completed and submitted.

In 2023, the village began implementing a new set of guidelines for the segregation and collection of solid waste to comply with the Ecological Solid Waste Management (RA 9003). In July 2024, the PMO started measuring the volume of solid garbage collected from each house to determine trends in solid waste production. Data showed that a few houses were the biggest producers of solid waste, while the whole village shouldered rising garbage hauling expenses.



RESPONSE TO DAMAGE CAUSED BY TYPHOON KRISTINE

Typhoon Kristine caused significant damage to the infrastructure and environment of Terrazas De Punta Fuego. Many trees were uprooted, fallen trees and tree branches blocked roads, gardens were destroyed. Landslide above a portion of the Snake Road blocked access to the Club for several days. PMO staff kept vigil during the typhoon to address power and water issues, and to conduct welfare checks on residents and provide assistance if necessary. Post-typhoon immediate response consisted of rapid deployment of maintenance staff and recruitment of temporary workers to clear roads and restore electricity and water services. Sandbags were placed at the Snake Road as a temporary protective measure, pending expert assessment of the landslide and long-term soil protection measures where required.

COMMUNITY DEVELOPMENT

The Community Development Committee (ComDev) is dedicated to improving the lives of residents from two (2) barangays under its wing – Utod and Natipuan, as well as building fellowship and community spirit among Terrazas association members through its events.



MILK & VITAMINS FEEDING PROGRAM

This program focuses on developing and enhancing learner's performance through proper nutrition. August 14, 2024 in Brgy. Utod, barangay health workers' (BHW) assessment revealed thirty (30) children were severely underweight. During this program, each child received a glass of milk and vitamins every morning.

MEDICAL MISSION

On October 12, 2024, ComDev, in collaboration with the Nasugbu Municipal Rural Health Unit and the University of Philippines' MU SIGMA PHI Medical Fraternity, provided free medical services to residents of Brgy. Utod.

Twenty-five (25) volunteer medical interns and doctors from UP Manila participated. A total of 131 patients received free medical check-ups and diagnosis, as well as free medicines and vitamins.

ACTUAL PATIENTS ASSIST	
PEDIA	57
ADULT	47
SENIOR	13
OB	0
DENTAL	0
CYST	0
OPHTHA	2
TULI	12
	131



SCHOLARSHIP UPDATE

ComDev's flagship program in Barangay Utod and Natipuan started in 2009 with five (5) scholars. It has grown to today's sixty-two (62).

Twenty-three (23) scholars are currently enrolled in elementary, while thirty-nine (39) are in high school. Many of our graduating scholars this school year 2024 – 2025 have achieved outstanding academic performance, with several receiving recognition for graduating with high honors.

Terrazas scholars enjoy free tuition fee, monthly allowance and free school supplies. The table below shows the breakdown of the number of students per level.

Barangay Natipuan



Barangay Utod



Summary of Scholars			
SY 2024 - 2025			
	Natipuan	Utod	Total
Grade 1	2	0	2
Grade 2	2	2	4
Grade 3	4	1	5
Grade 4	3	4	7
Grade 5	1	2	3
Grade 6	1	1	2
Junior HS	8	12	20
Senios HS	9	10	19
	30	32	62

TERRAZAS BEACH CLEAN-UP

On September 21, 2024, Terrazas held its beach clean-up where residents, caretakers, our PMO, village security and maintenance teams participated.

We thank our neighbors from properties along the same cove – Landco (Pioneer Partner), Alveo Land Corp (sponsor), Club Punta Fuego (sponsor), Shade Beach Resort (sponsor), and Cebuana Lhuillier who all sent representatives.



TYPHOON KRISTINE RELIEF OPERATION

Severe typhoon “Kristine,” wreaked havoc in Batangas Province on October 24, 2024. Nasugbu was hard hit. ComDev immediately launched a Calamity Fund and raised P290,000.

Terrazas’ manpower team of forty-nine (49) received cash assistance and food packs. Six hundred fifty (650) families in Barangay Utod, Natipuan and at evacuation centers in Poblacion received medicines and food packs.

Kristine Calamity Fund Statistics			
	Total no. of families helped	qty	
No. of Relief Goods Released 650 packs (consisted of the following:)			
> rice	650	4	kls
> canned goods	650	4	pcs
> noodles	650	5	pcs
> paracetamol	650	12	pcs

	Total Recipients of Emergency Cash Aid, Terrazas Manpower Resource	amount	total
Total Cash Released to Terrazas Manpower Resource	47	1000	47,000.00

CHRISTMAS MERIENDA AT UTOD ELEMENTARY SCHOOL

The first Christmas Merienda Event for kids aged 7 and below at Utod Elementary School on December 19, 2024, was a wonderful success.

A total of 116 students were treated to a festive celebration where they enjoyed McDonald's food packs, loot bags, and delicious ice cream. The smiles and excitement on the children's faces made the event truly unforgettable.

Teachers and guests were also part of the joyful gathering.



TERRAZAS SUNSET COCKTAILS AND CHAIRMAN'S NIGHT

Terrazas' Sunset Cocktails is one of Terrazas' key social events aimed at welcoming new Terrazas home and lot owners. It is a rare networking opportunity for association members.

On November 30, 2024, the 3rd edition of Terrazas' Sunset Cocktails was held at the Terrazas Beach Club where twenty-six (26) attendees enjoyed complimentary wine, cocktails and appetizers.



NEW YEAR'S COUNTDOWN

A total of 120 attendees joined Terrazas' New Year's Countdown. The celebration was marked by a bonfire set-up, flowing cocktails, great food, a live band performance and an impressive fireworks display.

Our New Year's Countdown Sponsors: Fuego Land Corporation, Converge, Motiontrade Development Corporation and Dee Concrete Incorporated.

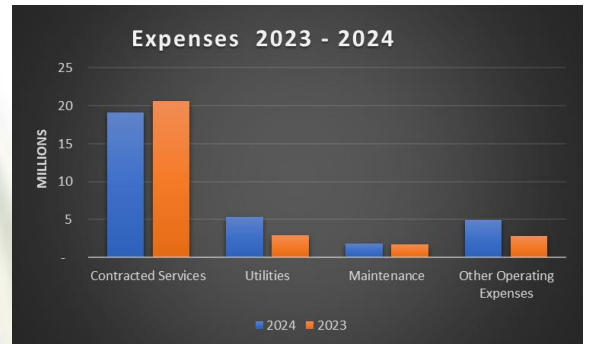
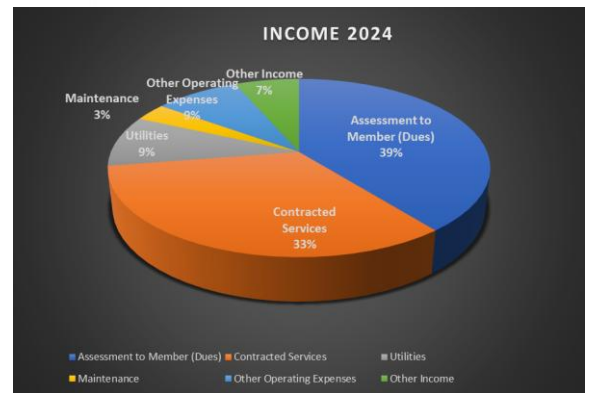




FINANCIAL MANAGEMENT HIGHLIGHTS & REVIEWS FOR 2024

HIGHLIGHTS & REVIEWS

- Effective June 1, 2024, the association dues increased from ₱5.50/sqm to ₱8.00/sqm, resulting in a 27% rise in total collections, from ₱17.8 million in 2023 to ₱22.6 million in 2024.
- Operational expenses—which include contracted services, utilities, salaries and wages, maintenance, and other costs—increased by 11%, from ₱28.1 million in 2023 to ₱31.2 million in 2024.
- Contracted services, which cover general services, landscape maintenance, security, and property management, decreased by 7%. This reduction was due to fewer security guards starting July 2023 and lower property management costs. However, the mandatory wage increase, effective September 2024, contributed to overall expenses. Additional wage increases were also granted to administrative staff, multi-skilled technicians, and loyalty awardees.
- Utilities expenses rose by 81% in 2024 due to an excessive and inaccurate read-out from the Primewater flowmeter starting March 2024, which was only resolved in August 2024. The HOA covered the high system losses incurred during these months. The issue was resolved by relocating the check valve and water meter, leading to accurate readings.
- Repairs and maintenance expenses, including depreciation of assets, increased from P 1.29M in 2023 to P 1.49M in 2024, primarily due to the depreciation of non-current assets, particularly the staff house.
- Other operating expenses saw a 63% increase from 2023 to 2024. This was driven by:
 - The inclusion of annual real property taxes for common areas, including road lots, in the HOA's expenses.
 - The full amount of P 1.3M foreshore lease being shouldered by the HOA in 2024, whereas in 2023, this was partially covered by contributions from The Peak and Ridge (covering 2019-2023). In 2024, Peak/Ridge contributed P 600K.



	2024	2023	Variance
Assessment to Member (Dues)	22,610,517	17,859,907	4,750,610
Expenses			
Contracted Services	19,100,746	20,619,795	(1,519,050)
Utilities	5,337,781	2,953,370	2,384,411
Maintenance	1,849,721	1,737,622	112,099
Other Operating Expenses	4,916,420	2,795,287	2,121,133
Total Expenses	31,204,668	28,106,075	3,098,593
Deficiency of Assessment over common expenses	(8,594,151)	(10,246,168)	1,652,017
Other Income	3,723,202	4,717,850	(994,648)
Total Deficit for the Year	(4,870,949)	(5,528,318)	657,369

- Other income from construction assessments, penalties, vehicle passes, IDs, interest income, and access fees amounted to P 3.7M in 2024, compared to P 4.7M in 2023. Additionally, Club Guest access fees of P 100 per guest generated P 218K in revenue.
- Overall, the 2024 operations resulted in a net revenue deficit of P 4.8M, compared to P 5.5M in 2023, reflecting a 12% reduction in the deficit from the previous year.

FINANCIAL POSITION

- Total assets increased by 3%, amounting to ₱49M compared to the previous year's ₱47.6M.
- Cash in bank posted a balance of ₱12.6M, up from ₱6.1M in 2023. The increase is attributed to the early launch of the association dues promo for 2025. Money placements remained steady at ₱13.8M for both 2023 and 2024.
- Receivables totaled ₱15.4M, compared to ₱21.2M in 2023. The reduction is primarily due to the successful collection in 2024 of receivables from the foreshore lease launched in October 2023 for homeowners and Peak and Ridge.
- Other current assets amounted to ₱895 thousand in 2024, compared to ₱187 thousand in 2023. The increase is due to the prepayment of real property taxes for the year 2025.
- Property and equipment, net of depreciation, stood at ₱5.4M in 2024, compared to ₱5.37M in 2023. Additions include retention for the staff house accommodation and the purchase of a leaf blower, ladder, mechanical gate valve, chainsaw, and grasscutters for landscaping and operations. We also replaced the PMO Admin Office's air conditioning unit, office chairs, and tables, and purchased one laptop for the engineering team.
- Other non-current assets, mainly refundable deposits, totaled ₱688 thousand, unchanged from 2023.
- Accounts payable decreased to ₱7.1M from ₱9.2M in 2023. The reduction was due to the timely payment of billings to suppliers and contractors. These remaining payables are expected to be settled in the first quarter of 2025.
- Advance payments of association dues rose significantly to ₱13.6M from ₱3.1M in 2023, following the launch of the one-month discount promo from November 2024 through December 31, 2024.
- Refundable bond deposits increased to ₱21.1M from ₱20.1M in 2023, reflecting a 5% growth due to additional houses being constructed in the village. We collected ₱4.3M in bonds and refunded approximately ₱3.3M to members.
- Reserved funds (for road rehabilitation, development, and maintenance) decreased by ₱3.2M as the funds were used for perimeter fence construction, the water riser project, and the repair of leaning transformers. Toll fees collected from road users and ongoing private construction projects in 2024 totaled ₱8.1M, which are expected to be billed and collected during the first quarter of 2025.
- The overall 2024 results reflect a decrease in the Fund Balance, from ₱-2.1M in 2023 to ₱-7.05M in 2024, due to a ₱4.8M deficiency of revenues over expenses.



FINANCIAL STATEMENTS

December 31, 2024, and 2023 &
The Independent Auditor's Report

Independent Auditor's Report

To the Board of Trustees and Members of
**TERRAZAS DE PUNTA FUEGO VILLAGE
HOMEOWNERS' ASSOCIATION, INC.**
(A Nonstock, Nonprofit Corporation)
Terrazas De Punta Fuego Village,
Barangay Natipuan, Nasugbu, Batangas.

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of **Terrazas De Punta Fuego Village Homeowners' Association, Inc.** (the "Association"), which comprise the statements of assets, liabilities and fund balance as at December 31, 2024 and 2023, and the statements of activities, statements of changes in fund balance and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial assets, liabilities and fund balance of the Association as at December 31, 2024 and 2023, and its financial activities and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standard for Small Entities (PFRS for SEs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audits of the Financial Statements* section of our report. We are independent of the Association in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits 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.

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 PFRS for SEs, 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.

Global Reach, Global Quality

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Cebu Office : Unit 504 Cebu Holdings Building, Cebu Business Park, Mabolo, Cebu City 6000 Philippines • Phone: +63(32) 415 8108 - 10 / Fax: +63(32) 232 8025
Davao Office : 3rd Floor Building B Plaza De Luisa, Ramon Magsaysay Avenue, Davao City 8000 Philippines • Phone/Fax: +63(82) 222 6636
Palawan Office : 2F MRC Building, Pineda Road, Brgy. San Pedro, Puerto Princesa City, Palawan 5300 Philippines • Phone: +63(48) 716 1580
Website : www.dmdcpa.com.ph

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

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

Auditors' Responsibilities for the Audits 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audits. 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Association 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 significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Report on Supplementary Information required by the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 15 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of **Terrazas De Punta Fuego Village Homeowners' Association, Inc.** The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

DIAZ MURILLO DALUPAN AND COMPANY

Tax Identification No. 003-294-822

BOA/PRC No. 0234, effective until June 23, 2026

SEC Accreditation No. 0234-SEC, Group A, issued on March 17, 2022 and

valid in the audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001911-000-2025, effective until March 11, 2028

By:



Elrie S. Arañas

Partner

CPA Certificate to. 0101773

SEC Accreditation No. 101773-SEC, Group A, issued on June 29, 2021 and

valid in the audit of 2020 to 2024 financial statements of SEC covered institutions

Tax identification No. 207-051-549

BIR Accreditation to. 08-001911-005-2025, effective until March 19, 2028

PTR No. 10478581, January 9, 2025, Makati City

April 4, 2025

TERRAZAS DE PUNTA FUEGO HOMEOWNERS' ASSOCIATION, INC.*(A Nonstock, Nonprofit Corporation)***Statements of Assets, Liabilities and Fund Balance**

	As at December 31	
	2024	2023
ASSETS		
Current assets		
Cash - note 3	P12,682,567	P6,192,462
Dues and other receivables - note 4	15,516,435	21,336,820
Prepayments and other current assets - note 5	845,373	187,337
	29,044,375	27,716,619
Noncurrent assets		
Long-term investments - note 6	13,877,000	13,877,000
Property and equipment (net) - note 7	5,424,725	5,378,848
Other noncurrent assets	688,382	688,382
	19,990,107	19,944,230
TOTAL ASSETS	P49,034,482	P47,660,849
LIABILITIES AND FUND BALANCE		
Current liabilities		
Trade and other payables - note 8	22,993,394	14,513,083
Construction bond and other deposits - note 9	21,193,373	20,172,970
	44,186,767	34,686,053
Noncurrent liability		
Reserve funds - note 10	11,906,515	15,162,645
	56,093,282	49,848,698
Fund balance	(7,058,800)	(2,187,849)
TOTAL LIABILITIES AND FUND BALANCE	P49,034,482	P47,660,849

(The accompanying notes are an integral part of these financial statements.)

TERRAZAS DE PUNTA FUEGO HOMEOWNERS' ASSOCIATION, INC.*(A Nonstock, Nonprofit Corporation)*

Statements of Activities

	For the Years Ended December 31	
	2024	2023
ASSESSMENTS TO MEMBERS - note 11	P22,610,517	P17,859,907
LESS: COMMON EXPENSES		
Contracted services - note 13	16,152,149	17,356,424
Utilities	5,357,781	2,953,370
Management fee	2,948,596	3,263,371
Foreshore lease - note 14	1,385,606	64,532
Homeowners activities	946,562	956,466
Depreciation - note 7	840,965	341,074
Taxes and licenses	836,189	36,641
Repairs and maintenance	650,377	956,866
Professional fees	487,435	606,821
Transportation and travel	471,676	566,096
Salaries and wages	365,140	356,888
Insurance	320,019	297,496
Communication	112,399	73,014
Miscellaneous	349,776	277,016
	31,204,670	28,106,075
DEFICIENCY OF ASSESSMENTS	(8,594,153)	(10,246,168)
OVER COMMON EXPENSES		
OTHER INCOME - note 12	3,723,202	4,717,850
TOTAL DEFICIT FOR THE YEAR	(P4,870,951)	(P5,528,318)

(The accompanying notes are an integral part of these financial statements)

TERRAZAS DE PUNTA FUEGO HOMEOWNERS' ASSOCIATION, INC.

(A Nonstock, Nonprofit Corporation)

Statements of Changes in Fund Balance

	For the Years Ended December 31	
	2024	2023
FUND BALANCE		
Balance at beginning of year	(P2,187,849)	P3,340,469
Deficit for the year	(4,870,951)	(5,528,318)
Balance at end of year	(P7,058,800)	(P2,187,549)

(The accompanying notes are an integral part of these financial statements)

TERRAZAS DE PUNTA FUEGO HOMEOWNERS' ASSOCIATION, INC.*(A Nonstock, Nonprofit Corporation)***Statements of Cash Flows**

	For the Years Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit for the year	(P4,870,951)	(P5,528,318)
Adjustments for:		
Depreciation - note 7	840,965	341,074
Reversal of allowance for doubtful accounts - notes 4 and 12	(276,819)	(2,644,605)
Interest income - notes 3 and 12	(448,201)	(673,145)
Deficiency of funds generated over other charges before working capital changes	(4,755,006)	(8,504,994)
Decrease (increase) in:		
Dues and other receivables	6,097,204	(6,531,391)
Prepayments and other current assets	(658,036)	112,147
Increase in:		
Trade and other payables	8,480,311	5,561,295
Construction bond and other deposits	1,020,403	1,546,112
Net cash generated from (used in) operations	10,184,876	(7,816,831)
Interest received	448,201	673,145
Net cash provided by (used in) operations	10,633,077	(7,143,686)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment - note 7	(886,842)	3,318,430
Proceeds from long-term investments - note 6	-	5,500,000
Net cash (used in) provided by investing activities	(886,842)	8,818,430
CASH FLOW FROM FINANCING ACTIVITY		
Utilization of reserve funds	(3,256,130)	(4,533,284)
NET INCREASE (DECREASE) IN CASH	6,490,105	(2,858,540)
CASH - note 3		
At beginning of the year	6,192,462	9,051,002
At end of the year	P12,682,567	P6,192,462

(The accompanying notes are an integral part of these financial statements)

TERRAZAS DE PUNTA FUEGO VILLAGE HOMEOWNERS' ASSOCIATION, INC.

(A Nonstock, Nonprofit Organization)

Notes to Financial Statements

As at and for the years ended December 31, 2024 and 2023

1. CORPORATE INFORMATION

Terrazas De Punta Fuego Village Homeowners' Association, Inc. (the "Association") was organized and registered with the Housing and Land Use Regulatory Board on May 25, 2005. The Association was organized primarily to promote and advance the best interest and general welfare of the residents, lot owners, lessees, tenants and occupants of Terrazas de Punta Fuego Residential Project (the Project) by adopting and enforcing rules and regulations regarding the use, enjoyment, and occupancy of all properties in the Project.

The registered office address of the Association is at Terrazas De Punta Fuego Village, Barangay Natipuan, Nasugbu, Batangas.

As of September 26, 2014, the Association has filed with Bureau of Internal Revenue (BIR) its application for an exemption from the payment of income tax being a nonstock and nonprofit organization. Under Section 30(c) of the National Internal Revenue Code of 1997, the Association qualifies as a nonstock and nonprofit entity on the ground that its income is solely devoted for its purpose and in no part, be distributed as dividends to its members or trustees or officers.

On May 7, 2019, the application of the Association was approved by the BIR. The Association is exempt from income tax, value-added tax or percentage tax, whichever is applicable, only on its income derived from association dues, membership fees, other assessments and charges collected on a purely reimbursement basis and rentals of facilities or properties in the name of the Association provided that such income and dues shall be used for the cleanliness, safety, security and other basic services needed by the members, including maintenance of the facilities of the vil lage.

Authorization to issue the financial statements

The financial statements of the Association as at and for the year ended December 31, 2024, including its comparatives as at and for the year ended December 31, 2023, were approved and authorized for issue by the Board of Trustees (BOT) on April 3, 2025.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set forth to facilitate the understanding of data presented in the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance and basis of preparation

The financial statements of the Association have been prepared in accordance with the Philippine Financial Reporting Standard for Small Entities (PFRS for SEs) approved by Financial Reporting Standards Council (FRSC), Board of Accountancy (BoA) and SEC. The principal accounting policies applied in the preparation of these financial statements are disclosed in this note.

The financial statements have been prepared using the measurement bases specified by the PFRS for SEs for each type of asset, liability, income and expense. These financial statements have been prepared on the historical cost convention, except otherwise stated, and are drawn up in accordance with the provisions of the PFRS for SEs.

All amounts are rounded to the nearest peso, except when otherwise indicated.

Functional and presentation currency

Items included in the financial statements of the Association are measured using the functional currency. Functional currency is the currency of the primary economic environment in which the Association operates. The financial statements are presented in Philippine peso (P), the Association's functional and presentation currency.

Cash

Cash includes cash on hand and in banks. Cash in banks earn interest at the respective bank deposit rates.

Financial instruments

Initial recognition

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. The Association recognizes financial instruments when the entity becomes a party to the instrument's contractual provisions. The Association classifies its financial instruments into the following categories: (a) basic financial instruments; and (b) other financial instruments.

Dues and other receivables, long-term investments and trade and other payables are the Association's basic financial instruments.

Initial measurement

When a financial asset or financial liability is recognized initially, the Association shall measure it at the transaction price (including transaction costs) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the Association shall measure the financial asset or financial liability at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Subsequent measurement

At the end of each reporting period, the Association shall measure financial instruments as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

- a. Debt instruments shall be measured at amortized cost using the effective interest method. Cash and debt instruments that are classified as current assets or current liabilities shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received (i.e., net of impairment) unless the arrangement constitutes, in effect, a financing transaction.

- b. Investments in shares shall be carried at cost less impairment, unless the investment in shares are traded in an active market, which shall be measured at the lower of cost or fair value with changes in fair value recognized in profit or loss.

Fair value measurement

The fair value of an asset is the amount for which the asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. The Association shall use the following hierarchy to estimate the fair value of an asset:

- a. the best evidence of fair value is a price in a binding sale agreement in an arm's length transaction or a quoted price for an identical asset in an active market (the latter is usually the current bid price).
- b. if there is no binding sale agreement or active market for an asset, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the Association can demonstrate that the last transaction price is not a good estimate of fair value (for example, because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.
- c. if there is no binding sale agreement or active market for an asset and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using another valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset or liability (or a group of financial assets or liabilities) and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash collections or payments throughout the expected term of the financial instrument, or when appropriate, a shorter period. The effective interest rate is determined on the basis of the carrying amount of the financial instrument at initial recognition.

The Association's long-term debt instruments that are not publicly traded are measured at amortized cost less any impairment. The amortized cost of a financial instrument at the end of each reporting period is computed as the net of the amount at which the financial instrument is measured at initial recognition, minus any repayments of the principal, plus or minus the cumulative amortization using the effective interest method of any difference between the amount at initial recognition and the maturity amount minus, in the case of a financial asset, any reduction (directly or through the use of an allowance account) for impairment.

Impairment of financial assets

The Association assesses, at each reporting date, whether there is any objective evidence that a financial asset or 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. Objective evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Derecognition

The Association shall derecognize a financial asset when: (a) the contractual rights to the cash flows from the financial asset expire or are settled; or (b) the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset.

The Association shall derecognize a financial liability (or a part of a financial liability) only when it is extinguished, i.e., when the obligation specified in the contract is discharged, is cancelled or has expired.

Prepayments and other current assets

Prepayments and other current assets include expenditures already paid but not yet incurred and from which future economic benefits are expected to flow to the Association within the normal operating cycle. These are measured at cost less allowance for impairment losses, if any.

Prepayments and other current assets represent assets of the Association which are expected to be realized or consumed within one (1) year or within the Association's normal operating cycle whichever is longer and is measured at cost.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation. The initial cost of property and equipment consists of its purchase price, and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance costs, are normally charged to changes in fund balance in the period in which costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of property and equipment.

Depreciation commences once the property and equipment become available for use.

Depreciation is computed using the straight-line method over the estimated useful lives of the property and equipment, as follows:

	In Years
Furniture and fixtures	5
Tools and office equipment	5
Infrastructure and improvements	5
Transportation equipment	5-8

The Association determines depreciation charges for each significant part of an item of property and equipment.

The property and equipment's estimated useful lives and depreciation method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from the items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use any resulting gain or loss (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statement of changes in fund balance.

Impairment of property and equipment

At each reporting date, property and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in the statement of changes in fund balance.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation are credited or charged to operations.

Other noncurrent assets

Other noncurrent assets consist of deposits made from utilities provider of the Association and is refundable after end of service term.

Construction bond and other deposits

Construction bond and other deposits arise from contractual agreements. These are monetary deposits imposed on the locators or general contractors to serve as guarantee for cost of repairs to damaged common areas of the village.

Reserve funds

Reserve funds consist of road rehabilitation and development and maintenance which is created from the toll fees that are collected from the members and the users of roads and infrastructure.

Fund balance

The Association's fund balance represents the cumulative balance of the excess (deficiency) of funds generated over other charges.

Revenue and cost recognition

Revenue is recognized to the extent that it is probable that the economic benefits associated with the transaction will flow to the Association and the revenue can be measured reliably. Revenue is measured at fair value of consideration received. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and sales taxes.

The following specific recognition criteria must also be met before revenue is recognized:

Association dues are revenue received by the Association from its member for the Association's service, assistance and development, management operation and maintenance of Terrazas De Punta Fuego Village in accordance with the rules and regulation of the Association and government agencies. Revenue is recognized to the extent that is probable that the economic benefits will flow to the Association and the revenue can be reliably measured.

Other receipts are recognized when it is certain that the economic benefits will flow to the Association, generally as of the effective date service is rendered.

Common expenses

This account pertains to expenses incurred by the Association in relation to its operations. Common expenses are recognized when incurred.

Events after reporting date

Events after reporting date that provide additional information about the Association's financial position at reporting date (adjusting events), are reflected in the financial statements. Events after reporting date that are not adjusting events are disclosed in the notes to financial statements when material.

3. **CASH**

This account as at December 31 consists of:

	2024	2023
Cash on hand	P50,000	P50,000
Cash in bank	12,632,567	6,142,462
	P12,682,567	P6,192,462

Cash in banks earns interest at the respective bank deposit rates. Interest income earned in cash in banks amounted to P3,594 and P5,287 in 2024 and 2023, respectively, and are presented as part of other income in the statements of activities.

4. **DUES AND OTHER RECEIVABLES**

This account as at December 31 consists of:

	2024	2023
Association dues	P15,758,443	P12,963,957
Less: allowance for doubtful accounts	(5,597,479)	(5,874,298)
	10,160,964	7,089,659
Electric and water bill	3,067,811	3,845,781
Toll fees	1,261,000	3,688,950
Interest receivable	49,952	133,545
Others	976,708	6,578,885
	P15,516,435	P21,336,820

The association dues and receivables pertaining to utilities are the amount that are uncollected from the homeowners and are normally due within thirty (30) days.

Movements in allowance for doubtful accounts are as follows:

	2024	2023
Beginning balance	P5,874,298	P8,518,903
Reversal — note 12	(276,819)	(2,644,605)
Ending balance	P5,597,479	P5,874,298

Electric and water bills pertain to utilities that are consumed by the homeowners and paid in advance by the Association.

Toll fees pertain to the billings for the use of roads and infrastructure that have not yet been collected.

Others pertain to monthly site collection and advances made by the Association for tax amnesty program to be collected to the homeowners.

5. PREPAYMENTS AND OTHER CURRENT ASSETS

This account as at December 31 consists of:

	2024	2023
Prepaid taxes and licenses	P613,791	P2,632
Prepaid insurance	128,328	109,948
Membership fee	44,000	44,000
Others	59,254	30,757
	P845,373	P187,337

Prepaid taxes and licenses taxes pertain to the advanced payments of real property taxes for the succeeding year.

Prepaid insurance pertains to unexpired portion of the insurance premium payment by the Association.

Membership fee pertains to advance payments for annual membership dues.

Others include advance payments for repair and maintenance and salaries.

6. LONG-TERM INVESTMENTS

This account as at December 31 consists of:

	2024	2023
Long term investments	P9,487,000	P 9,487,000
Retail treasury bonds	4,390,000	4,390,000
	P13,877,000	P 13,877,000

These pertain to money market placements bearing coupon rates at 3.63% to 5.88% per annum coursed through various local banks with maturities ranging from 5 to 20 years from date of placement.

In 2023, three (3) retail treasury bonds reached its maturity date. The treasury bond was initially recorded at its purchase cost amounting to P3,000,000 and was due to mature on August 15, 2023. Upon maturity, the principal amount along with the accrued interest amounting to P58,500 was received.

In 2023, two (2) fixed rate treasury bonds reached its maturity date. The treasury bond was initially recorded at its purchase cost amounting to P2,500,000 and was due to mature on August 15, 2023. Upon maturity, the principal amount along with the accrued interest amounting to P48,750 was received.

Interest income earned from long-term investments totaled to P444,607 in 2024 and P667,858 in 2023 (see Note 12).

7. PROPERTY AND EQUIPMENT (NET)

The reconciliation of this account for 2024 is as follows:

	Furniture and fixtures	Engineering and office equipment	Infrastructure and improvements	Transportation and equipment	Total
Cost					
At beginning of year	P244,156	P2,544,478	P5,464,745	P2,708,174	P10,961,553
Additions	88,483	111,670	686,689	-	886,842
At end of year	332,639	2,656,148	6,151,434	2,708,174	11,848,395
Accumulated depreciation					
At beginning of year	157,420	2,421,149	618,746	2,385,390	5,582,705
Depreciation	57,984	67,465	585,209	130,307	840,965
At end of year	215,404	2,488,614	1,203,955	2,515,697	6,423,670
Net carrying amount	P117,235	P167,534	P4,947,479	P192,477	P5,424,725

Depreciation expense charged to common expenses amounted to P840,965 and P341,074 for the years ended December 31, 2024 and 2023, respectively, as presented in the statements of activities.

The Association's property and equipment are free from liens or encumbrances.

8. TRADE AND OTHER PAYABLES

This account as at December 31 consists of:

	2024	2023
Accounts payables	P3,340,902	P 6,266,246
Advances from members	13,623,338	3,108,758
Accrued expenses	3,770,946	2,947,793
Withholding tax payable	8,735	45,801
Others	2,249,473	2,144,485
	P22,993,394	P14,513,083

Accounts payable pertain to undiscounted amount owed by the Association to its supplier for goods and services. These are noninterest-bearing and are normally settled within 30 days.

Advances from members pertain to association dues for the following year which are collected in full during the year.

Accrued expenses are normally settled within the financial year. These include landscape, security, general services, gas and oil and professional fees.

Withholding tax payable represents tax obligations of the Association due for payment the following month after end of reporting period.

Others pertain to unidentified deposits. These deposits represent funds received by the Association that have not yet been matched with a specific homeowner account or transaction.

9. CONSTRUCTION BOND AND OTHER DEPOSITS

This account consists of construction bonds and utilities consumption deposits amounting to P21,193,373 and P20,172,970 as at December 31, 2024 and 2023, respectively. Construction bonds and utilities consumption deposits are made by lot owners with on-going house construction to ensure compliance of lot owners and contractors to the Association's duly established construction guidelines.

Bid deposits should be released without interest, after a satisfactory joint, final inspection and upon compliance with the rules and regulation set during pre-construction and construction stages.

10. RESERVE FUNDS

As of December 31, 2024 and 2023, reserve funds amounted to P 11,906,515 and P15,162,645, respectively. These funds are earmarked for the repair and rehabilitation of the Association's road network, as well as for major electrical, plumbing, infrastructure, and facility projects.

Toll fees from road users and ongoing private construction activities in 2024 totaled P8,136,650. These amounts, which are intended to be allocated to the Association's reserve funds, are expected to be billed and collected during the first quarter of 2025, in line with the scheduled release of billing statements.

11. ASSESSMENTS TO MEMBERS

This account for the years ended December 31 consists of:

	2024	2023
Association dues	P23,694,341	P18,728,461
Discount on dues	(1,083,824)	(868,554)
	P22,610,517	P17,859,907

Association dues represent the amount billed to the members of the Association for expenses relating to the community operations as to the maintenance, upkeep, and security of the common areas.

12. OTHER INCOME

This account for the years ended December 31 consists of:

	2024	2023
Access fees	P844,107	P-
Penalties	493,858	526,082
Interest income	448,201	673,145
Assessment	320,500	129,151
Reversal of doubtful accounts — note 4	276,819	2,644,605
Others	1,339,717	744,867
	P3,723,202	P4,717,850

Access fees pertains to fees charged by the Association to allow members or non-members to use common facilities.

13. CONTRACTED SERVICES

This account for the years ended December 31 consists of:

	2024	2023
Security services	P8,336,413	P9,886,213
Landscape maintenance	4,742,320	4,972,855
General services	3,073,416	2,497,356
	P16,152,149	P17,356,424

14. FORESHORE LEASE

The Association applied for a permit to provisionally occupy and use a parcel of land/public domain, pursuant to the provision of Act No. 3077 and Land Administrative Circular Order (LAO) No. 8-3, as amended, for commercial/industrial and other related purposes thereof, containing an area of 4,919 square PSC-9392 meters, more or less, bounded on the North by Foreshore Land, on the East by lot 3 (LRC) on the South by Foreshore Land and West by Salvage Zone.

The term of the lease requires the Association to pay an annual occupational fee of P2.0 million starting 2019 until such a time that a Foreshore Lease Contract is executed and signed.

In October 2020, the Department of Environment and Natural Resources (DENR) approved the request of Association for the staggered payment of foreshore lease for 12 months starting October 2020 until September 2021. As of December 2024 and 2023, the Association continues to make staggered payments.

Foreshore lease from October 2020 to December 31, 2021 will be charged and collected from the members. Foreshore lease amounted to P601,502 and P1,902,576 as of December 31, 2024 and 2023, respectively, and is presented as part of others under dues and other receivables account in the statements of assets, liabilities, and fund balance. The Association ended the arrangement to charge and collect the foreshore lease from members and incurred foreshore lease expense amounting to P1,385,606 and P64,532 for the years ended December 31, 2024 and 2023, respectively.

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

The following information for the year ended December 31, 2024 is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

Revenue Regulation (RR) No. 15-2010

On December 28, 2010 the BIR issued Revenue Regulation (RR) No.15-2010, which amended certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns.

Section 2 of RR No. 21-2002 was further amended to include in the Notes to Financial Statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by PFRS for Small Entities.

a. Value-added Tax

The Association has no transaction subject to VAT for the year.

Under the section 34 (Y) of the R.A 10963, the association dues, membership fees, and other assessments and charges collected by homeowners association and condominium corporations are exempt from imposition of 12% VAT, effective January 1, 2018.

b. Taxes on importation

The Association has no transaction subject to taxes on importation for the year.

c. Excise tax

The Association has no transaction subject to excise tax for the year.

d. Documentary stamp tax

The Association has no transaction relating to documentary stamp tax for the year.

e. Taxes and licenses

The details of the Association's taxes and licenses are as follows:

Real property tax	P820,672
Business permit	7,050
Others	8,467
	P836,189

f. Withholding taxes

The details of the Association's withholding tax are shown below:

Expanded withholding tax	P115,067
Withholding tax on compensation	744
	P115,811

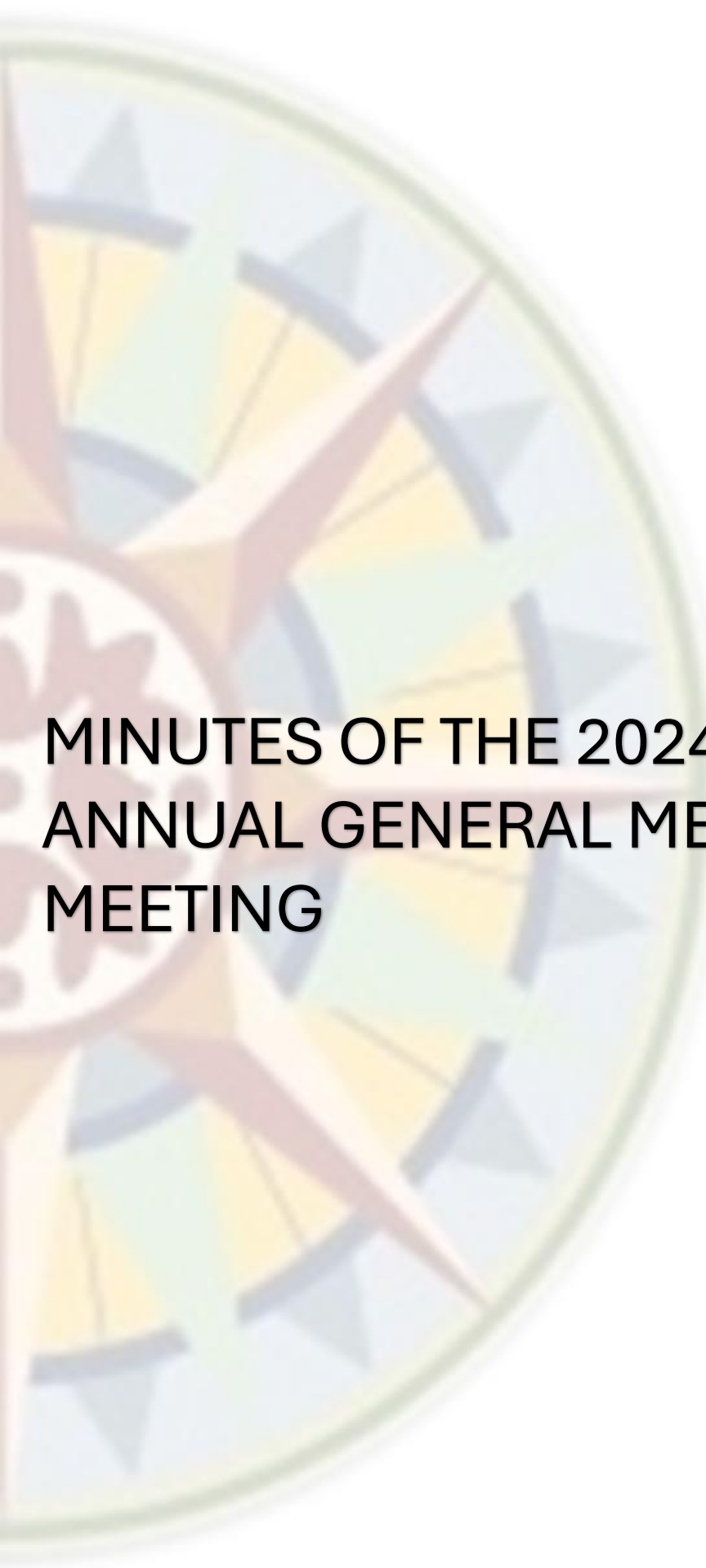
g. Deficiency tax assessment and tax case

The Association has no deficiency tax assessment and tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR during the year.

Revenue Regulation (RR) No. 34-2020

The Association is not covered by the requirements and procedures for related party transactions provided under RR No. 34-2020, Prescribing the Guidelines and Procedures for the Submission of BIR Form No. 1709, Transfer Pricing Documentation (TPD) and other Supporting Documents.

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MINUTES OF THE 2024 TFPVHAI ANNUAL GENERAL MEMBERSHIP MEETING

MINUTES
of the
ANNUAL GENERAL MEMBERSHIP MEETING
of

TERRAZAS DE PUNTA FUEGO VILLAGE HOMEOWNERS' ASSOCIATION, INC.

Held on 26 May 2024; 10:00 A.M.
San Pablo Function Room
Club Punta Fuego in Peninsula de Punta Fuego
Barangay Balaytigue, Nasugbu, Batangas

ATTENDANCE

PRESENT: 1.1. **Atty. CYNTHIA DEL CASTILLO**
(Directors) 1.2. **GENEVIEVE R. DUMINY**
 1.3. **AMELITA KING-DEJARDIN**
 1.4. **SUSAN MEILY-SANTOS**
 1.5. **SANTHONY YANG**
 1.6. **RAINIER ONA, JR.**
 1.7. **GLENN BERDIN**

(Others) 1.8. **Atty. EARL HANS SANTOS**, Corporate Secretary
 1.9. **Atty. JAKE REY M. FAJARDO** and **ATTY. LAUREN ISABEL ONG**, LEGAL
 COUNSEL, CALLEJA LAW OFFICE
 1.10. **ELLA ONA, HANS MANELA, and KRISTINE CRESPO**, NOMELEC
 1.11. **FRANCIS FUELLAS, IMEE FUELLAS, GIBSON ANCHEZ, ELIZA CALIMAG**,
 HEXAGON PROPERTY MANAGEMENT
 1.12. **SHARAH VECINAL, MEANNE ALARAS**, TERRAZAS PROPERTY MANAGEMENT
 OFFICE

1. Determination of Quorum and Call to Order

- 1.1. The Chairperson of the Annual General Membership Meeting, Atty. Cynthia Del Castillo (“Atty. Del Castillo”), called the 2024 GENERAL MEMBERSHIP MEETING to order at about 10:00 o’clock in the morning. Corporate Secretary Atty. Earl Hans Santos, assisted by General Counsels Atty. Jake Rey Fajardo (“Atty. Fajardo”) and Atty. Lauren Isabel S. Ong (Atty. Ong) acted as Secretary of the Meeting and recorded the minutes thereof.
- 1.2. Atty. Santos certified that the Notice of the General Membership Meeting was sent to the members by personal delivery or registered mail, in compliance with the by-laws. Atty. Santos further certified that there exists a quorum for the conduct of business, out of the 366 members in good standing of the Association, 225 attendees, 198 were by way of proxy, and 13 were personal attendances, thus the next item in the agenda may be tackled.

2. Ratification of the Minutes of the Previous Year’s General Membership Meeting held on 28 May 2023

- 2.1. Atty. Del Castillo asked Atty. Santos if copies of the minutes of the previous year's AGMM were distributed to the association members which the latter confirmed.
- 2.2 Atty. Del Castillo asked the plenary if there were any comments or suggested amendments to the minutes as currently drafted.
- 2.3 There being none, Association Member Reynaldo Santos moved that the minutes of the previous year's meeting dated 28 May 2023 be approved, which was duly seconded by Dir. Ona.

3. Management Reports for the Year 2023

- 3.1 Atty. Del Castillo proceeded to the next item of the agenda which included the President's Message, Management & Operations Report, and Committee Reports. For a smoother flow of proceedings, she requested that questions on the reports be made at the end of the report.
- 3.2 Pres. Gina Duminy presented the President's Report, and she reiterated the Board's commitment to maintaining the safety and well-being of the homeowners and residents of Terrazas Village, and to crack down on commercial use of homes. She reiterated that AirBnb rentals in Terrazas continue to be a threat to Village security and downgrades Terrazas from private, exclusive village to a public resort. Such commercial activity contributes to the quick degradation of village facilities and the depletion of resources.
 - 3.2.1 Association member, Mr. Advinculo Quiblat raised a question regarding the policy on short-term rentals and pointed out that there are owners who treat their property in Terrazas as an investment. He suggested that, instead of prohibiting short-term rentals, the Village could charge short-term renters for the additional costs on the Village.
 - 3.2.2 In response, Pres. Duminy set it straight that as far as short-term rentals are concerned, it's prohibited because the Deed of Restrictions says that all properties in Terrazas are to be used for residential purposes only. The minimum allowable period for rentals is 6 months, and this is supported by the existing lease guidelines. She said that it is even encouraged to have long-term rentals.
 - 3.2.3 Atty. Santos affirmed Pres. Duminy's statement that there is a restriction on AirBNB type of accommodations. He also shared that the Magna Carta of Homeowner's Association specifically provides that lots should be exclusively used for residential purposes, and that doing otherwise would violate the law and the deed of restrictions attached to every title. He clarified that if one is engaged in AirBNB or hotel operations, such is a commercial and not residential purpose. He said although the Board is possibly exploring and studying the feasibility of AirBNB in the meantime, most residents of Terrazas are against such types of arrangement and have overwhelmingly approved the restriction of AirBNB's in a referendum. He ends by saying that it's an insult to the majority of Terrazas population, who are anti-AirBNB, to be subsidizing the homeowners who use their properties for profit.

3.2.4 Atty. Del Castillo said that the possibility of AirBNB needed thorough consideration and that Mr. Quiblat's question could not be answered at the meeting. She said that the Board would look into this because it concerned the community and its general welfare.

3.3 Gibson Anchez, Operations Manager of Hexagon, presented the Management and Operations Report.

3.3.1 For the operational highlights, Mr. Anchez shared updates on the infrastructures and facilities which included staff house construction, improvement of water system, installation of new electrical equipment, repainting of side streets of primary and secondary roads (yellow, no parking lanes), and ongoing installation of additional cameras to the existing CCTV system. Regarding manpower, Mr. Anchez shared that Terrazas renewed its contract with United Shield Security Agency (USSAI); and contracted Hexagon Property Services as new Property Manager.

3.3.2 For the occupancy report, Mr. Anchez presented the total village occupancy as well as related statistics on the matter.

3.3.3 For future plans and actions, Mr. Anchez enumerated the following: Release of the Village Guest Policy, Continuous Review of Village Security, Improved Architectural Design Review and Approval Process, Implementation of substantial preventive maintenance and the necessary upgrades for aging equipment and facilities, Improvement of village infrastructure, i.e. correction of leaning electrical posts, rehabilitation of perimeter fences, enhancement of village amenities, and Creation of a Homeowners' Manual

3.3.4 For the operations report, Mr. Anchez shared that the water supply is distributed by Primewater company, and that to improve the water system, the engineering team installed additional pressure-reducing valves and began replacing the rusting water risers throughout the entire village. Regarding the power supply, Mr. Anchez reported that as part of the preventive and corrective maintenance activities of the engineering team, the association replaced a transformer and concrete pole in June 2023 for Feeder 3. Additionally, underground secondary cables of Feeder 3 and the transformer for Club Punta Fuego were replaced. For grounds and landscape maintenance, Mr. Anchez assured that the team ensured that grass cutting, street sweeping, and repairs of the facilities were done regularly.

3.3.5 For the security report, Mr. Anchez shared that the security guards conduct regular mounting and monitoring of ingress/egress of workers, village violations, and ensuring guests safety within the village. The security team continuously enforces construction guidelines by monitoring construction workers and issuing violation tickets to contractors who violate the guidelines. The security personnel likewise attended trainings for first aid and life support.

3.4 Dir. King-Dejardin reported on the work of the Architectural Design and Construction Committee regarding house construction.

3.5 She clarified that the role of the Committee was to facilitate and assist Owners build their homes while ensuring that houses are coherent with the overall theme and look of the Village and comply with the TPF Deed of Restrictions, and that construction activities do

not put at risk the Village's security and environment and workers' safety. Regular coordination meetings with contractors are done by PMO and USSAI to discuss the construction guidelines. She noted that many new houses under construction would be completed within the year and the next year, and new applications for house construction were regularly being received by the Committee. This implies increasing demand on Village services and facilities. Of the challenges faced by the Committee, Dir. King-Dejardin highlighted two, namely, a) the lack of awareness or appreciation among Owners and their architects of the Terrazas de Punta Fuego Deed of Restrictions, resulting often in architectural and engineering plans that are not compliant with the DoR and delays in review and approval of these plans; and b) inability of owners and their architects to take into account in their plans the sloping topography of most lots, and need for them to incorporate soil retaining walls into their plans and budget.

3.5.1 For Archicom's forthcoming projects, Dir. King-Dejardin shared that there will be repair of the perimeter fence, as well as preventive maintenance, correction of leaning electrical posts, installation of speed humps on sloping roads, and improvement of traffic and no parking signages.

3.6 Dir. Sonny Yang presented the Community Development report.

3.6.1 For the community development report, Dir. Yang presented the milk & vitamins feeding program and medical mission held at Brgy. Utod, Nasugbu. He also gave updates on the scholarship program, as well as shared about the other village activities such as New Year's Countdown, sunset cocktails, easter egg hunting, and turtle hatchling release.

3.7 Mr. Gibson Anchez of Hexagon presented the Financial Report for 2023 with comparative figures from 2022.

3.7.1 For the financial report, Mr. Anchez presented the statement of financial activity and the total deficit was lessened from 8.1M in 2022 to 5.5M in 2023. He also shared that starting in July 2023, we implemented a turnaround program to reduce the expected loss for the year through the following measures: trimmed down the number security personnel from 28 to 18 regular posts; implemented an amnesty program for delinquent and delayed accounts; collected a percent of water system loss from The Peak and Ridge; collected 15 months of payment for the foreshore lease from HOA members and The Peak and Ridge, charged the rehabilitation cost of the sewerage treatment plant to reserve funds.

4. Increase in Association Dues and Approval of 2023 Financial Statements

4.1 During his presentation on the Financial Report, Mr. Anchez explained the necessity for an increase in association dues in 2024. This is because the current association dues of P5.50 per square meter per month cannot fully cover the Association's expenses. He attributes this to significant increases in operational expenses that have been driven by the high inflation in 2022 following the pandemic, Mandatory wage increases have impacted contracted services, Village facilities and infrastructure are aging and require substantial corrective maintenance. Moreover, with association dues fixed at P5.50 per square meter since 2022, the Village has already incurred a loss of P8.09M in 2022, another loss of P5.5M in 2023, and a projected loss of P6.1M in 2024. Consequently, the Village's cash position and long-term investments will continue to

be depleted. Over the past 15 years, association dues have increased very slowly from 4.00 to 5.50 Php/sqm, while the zonal value of the village has increased almost tenfold, and the current association dues are too low to cover the operations needed to maintain aging facilities.

4.1.1 In light of this, Mr. Anchez recommended to increase the association dues from Php 5.50 to Php 8.00 per square meter starting 1 June 2024, and that the same be approved by the members.

4.2 Mr. Reynaldo Santos moved for the approval of the increase of rates from Php 5.50 per square meter to Php 8.00 per square meter starting 1 June 2024, which was duly seconded.

4.3 Mr. Scott Dowding, husband of Linadeth Dowding, raised a question about the increase in rates. He said that there should have been a vote for this increase.

4.4 Atty. Del Castillo said that the rationale for the increase in dues has been sufficiently explained and subjected to membership approval. She then asked the members present to vote viva voce. From the show of hands, the majority voted in favor, only Mr. Scott Dowding voted against. Approve by the plenary, the increase stands.

4.5 Atty. Del Castillo said that there was a need for a motion for approval of the 2023 Financial Statement of the Association. She also asked if there was any objection.

4.6 There being none anymore, after it was settled with a vote by the plenary, Mr. Reynaldo Santos moved for the approval of the financial statements which was duly seconded.

5. Ratification of all the Acts of the Board of Directors for the period of 28 May 2023 to Date and all other Acts of the Board previously ratified

5.1 Atty. Del Castillo said that there was a need for a motion for approval of all the Acts of the Board of Directors for the period of 28 May 2023 to Date and all other Acts of the Board previously ratified. She also asked if there was any objection.

5.2 There being none, Mr. Reynaldo Santos moved for the approval of all the Acts of the Board of Directors for the period of 28 May 2023 to Date and all other Acts of the Board previously ratified which was duly seconded.

6. Election of the Members of the Board of Directors for 2024

6. 1 Atty. Del Castillo called for the members of the NOMELEC to announce the results of the Elections for Board of Directors for 2024.

6.2 NOMELEC Chairperson Kristine Crespo announced the results of voting as follows:

6.2.1 Genevieve Duminy obtained 194 votes, Fernando Lopez obtained 193 votes, Miguel Malabanan obtained 192 votes, and Santhony Yang obtained 193 votes.

6.3 Atty. Del Castillo declared the 4 nominees to the Board of Directors who will be sitting for 2 years.

6.4 Mr. Reynaldo Santos moved to formally approve the election of those four directors which was duly seconded.

7. Adjournment

There being no further business to transact, and upon motion duly made and seconded, the General Membership Meeting of the Association was thereupon adjourned at about 11:30 A.M.

26 May 2024.

ANTONIO CABRERA
Director

ATTY. CYNTHIA DEL CASTILLO
Director

GENEVIEVE DUMINY
Director

SANTHONY YANG
Director

SUSAN MEILY-SANTOS
Director

AMELITA KING-DEJARDIN
Director

RAINIER ONA JR.
Director

GLENN BERDIN
Director

Attested by:

ATTY. EARL HANS SANTOS
Corporate Secretary

Prepared by:

ATTY. JAKE REY M. FAJARDO
Legal Counsel

ATTY. LAUREN ISABEL S. ONG
Legal Counsel

LEADERSHIP

The Terrazas de Punta Fuego Village Homeowners' Association Inc. (TPFVHAI)
Officers and Directors of the Board for the Term 2024–2025



ANTONIO F. CABRERA
Chairman
Finance Committee Chair



ATTY. CYNTHIA R. DEL CASTILLO
Vice Chairman
Legal Committee Chair



SUSAN MEILY-SANTOS
President



AMELITA-KING DEJARDIN
Vice President
Architectural Design and
Construction Committee
Chair



GENEVIEVE R. DUMINY
Director
Community Development
& HR Committee
Chair



SANTHONY M. YANG
Director
Security Committee
Chair



GLENN BERDIN
Director



MIGUEL MALABANAN
Director



ARCH. FERNANDO RAPHAEL LOPEZ
Director

PROPERTY MANAGEMENT OFFICE



GIBSON D. ANCHEZ
Operations Manager



MARIA ELIZA CALIMAG
Finance and Admin Officer



ABEL BASILIO
Village Engineer



MARY ANN ALARAS
Admin Officer



LARA JANE CHOSA
Admin Specialist



SHARAH JOY VECINAL
Admin Associate



CHERRY CLAIRE GRANADOS
Admin Associate



TERRAZAS DE PUNTA FUEGO VILLAGE HOMEOWNERS' ASSOCIATION, INC

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