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REPUBLIC OF THE PHILIPPINES
COURT OF TAX APPEALS
QUEZON CITY

AUGUSTO L. GUANZON,
Petitioner,

- versus - C.T.A. CASE NO. 2821

EFREN I. PLANA, COMMISSIONER
OF INTERNAL REVENUE,
Respondent.
x - - - - - - - - - - - - - - - - x

8/27/80

D E C I S I O N

From the decision of respondent Commissioner of Internal Revenue dated July 7, 1976 demanding payment of the sum of ₱26,148.90 as deficiency income tax for the year 1966 including interest, petitioner Augusto L. Guanzon appealed to this Court.

As borne out by the records, petitioner filed his income tax return on accrual basis for the year 1966 on April 17, 1967, reporting a net income of ₱40,338.92 on which he paid an income tax of ₱9,122.00. At that time, he was a real estate dealer, engaged in the business of renting apartments and houses, as well as selling lots; an agriculturist, owning two plantations, one in Bancua, Mountain Province, and another in Mauban, Quezon Province; and also the president of Guanzon Lime Development Co., Inc., a domestic corporation engaged in the manufacture of lime.

In the early part of 1972, an examiner of the Bureau of Internal Revenue examined the books of accounts of petitioner, and in a letter dated February 29, 1972 respondent demanded from him the payment of the sum of ₱762,847.68 as alleged deficiency income tax, surcharge and interest for the year 1966. Not convinced of the legality of the assessment, petitioner protested the same with respondent on March 20, 1972 with the request that it be countermanded. In a letter dated January 20, 1975, however, respondent requested petitioner to execute a waiver of the running of the prescriptive period of the statute of limitations up to June 30, 1980, which the latter agreed up to March 14, 1975, but eventually was extended to February 28, 1978.

Meanwhile, in a letter dated September 12, 1975 respondent suggested to petitioner the availment of the benefits of Letter of Instructions No. 308. However, on December 22, 1975 petitioner offered respondent the payment of only the amount of ₱867.00 as 15% of his alleged legal liability in accordance with said Letter of Instructions No. 308.

On July 7, 1976, after study of the case, respondent reduced the assessment of ₱762,847.68 as deficiency income tax, inclusive of surcharge and interest for 1966 to ₱26,148.90 arrived at as follows:

Net income per return		₱ 40,338.92
Add: Unallowable deductions:		
1. Rental deposit -----------	₱ 1,440.00	
2. Salaries and wages paid in connection with farming business	10,983.90	
3. Salaries paid to Mr. Francisco Reyes	500.00	
4. Salaries & wages accrued.	13,508.10	
5. Bonus payable	15,600.00	
6. Repairs and maintenance..	1,249.84	
7. Transportation expense ..	5,613.25	
8. Light and water	251.30	
9. Taxes and licenses	30.50	
10. Development cost written-off	1,989.00	51,165.29
Net income per investigation		₱ 91,504.21
Less: Personal exemption		3,000.00
Net taxable income		₱ 88,504.21
Income tax due thereon		₱ 31,282.00
Less: Amount paid		9,122.00
Balance of tax due		₱ 22,160.00
Add: 18% maximum interest		3,988.90
TOTAL AMOUNT DUE AND COLLECTIBLE		₱ 26,148.90

As regards the offer of petitioner of 15% of ₱5,783.00, the amount claimed as due from him, representing compromise under Letter of Instructions No. 308, respondent informed petitioner that inasmuch as the assessment of ₱26,148.90 was issued only on July 7, 1976, such assessment could not be the subject of a compromise under said Letter of Instructions since only delinquent accounts assessed on or before December 31, 1974 may be the subject of a compromise thereunder. Petitioner was therefore urged to pay the said amount of ₱26,148.90, but if he is not agreeable thereto, he could file a petition for review with this Court. Hence, the present appeal.

In his answer to the petition for review, respondent admits that the basis for the amended assessment was the disallowance of the following items, to wit:

Rental deposit	₱ 1,440.00
Salaries and wages paid in connection with farming business	10,983.90
Salaries paid to Mr. Francisco Reyes .	500.00
Salaries and Wages Accrued	13,508.10
Bonus Payable	15,600.00
Repairs & Maintenance	1,249.84
Transportation expenses.	5,613.25
Light & Water	251.30
Taxes & Licenses	30.50
Development Cost written off	1,989.00

And respondent states by way of special and affirmative defense that "The disallowancesof the above-mentioned items were proper since in an administrative hearing conducted on March 21, 1973, petitioner failed to substantiate or justify the aforementioned deductions and/or exclusions in its income tax return for 1966." (Par. 6, Answer, p. 33, CTA records.) So that if petitioner was able to substantiate or justify any or all the above deductions and/or exclusions in the hearing before this Court, it follows that the assessment under review should be cancelled or modified as the case may be.

Has petitioner been able to substantiate by adequate evidence the above-mentioned deductions which he claimed in his 1966 income tax return?

At the outset, it should be stated that tax assessments are presumed to be correct unless the contrary is shown, and the burden of proof rests upon the taxpayer to overcome this presumption. The determination, however, of a deficiency by the Government is only *prima facie* correct. (Gutierrez vs. Collector of Internal Revenue, L-19537, May 20, 1967, 14 SCRA 33; Tan Guan vs. Court of Tax Appeals, L-23676, April 27, 1967, 19 SCRA 903; Republic vs. Philippine Rabbit Bus Lines, Inc., L-26862, March 30, 1970, 32 SCRA 211.) In light of this legal presumption and the special and affirmative defense of respondent that the above-mentioned items were disallowed because in the administrative hearing conducted by his office, petitioner failed to substantiate or justify the afore-mentioned deductions and/or exclusions, we will now proceed to examine the evidence of the parties presented not only in the hearing before the appellate division of the Bureau of Internal Revenue but more particularly before this Court and determine whether petitioner has properly substantiated his claimed deductions in his 1966 income tax return to be entitled to deduct the same. After all the hearing before this Court partakes of a trial *de novo* and the Court is authorized to receive evidence, summon witnesses, and give both parties, the Government and the taxpayer, opportunity to present and argue their sides, so that the true and correct amount of the tax to be collected may be determined and decided. (Collector of Internal Revenue vs. Batangas Transportation Company & Laguna-Tayabas Bus Company, L-9692, January 6, 1958, 102 Phil. 822.)

We will now discuss the disallowed deductions _in seriatim_ in the order listed by respondent in his decision appealed from and ascertain whether or not petitioner is entitled to his claimed deductions. For better understanding of the case and easier appraisal of the evidence presented, attached hereto and made an integral part of this decision are Annexes which consist of lists of the exhibits proffered by petitioner to substantiate his claimed deductions to which reference will be made in the discussion of each item.

1. Rental Deposits - ₱1,440.00

Respondent considered as undeclared income these rental deposits in the amount of ₱1,440.00 reflected in the books of petitioner as of December 31, 1966, alleging that they are not liabilities as contended by petitioner because it is a usual practice in the leasing business to require the tenant a deposit equivalent to two (2) months at the time of occupancy; hence, they should be treated as income in the year they were received. As authority thereof, respondent cites Merten's Law of Federal Income Taxation to the effect that "rents received on either cash or accrual basis by taxpayers under a claim of right without restrictions, contractual or otherwise, constitute income in the year of receipt." (Vol. 2, Chapter 12, p. 86, par. 12.30; Respondent's memorandum, p. 90, CTA records.)

On the other hand, petitioner maintains that it is customary business practice to require the tenant to put up a deposit equivalent to one or two months as security for unpaid rentals or any damage on the leased property during the tenant's occupancy. This rental deposit is set up in the books of accounts as an obligation to the tenants. When he vacates the premises and he does not have any rentals in arrears, this deposit is returned to him. If he leaves the leased property with an unpaid rental, the deposit is applied and set up as rental income. (t.s.n., p. 6, hearing on August 31, 1977.) To prove this, petitioner presented Exhibits "B" and "B-1" to "B-8", consisting of the rental deposit schedule and analysis, and the supporting official receipts and cash vouchers showing the subsequent refund or application of these deposits to rental income. (t.s.n., pp. 42-49, hearing on September 31, 1977; Annex 1 of Decision.) No proof was presented by respondent to controvert or dispute these evidence of petitioner.

Judging from the foregoing, it is quite apparent that the nature of the disputed rental deposits is more of a security for the lessee's performance than a pre-payment of rent, there being no written agreement regarding the disposition of these rental deposits. (p. 144, Vol. II, BIR records; pp. 400-401, Vol. II, BIR records.) In the case of rental deposits, it has been held that: "If, however, payment is made to secure the lessee's performance under the lease it is not taxable income even though the fund is deposited with the lessor instead of in escrow and the lessor has temporary use of the money. Since in some instances the payment serves as security for the lessee's performance and, in addition, maybe applied to rent, it frequently becomes necessary to determine whether the deposit was primarily a security payment or a prepayment of rent." (Merten's Law of Federal Income Taxation, par. 12.30, vol. 2, chapter 12, p. 87-88.)

Clearly, therefore, the rental deposits in the amount of ₱1,440.00 do not constitute taxable income for the year 1966.

2. Salaries And Wages Paid In Connection With Farming Business - ₱10,983.90

The salaries and wages in the amount of ₱10,983.90 paid by petitioner to his employees and farmhands at his Liwayway Plantation at Mauban, Quezon Province, were disallowed by respondent because they were not substantiated. Respondent's examiner's main reason for the disallowance was that no payroll sheets or other documents or papers were presented for verification to prove that the total amount of ₱11,914.90 (reduced to ₱10,983.90) was actually paid and received by the employees and/or laborers of said plantation. (Examiner's report, pp. 130-133, Vol. II, BIR records.) During the hearing of the case before this Court, however, petitioner introduced as evidence the cash vouchers (Exhibits "C", "C-1" to "C-2" and "C-4" to "C-28") with signed payrolls and receipts attached thereto to justify the deduction of the above wages. (See Annex 2 of Decision.) Having met the condition required by respondent for the allowance of this claimed deduction, it follows that petitioner is entitled to deduct from his gross income the above salaries and wages in the amount of ₱10,983.90.

3. <u>Salaries Paid To Mr. F. Reyes - ₱500.00</u>

Payment of this expense in the amount of ₱500.00 was made per Cash Voucher No. 3629 (Exhibit "F") dated April 13, 1966 by PBTC Check No. 786839 to taxpayer Augusto L. Guanzon to reimburse him for the amount he paid to Atty. Francisco Reyes for services allegedly rendered to A.L. Guanzon Real Estate. Upon verification by respondent's examiner, PBTC Check No. 786839 was found to be payable to Augusto L. Guanzon and deposited in his account. (p. 130, Vol. II, BIR records.) There were no supporting papers showing that payment was previously made to Atty. Francisco Reyes and the nature, extent and value of the services he was being compensated for.

Petitioner having failed to justify and substantiate the deductibility of this expense, the same should be disallowed.

4. <u>Salaries and Wages Accrued - ₱13,508.10</u>

5. <u>Bonus Payable - ₱15,600.00</u>

Both the accrued salaries and wages in the amount of ₱13,508.10 and the bonus payable in the sum of ₱15,600.00 were disallowed by respondent for the same reason; namely, they were entered in the books of accounts of petitioner as expense accounts and claimed as deductions from gross income in 1966 without any supporting journal vouchers explaining the nature of said expense. (p. 129, Vol. II, BIR records.) And that no documents were ever presented to substantiate taxpayer's claim of the above items as deductions from gross income despite verbal as well as written requests made to this effect. (Respondent's memorandum, p. 92, CTA records.)

It should be stated that when the case was heard before this Court, petitioner, to establish the fact that these accruals were actually paid in the succeeding years, presented the cash vouchers (see Annex 3 of Decision; Exhibits "D", "D-1" to "D-14" and Exhibits "E", "E-1" to "E-6") issued in payment of the disputed accrued salaries and bonuses, showing the payees and the corresponding explanation for each disbursement. (t.s.n., pp. 11-21, hearing on August 31, 1977.) Except for Cash Voucher No. 3941 in payment of an accrued salary for ₱270.00 which was not submitted for verification, all the other vouchers were duly signed and receipted for. Since respondent did not impugn or controvert the correctness of petitioner's supporting documents, respondent's disallowance of these disputed items, with the exception of the above-stated ₱270.00, can not be sustained.

6. <u>Repairs And Maintenance - ₱1,249.84</u>

Of the amount of ₱2,329.84 representing repairs and maintenance expenses disallowed by respondent's examiner in the original investigation, ₱1,180.00 was considered as allowable deduction in the reinvestigation of this case. The remaining ₱1,249.84 was disallowed by the examiner because it was not supported with receipts and invoices. (p. 396, Vol. III, BIR records.)

A re-examination of the twenty-seven (27) cash vouchers presented by petitioner showing payments of these repairs will disclose that only ten (10) vouchers are not supported with receipts nor signed by the payees. Most of the ten (10) vouchers are reimbursements of wages and are of insignificant amounts, the total of which adds up to only a little over ₱200.00. (See Annex 4 of Decision; Exhibits "G", "G-1" to "G-26".) It is of common knowledge that for minimal repairs, evidencing payments to laborers are generally overlooked. And since the unsupported payments for repairs are not substantial nor unreasonable, the total amount of ₱1,249.80 may be allowed.

7. <u>Transportation Expense - ₱5,613.25</u>

Transportation expenses in the amount of ₱5,613.25 were disallowed by respondent for lack of evidence showing that they were incurred and spent in connection with taxpayer's business. (p. 396, Vol. III, BIR records.)

The breakdown of the transportation expenses prepared by petitioner (petitioner's memorandum, p. 53, CTA records) shows that it is composed mainly of three items, namely: transportation and meal allowances given to Mrs. Dolores A. Guanzon, assistant manager and cashier, covered by General Journal No. 21 in the amount of

₱1,402.05; expenses of ₱4,200.00 per General Journal No. 24; and transportation expenses paid to personnel per petty cash vouchers totalling ₱11.20. (Exhibits "H" & "H-1" to "H-3"; Annex 5 of Decision.)

The details of General Journal No. 21 are reflected in the cash vouchers presented as Exhibits "H-4" to "H-8" (see Annex 5 of Decision) which are reimbursements made to Mrs. Dolores A. Guanzon in 1967 for transportation and meal expenses incurred in inspecting ricelands at Lubao, Minalin and Macabebe, Pampanga, from June to December, 1966. However, aside from the Liwayway farms in Mauban, Quezon Province, it does not appear in the records that the ricelands at Lubao, Minalin and Macabebe, Pampanga, are income-producing. It is incumbent upon petitioner to establish that the expenses in these inspection trips were incurred in the pursuit of his trade or business; otherwise, said allowances can not be allowed as deduction. (Sec. 30(a), National Internal Revenue Code.)

As explained by counsel for petitioner, the expenses in the amount of ₱4,200.00 covered by General Journal No. 24, which was not presented as evidence, consisted of electric bills paid to Gaudencio Mañalac Electric for street lights at Florida Homesite Subdivision. (Petitioner's memorandum, p. 53, CTA records.) Clearly, said payments are not transportation and can not therefore be deductible as such.

Of the three items enumerated, only those for transportation expenses paid to personnel in the total amount of ₱11.20 should be allowed as deductible expenses since these were substantiated by petty cash vouchers and signed by the payees. (Exhibits "H" & "H-1" to "H-3"; Annex 5 of Decision.)

8. Light And Water - ₱251.30

The electrical consumption for December, 1965, at Florida Housing Subdivision amounting to ₱251.30 paid per Cash Voucher No. 3605 (Exhibit "H-9"; Annex 5 of Decision) on March 17, 1966 was correctly disallowed by respondent as it should not have been taken up as an expense in 1966, but should have been accrued in 1965, petitioner being on the accrual basis.

9. Taxes And Licenses - ₱30.50

Petitioner claimed as deduction in 1966, taxes and licenses in the amount of ₱38.00 which consists of ₱30.00 for occupation fees for the Liwayway Mining Claim for the years 1963, 1964, 1965 and 1966 and an additional charge of ₱8.00.

On the ground that the fees for the years 1963, 1964 and 1965 amounting to ₱22.50 should have been accrued and deducted in said years and that the additional ₱8.00 charge was not evidenced by any receipt, bill or invoice, respondent disallowed the sum of ₱30.50. (Examiner's report, p. 119, Vol. II, BIR records.) No evidence or explanation was offered by petitioner to refute this, hence, the disallowance should be sustained.

10. <u>Development Cost Written Off - ₱1,989.00</u>

The development cost of petitioner's coffee, black pepper and cacao project, set up as capital expenditure prior to 1966, was written off as an expense in 1966, allegedly because it was found to be a failure. (Petitioner's memorandum, p. 55, CTA records.) Aside from this bare statement, no adequate evidence was furnished by petitioner at any time during the administrative and court hearings of this case to prove his claim. For failure to substantiate or justify this claimed deduction, the same should be disallowed.

<u>Prescription</u>

Not much need be said on petitioner's point that the right of respondent to assess the tax in question has already prescribed. The situation here presented would not create prescription because, as stated earlier, petitioner signed a waiver of the statute of limitations whereby he agreed in writing to the assessment of his deficiency income tax for 1966 up to February 28, 1978. The final assessment was made by respondent on July 7, 1976 which is within the period agreed upon.

Computation

For all the foregoing, the computation of the deficiency income tax liability of petitioner for the year 1966 is as follows:

Net income per return		₱40,338.92
Add: Unallowable deductions:		
Salaries paid to Mr. F. Reyes	₱ 500.00	
Salaries and wages accrued	270.00	
Transportation expenses	5,602.05	
Light and water . . .	251.30	
Taxes and licenses . .	30.50	
Development cost written off	1,989.00	8,642.85
Net income per decision . . .		₱48,981.77
Less: Personal exemption . . .		3,000.00
Net taxable income		₱45,981.77
Income tax due thereon		₱12,473.00
Less: Amount paid		9,122.00
Balance of tax due		₱ 3,351.00
Add: 18% maximum interest . . .		603.18
Total amount due and collectible		₱ 3,954.18

Accordingly, petitioner Augusto L. Guanzon is hereby ordered to pay the amount of ₱3,954.18 to respondent Commissioner of Internal Revenue as deficiency income tax and interest for the year 1966, plus the surcharges and interest which have accrued thereon incident to delinquency, pursuant to Section 51(e) of the National Internal Revenue Code, as amended.

WHEREFORE, the decision appealed from is modified as indicated in the above opinion of the Court. With costs.

SO ORDERED.

Quezon City, Metro Manila, August 27, 1980.

AMANTE FILLER
Presiding Judge

WE CONCUR:

CONSTANTE C. ROAQUIN
Associate Judge

ALEX Z. REYES
Associate Judge

ANNEX 1

DECISION -
CTA CASE NO. 2821

1. <u>Rental Deposits - ₱1,440.00</u>

Exhibit No.	Date	C.V. or O.R. No.	Tenant	Particulars	Amount	Findings
B-3	7-1-65	O.R. 3668	Perfex Engineering and Machinery	Deposit for bodega	₱ 420.00	Applied to rent income per C.V. 4769 (Exh. B-8)
B-4	7-5-66	O.R. 4113	Pablo S. Luna Enterprises	Deposit for bodega	420.00	Applied to Rodolfo Luna's rent per O.R. 5229 dated 5-31-79, (Exh. B-7)
B-5	5-11-66	O.R. 4053	Andres Castillo	Deposit for Apt. No. 744, 7th Avenue	200.00	Applied to rental income for Gregorio Gonzales per G.J. No. 15 dated 12-31-67 (Exh. B-2) Petitioner's exhibits.
B-6	8-25-66	O.R. 4165	Jemm Enterprises	Deposit for 640-642 Magdalena Extension	400.00	Applied to rental income per G.J. No. 15 dated 12-31-67 (Exh. B-2) Petitioner's exhibits.
				TOTAL	₱1,440.00	
B-7	5-31-69	O.R. 5229	Rodolfo Luna	March to May, 1969 rent paid for Bodega A less deposit per O.R. 4113	₱1,020.00	(See Exhibit B-4)
B-8	9-4-69	O.R. 4769	Perfex Engineering and Machinery	Refund of balance of rental deposit	₱ 378.51	(See Exhibit B-3)

ANNEX 2

DECISION -
CTA CASE NO. 2821

2. Salaries and Wages on Farming Business ₱11,914.90 reduced to ₱10,983.90

Exhibit No.	Date	Voucher No.	PARTICULARS	Amount
C	1-11-66	3515	Payroll of 7 farmhands, 1 supervisor, 1 superintendent at Hacienda Liwayway, Mauban, Quezon for Dec. 16-31, 1965	₱ 473.00
C-1	1-20-66	3531	Payroll for Liwayway Farm for Jan. 1-15, 1966	448.50
C-2	2-11-66	3568	Payroll for Liwayway Farm for Jan. 16-31, 1966	483.50
C-27	2-23-66	3580	Payroll for Liwayway Farm for Feb. 1-15, 1966	483.50
C-4	3-11-66	3596	Payroll for Liwayway Farm for Feb. 16-28, 1966	434.50
C-28	3-25-66	3612	Payroll for Liwayway Farm for Mar. 1-15, 1966	483.50
C-5	3-25-66	3613	James Manis, Bangcua Tuba Benguet, Mt. Province for services rendered for March 1966	135.00
C-6	4-13-66	3630	Payroll for Liwayway Farm for Mar. 16-31, 1966	508.00
C-23	4-25-66	3646	Payroll for Liwayway Farm for Apr. 1-15, 1966	434.50
C-7	4-25-66	3647	James Manis, Bangcua Tuba, Services rendered for April, 1966	135.00
C-8	5-17-66	3669	Payroll for Liwayway Farm for Apr. 16-30, 1966	473.00
C-25	5-31-66	3681	Payroll for Liwayway Farm for May 1-15, 1966	459.00
C-9	6-9-66	3692	Payroll for Liwayway Farm for May 16-31, 1966	508.00
C-10	6-25-66	3705	Payroll for LIwayway Farm for June 1-15, 1966	483.50
C-11	7-25-66	3722	Payroll for Liwayway Farm for June 16-30, 1966	483.50
C-26	7-25-66	3723	James Manis, services rendered for June, 1966	135.00
C-12	8-1-66	3735	Payroll for Liwayway Farm for July 1-15, 1966	459.00
C-24	8-11-66	3745	James Manis, services rendered for July, 1966	135.00
C-13	8-11-66	3747	Payroll for Liwayway Farm for July 16-31, 1966	483.50
C-14	8-24-66	3759	Payroll for Liwayway Farm for Aug. 1-15, 1966	442.50
C-15	9-2-66	3774	James Manis, services rendered for Aug., 1966	135.00
C-16	9-14-66	3779	Payroll for Liwayway Farm for Aug. 16-31, 1966	508.00
C-17	9-30-66	3798	Payroll for Liwayway Farm for Sept. 1-15, 1966	483.50
C-18	10-15-66	3112	Payroll for Liwayway Farm for Sept.15-30, 1966	460.50
C-19	11-8-66	3835	Payroll for Liwayway Farm for Oct. 1-15, 1966	510.00
C-20	11-15-66	3839	Payroll for Liwayway Farm for Oct. 16-31, 1966	507.50
C-21	11-15-66	3840	James Manis, services rendered for Sept. and Oct., 1966	270.00
C-22	11-23-66	3851	Payroll for Liwayway Farm for Nov. 1-15, 1966	466.00
			Correct Total	₱11,421.50

NOTE: All payrolls were signed by the payees.

ANNEX 3

DECISION -
CTA CASE NO. 2821

4. Salaries and Wages Accrued ₱13,508.10
(Taken up as expenses in 1966)

Exhibit No.	Cash Voucher No.	Date Paid	PARTICULARS	Rose-Marie Guanzon	Dolores Guanzon	Antonio Guanzon	Others
D	3967	2-23-67	Assistant to the Gen. Manager, Administrator, Comptroller of A.L.Guanzon Real Estate,Agriculture & Florida Homesite Subdv. Salary for Jan. to Mar., 1965	₱1,800.00			
D-1	3970	2-23-67	Cashier-Bookkeeper of A.L. Guanzon Real Est. Salary for March to July, 1966 @ ₱450.00 a month		₱2,250.00		
D-2	4055	5-17-67	Cashier-Bookkeeper of A.L. Guanzon Real Est. Salary for August to December, 1966		2,250.00		
D-3	4064	5-19-67	Assistant to the Gen. Manager of Real Est. & Administrator of Liwayway Cacao, Black Pepper & Banana Plantation for Sept. 16 to Oct.15, 1966			₱100.00	
D-4	4079	6-9-67	Asst. to the Gen.Manager of Real Est. & Administrator of Liwayway Cacao, Black Pepper & Banana Plantation for Oct. 16 to Nov. 15, 1966			100.00	
D-5	4095	7-10-67	Asst. to the Gen. Manager of Real Est. & Administrator of Liwayway Cacao, Black Pepper and Banana Plantation for Nov. 16 to Dec. 15, 1966			100.00	
D-6	4122	7-28-67	Asst. to the Gen. Manager of Real Est. & Administrator of Liwayway Cacao, Black Pepper & Banana Plantation for Dec. 16 to 31, 1966			50.00	

ANNEX 3 continued

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Exhibit No.	Cash Voucher No.	Date Paid	PARTICULARS	Rose-Marie Guanzon	Dolores Guanzon	Antonio Guanzon	Others
D-7	4267	12-5-67	Salary of R. Guanzon for April to July, 1966 @ ₱600.00/mo.	₱2,400.00			
D-8	4268	12-16-67	Salary of R. Guanzon for August, 1966	600.00			
D-9	3898	1-4-67	Flora Ricafort services rendered to A.L. Guanzon for 1966				₱100.00
D-10	3914	1-17-67	Farmhands (1 superintendent, 1 field supervisor, 7 farmhands) payroll for Dec. 1-15, 1966				483.50
D-11	3934	2-7-67	Farmhands (1 superintendent, 1 field supervisor, 7 farmhands) payroll for December 16-31, 1966				504.50
D-12	3920	1-28-67	Atty. Pedro Marbella, for services rendered				100.00
D-13	4395	4-17-68	Salary of R. Guanzon for September, October and November, 1966	₱1,800.00			
D-14	4396	4-18-68	Salary of R. Guanzon for December, 1966	600.00			
	3941		Not presented by petitioner				270.00
		T O T A L		₱7,200.00	₱4,500.00	₱350.00	₱1,458.00

5. Bonus Payable ₱15,600.00

Exhibit No.	Cash Voucher No.	Date Paid	PARTICULARS	Rose-Marie Guanzon	Dolores Guanzon	Antonio Guanzon
E	4090	6-30-67	Part payment of bonus to A. Guanzon			₱5,600.00
E-1	4265	12-5-67	Full payment of 1966 bonus to A. Guanzon			1,600.00
E-2	4290	12-29-67	Full payment of 1966 bonus to D. Guanzon		₱2,000.00	
E-3	4266	12-5-67	Part payment of 1966 bonus to D. Guanzon		1,600.00	
E-4	4335	2-19-68	Part payment of 1966 bonus to R. Guanzon	₱ 800.00		
E-5	4340	2-24-68	- do -	3,500.00		
E-6	4341	2-28-68	Full payment of 1966 bonus to R. Guanzon	₱ 500.00		
		T O T A L		₱4,800.00	₱3,600.00	₱7,200.00

NOTE: All vouchers were signed by the payees.

ANNEX 4

DECISION -
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6. Repairs and Maintenance ₱1,249.84

Exhibit No.	Date	Cash Voucher No.	Payee	PARTICULARS	Amount	Findings
G	1-5-66	3507	Caloocan Champion Lumber	Plumbing materials for repair at 123 Florencio Street	₱ 74.00	Receipt attached
G-1	1-6-66	3508	J.B. Reno Enterprises	Electrical materials for repair at 123 Florencio Street	180.04	- do -
G-2	1-15-66	PCV 436	Lauuza & Co.	Materials for repair at 128 Sta. Lucia St.	36.00	- do -
G-3	1-25-55	3542	A.Guanzon	For reimbursement for payment made for repair of water pipes at 1239 Lorencia Street	50.00	Reimbursement
G-4	2-2-66	PCV 457	Rosauro Pineda Dominador Balangit	Payment of carpenters for repair in 7th Ave. Apartment	10.00	Signed by payee
G-5	2-23-66	PCV 472	Pedro Macdon by D. Guanzon	Reimbursement for electrical materials for repair at 123 Florencio Street	15.50	Reimbursement
G-6	2-26-66	PCV 474	D.Guanzon	- do -	8.00	- do -
G-7	2-26-66	PCV 475	- do -	- do -	15.00	- do -
G-8	4-30-66	CV 3654	A.Guanzon	Reimbursement for electrical repairs at 744 A.& B.	82.00	- do -
G-9	4-25-66	PCV 517	A.Guanzon	Reimbursement for repairs as per attached invoice	52.85	Invoice attached
G-10	5-27-66	PCV 547	Clomera	Expenses for cleaning	19.00	Receipt attached
G-11	6-11-66	PCV 558	D.Guanzon	Reimbursement for repairs at Florida Blanca Homesite and Inspection trip	24.60	Expenses itemized

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Exhibit No.	Date	Cash Voucher No.	Payee	PARTICULARS	Amount	Findings
G-12	3-5-66	PCV 482	Repairmen	General cleaning and repair of typewriters	₱ 5.00	Signed by payee
G-13	6-28-66	CV 3728	A.Tibayan	Repainting of 640-642 Rizal Avenue Ext.	400.00	Signed by payee
G-14	8-23-66	PCV 627	S. Santos	Advance for 5 pieces G.I. Gutters	10.00	Signed by payee
G-15	9-1-66	PCV 642	R.Guanzon	Reimbursement for services rendered on electrical installation at 7th Avenue	10.00	Reimbursement
G-16	10-7-66	PCV 682	Macdon	Repair of aircon	30.00	Signed by payee
G-17	10-10-66	PCV 685	R.Guanzon	Reimbursement for repair of aircon at 123 Florencio Street	15.75	Reimbursement
G-18	10-19-66	PCV 006	D.Guanzon	Reimbursement for repair of electrical connections at 123 Florencio Street	23.20	Reimbursement
G-19	12-7-66	CV 3869	Macdon	Repair and cleaning of jetmatic pump at Florida Homesite Subdv.	50.00	Signed by payee
G-20	12-2-66	CV 3877	D.Guanzon	Cost of bamboo poles and rope	21.90	Receipt attached & Signed by payee
G-21	12-21-66	CV 3887	Abellera	Labor for repainting Guanzon Lime Bldg.	42.00	See Exh. "G-22"
G-22	12-27-66	3888	R.Guanzon	Paints per invoices (not attached	51.00	Receipt not attached
G-23	12-15-66	PCV 092	Abellera	Advances for repainting Guanzon Bldg.	5.00	Signed by payee
G-24	12-16-66	PCV 093	Songco	Jetmatic pump installation	5.00	Signed by payee
G-25	5-20-66	PCV 540	D.Balangit R. Pineda	Extra labor (painting of 7th Ave. Apt. on Sunday	12.00	Reimbursement
G-26	8-31-66	639	A.Guanzon	Reimbursement for service rendered by Mejia	2.00	Reimbursement
		TOTAL			₱1,249.84	

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7. <u>Transportation and Travelling</u> ₱5,613.25

Exhibit No.	Date	Cash Voucher No.	Payee	PARTICULARS	Amount	Findings
H	2-1-66	PCV 456	Eddie Songco	Transportation for long distance call	₱ 3.50	Signed by payee
H-1	2-11-66	PCV 460	signed but illegible	Transportation and meal to bring price list	4.00	Signed by payee
H-2	9-1-66	PCV 641	- do -	Transportation from Florida Homesite Subdv.	3.50	Signed by payee
H-3	12-19-66	095	Pineda	Transportation for purchases from drugstore	.20	Signed by payee
			TOTAL		₱ 11.20	

<u>G-J No. 21 covering the following Cash Vouchers</u>

Exhibit No.	Date	Cash Voucher No.	Payee	PARTICULARS	Amount	Findings
H-4	1-4-67	3897	A. Guanzon	Reimbursement for transportation and meals to inspect ricelands at Lubao, Minalin, Macabebe, Pampanga for June, 1966	₱200.00	Signed by payee
H-5	1-31-67	3922	- do -	- do - for July and part of Aug., 1966	300.00	Signed by payee
H-6	2-3-67	3927	- do -	- do - for August & Sept. 1966	300.00	Signed by payee
H-7	2-7-67	3942	- do -	- do - for Oct. & part of Nov. 1966	300.00	Signed by payee
H-8	2-22-67	3966	- do -	- do - for Oct., Nov. & Dec. 1966	300.00	Signed by payee
			TOTAL		₱1,400.00	

Exhibit No.	Date	Cash Voucher No.	Payee	PARTICULARS	Amount	Findings
G-J No. 24				According to petitioner, the item covered consists of electric bills paid to Gaudencio Manalac. Electric for street lights at Florida Homesite Subdv.	₱4,200.00	Not presented
H-9	3-17-66	CV 3605	G.S. Manalac Electric	For electricity consumed at FHS Dec.'65 and	251.30	For Dec.'65 no receipt attached
				For electricity consumed at FHS Jan.'66	251.30	Receipts for Jan.'66 attached
			TOTAL		₱502.60	