



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Ave., Quezon City

ANNUAL AUDIT REPORT

on the

SOCIAL HOUSING FINANCE CORPORATION
**(A Wholly-owned Subsidiary of the National Home Mortgage
Finance Corporation)**

For the Year Ended December 31, 2009



SOCIAL HOUSING FINANCE CORPORATION
(A Wholly - owned Subsidiary of the National Home Mortgage Finance Corporation)
BALANCE SHEET
DECEMBER 31, 2009
(In Philippine Peso)

	Notes	2009	2008 (As restated)
ASSETS			
CURRENT ASSETS			
Cash on hand and in banks	4	680,573,738	629,970,556
Receivables	5	63,699,722	66,150,032
Other current assets	6	2,451,328	1,863,828
		746,724,788	697,984,416
ASSETS HELD IN TRUST			
National Home Mortgage Finance Corporation	7	7,087,577,232	6,723,786,106
Abot-Kaya Pabahay Fund	7	547,118,414	540,737,141
		7,634,695,646	7,264,523,247
NON-CURRENT ASSETS			
Long-term receivables	8	26,992,017	-
Property and equipment - net	9	214,216,292	215,951,128
		241,208,309	215,951,128
TOTAL ASSETS		8,622,628,743	8,178,458,791
LIABILITIES			
CURRENT LIABILITIES			
Payables	10	342,712,459	322,327,556
Inter-agency payables	11	23,541,476	37,841,054
Other current liabilities	12	110,437,246	93,374,940
		476,691,181	453,543,550
LONG-TERM LIABILITIES			
Other long-term liabilities	13	162,396,513	164,306,495
TRUST LIABILITIES			
National Home Mortgage Finance Corporation	14	7,231,928,998	6,811,952,102
Abot-Kaya Pabahay Fund	15	547,118,414	540,737,141
		7,779,047,412	7,352,689,243
TOTAL LIABILITIES		8,418,135,106	7,970,539,288
STOCKHOLDERS' EQUITY		204,493,637	207,919,503
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		8,622,628,743	8,178,458,791

The Notes on pages 7 to 18 form part of these financial statements.

SOCIAL HOUSING FINANCE CORPORATION
(A Wholly - owned Subsidiary of the National Home Mortgage Finance Corporation)
STATEMENT OF INCOME AND EXPENSES
For the Year Ended December 31, 2009
(In Philippine Peso)

	Notes	2009	2008 (As restated)
INCOME			
Interest income - loans	17	217,228,771	191,437,599
Interest on savings deposits		35,843,511	33,131,884
Service fees		7,612,529	6,914,150
Miscellaneous income		45,084,237	108,979,630
		305,769,048	340,463,263
EXPENSES			
PERSONAL SERVICES			
Salaries and wages		35,609,205	31,473,926
Other compensation		23,889,654	23,040,828
Personnel benefit contributions		2,362,728	2,274,862
Other personnel benefits		38,604,496	30,739,336
		100,466,083	87,528,952
MAINTENANCE and OTHER OPERATING EXPENSES			
Professional services		25,692,865	15,538,076
Taxes, insurance premiums and other fees		17,663,660	15,020,357
Depreciation	9	12,178,566	10,466,888
Confidential, extraordinary and miscellaneous		7,437,396	5,821,592
Utility		4,863,267	5,021,851
Supplies and materials		3,188,847	3,178,662
Communication		2,846,493	2,311,380
Building association dues and contribution		2,315,693	2,069,933
Travelling		2,441,526	1,819,554
Rent		2,371,676	1,707,534
Advertising		702,100	1,293,911
Printing and binding		643,481	468,105
Repairs and maintenance		807,334	373,939
Subsidies and donations		367,368	228,860
Litigation		38,506	32,123
Miscellaneous		2,752,078	14,503,027
		86,310,856	79,855,792
FINANCIAL EXPENSES			
Interest expense		9,605,117	8,923,908
Bank charges		67,202	77,058
Other financial charges		2,256,091	2,778,419
		11,928,410	11,779,385
INCOME BEFORE INCOME TAX		107,063,699	161,299,134
Provision for income tax		23,516,681	56,553,812
NET INCOME AFTER INCOME TAX		83,547,018	104,745,322

The Notes on pages 7 to 18 form part of these financial statements.

SOCIAL HOUSING FINANCE CORPORATION
(A Wholly - owned Subsidiary of the National Home Mortgage Finance Corporation)
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
For the Year Ended December 31, 2009
(In Philippine Peso)

	Capital Stock	Paid in Capital	Retained Earnings (Note 16)	Total
Balance at January 1, 2008	100,000,000	10,000,000	143,513,181	153,513,181
Dividends declared and paid	-	-	(50,339,000)	(50,339,000)
Net income, as restated	-	-	104,745,322	104,745,322
Balance at December 31, 2008 as restated	100,000,000	10,000,000	197,919,503	207,919,503
Balance at December 31, 2008	100,000,000	10,000,000	197,919,503	207,919,503
Dividends declared and paid	-	-	(86,972,884)	(86,972,884)
Net income	-	-	83,547,018	83,547,018
Balance at December 31, 2009	100,000,000	10,000,000	194,493,637	204,493,637

The Notes on pages 7 to 18 form part of these financial statements.

SOCIAL HOUSING FINANCE CORPORATION
(A Wholly - owned Subsidiary of the National Home Mortgage Finance Corporation)
CASH FLOW STATEMENT
For the Year Ended December 31, 2009
(In Philippine Peso)

	Note	2009	2008 (As restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from borrowers		445,988,100	375,760,753
Subsidy income			
Receipt of Community Mortgage Program fund transferred from NHMFC		500,000,000	500,000,000
Other income			
Receipts of interests from deposits		36,392,375	35,229,573
Receipts of interests on notes		12,000,000	12,000,000
Service fee income		7,612,529	6,913,754
Miscellaneous income		6,823,264	2,138,689
Insurance prepayments		3,044,999	3,593,486
Other receipts			
Receipts of HUDCC payments		10,966,054	9,618,212
Receipts of AKPF payments		8,069,247	5,606,696
Guaranty deposits		5,684,411	8,475,816
Receipts of NHMFC payments		1,929,468	27,581,087
Receipts of SSS claims		124,666	-
Miscellaneous		-	2,272
Cash paid to suppliers and employees		(981,265,502)	(826,546,738)
Net cash provided by operating activities		57,369,611	160,373,600
CASH FLOWS FROM INVESTING ACTIVITIES			
Leasehold improvements		(28,860)	(3,405,242)
Purchase/construction of building/equipment/furnitures and fixtures		(394,830)	-
Purchase of office, IT equipment and furniture and fixtures		(404,489)	(6,554,734)
Data build up		-	(6,505,110)
Purchase of transportation equipment		(5,938,250)	-
Net cash used in investing activities		(6,766,429)	(16,465,086)
NET INCREASE IN CASH ON HAND AND IN BANKS		50,603,182	143,908,514
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR		629,970,556	486,062,042
CASH ON HAND AND IN BANKS AT END OF YEAR	4	680,573,738	629,970,556

The Notes on pages 7 to 18 form part of these financial statements.