



REPUBLIC OF THE PHILIPPINES

CARMONA WATER DISTRICT

(LWUA CCC No. 561)

ISO CERTIFICATE No. 80132/A/0001/UK/En

Blk. 8, Lot 8, Joy St., Cityland Subdivision, Brgy. Mabuhay, Carmona, Cavite

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of the Carmona Water District (CWD) is responsible for the preparation of the financial statements as of December 31, 2021 including the additional components attached thereto in accordance with the prescribed financial reporting framework indicated therein. The responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material statement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements before such statements are issued to the regulators, creditors and other users.

The Commission on Audit has audited the financial statements of the CWD in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and has expressed its opinion on the fairness of presentation upon completion of such audit, in its report to the Board of Directors.


JOEMAR G. CUNANAN

Admin & Finance Division Manager

Date Issued: 02/14/2022


ENGR. ANILINE B. FRANCIA

General Manager

Date Issued: 02/14/2022

CARMONA WATER DISTRICT
STATEMENT OF FINANCIAL POSITION
As of December 31, 2021
(With Comparative Figures for CY 2020)

	Note	2021	2020
ASSETS			
Current Assets			
Cash and Cash Equivalents	6	₱ 165,589,120.47	₱ 135,469,620.08
Financial Assets		-	
Other Investment	7	50,000,000.00	25,000,000.00
Receivables	8	13,640,353.89	15,187,484.84
Inventories	9	3,715,346.77	7,563,721.89
Other Current Assets	10	3,279,536.18	3,589,022.56
Total Current Assets		<u>236,224,357.31</u>	<u>186,809,849.37</u>
Non-Current Assets			
Financial Assets	11	25,000,000.00	50,000,000.00
Other Investments	12	19,759,791.55	15,935,949.82
Property, Plant and Equipment	13	118,857,941.75	94,231,293.40
Intangible Assets	14	1,422,200.00	1,021,400.00
Other Non-Current Assets	15	1,852,571.25	1,852,571.03
Total Non-Current Assets		<u>166,892,504.55</u>	<u>163,041,214.25</u>
TOTAL ASSETS		<u>₱ 403,116,861.86</u>	<u>₱ 295,800,884.00</u>
LIABILITIES AND EQUITY			
Current Liabilities			
Financial Liabilities	16	₱ 1,971,647.49	₱ 2,328,211.67
Inter-Agency Payables	17	1,749,308.02	2,247,783.03
Trust Liabilities	18	2,213,076.00	160,000.00
Total Current Liabilities		<u>5,934,031.51</u>	<u>4,735,994.70</u>
Non-Current Liabilities			
Financial Liabilities	19	₱ 7,194,893.00	₱ 7,194,893.00
Deferred Credits/Unearned Income	20	505,960.74	285,118.40
Provisions	21	6,913,159.27	6,069,188.27
Other Payables	22	375,058.82	289,908.28
Total Non-Current Liabilities		<u>14,989,071.83</u>	<u>13,839,107.95</u>
TOTAL LIABILITIES		<u>₱ 20,923,103.34</u>	<u>₱ 18,575,102.65</u>
Equity			
Government Equity		32,607,806.07	32,607,806.07
Retained Earnings/(Deficit)		<u>349,585,952.44</u>	<u>298,668,154.90</u>

	<u>382,193,758.51</u>	<u>331,275,960.97</u>
TOTAL LIABILITIES AND EQUITY	P <u>403,116,861.86</u>	P <u>349,851,063.62</u>

(See accompanying Notes to Financial Statements)

CARMONA WATER DISTRICT
STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended December 31, 2021
(With Comparative Figures for CY 2020)

	Note	2021	2020
Income			
Service and Business Income	23	P 124,516,790.56	P 123,909,004.21
Gain on Sale of PPE		202,850.00	-
Other Non-Operating Income	24	287,686.32	112,216.96
Total Income		<u>125,007,326.88</u>	<u>124,021,221.17</u>
Less: Expenses			
Personal Services	25	34,025,956.12	34,041,463.27
Maintenance and Other Operating Expenses	26	30,610,241.04	29,477,800.14
Financial Expenses	27	5,709.00	2,550.00
Non-Cash Expenses	28	7,737,545.43	7,421,225.67
Total Expenses		<u>72,379,451.59</u>	<u>70,943,039.08</u>
NET INCOME		<u>P 52,627,875.28</u>	<u>P 53,078,182.09</u>

(See accompanying Notes to Financial Statements)

CARMONA WATER DISTRICT
STATEMENT OF CHANGES IN EQUITY
For the Year Ended December 31, 2021
(With Comparative Figures for CY 2020)

	Retained Earnings/ (Deficit)	Contributed Capital	Total
Balance at January 1, 2020	P 245,376,737.43	32,607,806.07	277,984,543.50
Changes in Equity for 2020			
Add/(Deduct):			
Comprehensive Income for the year	53,078,182.09	-	53,078,182.09
Other Adjustments	213,235.38	-	213,235.38
Balance at December 31, 2020	298,668,154.88	32,607,806.07	331,275,960.96
Changes in Equity for 2021			
Add/(Deduct):			
Comprehensive Income for the year	52,627,875.28	-	52,627,875.28
Other Adjustments (Note 29)	(1,710,077.74)	-	(1,710,077.74)
Balance at December 31, 2021	P 349,585,952.42	P 32,607,806.07	P 382,193,758.51

**CARMONA WATER DISTRICT
STATEMENT OF CASH FLOWS**

For the year ended December 31, 2021
(With Comparative Figures for CY 2020)

	2021	2020
Cash Flows from Operating Activities:		
Cash Inflows:		
Collection of Income/Revenue	₱ 122,704,108.69	₱ 119,975,142.19
Collection of Receivables	3,978,586.76	467,315.49
Receipt of Inter-Agency Fund Transfers	12,724,483.96	1,900,349.96
Trust Receipt	3,771,935.49	140,000.00
Other Receipts (Note 30)	2,129,437.78	1,585,261.68
Total Cash Inflows	145,308,552.68	124,068,069.32
Adjustments (Note 31)	365,821.43	221,215.74
Adjusted Cash Inflows	145,674,374.11	124,289,285.06
Cash Outflows:		
Payment of Personnel Services	31,965,845.28	22,692,346.83
Payment of Maintenance and Other Operating Expenses	22,989,620.78	22,465,977.65
Purchase of Inventories	5,727,006.31	3,981,528.73
Grant of Cash Advances	-	-
Prepayments	1,011,934.72	1,132,058.23
Refund of Deposits	284,550.60	241,500.00
Payment of Accounts Payable	1,867,844.52	1,903,920.72
Remittance of Personnel Benefit Contributions (Note 32)	16,997,242.46	13,116,115.11
Other Disbursements (Note 33)	25,276,469.42	69,873.14
Total Cash Outflows	106,120,514.09	65,603,320.41
Adjustments	5,030.95	-
Adjusted Cash Outflows	106,125,545.04	65,603,320.41
Total Cash Provided by Operating Activities	39,548,829.07	58,685,964.65
Cash Flows from Investing Activities:		
Cash Inflows:		
Receipt of Interest Earned	₱ 1,435,834.53	₱ 2,837,320.44
Proceeds from Matured Investments	25,000,000.00	-
Proceeds from Sale/Disposal of PPE	255,050.00	-
Total Cash Inflows	26,690,884.53	2,837,320.44
Cash Outflows:		
Purchase/Construction of Property, Plant and Equipment	31,902,863.21	6,053,000.62
Purchase of Investments (Note 34)	3,816,550.00	3,111,800.00
Purchase of Intangible Assets	400,800.00	-
Total Cash Outflows	36,120,213.21	9,164,800.62
Total Cash Used in Investing Activities	(9,429,328.68)	(6,327,480.18)
Cash Flows from Financing Activities:		
Cash Inflows:		
Proceeds from Incurrence of Financial Liabilities	₱ -	₱ -
Total Cash Inflows	-	-
Cash Outflows:		
Payment of Long-Term Liabilities	-	-
Payment of Interest on Loans and Other Financial Charges	-	-
Total Cash Outflows	-	-
Total Cash Used in Financing Activities	-	-
Cash Used in Operating and Investing Activities	30,119,500.39	52,358,484.47
Add: Cash Balance, January 1	135,469,620.08	83,111,135.61
Cash Balance, December 31	₱ 165,589,120.47	₱ 135,469,620.08

(See accompanying Notes to Financial Statements)

NOTES TO FINANCIAL STATEMENTS

1. Agency Background

The Carmona Water District (CWD) was created by virtue of Sangguniang Bayan Resolution No. 002-97 dated January 27, 1997 of the Municipality of Carmona, Cavite in pursuance of Presidential Decree (PD) No. 198, otherwise known as the Provincial Water Utilities Act, dated September 28, 1978, declaring a national policy, favoring local operation and control of water system, authorizing the formation of water districts and providing for the government and administration of such projects. On April 27, 1997, Conditional Certificate of Conformance No. 561 was issued to the CWD by the Local Water Utilities Administration (LWUA). The CWD's operation officially started in April 1997.

As of December 31, 2021, the CWD has 16,608 total service connections broken down as follows:

Total Active	15,098
Total Inactive	<u>1,510</u>
Total Service Connections	<u>16,608</u>

The CWD holds office at Block 8, Lot 8, Joy Street, Cityland Subdivision, Brgy. Mabuhay, Carmona, Cavite.

As of December 31, 2021, the CWD comprises 53 Permanent employees, 13 Casual employees and nine Job-order personnel, headed by the General Manager (GM), Engr. Aniline B. Francia. The CWD is governed by five members of the Board of Directors, namely:

Name	Position	Sector
Atty. Frederick S. Levardo	Chairman	Professional
Mr. Patrick A. Doloroso	Vice Chairman	Business
Ms. Adelina M. Diego	Secretary	Education
Ms. Julia C. Diago	Member	Women
Mr. Bernard M. Ledesma	Member	Civic

2. Statement of Compliance and Basis of Preparation of Financial Statements

The financial statements of the CWD have been prepared in accordance with and comply with the Philippine Financial Reporting Standards (PFRS). The financial statements are presented in pesos, which is the functional and reporting currency of the Water District. The accounting policies have been applied starting the year 2016.

3. Summary of Significant Accounting Policies

3.1 Basis of Accounting

The financial statements are prepared on an accrual basis in accordance with the PFRS prescribed by the Commission on Audit. Accounts were classified to conform to the Revised Chart of Accounts prescribed by COA Circular No. 2015-010 dated December 1, 2015.

3.2 Financial Instruments

3.2.1 Financial Assets

Initial Recognition and Measurement

Financial assets are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The CWD determines the classification of its financial assets at initial recognition.

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

The CWD's financial assets include cash and short-term deposits and trade and other receivables.

Subsequent Measurement

The subsequent measurement of financial assets depends on their classification.

Loans and Receivables

Loans and Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Derecognition

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

- Right to receive cash flows from the asset have expired or is waived.
- The CWD has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material

delay to a third party; and either: (a) the CWD has transferred substantially all the risks and rewards of the asset; or (b) the CWD has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets

The CWD assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- a. The debtors or a group of debtors are experiencing significant financial difficulty;
- b. Default or delinquency in interest or principal payments;
- c. The probability that debtors will enter bankruptcy or other financial reorganization; and
- d. Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

Financial Assets Carried at Amortized Cost

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

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or transferred to the CWD. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases

because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in surplus or deficit.

3.2.2 Financial Liabilities

Initial Recognition and Measurement

Financial liabilities within the scope of PAS 32 and 39, and PFRS 37 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The CWD determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value, and in the case of loans and borrowings.

The CWD's financial liabilities include trade and other payables, and loans and borrowings.

Subsequent Measurement

The measurement of financial liabilities depends on their classification.

Loans and Borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process.

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

Derecognition

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

Offsetting of Financial Instruments

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

Contingent Liabilities

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

Contingent Assets

The CWD does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within its control in the Notes to Financial Statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

3.2 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

3.3 Inventories

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the CWD.

3.4 Leases

Water District as Lessee

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the CWD. Operating Lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

3.5 Property, Plant and Equipment

Recognition

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

The characteristics of PPE are as follows:

- a. Tangible items;
- b. Held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- c. Expected to be used during more than one reporting period.

An item of PPE is recognized as an asset if:

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

Measurement at Recognition

An item recognized as Property, Plant, and Equipment is measured at cost.

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

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

Cost includes the following:

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

Measurement after Recognition

After recognition, all property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

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

Depreciation

Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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

Initial Recognition of Depreciation

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

Depreciation Method

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

Estimated Useful Life

The CWD uses the Schedule on the Estimated Useful Life of PPE by classification. It uses a residual value equivalent to at least five percent (5%) of the cost of the PPE.

Impairment

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

Derecognition

The CWD derecognizes items of property, plant and equipment and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

3.6 Impairment of Non-Financial Assets

Impairment of Cash-Generating Assets

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

Where the carrying amount of an asset or the cash-generating unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the Statement of Financial Performance in those expense categories consistent with the nature of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the CWD estimates the assets or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in surplus or deficit.

Impairment of non-cash-generating assets

The CWD assesses at each reporting date whether there is an indication that a non-cash generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the CWD estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash generating asset's fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount.

In assessing value in use, the CWD has adopted the depreciation replacement cost approach. Under this approach, the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The depreciated replacement cost is measured as the reproduction or replacement cost of

the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset. In determining fair value less costs to sell, the price of the assets in a binding agreement in an arm's length transaction, adjusted for incremental costs that would be directly attributed to the disposal of the asset is used. If there is no binding agreement, but the asset is traded on an active market, fair value less cost to sell is the asset 'market price less cost of disposal. If there is binding sale agreement or active market for an asset, the CWD determines fair valueless cost to sell based on the best available information.

For each asset, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the CWD estimates the asset's recoverable service amount. A previously recognized impairment loss is reversed only if there has been change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable service amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in surplus or deficit.

3.7 Revenue Recognition

Revenue from Non-Exchange Transactions

Transfers from Other Government Entities

Transfers from other government entities are measured at fair value and recognized on obtaining control of the assets (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the CWD and can be measured reliably.

Revenue from Exchange Transactions

Rendering of Services

The CWD recognizes revenue from rendering of services upon delivery or completion thereof. Revenue is recognized in the accounting period in which the services are rendered and when the associated expenses for a transaction are incurred. Revenue is recognized only when it is probable that the economic benefits associated with the transactions will flow to the entity.

3.8 Changes in Accounting Policies and Estimates

The CWD recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

The CWD recognizes the effects of changes in accounting estimates prospectively by including in surplus or deficit.

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

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

3.9 Borrowing Costs

Borrowing costs are recognized under the allowed alternative treatment, wherein costs are recognized as expense in the period in which they are incurred, except the costs that are directly attributable to the acquisition, construction, or production of a qualifying asset which are recognized as part of the cost of the asset. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further, borrowing costs are charged to the Statement of Financial Performance.

3.10 Employee Benefits

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

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

The CWD recognizes expenses for accumulating compensated absences when these were paid (commuted or paid as terminal leave benefits). Unused entitlements that have accumulated at the reporting date were not recognized as expense. Non-accumulating compensated absences like special leave privileges, were not recognized.

3.11 Related Parties

The CWD regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over itself, or vice versa. Members of key management are regarded as related parties and comprise the Board of Directors and General Manager.

3.12 Service Concession Arrangements

The CWD analyses all aspects of service concession arrangements that it enters into determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the CWD recognizes that asset when it controls or regulates the services the operator provides together with the asset, to whom it must provide them, and at what price. Any assets so recognized are measured at their fair value. To the extent that an asset has been

recognized, the CWD also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

3.13 Significant Judgments and Sources of Estimation Uncertainty

Judgments

In the process of applying the CWD accounting policies, Management has made judgments, which have the most significant effect on the amounts recognized in the financial statements.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The CWD based its assumptions and estimates on parameters available when the financial statement was prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the CWD. Such changes are reflected in the assumptions when they occur.

Useful Lives and Residual Values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a. The condition of the asset based on the assessment of experts employed by the CWD;
- b. The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- c. The nature of the processes in which the asset is deployed; and
- d. Changes in the market in relation to the asset

Impairment of Non-Financial Assets-Cash-Generating Assets

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change, which may then impact management's estimations and require a material adjustment to the carrying value of tangible assets.

The CWD reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Cash-generating assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates of expected future cash flows are

prepared for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

Impairment of Non-Financial Assets-Non-Cash Generating Assets

The CWD reviews and tests the carrying value of non-cash-generating assets when events or changes in circumstances suggest that there may be a reduction in the future service potential that can reasonably be expected to be derived from the asset. Where indicators of possible impairment are present, the CWD undertakes impairment tests, which require the determination of the fair value of the asset and its recoverable service amount. The estimation of these inputs into the calculation relies on the use estimates and assumptions.

Any subsequent changes to the factors supporting these estimates and assumptions may have an impact on the reported carrying amount of the related asset.

Held-to-Maturity Investments and Loans and Receivables

The CWD assesses its loans and receivables (including trade receivables) and its held-to-maturity investments at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the CWD evaluates the indicators present in the market to determine if those indicators are indicative of impairment in its loans and receivables or held-to-maturity investments.

Where specific impairments have not been identified, the impairment for trade receivables, held-to-maturity investments, and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

4. Changes In Accounting Policies

The CWD reasonably expects the application of certain standards and amendments at a future date that require restatement of previous financial statements.

5. Prior Period Adjustments

The CWD has not yet determined any error which occurred in the past and reported on a prior year's financial statements that requires any adjustment.

6. Cash and Cash Equivalents

This account consists of the following:

	2021	2020
Cash - Collecting Officer	₱ 617,765.96	₱ 603,006.96
Local Currency on Hand	10,000.00	10,000.00
Petty Cash Fund	65,000.00	10,758.29
Cash in Bank – Local Currency		
LBP Acct. No. 2382-1008-60	31,798,349.04	24,130,005.39
DBP Acct. No. 65104069J030	53,940,872.03	66,149,608.61
Cash in Bank – Local Currency		
LBP Acct. No. 2381-0625-49	79,157,133.44	44,566,240.83
Totals	<u>₱ 165,589,120.47</u>	<u>₱ 135,469,620.08</u>

Cash-Collecting Officers and Local Currency on Hand pertain to the amount of collections with the Collecting Officers for deposit to AGDBs and Change Fund of tellers amounting to ₱10,000.00, respectively. Deposit of Cash-Collecting Officer of the same amount was made on January 3, 2022.

7. Other Investments - Current

This account consists of the following:

	2021	2020
Investment in Time Deposits – Local Currency	<u>₱ 50,000,000.00</u>	<u>₱ 25,000,000.00</u>

This account represents investment on Time Deposit at Development Bank of the Philippines – Bacoar Branch: (1) P25,000,000.00 placed last 09/02/2021 with maturity date of 3/1/2022 and interest rate of 1.80% and (2) P25,000,000.00 placed last 12/14/2021 with maturity date of 2/14/2022 and interest rate of 1.40%.

8. Receivables

This account consists of the following:

	2021	2020
Accounts Receivable (AR) – General Customers (GC)	₱8,553,128.54	₱9,197,752.51
Accounts Receivable (AR) – Production Assessment (PA)	808,137.25	891,113.70
Allowance for Impairment – AR – GC	(4,428,877.76)	(4,153,901.06)
Allowance for Impairment – AR – PA	(302,757.54)	(392,127.72)
Net Realizable Value – AR	4,629,630.49	5,542,837.43
Loans Receivables – Others	3,600.00	3,600.00
Due from Local Government Units	28,768.34	28,768.34
Receivables – Disallowances/Charges	5,042,823.28	6,755,473.11
Due from Officers and Employees	249,013.95	249,887.69
Other Receivables	3,686,517.83	2,606,918.27
Totals	<u>₱13,640,353.89</u>	<u>₱15,187,484.84</u>

Accounts Receivable account consist of amount due from concessionaires arising from regular trade and business transactions and production assessment imposed by the CWD to all commercial and industrial establishments extracting groundwater within its service area.

Loans Receivable – Others account is used to recognize credits/loans to various employees as part of the Gender and Development Programs established several years ago.

Due from Local Government Units represents amount arising from the construction of various fire hydrants last 2014. Once approved by the LGU, this amount will be offset from Due to LGU account.

Receivables-Disallowances/Charges account represents the amount of disallowances/charges in audit due from public/private individuals/entities which have become final and executory.

Other Receivables account represents the amount due from debtors and other agencies not falling under any of the specific receivable account.

9. Inventories

The account includes the following:

	2021	2020
Merchandise Inventory	P 2,038,006.47	P 3,212,182.15
Office Supplies Inventory	167,442.81	274,102.19
Accountable Forms, Plates and Stickers Inventory	10,300.00	3,100.00
Chemical and Filtering Supplies Inventory	197,800.00	-
Construction Materials Inventory	1,301,797.49	1,229,352.34
Other Supplies and Materials Inventory	-	638,242.75
Semi-Expendable Office Equipment	-	339,434.72
Semi-Expendable Information and Communication Technology Equipment	-	416,907.26
Semi-Expendable Communication Equipment	-	246,376.50
Semi-Expendable Other Machinery and Equipment	-	241,500.13
Semi-Expendable Furniture and Fixtures	-	962,523.85
Totals	<u>P3,715,346.77</u>	<u>P7,563,721.89</u>

Merchandise Inventory pertains to purchased/acquired inventories for sale in the ordinary course of business.

Office Supplies Inventory pertains to the cost or value of purchased/acquired office supplies such as bond papers, inks, and small tangible items like staple wire removers, punchers, staplers and other similar items for government operations.

Accountable Forms Inventory pertains to the cost of official receipts.

Chemical and Filtering Supplies Inventory pertains to the cost of Chlorine Dioxide used in CWD operations.

Construction Materials Inventory represents cost of construction materials purchased/acquired for stock and later issuance for the construction, fabrication, repair and rehabilitation of government facilities undertaken by administration.

Other Supplies and Materials Inventory account is used to recognize the cost of purchased/acquired supplies and materials not falling under any of the specific inventory accounts held for consumption.

10. Other Current Assets

This account consists of the following:

	2021	2020
Prepaid Insurance	86,840.42	97,762.21
Other Prepayment	-	28,806.69
Guaranty Deposits	3,176,666.77	3,430,682.35
Other Deposits	16,028.99	31,771.31
Totals	<u>P3,279,536.18</u>	<u>P3,589,022.56</u>

Prepaid Insurance account is used to recognize the amount advanced for the insurance of the CWD's properties and treasury bonds of several accountable officers.

Other Prepayments account represents unused portion for Radio Frequency Identification (RFID) load and unexpired portion of advanced payment to Electronic Philippine Long Distance Telephone Co. (EPLDT) for email hosting.

Guaranty Deposits account is used to recognize amount deposited to Meralco for bill deposit and additional line extension.

Other Deposits account pertains to withholding tax of concessionaires from water bill payments to be claimed as tax credit on filing Franchise Tax.

11. Financial Assets

This account consists of the following:

	2021	2020
Investment in Bonds - Local	<u>P 25,000,000.00</u>	<u>P 50,000,000.00</u>

This account represents investment on Retail Treasury Bonds: P 25,000,000.00 – maturity term: five years ; interest rate: 6.250% p.a. ; maturity date: 3/12/2024

12. Other Investments – Non-current

This account consists of the following:

	2021	2020
LBP Acct. No. 2381-0388-77	<u>P 19,759,791.55</u>	<u>P 15,935,949.82</u>

This account represents deposits in Local Water Utilities Authority (LWUA) Savings Account as required under Presidential Decree (PD) No. 198, as amended. This savings account is restricted since any disbursement on this account requires approval of one LWUA officer who acted as one of the signatories for this account.

Sinking Fund was set-up in compliance with Section 41 of Presidential Decree (PD) No. 198. The fund is to be utilized exclusively to finance: (i) Operating & Maintenance expenditures during periods of calamities or unforeseen events; and (ii) expansion and improvement of its physical facilities. Any withdrawal against the fund requires a Board approval.

LBP Account No. 2381-0388-77 is a sinking fund account in compliance with the foregoing purpose. It is sourced from at least 3% water sales. No deposit has been made for the months of April and May as part of the agency's precautionary financial measure during the imposed community quarantine amid CoViD-19 pandemic.

Details of Sinking Fund FY 2021 are as follows:

Particular	Total Water Sales Receipts	Deposit
Beginning Balance, 1/1/2021		<u>15,935,949.82</u>
Deposits FY 2021:		
December 2020	7,354,923.61	333,750.00
January	6,953,375.45	313,600.00
February	6,367,520.44	294,000.00
March	7,547,716.79	341,600.00
April	6,230,009.56	304,300.00
May	6,838,996.23	330,500.00
June	6,908,997.02	324,500.00
July	6,840,859.43	321,000.00
August	6,824,660.06	325,000.00
September	6,619,573.64	312,300.00
October	6,388,362.40	312,500.00
November	6,490,698.83	303,500.00
Totals	<u>P81,365,693.46</u>	<u>P 3,816,550.00</u>
	Interest earned	7,291.73
	Ending Balance	P19,759,791.55

13. Property, Plant and Equipment, net

Property, Plant and Equipment these are property of relatively permanent in character used in the normal utility operations and are carried at cost less accumulated depreciation.

The details of the account are as follows:

	2021		
	Cost	Accumulated Depreciation	Net Book Value
Land	1,150,000.00	-	1,150,000.00
Plant-Utility Plant in Service (UPIS)	170,038,912.33	(83,015,982.67)	87,022,929.66
Buildings	14,498,589.96	(9,291,232.09)	5,207,357.87
Other Structures	355,829.00	(338,037.55)	17,791.45
Office Equipment	1,991,037.49	(1,601,155.70)	389,881.79
Information and Communication Technology Equipment	1,637,753.40	(1,091,032.91)	546,720.49
Other Machinery and Equipment	11,676,658.85	(7,551,921.59)	4,124,737.26
Motor Vehicles	7,875,520.33	(3,073,377.27)	4,802,143.06
Furniture and Fixtures	1,429,478.93	(1,309,320.88)	120,158.05
Other Property, Plant and Equipment	827,580.62	(578,470.33)	249,110.29
Sub-total	211,481,360.91		103,630,829.92
Construction in Progress-Infrastructure Assets	15,227,111.83	-	15,227,111.83
Total	226,708,472.74	(107,850,530.99)	118,857,941.75

	2020		
	Cost	Accumulated Depreciation	Net Book Value
Land	1,150,000.00	-	1,150,000.00
Plant-Utility Plant in Service (UPIS)	157,828,101.49	(78,781,966.17)	79,046,135.32
Buildings	14,498,589.96	(8,584,149.55)	5,914,440.41
Other Structures	355,829.00	(338,037.55)	17,791.45
Office Equipment	1,871,037.49	(1,488,038.16)	382,999.33
Information and Communication Technology Equipment	1,286,354.40	(960,863.54)	325,490.86
Other Machinery and Equipment	11,020,951.14	(6,262,299.37)	4,758,651.77
Motor Vehicles	5,300,520.33	(3,215,848.29)	2,084,672.04
Furniture and Fixtures	1,429,478.93	(1,289,064.89)	140,414.04
Other Property, Plant and Equipment	827,580.62	(459,494.74)	368,085.88
Sub-total	195,568,443.36		9,418,8681.10
Construction in Progress-Infrastructure Assets	42,612.30	-	42,612.30
Total	195,611,055.66	(101,379,762.26)	94,231,293.40

Details of "Land" are as follows:

No.	Location	Date of Acq	Mode	Value	Remarks
1	Bancal PS-2	2001	Usufruct	-	W/ ATU issued by LGU
2	Bancal PS-3	12/22/2009	Purchase	500,000.00	W/ ATU issued by LGU
3	Bancal PS-4	11/29/2013	Purchase	500,000.00	Covered by mother title
4	Bancal PS-5	06/02/2017	Purchase	150,000.00	CWD TD No. 04000805694
5	Milagrosa Phase 4 PS	03/30/2015	Usufruct	-	UA in process
6	Villa Sorteo PS	11/20/2009	Usufruct	-	UA in process
7	Cityland PS-2	04/03/2000	Usufruct	-	UA in process
8	Milagrosa Homes PS	10/12/2016	Usufruct	-	W/ ATU issued by Coalition
9	Lantic PS	08/30/2016	Usufruct	-	UA in process
10	Maduya PS	02/19/2003	Usufruct	-	UA in process
11	Cabilang Baybay PS-1	02/09/1997	Donation	-	UA in process
12	Villa Alegre PS	04/30/2007	Donation	-	On-going transfer
13	Cityland PS-1	12/30/2000	Usufruct	-	UA in process
14	Monte Carlo PS	04/25/2017	Donation	-	On-going transfer, processing of donor's tax
15	Cabilang Baybay PS-2	10/29/2018	Usufruct	-	W/ UA
16	CES PS	10/29/2018	Usufruct	-	W/ UA
17	Cityland PS-3	10/29/2018	Usufruct	-	W/ UA
18	CPM Maduya PS	06/24/2009	Usufruct	-	UA in process
19	New Mabuhay PS	Sept 2020	Usufruct	-	UA in process
			TOTAL	1,150,000.00	

ATU – Authority to Use

TD – Tax Declaration

UA – Usufruct Agreement

14. Intangible Assets

This account consists of the following:

	2021	2020
Computer Software	P 1,422,200.00	P 1,021,400.00
Website	-	-
Totals	<u>P1,021,400.00</u>	<u>P1,021,400.00</u>

Computer Software account represents purchase cost of Billing and Collection System and Water CAD for the CWD operation.

15. Other Non-Current Assets

This account consists of the following:

	2021	2020
Other Assets	<u>P 1,852,571.25</u>	<u>P 1,852,571.03</u>

Other Assets account represents unserviceable and obsolete properties and equipment.

16. Financial Liabilities - Current

This account consists of the following:

	2021	2020
Accounts Payable	₱ 1,883,369.19	₱ 2,309,202.97
Tax Refunds Payable	88,278.30	19,008.70
Totals	<u>₱1,971,647.49</u>	<u>₱2,328,211.67</u>

Details of Accounts Payable account are as follows:

Payees	2021	2020
Arviter Security	50,610.80	-
Carmona Water District	1,180.80	-
Constech Asia Corporation	20,100.00	-
Four J's Marketing	1,490.63	1,490.63
Globe Telecom, Inc.	9,133.50	12,718.51
Holy Family Shell Service	19,496.95	14,152.63
JB Sachi Marketing	-	167,585.93
Job Order Employees	123,962.96	-
Meralco	1,639,868.83	1,454,577.07
Municipality of Carmona	-	97,900.00
PLDT	10,804.72	-
Philippine Valve Manufacturing	-	433,148.00
St. Joseph Enterprise	6,720.00	6,720.00
V8 Security Agency, Inc.	-	120,910.20
Totals	<u>₱1,883,369.19</u>	<u>₱2,309,202.97</u>

Accounts Payable is used to recognize receipt of goods or services on account in the normal course of trade and business operation.

Tax Refunds Payable represents payable to employees for excess amount of tax withheld for the year.

17. Inter-Agency Payables

This account consists of the following:

	2021	2020
Due to BIR	₱ 860,996.15	₱ 559,085.86
Due to GSIS	605,662.18	308,191.87
Due to Pag-IBIG	76,849.22	94,058.22
Due to PhilHealth	40,552.77	40,651.15
Due to LGUs	165,247.70	1,245,795.93
Totals	<u>₱1,749,308.02</u>	<u>₱2,247,783.03</u>

Due to LGUs account is used to record 25% share of the Local Government Unit of Carmona from gross receipts from operations at Carmona Public Market as stated on the Deed of Donation and Acceptance of Water Facilities. However and upon receipt of the written confirmation/approval from LGU, this account shall be adjusted from 25% to 3% as required under PD 198, as amended. In addition and with prior verbal confirmation from the LGU, this amount will be allocated for the operation of proposed CWD Septage Treatment Plant.

18. Trust Liabilities

This account consists of the following:

	2021	2020
Guaranty/Security Deposits Payable	<u>₱ 2,213,076.00</u>	<u>₱ 160,000.00</u>

This account is used to recognize the incurrence of liability arising from the receipt of cash or cash equivalents to guaranty (a) that the winning bidder shall enter into contract with the CWD; and (b) performance by the contractor of the terms of the contract.

19. Financial Liabilities – Non-Current

This account consists of the following:

	2021	2020
Loans Payable – Domestic	<u>₱ 7,194,893.00</u>	<u>₱ 7,194,893.00</u>

Loans Payable-Domestic represents Non-LWUA Initiated Fund (NLIF) as part of the 50% grant by LWUA under Memorandum of Understanding dated October 15, 2009. This account remains unchanged while waiting for the legal and final decision on what amount should be settled. Request for pertinent documents to support the settlement was communicated by CWD to LWUA. The latter responded last June 17, 2021 stating that the available documents in their possession are CWD Board Resolution No. 016-09 and LWUA Letter re: NLIF-PSF releases dated September 02, 2015. CWD is willing to settle the NLIF in full if supported by the valid claims and complete documents.

20. Deferred Credits/Unearned Income

This account consists of the following:

	2021	2020
Other Deferred Credits	<u>₱ 505,960.74</u>	<u>₱ 285,118.40</u>

Other Deferred Credits consist of collections received in advance from the concessionaires representing payment for service connection and required materials.

21. Provisions

This account consists of the following:

	2021	2020
Leave Benefits Payable	<u>₱ 6,913,159.27</u>	<u>₱ 6,069,188.27</u>

Leave Benefits Payable recognizes accrual of money value of the earned leave credits of CWD personnel.

22. Other Payables

This account consists of the following:

	2021	2020
Other Payables	<u>₱ 375,058.82</u>	<u>₱ 289,908.28</u>

Details of Other Payables account is as follows:

Payees	2021	2020
Board of Directors – PBI	47,576.00	47,576.00
AOM for BODs	-	31,282.28
LBP (Employees' Loan)	2,093.99	26,487.99
Prulife UK	4,870.52	4,870.98
SCF – Monte Carlo	44,034.63	44,034.63
Various Employees – Trust liabilities	76,711.98	74,748.59
CWD Cooperative	26,552.39	15,396.33
DBP (Employees' Loan)	68,433.30	45,511.48
Unreleased Salary & Benefits	104,786.01	-
Totals	₱375,058.82	₱289,908.28

The CWD has payables to entities/individuals not classified as financial liabilities.

23. Service and Business Income

This account consists of the following:

	2021	2020
Waterworks System Fees	₱ 114,064,324.50	113,336,243.48
Interest Income	1,443,126.26	2,669,466.49
Fines and Penalties-Business Income	2,646,545.56	2,279,636.51

	2021	2020
Other Business Income	6,362,794.24	5,623,657.73
Totals	<u>₱124,516,790.56</u>	<u>₱123,909,004.21</u>

24. Other Non-Operating Income

This account consists of the following:

	2021	2020
Miscellaneous Income	<u>₱ 287,686.32</u>	<u>₱ 112,216.96</u>

Miscellaneous Income account pertains to revenues and other receipts not elsewhere classified under any specific income account. This primarily composed of collection from the operation of CWD Water Refilling Station.

25. Personal Services

This account consists of the following:

	2021	2020
Salaries and Wages - Regular	₱ 14,800,011.86	₱ 16,372,927.24
Salaries and Wages – Casual/Contractual	2,309,249.73	1,237,267.18
Personnel Economic Relief Allowance	1,598,090.90	1,709,363.50
Representation Allowance	237,000.00	222,000.00
Transportation Allowance	237,000.00	222,000.00
Clothing/Uniform Allowance	414,000.00	468,000.00
Overtime and Night Pay	808,157.26	949,885.65
Hazard Pay	2,620,777.06	1,041,500.00
Year End Bonus	1,506,643.90	1,434,181.00
Cash Gift	331,250.00	355,000.00
Other Bonuses and Allowances	2,347,213.00	4,004,462.38
Retirement and Life Insurance Contribution	2,115,102.51	2,120,662.93
Pag-IBIG Contributions	80,150.00	86,200.00
PhilHealth Contributions	244,273.67	250,947.47
Employees Compensation Insurance Premiums	80,200.00	86,000.00
Terminal Leave Benefits	2,550,836.23	1,751,065.92
Other Personnel Benefits	1,746,000.00	1,730,000.00
Totals	<u>₱34,025,956.12</u>	<u>₱34,041,463.27</u>

26. Maintenance and Other Operating Expenses

This account consists of the following:

	2021	2020
Traveling Expenses - Local	₱ 111,296.09	₱ 124,318.20

	2021	2020
Training Expenses	121,632.00	225,933.83
Office Supplies Expenses	703,712.38	811,259.56
Accountable Forms Expenses	2,800.00	2,600.00
Medical, Dental and Laboratory Supplies Expenses	13,540.00	119,400.00
Fuel, Oil and Lubricants Expenses	416,864.55	336,611.24
Chemical and Filtering Supplies Expenses	1,396,790.00	-
Semi-Expendable Machinery and Eq. Exp.	91,731.00	-
Other Supplies and Materials Expenses	230,756.88	1,513,260.00
Water Expenses	24,120.20	
Electricity Expenses	149,434.60	17,076,036.01
Postage and Courier Services	-	-
Telephone Expenses	164,259.14	193,700.50
Internet Subscription Expenses	137,545.41	133,826.56
Generation, Transmission and Dist. Exp.	17,598,419.81	-
Extraordinary and Miscellaneous Expenses	83,854.88	48,222.88
Auditing Services	85,000.00	148,000.00
Consultancy Services	12,000.00	-
Other Professional Services	157,075.00	91,700.00
Security Services	636,862.50	654,648.02
Repairs and Maintenance – Infrastructure Assets	2,361,546.08	3,036,728.16
Repairs and Maintenance – Buildings and Other Structures	86,065.97	139,332.18
Repairs and Maintenance – Machinery and Equipment	103,858.00	71,251.50
Repairs and Maintenance – Transportation Equipment	92,054.00	142,998.00
Repairs and Maintenance – F&F	450.00	340.50
Repairs and Maintenance – Other Property, Plant and Equipment	18,900.00	-
Taxes, Duties and Licenses	2,393,590.37	1,495,817.23
Fidelity Bond Premiums	189,189.03	147,378.09
Insurance Expenses	833,868.21	843,414.80
Labor and Wages	1,397,371.50	658,235.56
Advertising, Promotional and Marketing Expenses	-	-
Printing and Publication Expenses	9,172.00	27,509.20
Representation Expenses	134,874.77	324,662.83
Rent/Lease Expenses	-	-
Member Dues and Contributions to Organizations	68,265.00	41,276.00
Directors and Committee Members' Fee	710,199.55	960,294.84
Other Maintenance and Operating Expenses	73,142.13	109,044.45
Totals	<u>P30,610,241.04</u>	<u>P29,477,800.14</u>

The Labor and Wages account is used to record labor payroll paid to Job Order employees.

27. Financial Expenses

This account consists of the following:

	2021	2020
Interest Expenses	₱ -	₱ -
Bank Charges	5,709.00	2,550.00
Totals	₱5,709.00	₱2,550.00

28. Non-Cash Expenses

This account consists of the following:

	2021	2020
Depreciation - Infrastructure Assets	4,234,016.50	4,356,689.79
Depreciation - Buildings and Other Structures	707,082.54	719,388.17
Depreciation - Machinery and Equipment	1,532,909.13	1,387,600.74
Depreciation - Transportation Equipment	849,328.98	600,043.65
Depreciation - Furniture, Fixtures and Books	20,255.99	22,837.07
Depreciation – Other Property, Plant and Equipment	118,975.59	122,615.36
Impairment Loss - Loans and Receivables	274,976.70	89,370.18
Loss of Assets	-	122,680.71
Totals	₱ 7,737,451.43	₱ 7,421,225.67

29. Other Adjustments

This account consists of the following:

Release of 20% premium for JO contract	30,248.00
Release of PBI 2019	309,456.00
Erroneous posting of JEV# 18-07-0782 dated 07/31/2018	(0.22)
Refund by previous BOD members for excessive reimbursable expenses	(31,282.28)
Understated estimate of mobile expense for Dec 2020	120.91
To record adjustments for MI and CM as per attached supporting schedules	2,704.94
To adjust Due to LGU account as per COA AOM No. CWD 2020-08 (19)	(1,096,300.42)
Payment for monthly dues Oct-Dec. 2020	4,059.00
Unreleased leave incentive of SGs deducted from the last payment	(5,595.00)
Released of leave incentive of SGs deducted from the last payment	5,128.75
To adjust Other Deferred Credits FY 2021 as a result of reconciliation as per attached report	(49,486.97)
To expense issued Semi-Expendable Property as of 12/31/2021 in	2,630,395.21

accordance with Sec. 10 of GAM, Volume I	
To adjust Impairment Loss - AR - Production Assessment FY 2021	(89,370.18)
as per attached supporting documents	
Totals	P 1,710,077.74

30. Other Receipts

This account consists of the following:

	2021	2020
Receipt of Other Deferred Credits	1,748,627.59	1,544,204.68
Refund of Overpayment of Personnel Services	6,000.00	-
Refund of Overpayment of MOOE	22,653.30	14,960.00
Receipt of Refund of Cash Advances	-	-
Refund of Guaranty Deposits	320,385.58	-
Other Miscellaneous Receipts	31,771.31	26,097.00
Totals	P2,129,437.78	P1,585,261.68

31. Adjustments (Cash Inflows from Operating Activities)

This account consists of the following:

	2021	2020
Stale Checks	358,696.43	51,842.08
Issued but uncleared check no. 271332	-	-
Restoration of Cash for unreleased checks	7,125.00	169,076.56
Cash Overage	-	297.10
Totals	P365,821.43	P221,215.74

32. Remittance of Personnel Benefit Contributions

This account consists of the following:

	2021	2020
Remittance of Taxes Withheld	6,982,093.23	4,021,078.35
Remittance of GSIS/Pag-IBIG/PHIC	7,322,912.99	6,885,469.26
Remittance of Other Payables	2,692,236.24	2,209,567.50
Totals	P16,992,242.46	P13,116,115.11

33. Other Disbursements

This account consists of the following:

	2021	2020
Refund of Excess Income	-	-
Refund of guaranty/security deposits	-	-
Refund of Income Taxes Withheld	19,008.70	69,873.14
Other Disbursements	25,257,460.72	-
Totals	<u>P25,257,460.72</u>	<u>P69,873.14</u>

Other Disbursements account is composed of the following:

Refund of Accumulated Settlement of E. Soriano (with pending crim.case for Malversation of CWD Funds)	DV# 21-09-0773 dated 9/28/2021	255,000.00
Amount to be refunded by Toyota Lipa representing cost of TPL	JEV# 21-07-0721	2,460.72
Investment in TD with term and rate of 180 days and 1.85%, respectively	JEV# 21-06-0613	25,000,000.00
Totals		P25,257,460.72

34. Purchase of Investments

This account consists of the following:

	2021	2020
Investment in Bonds – Local	-	-
Investment in Time Deposits – Local Currency	-	-
Increase in Sinking Fund	3,816,550.00	3,111,800.00
Advance payment for line extension		
Totals	<u>P3,111,800.00</u>	<u>P3,111,800.00</u>