



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

ANNUAL AUDIT REPORT

on the

CARMONA WATER DISTRICT **Carmona, Cavite**

For the Year Ended December 31, 2022



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

May 31, 2023

THE BOARD OF DIRECTORS
Carmona Water District
Carmona, Cavite

 CARMONA WATER DISTRICT

RECEIVED

Date: 06/07/23 Time: 11:20 AM
Received by: [Signature]

Sirs/Madam:

Pursuant to Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, we are pleased to transmit herewith the Annual Audit Report (AAR) on the accounts and operations of the Carmona Water District (CWD), Carmona, Cavite, for the year ended December 31, 2022.

The audit was aimed at verifying the level of assurance that may be placed on Management's assertions on the financial statements, ascertaining the propriety of financial transactions, extent of Management's compliance with existing government laws, rules and regulations, recommending agency improvement opportunities and determining the status of implementation of prior years' audit recommendations.

The audit report was prepared by the Audit Team composed of Ms. Guia Mhel R. Canary, Audit Team Leader, Mr. Elmo Antonio V. Palad, Co-Audit Team Leader, Mr. Santiago Francisco V. Sagad III and Ms. Beverly Grace R. Espinoza, Audit Team Members, under the supervision of Ms. Sylvia A. Espiritu, Supervising Auditor. It consists of the Independent Auditor's Report, the Audited Financial Statements, the Observations and Recommendations, the Status of Implementation of Prior Years' Audit Recommendations, and the Annexes.

The Auditor rendered an Unqualified Opinion on the fairness of the presentation of the CWD's financial statements.

The audit observations, together with the recommended courses of action, were discussed by the Audit Team with the concerned CWD's officials and staff during the exit conference conducted on May 12, 2023. Their comments were incorporated in the Report, where appropriate.

We express our appreciation for the valuable support and cooperation that Management extended to the Audit Team, thus facilitating the completion of the Report.

Very truly yours,

COMMISSION ON AUDIT

By:


ATTY. RESURRECCION C. QUIETA
Regional Director



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

May 31, 2023

Engr. ANILINE B. FRANCIA
General Manager
Carmona Water District
Carmona, Cavite

 CARMONA WATER DISTRICT

RECEIVED

Date: 06/01/23 Time: 11:30 AM

Received by: [Signature]

Madam:

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The audit observations, together with the recommended courses of action, were discussed by the Audit Team with the concerned CWD's officials and staff during the exit conference conducted on May 12, 2023. Their comments were incorporated in the Report, where appropriate.

We respectfully request that the recommendations contained in Part II and Part III of the Report be implemented, and that this Commission be informed of the actions taken thereon by accomplishing the attached Agency Action Plan and Status of Implementation form and returning the same within 60 days from the date of receipt hereof.

We express our appreciation for the valuable support and cooperation that Management extended to the Audit Team, thus facilitating the completion of the Report.

Very truly yours,

COMMISSION ON AUDIT

By:

A handwritten signature in black ink, consisting of a large, stylized initial 'R' followed by a long, sweeping horizontal stroke that extends to the right.

ATTY. RESURRECCION C. QUIETA
Regional Director

CARMONA WATER DISTRICT
Carmona, Cavite

AGENCY ACTION PLAN AND STATUS OF IMPLEMENTATION
Audit Observations and Recommendations
For the Calendar Year 2022
As of _____

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

Agency sign-off:

Name and Position of Agency Officer Date

Note: Status of Implementation may either be (a) Fully Implemented (FI), (b) Ongoing (O), (c) Not Implemented (NI), (d) Partially Implemented (PI), or (e) Delayed (D).

EXECUTIVE SUMMARY

A. Introduction

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 pursuant to 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, 2022, the CWD has 17,065 total service connections broken down as follows:

Total Active	15,548
Total Inactive	<u>1,517</u>
Total Service Connections	<u>17,065</u>

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

As of December 31, 2022, the CWD comprises 57 Permanent employees, 14 Casual employees and 12 Job-order personnel, headed by the General Manager (GM), Engr. Aniline B. Francia. The CWD is governed by four members of the Board of Directors, namely:

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

Ms. Adelina A. Diego served this agency as member under Education sector until September 2022.

B. Scope and Objectives of Audit

Financial and compliance audits were conducted on the accounts and operations of the CWD for CY 2022 to ascertain the propriety of its financial transactions, operations and compliance with the prescribed government rules and regulations. The audit was aimed to ascertain the fairness and reliability of the CWD's financial statements, to determine whether its operations are conducted in compliance with applicable laws, rules and regulations, and determine the extent of the implementation of prior year's audit recommendations.

C. Financial Highlights

The CWD's financial position and results of operations for Calendar Years (CY) 2022 are summarized below and shown in detail in the attached audited financial statements:

	2022	2021	Increase/(Decrease)
Financial Position:			
Total Assets	P446,602,062.22	P403,116,861.86	P43,485,200.36
Total Liabilities	21,701,288.62	20,923,103.34	778,185.28
Total Equity	424,900,773.60	382,193,758.52	42,707,015.08
Results of Operations:			
Total Income	128,036,704.75	125,007,326.88	3,029,377.87
Personal Services	35,001,399.58	34,025,956.12	975,443.46
Maintenance and Other Operating Expenses	36,443,091.18	30,610,241.04	5,832,850.14
Financial Expenses	3,000.00	5,709.00	(2,709.00)
Non-Cash Expenses	11,766,802.42	7,737,545.43	4,029,256.99
Net Profit/(Loss)	44,822,411.57	52,627,875.29	(7,805,463.72)

D. Audit Opinion on the Financial Statements

The Auditor rendered an Unqualified opinion on the fairness of the presentation of the Financial Statements of the CWD as of December 31, 2022.

E. Significant Observations and Recommendations

The following are the significant observations and recommendations, details of which are discussed in Part II of this report.

1. Payment of Donor's and Documentary Stamp Taxes in CY 2022 totalling P257,726.76 related to the titling of donated lot was recognized as Taxes, Duties and Licenses instead of as addition to the cost of lot under the Land account, contrary to Philippine Accounting Standards (PAS) Nos. 1 and 16, thus overstating the Taxes, Duties and Licenses account and understating the Land account by the same amount and affecting the fair presentation of total expenses in the Statement of Comprehensive Income (SCI) and total assets in the Statement of Financial Position (SFP) for the year then ended.

We recommended that the General Manager:

- a. require the Accounting Division to make appropriate adjustment of the P257,726.76, as donor and documentary stamp taxes, which are considered part of the acquisition cost of Land, rather than an expenses under the Taxes, Duties and Licenses expenses account, thru a Journal Entry Voucher in CY 2023 by debiting the Land account and crediting the Retained Earnings account; and

- b. henceforth, instruct the Accounting Division to strictly implement the provision of PAS 1 (15) and PAS 16 (16) as well as the established accounting policy of the Water District on the measurement of PPE at cost.
2. Proceeds from the sale of bidding documents totaling ₱189,268.00 were erroneously recorded under the Guaranty/Security Deposits Payable account at year-end 2022, contrary to Annex C of Commission on Audit (COA) Circular No. 2020-002 and Paragraph 4.4 (b), Chapter 4 of the Conceptual Framework, thus the account was overstated by the same amount.

We recommended that the General Manager direct the Administration and Finance Division Manager to:

- a. prepare the necessary adjusting journal entries to correct the balance of the Guaranty/Security Deposits Payable account;
 - b. revert to the corporate fund the amount of ₱135,768.00 representing excess amounts collected, after payment of honoraria to the Bids and Awards Committee (BAC) and Technical Working Group (TWG) and record the same as revenue;
 - c. record proceeds from the sale of bid documents for disposal activities immediately as revenue upon receipt since there is no regulation authorizing the payment of honoraria to the Disposal Committee; and
 - d. henceforth, observe strict compliance with the provisions Department of Budget and Management (DBM) Budget Circular (BC) No. 2004-5A on the payment of honoraria to the BAC Members.
3. The Accountable Officer (AO) of the CWD did not include the check booklets in the Report of Accountability for Accountable Forms (RAAF), while the continuous papers that were not pre-numbered were erroneously recorded as Accountable Forms instead of Office Supplies Inventory, contrary to Section 101 of the PD No. 1445 and Appendix 67 of the Government Accounting Manual (GAM), Volume II, and Annex C of COA Circular No. 2020-002, respectively, resulting to the overstatement of the Accountable Forms, Plates and Stickers Inventory account by ₱54,900.00 and inadequate monitoring of the status, movement, and accountability of accountable forms.

We recommended that the General Manager:

- a. instruct the AO to include the check booklets in the RAAF and ensure its monthly monitoring, in accordance with Appendix 67 of the GAM Volume II;
 - b. enjoin the Administration and Finance Division Manager to prepare the necessary adjusting entry to reclassify the teller's receipt to Office Supplies Inventory amounting to ₱54,900.00; and
 - c. ensure proper monitoring of all accountable forms to strengthen internal control measures on the receipt and issuance of accountable forms.

4. Six parcels of land costing ₱1,727,750.00 under the Land account were not yet titled under the name of the CWD as of December 31, 2022, contrary to Sections 39 and 63 of PD No. 1445, thus exposing the CWD to potential third-party claims, illegal disposition, or loss that is detrimental to its interest.

We recommended that the General Manager:

- a. instruct the personnel responsible for processing land titles to coordinate with the previous owners in obtaining the necessary documents, in order to expedite the titling process for the procured or donated land;
 - b. instruct the personnel concerned to retrieve the documents related to the purchased rights of the parcel of lot in Bancal, Carmona at a cost of ₱500,000.00 in CY 2009, which served as the location of Pumping Stations (PS) No. 2 and 3, in order to evaluate the legality of the rights procured;
 - c. make representations with the Municipal Government of Carmona to ascertain the current status of the rights procured by the District in CY 2009, and to negotiate for a more definite status of land to prevent potential disputes in the future, particularly since the land is the location of two pumping stations; and
 - d. ensure that all succeeding donations to the CWD and purchases made by the CWD are supported with complete supporting documents from the donor/seller before proceeding with any Deed of Donation or Deed of Absolute Sale so that all legal documents are readily available to hasten the transfer of ownership to the CWD, for the absolute ownership of the particular piece of land.
5. The CWD and intermediary collection company did not prepare the required Report of e-Collections and Deposit (RECD) and Certification of Deposit, respectively, supporting the electronic collection process contrary to COA Circular No. 2021-014, thereby hindering the effective monitoring of their collections and deposits and resulting in a lack of transparency in their reporting.

We recommended that the General Manager:

- a. instruct the Cashier to prepare RECD for all collections and deposits made through the intermediary partners in line with COA Circular No. 2021-014 to ensure effective monitoring of the funds from eCollections and promote transparency and accountability in the e-collection process;
- b. revise the contract agreements with intermediaries to include an Auditability clause and a requirement for the submission of a List of Daily Collections, Certification of Deposit, and proof of deposits to make certain compliance with COA Circular Nos. 2021-014 and 2020-010;
- c. furnish COA copy of the completed contracts not later than five working days from approval together with duly accomplished supporting documents for technical review and evaluation, in compliance with COA Circular No. 2009-001; and
- d. instruct the Cashier to refrain from issuing Accountable Forms No. 51 to intermediaries in eCollection as physical cash, checks, or other notes are actually

not received, but is directly deposited to the authorized government depository bank.

6. Various deficiencies were noted in the Gender and Development (GAD) practices of the CWD, contrary to regulations issued by the Philippine Commission on Women (PCW), resulting in the non-implementation of its GAD Programs/Activities/Projects (PAPs) that may delay the achievement of its GAD Goals.
 - 6.1. The GAD Agenda was not prepared due to lack of awareness and technical knowledge, contrary to PCW Memorandum Circular (MC) No. 2018-04, thus the long-term GAD Goals, Mission and Vision of the CWD and the linkage between the annual GAD PAPs to those goals were not established.
 - 6.2. The present GAD Sex-disaggregated Database (SDD) has limited information due to lack of information-gathering procedures by the GAD Focal Point System (GFPS), contrary to PCW-National Economic Development Authority (NEDA)-DBM Joint Circular (JC) No. 2012-01, thus posing a risk that existing gender gaps and issues may not be properly identified and addressed by the CWD's GAD PAPs.
 - 6.3. The project cost for the "Renovation of the CWD Admin. Building" project attributed to GAD was not in accordance with item 1.2.2.2.2 of PCW MC No. 2020-05 and the Harmonized Gender and Development Guidelines (HGDG) tool was not used during the GAD planning and budgeting phase, contrary to Item 1.2.2.2.1 of the same PCW MC, resulting in the understatement of the GAD-attributable cost of the said project by ₱3,180,718.71 and the non-implementation of 12 GAD PAPs that could have addressed the gender issues identified by the GFPS.

We recommended that the General Manager:

- a. cause the GFPS to attend trainings to gain the required technical knowledge and prepare the CWD's GAD Agenda in accordance with PCW MC No. 2018-04;
- b. conduct a survey of employees and concessionaires in order to expand the information contained in its sex-disaggregated database and be able to identify potential GAD issues that need to be addressed by its GAD PAPs and GAD Agenda, in accordance with Item 4.4. of PCW-NEDA-DBM JC No. 2012-01;
- c. direct the GFPS to implement the revised computation of GAD attribution, in accordance with Item 1.2.2.2.2 of PCW MC No. 2020-05;
- d. utilize the HGDG tool in the planning and budgeting phase, in accordance with Item 1.2.2.2.1 of PCW MC No. 2020-05, to provide a more accurate GAD Plan and Budget (GPB) and avoid incurring a large variance between the GPB and GAD Accomplishment Report (AR) amounts;
- e. ensure that GAD PAPs included in the GPB are implemented so as to maximize the benefits that could be provided to the intended beneficiaries; and

- f. henceforth, ensure compliance with PCW MC No. 2018-04, PCW-NEDA-DBM JC No. 2012-01, PCW MC No. 2020-05 and other GAD-related.

F. Status of Audit Suspensions, Disallowances and Charges

As of December 31, 2022, the CWD has no unsettled suspensions and charges and has unsettled disallowances totaling ₱5,699,381.52, details of which are presented in Part II of this Report.

G. Status of Implementation of Prior Years' Audit Recommendations

Out of the 22 audit recommendations embodied in the previous years' Annual Audit Reports (AARs), 14 were fully implemented and eight were partially implemented by the CWD. The results of validation of Management's implementation on the previous years' audit recommendations are presented in Part III of this Report.

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Part I - Audited Financial Statements



INDEPENDENT AUDITOR'S REPORT

THE BOARD OF DIRECTORS

Carmona Water District
Carmona, Cavite

Unqualified Opinion

We have audited the financial statements of the Carmona Water District (CWD), Carmona, Cavite, which comprise the Statement of Financial Position as at December 31, 2022, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of the CWD as at December 31, 2022, its comprehensive income, and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Unqualified Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as Management determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

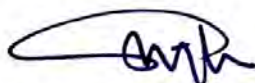
Those charged with governance are responsible for overseeing the CWD's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

COMMISSION ON AUDIT

By:



SYLVIA A. ESPIRITU
Supervising Auditor

May 12, 2023



REPUBLIC OF THE PHILIPPINES
CARMONA WATER DISTRICT

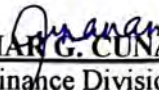
(LWUA CCC No. 561)
ISO CERTIFICATE No. 80132/A/0001/UK/En
Blk. 8, Lot 8, Joy St., Cityland Subdivision, Brgy. Mabuhay, Carmona, Cavite
Tel No. (046) 430-0832 loc. 101-112, Fax No. (046) 430-1705
Email Add : carmonawd@yahoo.com

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

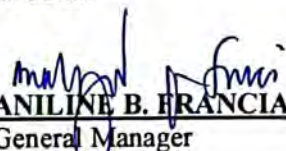
The Management of the Carmona Water District is responsible for the preparation of the financial statements as at December 31, 2022, including the additional components attached thereto in accordance with the prescribed financial reporting framework indicated therein. The responsibility includes designing 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.

In this regard, Management maintains a system of accounting and reporting, which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.

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


JOEMAR G. CUNANAN
Admin & Finance Division Manager

02/14/2023
Date Signed


ENGR. ANILINE B. FRANCIA
General Manager

02/14/2023
Date Signed

CARMONA WATER DISTRICT
STATEMENT OF FINANCIAL POSITION
As of December 31, 2022
(With Comparative Figures for CY 2021)

	Note	2022	2021
ASSETS			
Current Assets			
Cash and Cash Equivalents	2.3, 3	P 188,127,851.16	P 165,589,120.47
Other Investments	4	25,000,000.00	50,000,000.00
Receivables	5	14,176,117.05	13,640,353.89
Inventories	2.4, 6	5,780,852.74	3,715,346.77
Other Current Assets	7	2,267,433.62	3,279,536.18
Total Current Assets		<u>235,352,254.57</u>	<u>236,224,357.31</u>
Non-Current Assets			
Financial Assets	2.2.1, 8	50,000,000.00	25,000,000.00
Other Investments	9	6,924,749.98	19,759,791.55
Property, Plant and Equipment	2.6, 10	152,701,369.19	118,857,941.75
Intangible Assets	11	1,321,400.00	1,422,200.00
Other Non-Current Assets	12	302,288.48	1,852,571.25
Total Non-Current Assets		<u>211,249,807.65</u>	<u>166,892,504.55</u>
TOTAL ASSETS		<u>P 446,602,062.22</u>	<u>P 403,116,861.86</u>
LIABILITIES			
Current Liabilities			
Financial Liabilities	2.2.2, 13	P 3,185,221.05	P 1,971,647.49
Inter-Agency Payables	14	2,275,941.19	1,749,308.02
Trust Liabilities	15	1,310,973.85	2,213,076.00
Total Current Liabilities		<u>6,772,136.09</u>	<u>5,934,031.51</u>
Non-Current Liabilities			
Financial Liabilities	16	7,194,893.00	7,194,893.00
Deferred Credits/Unearned Income	17	497,844.87	505,960.74
Provisions	18	6,892,160.07	6,913,159.27
Other Payables	19	344,254.59	375,058.82
Total Non-Current Liabilities		<u>14,929,152.53</u>	<u>14,989,071.83</u>
TOTAL LIABILITIES		<u>21,701,288.62</u>	<u>20,923,103.34</u>
Equity			
Government Equity		32,607,806.07	32,607,806.07
Retained Earnings/(Deficit)		392,292,967.53	349,585,952.45
Total Equity		<u>424,900,773.60</u>	<u>382,193,758.52</u>
TOTAL LIABILITIES AND EQUITY		<u>P 446,602,062.22</u>	<u>P 403,116,861.86</u>

(See accompanying Notes to Financial Statements)

CARMONA WATER DISTRICT
STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended December 31, 2022
(With Comparative Figures for CY 2021)

	Note	2022	2021
Income			
Service and Business Income	20	P 127,757,432.09	P 124,516,790.56
Gain on Sale of Unserviceable Property	21	92,390.32	202,850.00
Other Non-Operating Income	22	186,882.34	287,686.32
Total Income		<u>128,036,704.75</u>	<u>125,007,326.88</u>
Less: Expenses			
Personal Services	23	35,001,399.58	34,025,956.12
Maintenance and Other Operating Expenses	24	36,443,091.18	30,610,241.04
Financial Expenses	25	3,000.00	5,709.00
Non-Cash Expenses	26	11,766,802.42	7,737,545.43
Total Expenses		<u>83,214,293.18</u>	<u>72,379,451.59</u>
NET INCOME		<u>P 44,822,411.57</u>	<u>P 52,627,875.29</u>

(See accompanying Notes to Financial Statements)

CARMONA WATER DISTRICT
STATEMENT OF CHANGES IN EQUITY
For the Year Ended December 31, 2022
(With Comparative Figures for CY 2021)

	Note	2022	2021
Balance at January 1		₱ <u>382,193,758.52</u>	₱ <u>331,275,960.97</u>
Changes in Equity for the year			
Add/(Deduct):			
Comprehensive Income for the year		44,822,411.57	52,627,875.29
Other Adjustments	27	<u>(2,115,396.49)</u>	<u>(1,710,077.74)</u>
Balance at December 31		₱ <u>424,900,773.60</u>	₱ <u>382,193,758.52</u>

(See accompanying Notes to Financial Statements)

CARMONA WATER DISTRICT
STATEMENT OF CASH FLOWS
For the year ended December 31, 2022
(With Comparative Figures for CY 2021)

	Note	2022	2021
Cash Flows from Operating Activities:			
Cash Inflows:			
Collection of Income/Revenue	P	125,582,391.97	P 122,704,108.69
Collection of Receivables		3,819,205.47	3,978,586.76
Receipt of Inter-Agency Fund Transfers		15,175,871.53	12,724,483.96
Trust Receipt		5,541,696.31	3,771,935.49
Other Receipts	28	117,406,112.24	2,129,437.78
Total Cash Inflows		267,525,277.52	145,308,552.68
Adjustments	29	1,022,645.15	365,821.43
Adjusted Cash Inflows		268,547,922.67	145,674,374.11
Cash Outflows:			
Payment of Personnel Services		32,591,481.99	31,965,845.28
Payment of Maintenance and Other Operating Expenses		35,233,553.56	22,989,620.78
Purchase of Inventories		1,956,224.74	5,727,006.31
Grant of Cash Advances			
Prepayments		1,290,232.01	1,011,934.72
Refund of Deposits		4,228,090.00	284,550.60
Payment of Accounts Payable		1,883,369.19	1,867,844.52
Remittance of Personnel Benefit Contributions	30	19,326,031.24	16,997,242.46
Other Disbursements	31	75,061,266.59	25,276,469.42
Total Cash Outflows		171,570,249.32	106,120,514.09
Adjustments		0.00	5,030.95
Adjusted Cash Outflows		171,570,249.32	106,125,545.04
Total Cash Provided by/(Used in) Operating Activities		96,977,673.35	39,548,829.07
Cash Flows from Investing Activities:			
Cash Inflows:			
Receipt of Interest Earned		1,313,055.38	1,435,834.53
Proceeds from Matured Investments		0.00	25,000,000.00
Proceeds from Sale/Disposal of PPE		0.00	255,050.00
Total Cash Inflows		1,313,055.38	26,690,884.53
Cash Outflows:			
Purchase/Construction of Property, Plant and Equipment		47,673,038.04	31,902,863.21
Purchase of Investments	32	27,969,200.00	3,816,550.00
Purchase of Intangible Assets		109,760.00	400,800.00
Total Cash Outflows		75,751,998.04	36,120,213.21
Total Cash Provided by/(Used in) in Investing Activities		(74,438,942.66)	(9,429,328.68)
Cash Used in Operating and Investing Activities		22,538,730.69	30,119,500.39
Add: Cash Balance, January 1		165,589,120.47	135,469,620.08
Cash Balance, December 31	P	188,127,851.16	P 165,589,120.47

(See accompanying Notes to Financial Statements)

NOTES TO FINANCIAL STATEMENTS

1. 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 (PFRSs). 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.

2. Summary of Significant Accounting Policies

2.1 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.

2.2 Financial Instruments

2.2.1 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.

2.2.2 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.

2.3 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.

2.4 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.

2.5 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.

2.6 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.

2.7 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 value less 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.

2.8 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.

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

3. Cash and Cash Equivalents

This account consists of the following:

	2022		2021
Cash - Collecting Officer	P 341,691.40	P	617,765.96
Local Currency on Hand	10,000.00		10,000.00

	2022	2021
Petty Cash Fund	65,000.00	65,000.00
Cash in Bank – Local Currency, CA		
LBP Acct. No. 2382-1008-60	25,620,107.03	31,798,349.04
DBP Acct. No. 65104069J030	38,564,843.59	53,940,872.03
DBP Acct. No. 65104069J080	1,866.48	0.00
Cash in Bank – Local Currency, SA		
LBP Acct. No. 2381-06`25-49	123,524,342.66	79,157,133.44
Totals	<u>P188,127,851.16</u>	<u>P165,589,120.47</u>

Cash-Collecting Officers and Local Currency on Hand pertain to the amount of collections with the Collecting Officers for deposit to Authorized Government Depository Banks (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, 2023.

4. Other Investments - Current

This account consists of the following:

	2022	2021
Investment in Time Deposits – Local Currency	<u>P25,000,000.00</u>	<u>P50,000,000.00</u>

This account represents investment on Time Deposit at Development Bank of the Philippines – Bacoor Branch: The ₱25,000,000.00-time deposit was placed last 11/14/2022 with maturity date of 02/13/2023 and interest rate of 2.00%.

5. Receivables

This account consists of the following:

	2022	2021
Accounts Receivable (AR) – General Customers (GC)	₱7,567,018.31	₱8,553,128.54
Accounts Receivable (AR) – Production Assessment (PA)	918,600.29	808,137.25
Allowance for Impairment – AR – GC	(1,674,016.86)	(4,428,877.76)
Allowance for Impairment – AR – PA	(28,424.84)	(302,757.54)
Net Realizable Value – AR	<u>6,783,176.90</u>	<u>4,629,630.49</u>
Loans Receivables – Others	0.00	3,600.00
Due from Local Government Units	28,768.34	28,768.34
Receivables – Disallowances/Charges	3,909,967.29	5,042,823.28
Due from Officers and Employees	246,143.69	249,013.95
Other Receivables	3,208,060.83	3,686,517.83
Totals	<u>P14,176,117.05</u>	<u>P13,640,353.89</u>

Accounts Receivable account consists 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.

Allowance for Impairment – This is account is credited upon recognition of impairment which may arise from non-collection. As a matter of change in accounting estimates, CWD derived a new computation of impairment loss as approved by the governing board:

Age of Accounts	Probability of Not Collecting
1-60 days	1 percent
1-180 days	2 percent
181-1 year	3 percent
1-2 years	5 percent
2-3 years	10 percent
3-4 years	15 percent
4-5 years	20 percent
Over 5 years	50 percent

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 present and previous employees of CWD which have become final and executory.

Other Receivables account represents the amount due from various individuals and suppliers. It also includes receivables from concessionaires who opted to pay their replaced water meters through installment.

6. Inventories

The account includes the following:

	2022	2021
Merchandise Inventory	₱1,880,783.53	₱2,038,006.47
Office Supplies Inventory	312,769.68	167,442.81
Accountable Forms, Plates and Stickers Inventory	61,700.00	10,300.00
Chemical and Filtering Supplies Inventory	248,920.00	197,800.00
Construction Materials Inventory	2,186,596.82	1,301,797.49
Semi-Expendable Office Equipment	274,552.80	0.00
Semi-Expendable Information and Communication Technology Equipment	254,495.00	0.00
Semi-Expendable Communication Equipment	9,480.00	0.00
Semi-Expendable Other Machinery and Equipment	284,512.00	0.00
Semi-Expendable Furniture and Fixtures	267,042.91	0.00
Totals	<u>₱5,780,852.74</u>	<u>₱3,715,346.77</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 CWD facilities undertaken by administration.

Semi-Expendables Items pertains to recognize cost of the purchased/acquired items costing less than the prescribed capitalization threshold of fifty thousand (P50,000.00) as prescribed by COA Circular No. 2022-004 dated May 31, 2022. Balances represent all items under the custody of property unit. Items that were issued or transferred to end-users were initially recorded as expense.

7. Other Current Assets

This account consists of the following:

	2022	2021
Prepaid Insurance	P 78,886.13	P 86,840.42
Guaranty Deposits	2,168,142.93	3,176,666.77
Other Deposits	20,404.56	16,028.99
Totals	<u>P2,267,433.62</u>	<u>P3,279,536.18</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.

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 and payment of quarterly Franchise Tax.

8. Financial Assets

This account consists of the following:

	2022	2021
Investment in Bonds - Local	<u>P50,000,000.00</u>	<u>P25,000,000.00</u>

This account represents investment on Retail Treasury Bonds: (1) P25,000,000.00 – maturity term: five years; interest rate: 6.250% p.a.; maturity date: March 12, 2024 and (2) P25,000,000.00 – maturity term: five years; interest rate: 4.875% p.a.; maturity date: March 04, 2027.

9. Other Investments – Non-Current

This account consists of the following:

LBP Acct. No. 2381-0388-77	2022 <u>P6,924,749.98</u>	2021 <u>P19,759,791.55</u>
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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.

10. Property, Plant and Equipment

Property, Plant and Equipment 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:

As at December 31, 2022

	Cost	Accumulated Depreciation	Net Book Value
Land	P 1,727,750.00	P 0.00	P 1,727,750.00
Sewer Systems	37,223,214.29	(1,031,393.23)	36,191,821.06
Plant-Utility Plant in Service (UPIS)	171,511,651.80	(90,547,789.56)	80,963,862.24
Buildings	14,498,589.96	(9,970,297.56)	4,528,292.40
Other Structures	355,829.00	(338,037.55)	17,791.45
Office Equipment	1,411,502.96	(1,054,392.35)	357,110.61
Information and Communication Technology Equipment	370,230.00	(199,813.54)	170,416.46
Communication Equipment	240,511.00	(216,459.00)	24,052.00
Other Machinery and Equipment	11,495,631.14	(8,706,540.52)	2,789,090.62
Motor Vehicles	14,731,581.47	(5,014,852.56)	9,716,728.91
Furniture and Fixtures	79,324.66	(75,358.43)	3,966.23
Other Property, Plant and Equipment	502,000.00	(382,820.84)	119,179.16
Sub-total	<u>P254,147,816.28</u>	<u>P(117,537,755.14)</u>	<u>P136,610,061.14</u>
Construction in Progress- Infrastructure Assets	16,091,308.05	0.00	16,091,308.05
Total	<u>P270,239,124.33</u>	<u>P(117,537,755.14)</u>	<u>P152,701,369.19</u>

As at December 31, 2021

	Cost	Accumulated Depreciation	Net Book Value
Land	₱1,150,000.00	₱ 0.00	₱ 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	₱(107,850,530.99)	₱103,630,829.92
Construction in Progress- Infrastructure Assets	15,227,111.83	0.00	15,227,111.83
Total	₱226,708,472.74	₱(107,850,530.99)	₱118,857,941.75

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	-	With UA
6	Villa Sorteio PS	11/20/2009	Usufruct	-	With UA
7	Cityland PS-2	04/03/2000	Usufruct	-	With UA
8	Milagrosa Homes PS	10/12/2016	Usufruct	-	W/ ATU issued by Coalition
9	Lantic PS	08/30/2016	Usufruct	-	With UA
10	Maduya PS	02/19/2003	Usufruct	-	With UA
11	Cabilang Baybay PS-1	02/09/1997	Donation	-	With UA
12	Villa Alegre PS	04/30/2007	Donation	72,750.00	On-going transfer
13	Cityland PS-1	12/30/2000	Usufruct	-	With UA
14	Monte Carlo PS	04/25/2017	Donation	505,000.00	On-going transfer, BIR issued CAR was already processed
15	Cabilang Baybay PS-2	10/29/2018	Usufruct	-	With UA
16	CES PS	10/29/2018	Usufruct	-	With UA
17	Cityland PS-3	10/29/2018	Usufruct	-	With UA
18	CPM Maduya PS	06/24/2009	Usufruct	-	With UA
19	New Mabuhay PS	Sept 2020	Usufruct	-	With UA
20	Septage Treatment Plant	06/30/2021	Usufruct	-	With UA
			TOTAL	₱1,727,750.00	

ATU – Authority to Use

TD – Tax Declaration

UA – Usufruct Agreement

Last October 2022, an application for the One-time Cleansing of PPE balances was already submitted to COA for authority/approval. Prior to this date, all PPE items were adjusted to reflect the new capitalization threshold of fifty thousand (₱50,000.00) in accordance with COA Circular No. 2022-004 dated May 31, 2022.

Construction in progress account on the other hand represents progress payments for the design and construction of new CWD Building. As of December 31, 2022, such project already reached forty-six percent (46%) accomplishment rate and expected to be fully-completed by July 2023.

11. Intangible Assets

This account consists of the following:

	2022	2021
Computer Software	<u>₱1,321,400.00</u>	<u>₱1,422,200.00</u>

Computer Software account represents purchase cost of Billing and Collection System and Water Computer-aided Design (CAD) for Engineering Division. Both softwares are classified as having indefinite life as the end-users did not set any foreseeable limit over the use of these assets.

12. Other Non-Current Assets

This account consists of the following:

	2022	2021
Other Assets	<u>₱302,288.48</u>	<u>₱1,852,571.25</u>

Other Assets account represents unserviceable and obsolete properties and equipment. Such was thoroughly evaluated and validated during conduct of physical count of PPE and Semi-Expendable items. The remaining balance is determined as non-existing/missing items and included in the application for the one-time cleansing of PPE balances.

13. Financial Liabilities - Current

This account consists of the following:

	2022	2021
Accounts Payable	₱3,110,386.93	₱1,883,369.19
Tax Refunds Payable	74,834.12	88,278.30
Totals	<u>₱3,185,221.05</u>	<u>₱1,971,647.49</u>

Details of Accounts Payable account are as follows:

Payees	2022	2021
Adelina Diego	₱ 4,536.00	₱ 0.00
Arviter Security	213,175.93	50,610.80
BJ Marthel International	108,839.28	0.00
Carmona Water District	4,661.70	1,180.80
Chemical Research Products	104,107.15	0.00
Constech Asia Corporation	0.00	20,100.00

Payees	2022	2021
Converge ICT Solutions	6,000.00	0.00
Four J's Marketing	0.00	1,490.63
Globe Telecom, Inc.	10,373.36	9,133.50
Hi-Safety Industrial Supplies	201,842.93	0.00
Holy Family Shell Service	28,351.37	19,496.95
Interactive Drilling Corporation	481,170.00	0.00
Job Order Employees	0.00	123,962.96
Meralco	1,938,261.58	1,639,868.83
PLDT	9,067.63	10,804.72
St. Joseph Enterprise	0.00	6,720.00
Totals	<u>P 3,110,386.93</u>	<u>P1,883,369.19</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.

14. Inter-Agency Payables

This account consists of the following:

	2022	2021
Due to BIR	₱1,298,863.88	₱860,996.15
Due to GSIS	633,502.79	605,662.18
Due to Pag-IBIG	98,740.14	76,849.22
Due to PhilHealth	63,035.84	40,552.77
Due to LGUs	181,798.54	165,247.70
Totals	<u>₱2,275,941.19</u>	<u>₱1,749,308.02</u>

Due to LGUs account is initially 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 confirmation/approval from LGU, this account was adjusted from 25% to 3% as prescribed 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.

15. Trust Liabilities

This account consists of the following:

	2022	2021
Guaranty/Security Deposits Payable	<u>₱1,310,973.85</u>	<u>₱2,213,076.00</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.

16. Financial Liabilities – Non-Current

This account consists of the following:

	2022	2021
Loans Payable – Domestic	<u>P 7,194,893.00</u>	<u>P 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. Management made a representation that the CWD is willing to settle the NLIF in full if supported by the valid claims and complete documents.

17. Deferred Credits/Unearned Income

This account consists of the following:

	2022	2021
Other Deferred Credits	<u>P497,844.87</u>	<u>P505,960.74</u>

Other Deferred Credits consists of collections received in advance from the concessionaires for service connection and required materials. In addition, this is used to record the uncontrolled advance payments for water bills and uncertain collections deposited by collecting agents or payment partners.

18. Provisions

This account consists of the following:

	2022	2021
Leave Benefits Payable	<u>P6,892,160.07</u>	<u>P6,913,159.27</u>

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

19. Other Payables

This account consists of the following:

	2022	2021
Other Payables	<u>P344,254.59</u>	<u>P375,058.82</u>

Details of Other Payables account is as follows:

Payees	2022	2021
Board of Directors – Performance Bonus Incentive (PBI)	P 47,576.00	P 47,576.00
LBP (Employees" Loan)	644.99	2,093.99
Prulife UK	4,870.05	4,870.52
Service Connection Fee – Monte Carlo	44,034.63	44,034.63
Various Employees – Trust Liabilities	70,256.45	76,711.98
CWD Cooperative	34,634.19	26,552.39
DBP (Employees" Loan)	60,254.67	68,433.30
Unreleased Salary & Benefits	81,983.61	104,786.01
Totals	<u>P344,254.59</u>	<u>P375,058.82</u>

The CWD has payables to entities/individuals not falling under any of the specific payable accounts.

20. Service and Business Income

This account consists of the following:

	2022	2021
Waterworks System Fees	P118,100,229.90	P114,064,324.50
Interest Income	1,316,646.81	1,443,126.26
Fines and Penalties-Business Income	2,625,209.62	2,646,545.56
Other Business Income	5,715,345.76	6,362,794.24
Totals	<u>P127,757,432.09</u>	<u>P124,516,790.56</u>

21. Gain on Sale of Unserviceable Property

This account consists of the following:

	2022	2021
Gain on Sale of Unserviceable Property	<u>P92,390.32</u>	<u>P202,850.00</u>

This account represents gain from the two disposal activities for various unserviceable valves and fittings last May 2022 and unserviceable PPE and Semi-Expendable Items last July 2022.

22. Other Non-Operating Income

This account consists of the following:

	2022	2021
Miscellaneous Income	<u>P186,882.34</u>	<u>P287,686.32</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.

23. Personnel Services

This account consists of the following:

	2022	2021
Salaries and Wages - Regular	₱ 15,996,142.68	₱ 14,800,011.86
Salaries and Wages – Casual/Contractual	2,590,952.49	2,309,249.73
Personnel Economic Relief Allowance	1,597,909.27	1,598,090.90
Representation Allowance	282,000.00	237,000.00
Transportation Allowance	282,000.00	237,000.00
Clothing/Uniform Allowance	390,000.00	414,000.00
Overtime and Night Pay	665,283.97	808,157.26
Hazard Pay	0.00	2,620,777.06
Year End Bonus	1,633,270.70	1,506,643.90
Cash Gift	340,250.00	331,250.00
Other Bonuses and Allowances	4,290,128.05	2,347,213.00
Retirement and Life Insurance Contribution	2,323,908.87	2,115,102.51
Pag-IBIG Contributions	80,250.00	80,150.00
PhilHealth Contributions	362,305.38	244,273.67
Employees Compensation Insurance Premiums	81,100.00	80,200.00
Terminal Leave Benefits	2,313,942.63	2,550,836.23
Other Personnel Benefits	799,000.00	1,746,000.00
Directors and Committee Members" Fees	972,955.54	0.00
Totals	<u>₱35,001,399.58</u>	<u>₱34,025,956.12</u>

Directors and Committee Members" Fees account is now presented under Personnel Services (PS) from Maintenance and Other Operating Expenses (MOOE) from this year onwards, in consonance with COA Circular No. 2020-002 dated January 28, 2020.

24. Maintenance and Other Operating Expenses

This account consists of the following:

	2022	2021
Traveling Expenses - Local	₱ 320,727.89	₱ 111,296.09
Training Expenses	324,545.00	121,632.00
Office Supplies Expenses	308,145.95	703,712.37
Accountable Forms Expenses	107,200.00	2,800.00
Medical, Dental and Laboratory Supplies Expenses	0.00	13,540.00
Fuel, Oil and Lubricants Expenses	687,673.06	416,864.55
Chemical and Filtering Supplies Expenses	978,880.00	1,396,790.00
Semi-Expendable Machinery and Eq. Exp.	721,549.00	91,731.00
Other Supplies and Materials Expenses	140,702.00	230,756.88
Water Expenses	41,610.90	24,120.20
Electricity Expenses	417,363.98	149,434.60
Telephone Expenses	146,952.92	164,259.14
Internet Subscription Expenses	169,769.16	137,545.41
Awards/Rewards Expenses	74,642.00	0.00

	2022	2021
Generation, Transmission and Dist. Exp.	21,343,121.91	17,598,419.81
Extraordinary and Miscellaneous Expenses	65,127.00	83,854.88
Auditing Services	0.00	85,000.00
Consultancy Services	85,000.00	12,000.00
Other Professional Services	159,400.00	157,075.00
Security Services	1,089,655.44	636,862.50
Repairs and Maintenance – Infrastructure Assets	2,951,463.52	2,361,546.08
Repairs and Maintenance – Buildings and Other Structures	69,754.36	86,065.97
Repairs and Maintenance – Machinery and Equipment	31,271.89	103,858.00
Repairs and Maintenance – Transportation Equipment	147,488.78	92,054.00
Repairs and Maintenance – F&F	830.00	450.00
Repairs and Maintenance – Other Property, Plant and Equipment	20,395.00	18,900.00
Taxes, Duties and Licenses	2,716,363.95	2,393,590.37
Fidelity Bond Premiums	159,447.94	189,189.03
Insurance Expenses	1,138,738.36	833,868.21
Labor and Wages	1,412,650.87	1,397,371.50
Advertising, Promotional and Marketing Expenses	3,000.00	0.00
Printing and Publication Expenses	3,480.00	9,172.00
Representation Expenses	244,283.57	134,874.77
Member Dues and Contributions to Organizations	53,308.00	68,265.00
Subscription Expense	109,760.00	0.00
Directors and Committee Members" Fee	0.00	710,199.55
Other Maintenance and Operating Expenses	198,788.73	73,142.13
Totals	<u>P36,443,091.18</u>	<u>P30,610,241.04</u>

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

Consultancy Services account is used to record payment to ISO Certifying Body for QEMS Audit last September 15-16, 2022.

Subscription Expense account represents payment for Water CAD renewal.

25. Financial Expenses

This account consists of bank charges totaling ₱3,000.00 and ₱5,709.00 for CYs 2022 and 2021, respectively.

26. Non-Cash Expenses

This account consists of the following:

	2022	2021
Depreciation - Infrastructure Assets	₱5,649,017.31	₱4,234,016.50

	2022	2021
Depreciation - Buildings and Other Structures	679,065.47	707,082.54
Depreciation - Machinery and Equipment	1,462,249.45	1,532,909.13
Depreciation - Transportation Equipment	2,007,829.89	849,328.98
Depreciation - Furniture, Fixtures and Books	0.00	20,255.99
Depreciation – Other Property, Plant and Equipment	52,250.04	118,975.59
Impairment Loss - Loans and Receivables	0.00	274,976.70
Loss of Assets	216,406.76	0.00
Loss on Sale of Unserviceable Property	685,819.34	0.00
Other Discounts	52,490.96	0.00
Rebates	961,673.20	0.00
Totals	<u>P11,766,802.42</u>	<u>P7,737,545.43</u>

Loss of Assets account represents cost of various panels disposed through destruction. As per Appraisal Report dated October 20, 2022, such items were damaged, soiled, infested by termites and can no longer be reused, repaired or reconditioned.

Loss on Sale of Unserviceable Property account is used to recognize losses on sale of CWD unserviceable properties with carrying amount last July 2022. Such items were appraised based on “Junk Value” considering that the same cannot be reprocessed and reused.

Other Discounts account represents senior citizen’s discount of 5% on monthly water bill that does not exceed 30 cubic meter consumption.

Rebates account is used to recognize incentives granted to qualified concessionaires who met the criteria set under CWD Board Resolution No. 042-2019.

27. Other Adjustments to Retained Earnings

Adjustments made to Retained Earnings for calendar year (CY) 2022 are as follows:

	2022
Reversion of payment made for CWD employee’s medical assistance	P 15,600.00
Release of PBB 2021	(795,456.35)
Release of last salary and other benefits of Ms. Juanico (resigned last November 2021)	(11,867.71)
Check no. 351873 issued last 2021 and cleared 3/1/2022	(7,125.00)
COA Audit services for CY 2018 accounts	(141,364.33)
Reclassification of PPE/Semi-Expendable Accounts due to increase of capitalization threshold from P15,000.00 to P50,000.00	(6,357,320.49)
Adjustment for erroneous posting of various fittings and materials and cost of services (should be recorded as outright expense)	(164,878.47)
Adjustment for erroneous posting of JV27 dated 2010, re: negative entry of 1 unit of genset. Same item was already included under Machinery account	1,375,000.00
COA Audit services for CY 2018 accounts	(241,566.40)
Adjustment to correct entry of unserviceable Items from Other Asset	

	2022
account to corresponding PPE/Semi-Expendable accounts	1,211,819.38
Adjustment to reclassify subscription of water CAD FY 2021	(100,800.00)
To record depreciation expense of 2hp split-type aircon purchased last August 29, 2008	(59,509.90)
Adjustment to reclassify cost of various items initially recorded as Semi-Expendable accounts to outright expense as issued	(429,237.85)
Adjustment for erroneous posting of JEV last Jan. 2014, re: purchase of ecobags to Federale Marketing	(95,500.00)
Adjustment for stale check for St. Joseph Enterprise – store already closed	6,720.00
Adjustment for allowance for impairment – AR Gen. Customers	2,754,860.90
Adjustment for allowance for impairment – AR Prod. Assessment	274,332.70
To record value of donated land at Villa Alegre Subd.	72,750.00
To record value of donated land at Monte Carlo Subd.	505,000.00
Reconciliation of Other Deferred Credits account as a result of thorough evaluation through BCWin and Inventory System	73,147.03
Totals	<u>P(2,115,396.49)</u>

28. Other Receipts

This account consists of the following:

	2022	2021
Receipt of Other Deferred Credits	P 1,580,261.05	P1,748,627.59
Refund of Overpayment of Personnel Services	0.00	6,000.00
Refund of Overpayment of MOOE	18,018.19	22,653.30
Refund of Guaranty Deposits	0.00	320,385.58
Other Miscellaneous Receipts	115,807,833.00	31,771.31
Totals	<u>P117,406,112.24</u>	<u>P2,129,437.78</u>

Other Miscellaneous Receipts account is accounted for as follows:

Redemption of time deposit last 02/14/2022	P 25,000,000.00
Transfer of fund from LWUA JSA for construction of STP	15,807,833.00
Redemption of time deposit last 03/01/2022	25,000,000.00
Redemption of time deposit last 05/16/2022	25,000,000.00
Redemption of time deposit last 11/14/2022	25,000,000.00
Totals	<u>P115,807,833.00</u>

29. Adjustments – Cash Inflows from Operating Activities

This account consists of the following:

	2022	2021
Stale Checks	P 11,256.00	P 358,696.43
Restoration of Cash for unreleased checks	1,011,389.15	7,125.00
Totals	<u>P1,022,645.15</u>	<u>P365,821.43</u>

30. Remittance of Personnel Benefit Contributions

This account consists of the following:

	2022	2021
Remittance of Taxes Withheld	P 7,477,134.86	P 6,982,093.23
Remittance of GSIS/Pag-IBIG/PHIC	8,914,662.84	7,322,912.99
Remittance of Other Payables	2,934,233.54	2,692,236.24
Totals	<u>P19,326,031.24</u>	<u>P16,997,242.46</u>

31. Other Disbursements

This account consists of the following:

	2022	2021
Refund of Income Taxes Withheld	P 61,266.59	P 19,008.70
Other Disbursements	75,000,000.00	25,257,460.72
Totals	<u>P75,061,266.59</u>	<u>P25,276,469.42</u>

Other Disbursements account is composed of the following:

Investment in 90-day time deposit dated 02/14/2022	P25,000,000.00
Investment in 90-day time deposit dated 05/16/2022	25,000,000.00
Investment in 90-day time deposit dated 11/14/2022	25,000,000.00
Totals	<u>P75,000,000.00</u>

32. Purchase of Investments

This account consists of the following:

	2022	2021
Investment in Treasury Bonds last 3/4/2022	P25,000,000.00	P 0.00
Increase in Sinking Fund	2,969,200.00	3,816,550.00
Totals	<u>P27,969,200.00</u>	<u>P3,816,550.00</u>

33. Reconciliation of Net Operating Cash Flows to Net Income

Particulars	2022	2021
Surplus/Deficit for the year:	P44,822,411.57	P52,627,875.29
Non-cash Income/Expenses:		
Depreciation	9,850,412.16	7,462,568.73
Increase in Impairment Losses	0.00	274,976.70
Gain on Sale of property, plant and equipment	0.00	(202,850.00)
Losses on Sale of property, plant and equipment	115,269.51	0.00
Gain on sale of investments	(33,250.30)	0.00
Sales Discounts	0.00	946,326.00
Other Discounts	52,490.96	0.00
Rebates	961,673.20	0.00

Particulars	2022	2021
Interest Earned	(1,316,646.81)	(1,443,126.26)
Other Business Income	(148,806.84)	0.00
Adjustment on Expenses:		
Terminal Leave Benefits	2,351,375.18	2,550,836.23
Repairs and Maintenance	307,632.02	244,441.73
Subscription Expenses	109,760.00	0.00
Increase in Current Liabilities	3,456,614.20	4,569,244.20
Decrease in Current Assets	46,389,736.41	4,263,227.44
Decrease in Current Liabilities	(3,361,407.70)	(3,242,259.08)
Increase in Current Assets	(5,691,961.15)	(29,255,314.67)
Disbursements recorded under Retained Earnings	(887,629.06)	752,882.76
Net Cash Flows from Operating Activities	<u>P96,977,673.35</u>	<u>P39,548,829.07</u>

Part II – Observations and Recommendations

OBSERVATIONS AND RECOMMENDATIONS

A. Financial Audit

- 1. Payment of Donor's and Documentary Stamp Taxes in CY 2022 totalling P257,726.76 related to the titling of donated lot was recognized as Taxes, Duties and Licenses instead of as addition to the cost of lot under the Land account, contrary to PAS Nos. 1 and 16, thus overstating the Taxes, Duties and Licenses account and understating the Land account by the same amount and affecting the fair presentation of total expenses in the SCI and total assets in the SFP for the year then ended.**

Philippine Accounting Standards (PAS) 1(15) which provides for the fair presentation and compliance with the Philippine Financial Reporting Standards, states that:

“Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions and recognition criteria for assets, liabilities, income and expenses set out in the Framework.”

PAS 16 (16) provides the following elements of cost of Property, Plant and Equipment (PPE):

“The cost of an item of property, plant and equipment comprises:

- (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.*
- (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management*
- (c) the 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.”*

Also, Deed of Donation and Acceptance of Water Facilities entered into by Carmona Water District (CWD) as donee and the donor dated December 15, 2020 states that:

“10. All expenses for the preparation and execution of this Deed of Donation and Acceptance and all taxes which may henceforth be levied on the water system facilities and on the portion of the lot on which the same are erected, shall be for the account of the DONEE”

For the Calendar Year (CY) ending December 31, 2022, the CWD reported a balance of P2,716,363.95 in the Taxes, Duties, and Licenses account in the Statement of Comprehensive Income (SCI). Analysis of the transactions recorded in the said account showed that the said balance included the cost of donor's tax and documentary stamp tax totaling P257,726.76 for a donated land with an area of 202 square meters located in Monte Carlo Townhouse, received by CWD on December 15, 2020. The land was recorded in the books of accounts for P505,000.00 in CY 2022 using the Bureau of Internal Revenue zonal value, which was P2,500.00 per square meter.

The payment was in accordance with the Deed of Donation and Acceptance of Water Facilities entered into by CWD and the donor on December 15, 2020 which states that the expenses for the preparation and execution of this Deed of Donation and Acceptance and all taxes will be paid by the CWD as the donee. Details of payment as follows:

DV No.	Check No.	JEV No.	Date	Payee	Amount	Particulars
22-10-0763	375040	22.10.1082 dated 10/24/2022	10/24/2022	Bureau of Internal Revenue	₱ 55,626.16	Payment of Documentary Stamp Tax for the donation of Monte Carlo Townhomes Water System as per attached documents
22-10-0764	375041		10/24/2022	Bureau of Internal Revenue	<u>202,100.60</u>	Payment of Donor's Tax for the donation of Monte Carlo Townhomes Water System as per attached documents
					<u>₱257,726.76</u>	

However, the above payments were recorded as an expense under the Taxes, Duties, and Licenses account, instead of being added to the cost of the related land account.

As disclosed in the Notes to the Financial Statements for the year 2022, the Water District has adopted a policy of measuring all of its PPE at cost.

During an interview with the Administration and Finance Division Manager, it was disclosed that he did not consider the payments for donor's and documentary stamp taxes as part of the cost since the Water District initially measured the land using BIR zonal value.

Nonetheless, it is important to note that transaction costs, including legal fees, property transfer taxes, and donor and documentary stamp taxes, are included in the measurement of land being directly attributable to the acquisition of the property and necessary for its intended use. Hence, recording the payment as an expense instead of adding it to the cost of the land was not in line with accounting standards, which require the addition of any costs incurred in the acquisition of an asset to its cost.

As such, the non recognition of the donor and documentary stamp taxes totaling ₱257,726.76 as a cost of Land, but instead treating it as Taxes, Duties, and Licenses expenses, overstated the Taxes, Duties, and Licenses account and understated the Land account by the same amount, thus affecting the accuracy of the total expenses in the SCI and total assets in the Statement of Financial Position (SFP) for the year ended December 31, 2022.

We recommended, and the General Manager agreed, to:

- a. Require the Accounting Division to make appropriate adjustment of the ₱257,726.76, as donor and documentary stamp taxes, which are considered part of the acquisition cost of Land, rather than an expenses under the Taxes, Duties and**

Licenses expenses account, thru a Journal Entry Voucher in CY 2023 by debiting the Land account and crediting the Retained Earnings account; and

- b. Henceforth, instruct the Accounting Division to strictly implement the provision of PAS 1 (15) and PAS 16 (16) as well as the established accounting policy of the Water District on the measurement of PPE at cost.
2. Proceeds from the sale of bidding documents totaling ₱189,268.00 were erroneously recorded under the Guaranty/Security Deposits Payable account at year-end 2022, contrary to Annex C of COA Circular No. 2020-002 and Paragraph 4.4 (b), Chapter 4 of the Conceptual Framework, thus the account was overstated by the same amount.

Annex C of Commission on Audit (COA) Circular No. 2020-002 dated January 28, 2020 describes the Trust Liabilities account as follows: *“this account is credited to recognize the receipt of amount held in trust for specific purpose. This account is debited for payment or settlement of the liabilities, and/or adjustments.”*

In the same COA Circular, the Guaranty/Security Deposits Payable account is described as follows:

“This account is credited to recognize the incurrence of liability arising from receipt/withholding of cash or cash equivalents to guaranty (a) that the winning bidder shall enter into contract with the procuring entity; (b) performance by the contractor of the terms of the contract; and (c) that the contractor shall correct all discovered defects and clear/settle all third-party liabilities. This account is debited for refund after the fulfillment of the purpose of the bond or forfeiture upon failure to comply with the purpose of the bond/retention, and/or adjustments.”

Item 6.2 of Department of Budget and Management (DBM) Budget Circular (BC) No. 2004-5A dated October 7, 2005 states:

“Pursuant to DOF-DBM-COA Permanent Committee Resolution No. 2005-2 dated June 2005, all agencies are authorized to treat the collections from the sources identified in item 6.1 hereof as trust receipts to be used exclusively for the payment of honoraria and overtime pay herein authorized. Agencies may utilize up to one hundred percent (100%) of the said collections for the payment of honoraria and overtime pay subject to the guidelines in item 5.0 of this Circular. Any excess in the amount collected shall be remitted by NGAs to the Bureau of Treasury. In the case of GOCCs and LGUs, the same shall form part of their corporate or local government funds, respectively.” (Emphases ours)

Paragraph 4.4 (b), Chapter 4 of the Conceptual framework for Financial Reporting (Conceptual Framework) defines a liability as *“a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.”*

The Carmona Water District (CWD) reported Guaranty/Security Deposits Payable (G/SDP) account balance of ₱1,310,973.85 as of December 31, 2022. Further examination of the account revealed that the said balance is composed of various balances, with details shown in **Annex A** and summarized below:

Particulars	Amount
Balance of Proceeds from Sale of Bidding Documents Released to the Bids and Awards Committee (BAC)	₱ 135,768.00
Proceeds from Sale of Bidding Documents Not Yet Released to the BAC	<u>45,000.00</u>
Subtotal - Sale of Bid Documents (BAC)	180,768.00
Add: Proceeds from Sale of Bidding Documents from Disposal Activities	<u>8,500.00</u>
Subtotal - Sale of Bid Documents	189,268.00
Add: Retention Money Pending Release to Suppliers	<u>1,121,705.85</u>
Total Guaranty/Security Deposits Payable	<u>₱ 1,310,973.85</u>

In an interview, the Administration and Finance Division Manager disclosed that items comprising the “Balance of proceeds from sale of bid documents released to the BAC” totaling ₱135,768.00 pertain to the remaining balance of previous sale of bid documents after deducting the honoraria paid to the members of the BAC. Moreover, he further explained that the “Proceeds from Sale of Bid Documents from Disposal Activities” totaling ₱8,500.00 pertain to accumulated proceeds from various sale of bid documents by the Disposal Committee, while the amount of ₱45,000.00 pertained to proceeds from sale of bid documents for procurement activities, but the BAC’s honoraria are not yet paid. Finally, the “Retention Money Pending Release to Suppliers” amounting to ₱1,121,705.85 pertained to amounts collected for suppliers that will be refunded after the fulfillment of their contractual obligations.

Our analysis revealed that of the items recorded under G/SDP account, proceeds from sale of bid documents for procurement activities totaling ₱189,268.00 should have been recorded under the Trust Liabilities account upon collection, in accordance with Annex C of COA Circular No. 2020-002. Of this amount, ₱135,768.00 representing the excess over the limits for the payment for BAC Honoraria were not recorded as revenues after payment of the honoraria, contrary to Item 6.2 of DBM BC 2004-5A.

Likewise, proceeds from the sale of bid documents for disposal activities totaling ₱8,500.00 should have been recorded as revenue upon collection instead of GSDP in the absence of a regulation for the payment of honoraria for members of Disposal Committees, thus the same does not meet the definition of a liability, contrary to Paragraph 4.4 (b), Chapter 4 of the Conceptual Framework.

The Administration and Finance Manager disclosed that they were confused on whether to apply Section 5.3 or Section 5.4 as the limit for the payment of BAC Honoraria and that they were unsure on whether the Disposal Committee is entitled to honoraria.

The Audit Team clarified that the limits set forth in Item 5.3 of DBM BC No. 2004-5A is the limit per complete procurement project, while the 25 percent limit prescribed in Item 5.4 of the same DBM BC shall apply in cases where there are multiple complete procurement projects in a month.

Hence, the G/SDP account was overstated by ₱189,268.00 while understating Trust Liability and revenue by the same amount as of December 31, 2022.

We recommended, and the General Manager agreed, to direct the Administration and Finance Division Manager:

- a. **Prepare the necessary adjusting journal entries to correct the balance of the Guaranty/Security Deposits Payable account;**
 - b. **Revert to the corporate fund the amount of ₱135,768.00 representing excess amounts collected, after payment of honoraria to the BAC and Technical Working Group (TWG) and record the same as revenue;**
 - c. **Record proceeds from the sale of bid documents for disposal activities immediately as revenue upon receipt since there is no regulation authorizing the payment of honoraria to the Disposal Committee; and**
 - d. **Henceforth, observe strict compliance with the provisions DBM BC No. 2004-5A on the payment of honoraria to the BAC Members.**
3. **The AO of the CWD did not include the check booklets in the RAAF, while the continuous papers that were not pre-numbered were erroneously recorded as Accountable Forms instead of Office Supplies Inventory, contrary to Section 101 of the PD No. 1445 and Appendix 67 of the GAM, Volume II, and Annex C of COA Circular No. 2020-002, respectively, resulting to the overstatement of the Accountable Forms, Plates and Stickers Inventory account by ₱54,900.00 and inadequate monitoring of the status, movement, and accountability of accountable forms.**

Section 101 of Presidential Decree (PD) No. 1445 states: *“Every officer of any government agency whose duties permit or require the possession or custody of government funds or property shall be accountable therefor and for the safekeeping thereof in conformity with law.”*

Appendix 67 of the Government Accounting Manual (GAM), Volume II provides the description and usage of accounting records/reports necessary in monitoring and recording transactions, as follows:

“The RAAF is used by each Accountable Officer to report the result of the physical count of all accountable forms, with or without face value such as checks, stamps, official receipts (ORs), List of Due and Demandable Accounts Payable - Advice to Debit Account (LDDAP-ADA), etc., in his/her custody.”

Further, Annex C of COA Circular No. 2020-002 dated January 28, 2020 prescribes the adoption of the updated Revised Chart of Accounts (RCA) for Government Corporations which provides, among others, the description and usage of the following accounts:

- Accountable Forms, Plates and Stickers Inventory - This account is used to recognize the cost of any readily negotiable financial forms or non-financial forms with pecuniary or other value after being completed and authorized

which is acquired for government operation. These forms are sequentially or uniquely pre-numbered and either pre-printed or electronically produced. It includes accountable forms with and without face value, such as official receipts, blank checks, tickets, stickers, permit/license plates, and the like.

- Office Supplies Inventory - This account is used to recognize the cost or value of purchased/acquired office supplies such as bond papers, pens, inks, paper clips, staple wires, rulers, and the like. This account is credited for issues to end-users, transfers, losses, other disposals, and/or adjustments.

Review of accounting records showed that the Accountable Forms, Plates and Stickers Inventory had the following balance as of December 31, 2022:

Accountable Forms, Plates and Stickers Inventory	
Official Receipts (<i>Accountable 51c</i>)	₱ 6,800.00
Official Receipts (<i>Continuous forms</i>)	54,900.00
Total	<u>₱ 61,700.00</u>

Examination of reports showed that check booklets were not included in the Report of Accountability for Accountable Forms (RAAF) prepared by the Accountable Officer (AO) for Calendar Year (CY) 2022. Further review of the same report also revealed that the teller's receipt, a blank, carbonless continuous paper that is not pre-numbered, but being used in printing official receipts to Carmona Water District's (CWD) concessionaires, was included as an accountable form.

Inquiry with the AO disclosed that she was not aware of the need to monitor the checks in the RAAF) as she thought that only the official receipts were to be maintained in the said report, which is contrary to Appendix 67 of the GAM, Volume II. She also explained that the teller's receipt was included in the report because she believed that they have the same nature as the official receipt accredited by the National Printing Office (NPO). Consequently, the teller's receipts were erroneously recorded under the Accountable Forms, Plates and Stickers Inventory account instead of the Office Supplies Inventory account, contrary to Annex C of COA Circular No. 2020-002.

The non-inclusion of check booklets in the RAAF hindered the Cashier in effectively monitoring her accountabilities to the subject accountable forms, while the inclusion of the teller's receipt in the Accountable Forms, Plates and Stickers Inventory account overstated the said account and understated the Office Supplies Inventory account by ₱54,900.00.

We recommended, and the General Manager agreed to:

- Instruct the AO to include the check booklets in the RAAF and ensure its monthly monitoring, in accordance with Appendix 67 of the GAM Volume II;**
- Enjoin the Administration and Finance Division Manager to prepare the necessary adjusting entry to reclassify the teller's receipt to Office Supplies Inventory amounting to ₱54,900.00; and**
- Ensure proper monitoring of all accountable forms to strengthen internal control measures on the receipt and issuance of accountable forms.**

B. Compliance Audit

4. Six parcels of land costing ₱1,727,750.00 under the Land account were not yet titled under the name of the CWD as of December 31, 2022, contrary to Sections 39 and 63 of PD No. 1445, thus exposing the CWD to potential third-party claims, illegal disposition, or loss that is detrimental to its interest.

Section 39 of Presidential Decree (PD) No. 1445 provides:

“1. xxx

2. *In the case of deeds to property purchased by any government agency, the Commission shall require a certificate of title entered in favor of the government or other evidence satisfactory to it that the title is in the government.*

3. *It shall be the duty of the officials or employees concerned, including those in non-government entities under audit, or affected in the audit of government and non-government entities, to comply promptly with these requirements. Failure or refusal to do so without justifiable cause shall constitute a ground for administrative disciplinary action as well as for disallowing permanently a claim under examination, assessing additional levy or government share, or withholding or withdrawing government funding or donations through the government.”*

As of December 31, 2022, the Land account reported a balance of ₱1,727,750.00, consisting of six parcels of lots that were evaluated based on submitted copies of titles and/or Deed of Donation/Absolute Sale and were found still untitled under the name of the Carmona Water District (CWD) at year-end, details as follows:

Location	Area (sq. m)	Book Value	Date Acquired/ Donated	Supporting Documents
Bancal, Carmona Pumping Station (PS) 2	(not indicated)	₱ 500,000.00	(not indicated)	Certification from the Municipality of Carmona acknowledging that CWD utilize the two parcels of land for PS 2 and PS 3.
Bancal, Carmona PS 3				
Bancal, Carmona PS 4	100	500,000.00	11/28/2013	Deed of Absolute Sale and Copy of mother title TCT No. T-67006
Bancal, Carmona PS 5	100	150,000.00	09/26/2017	Tax Declaration for CY 2019 under the name of CWD Deed of Absolute Sale, Certificate Authorizing Registration (CAR) No. C2017-54A-076540-M

Location	Area (sq. m)	Book Value	Date Acquired/ Donated	Supporting Documents
Villa Alegre Subdivision	48.5	72,750.00	04/30/2007	issued by RDO No. 54A-East Cavite on December 6, 2017 Deed of Donation and Acceptance of Water Facilities
Monte Carlo Subdivision	202	<u>505,000.00</u>	12/05/2020	Deed of Donation, eCAR No. C-2022-057-106435-M issued by RDO No. 057-West Laguna on November 22, 2022
Total		<u>₱1,727,750.00</u>		

The Administration and Finance Division Manager clarified that the two parcels of lots in Bancal, Carmona, where PS No. 2 and 3 are located with a book value of ₱500,000.00, were owned by the Municipality of Carmona, and only supported by a Certification from the Municipality acknowledging CWD's use of the land. Also, the Management did not submit any additional documents indicating the exact date of acquisition or land area. Moreover, the Engineering Division Manager explained that the subject parcels of land are part of an abandoned road, and that during the tenure of the previous General Manager, CWD allegedly paid ₱500,000.00 to an individual for its rights, but no supporting documents were provided. The Engineering Division Manager could not provide further information as the transaction occurred before her term.

Regarding the other parcels of lot, the Administration and Finance Division Manager explained that the CWD Management is also in the process of securing the land titles, and is currently awaiting for either the partition of the mother title or the surrender of the original title from the donee.

The non-titling of these parcels of land under the name of the CWD simply means that the ownership of the subject land is not yet absolute, thus still vulnerable to potential land disputes in the future that might be detrimental to the interest of the CWD.

We recommended that the General Manager:

- a. **Instruct the personnel responsible for processing land titles to coordinate with the previous owners in obtaining the necessary documents, in order to expedite the titling process for the procured or donated land;**
- b. **Instruct the personnel concerned to retrieve the documents related to the purchased rights of the parcel of lot in Bancal, Carmona at a cost of ₱500,000.00 in CY 2009, which served as the location of PS No. 2 and 3, in order to evaluate the legality of the rights procured;**
- c. **Make representations with the Municipal Government of Carmona to ascertain the current status of the rights procured by the District in CY 2009, and to negotiate for a more definite status of land to prevent potential disputes in the future, particularly since the land is the location of two pumping stations; and**

- d. **Ensure that all succeeding donations to the CWD and purchases made by the CWD are supported with complete supporting documents from the donor/seller before proceeding with any Deed of Donation or Deed of Absolute Sale so that all legal documents are readily available to hasten the transfer of ownership to the CWD, for the absolute ownership of the particular piece of land.**

Management's Comments:

Management committed to comply with the recommendations and provided the updated status of the said lots, as follows:

- Bancal PS4 – As the lot is still covered by a Mother Title, CWD will initiate an action to survey the land for the exact measurement as requirement for TCT application.
 - Bancal PS5 – ongoing transfer of TCT with the Registry of Deeds – Trece Martires City, Cavite
 - Monte Carlo Subdivision – ongoing transfer of TCT with the Registry of Deeds – Trece Martires City, Cavite
 - Villa Alegre Subdivision – ongoing transfer of TCT by the donor
 - Lots in Bancal is absolutely owned by the local government of Carmona, Cavite. The General Manager committed to talk with the Municipal Mayor and request for a Sangguniang Bayan Resolution to guarantee the uninterrupted use of these lots by the CWD.
5. **The CWD and intermediary collection company did not prepare the required RECD and Certification of Deposit, respectively, supporting the electronic collection process contrary to COA Circular No. 2021-014, thereby hindering the effective monitoring of their collections and deposits and resulting in a lack of transparency in their reporting.**

Commission on Audit (COA) Circular No. 2021-014 dated December 22, 2021, which provides the Guidelines on the use of Electronic Collection (e-Collection) and Electronic Payment (e-Payment) for Government Transactions, states that:

"5.0 Guidelines

5.1 General Guidelines

5.1.1 Government entities that employ the services of intermediaries for the performance of their collection or disbursement function shall execute a contract with the latter. After signing the contract, the government entity shall furnish the Audit Team concerned with a copy of the completed contract within five (5) working days from approval thereto, pursuant to COA Circular No. 2009-001 dated February 12, 2009. Xxx

5.1.2 Xxx The contract shall contain, among others, the Auditability clause as required under COA Circular No. 2020-010 dated December 2, 2020. Xxx

5.2 Electronic Collection (e-Collection)

Xxx

- a. *The intermediaries shall remit or deposit intact the full amount of collections due to the government to the appropriate account in the AGDB within the next banking day from the collection date or within the time period as may be prescribed by DOF. They shall submit to the government entity a Certification of Deposit, Annex C hereof, and proof (e.g., EFT receipt, validated deposit slip, bank confirmation) that the total amount collected from the previous day is actually deposited to the appropriate AGDB account.*
- b. *Government entities shall require the intermediaries to submit an electronic copy of the List of Daily Collections (LDC), Annex D hereof, containing the details provided in paragraph 5.2.2.a, within the next banking day from the date of collection. Xxx*
- g. *The designated officer of government entity, based on the submitted LDC and the Certification of Deposit by the intermediary, shall classify the collection based on their respective income classification, revenue code, and fund cluster to prepare the required Report of e-Collections and Deposit via intermediary, Annex E hereof.”*

Likewise, Paragraph 5.2.2c. of said Circular states “*For auditing purposes, the government entity is not required to issue a separate OR to individually acknowledge each collection made through such intermediary. However, from the point of collection such amount forms part of public funds.*”

The Carmona Water District (CWD) had entered into a Memorandum of Agreement with five intermediaries to facilitate the District's e-Collection transactions. These intermediaries are authorized to accept payments from CWD's customers, either through over-the-counter or online payment channels, and provide their own Official Receipts (OR). In the case of online payments, electronic ORs are issued. The intermediaries are also responsible for depositing or transferring the collected funds to CWD's Authorized Government Depository Bank (AGDB) on the following banking day.

The contracts for e-collection were implemented under the Collect-Aggregate-Remit (CAR) scheme. In this system, the intermediary performs the daily collection on behalf of the government entity and aggregates the collected funds in their possession or control for a certain period before remitting them to the Water District's AGDB. This process eliminates the need for the government entity's collecting officer to handle physical cash, checks, or any other physical notes. Instead, the intermediary is responsible for collecting the payments on behalf of the WD and performing the collection function.

However, upon examination of the records of collections and deposits, it was found that CWD did not prepare the mandatory Report of e-Collections and Deposit (RECD) for

each intermediary. Furthermore, CWD did not require its intermediaries to submit the necessary Certification of Deposit and proofs of deposit, such as Electronic Funds Transfer (EFT) receipts, validated deposit slips, and bank confirmations.

In the current e-collection process, the intermediaries provided the Daily Collection Report to CWD either through email or by granting access to CWD's representative to view the reports of collections on their server. As the intermediaries were not required to submit the Certification of Deposit and proofs of deposit, the Supervising Utilities Services Officer, who served as the Collecting Officer, independently verified the e-collection deposit through CWD's online bank statements.

Subsequently, the officer issued Accountable Form No. 51 for each intermediary for each collection date and included the e-collection data per intermediary in the daily Report of Collection and Deposit (RCD) along with other over-the-counter collections. However, since physical cash, checks, or any other physical notes were not received during eCollection and remittances from intermediaries were made thru direct deposit/transfer to CWD's AGDB, the Acting Cashier is not required to issue an AF No. 51, as provided in the afore-cited provision of COA Circular No. 2021-014.

Further inquiry with the Administration and Finance Division Manager revealed that the contracts/MOAs between CWD and its intermediaries were not submitted to the Audit Team. Moreover, the review of the contracts indicated that only two out of the five MOAs contained an auditability clause, which could have implications for the audit process.

The Acting Cashier claimed that she was not aware of COA Circular No. 2021-014, which resulted in the non preparation of the required Report of e-Collections and Deposit (RECD) and the lack of requirement for the Certification of Deposit from the intermediaries. However, regardless of her lack of knowledge, the non-preparation of the RECD and the absence of the Certification of Deposit from the intermediaries still constitute a violation of the said Circular.

Furthermore, the non-submission of a copy of the contracts/MOAs to the Audit Team and the absence of an Auditability clause in the contracts are not in consonance with COA Circular Nos. 2009-001 and 2020-010.

The abovementioned oversight resulted in a lack of transparency and accountability in the e-collection process that could lead to issues in tracking and monitoring the collected funds. Also, the non-submission of Contract impeded the Audit Team from conducting a prior review of these transactions in their entirety, as intended by the regulations, and hampered the evaluation of propriety and compliance of the transactions with established guidelines. As a result, analysis and auditorial review of compliance with applicable rules and regulations were not performed, and detection and/or correction of possible errors and deficiencies were not permitted.

We recommended that the General Manager:

- a. Instruct the Cashier to prepare Report of e-Collections and Deposit for all collections and deposits made through the intermediary partners in line with COA Circular No. 2021-014 to ensure effective monitoring of the funds from eCollections and promote transparency and accountability in the e-collection process;**

- b. Revise the contract agreements with intermediaries to include an Auditability clause and a requirement for the submission of a List of Daily Collections, Certification of Deposit, and proof of deposits to make certain compliance with COA Circular Nos. 2021-014 and 2020-010;**
- c. Furnish COA copy of the completed contracts not later than five working days from approval together with duly accomplished supporting documents for technical review and evaluation, in compliance with COA Circular No. 2009-001; and**
- d. Instruct the Cashier to refrain from issuing AF No. 51 to intermediaries in eCollection as physical cash, checks, or other notes are actually not received, but is directly deposited to the authorized government depository bank.**

Management's Comments:

Management committed to comply with the recommendations and mentioned that the Commercial Division is now in the process of revisiting and revising all the contract agreements with intermediaries to include an Auditability Clause.

6. Various deficiencies were noted in the GAD practices of the CWD, contrary to regulations issued by the PCW, resulting in the non-implementation of its GAD PAPs that may delay the achievement of its GAD Goals.

In accordance with the Magna Carta of Women and as the primary policymaking and coordinating body on gender equality concerns, the Philippine Commission on Women (PCW) has issued various policies to help agencies be more effective in addressing gender issues. Some of its relevant issuances in recent years are as follows:

- PCW-National Economic Development Authority (NEDA)- Department of Budget and Management (DBM) Joint Circular (JC) No. 2012-01 prescribes the guidelines for the formulation, development, submission, implementation, monitoring and evaluation of annual Gender and Development (GAD) plans and budgets, and GAD accomplishment reports, as well as the essential elements in GAD Planning.
- PCW Memorandum Circular (MC) No. 2018-04 dated May 4, 2018 provided the guidelines for the preparation of the GAD Agenda, a two-part document consisting of GAD Strategic Framework and GAD Strategic Plan.
- PCW MC No. 2020-05 dated September 11, 2020 provided the guidelines in the preparation of GAD Plan and Budget (GPB) for CY 2021 and provided an updated method of computing for budget attribution using the Harmonized Gender and Development Guidelines (HGDG) tool.

The following observations were noted in our evaluation of the current GAD practices of the Carmona Water District (CWD):

- a. The GAD Agenda was not prepared due to lack of awareness and technical knowledge, contrary to PCW MC No. 2018-04, thus the long-term GAD Goals,**

Mission and Vision of the CWD and the linkage between the annual GAD Programs/Activities/Projects (PAPs) to those goals were not established.

Item 4 of PCW MC No. 2018-04 dated May 4, 2018 states:

“The GAD Agenda is a two-part document consisting of the GAD Strategic Framework (GADSF) and the GAD Strategic Plan (GADSP). The GADSF outlines the agency’s GAD Vision, Mission and Goals anchored on the mandate of the agency, while GADSP defines the strategic interventions, indicators, and targets to be pursued to achieve GAD goals over a period of time. The timeframe of the GAD Agenda is six years.”

Sections 5 and 6 of the same PCW MC provides the guidelines for formulating and operationalizing the GAD Agenda. As for monitoring and evaluation, Item 7.1 of the same MC states that *“A review after three years and an end-term evaluation of the GADSF and GADSP shall be conducted by the GFPS and reports shall be prepared and submitted to PCW.”*

Review of the Calendar Year (CY) 2022 Corporate Operating Budget (COB) revealed that the CWD has allocated 6.57 percent of its COB for GAD Programs, Activities and Projects (PAPs), as follows:

Particulars	Amount
Personnel Services	₱ 54,586,289.67
Maintenance and Other Operating Expenditures	53,613,580.15
Capital Outlay	<u>45,449,100.00</u>
Total appropriations	<u>153,648,969.82</u>
GAD Plan and Budget (GPB)	<u>10,090,000.00</u>
Percentage of GPB to Total appropriations	<u>6.57 percent</u>

However, request for other GAD-related documents revealed that the CWD has not yet prepared its GAD Agenda.

Inquiry with the Chairperson of the GAD Focal Point System (GFPS) admitted that the GAD Agenda has not yet been prepared due to lack of awareness and technical knowledge on the preparation thereof, contrary to the requirements of PCW MC No. 2018-04.

Hence, the long-term GAD Goals of the CWD and the linkage between annual GAD PAPs in the GPB to those GAD Goals was not clearly established.

- b. The present GAD SDD has limited information due to lack of information-gathering procedures by the GFPS, contrary to PCW-NEDA-DBM Joint Circular No. 2012-01, thus posing a risk that existing gender gaps and issues may not be properly identified and addressed by the CWD’s GAD PAPs.**

Item 4.4 of PCW-NEDA-DBM JC No. 2012-01 provides the following on institutionalizing a GAD sex-disaggregated data: *“The agency shall develop or integrate in its existing database GAD information to include gender statistics and sex-disaggregated data that*

have been systematically produced or gathered as inputs or bases for planning, budgeting, programming, and policy formulation.”

Request for the CWD’s sex-disaggregated database (SDD) disclosed that data for employees and concessionaires were maintained separately by the Administrative Division and Commercial Division, respectively. Relevant information present in these databases are shown below:

Employees Database

- Name
- Position
- Gender
- Age

- Civil Status
- Nationality
- Address
- Date and Place of Birth
- Highest Educational Attainment
- Eligibility
- Disabilities

Concessionaire Database

- Name
- Address
- Meter Number
- Connection/Disconnection Date
- Status (Active/Inactive)
- Barangay

As can be gleaned from the preceding table, the information on the CWD’s employees and concessionaires that are used by the GAD GFPS in GAD planning are limited. In fact, the concessionaires’ data does not include the concessionaire’s gender. Other information that could have been relevant to GAD planning are as follows, among others:

- Members of the household (male/female)
- Uses of water by the household/business
- Awareness of the CWD’s GAD PAPs
- Awareness of GAD-related laws
- Suggested GAD activity from employees/concessionaires

The GFPS Chairperson admitted that the present SDD has limited available information, contrary to Item 4.4. of PCW-NEDA-DBM JC No. 2012-01, but they were not sure how to gather additional information from its employees and concessionaires.

The Audit Team emphasized that the CWD could use both physical and digital means to conduct surveys of its employees and concessionaires to gather the needed information for the GAD SDD.

With limited information on its GAD beneficiaries, there is a risk that existing gender gaps and issues may not be properly identified and addressed by the CWD’s GAD PAPs.

- c. The project cost for the “Renovation of the CWD Admin. Building” project attributed to GAD was not in accordance with item 1.2.2.2.2 of PCW MC No. 2020-05 and the HGDG tool was not used during the GAD planning and**

budgeting phase, contrary to Item 1.2.2.2.1 of the same PCW MC, resulting in the understatement of the GAD-attributable cost of the said project by P3,180,718.71 and the non-implementation of 12 GAD PAPs that could have addressed the gender issues identified by the GFPS.

Item 1.2.2.2.1 of PCW MC No. 2020-05 dated September 11, 2020 on the budget attribution using the Harmonized Gender and Development Guidelines (HGDD) states: "Aside from implementing direct GAD PAPs to address organization- or client-focused gender issues or GAD mandates, agencies may attribute a portion or the whole budget of the agency's major program/s or project/s to the GAD budget using the HGDD tool. Xxx" (emphasis ours)

Item 1.2.2.2.2 of the same PCW MC provides the following revised formula in the determination of how much of a proposed project may be attributed to the GAD budget using the HGDD:

$$\frac{\text{HGDD Score}}{\text{Total HGDD Points}} \times 100\% = \% \text{ of annual program budget attributable to GAD}$$

Comparison of the GPB and the GAD Accomplishment Report (GAD AR) (**Annex B**) revealed that the CWD had 17 GAD PAPs with total allocation of P10,090,000.00. Of these, only five PAPs or 29.41 percent were implemented with reported actual costs of P17,445,228.49. In an inquiry, the GFPS Chairperson explained that the low implementation rate for CY 2022 was primarily due to the high variance in the "Renovation of the CWD Admin. Building" project, with a GPB allocation of P9,250,000.00 but was attributed P17,380,976.54 in the GAD AR. She disclosed that since the project already exceeded its GPB allocation by P8,130,976.54, the GFPS decided to hold the implementation of other GAD PAPs so as not to further exceed the GPB.

Analysis of the amount attributed to the said project revealed that the P17,380,976.54 was attributed to GAD using the HGDD tool, where it had a total score of 11.83 points out of 20 possible points, and computed as follows:

Particulars	Amount	Remarks
Project Cost	P34,761,953.08	
Percent attributable using the HGDD table	<u>50 percent</u>	(for HGDD scores of 8.0 - 14.9)
Project cost attributed to GAD	<u>P17,380,976.54</u>	

However, our recomputation of the GAD attribution using the revised formula prescribed by the Item PCW MC No. 2020-05 revealed that the GAD-attributable project cost for the said project was P20,561,695.25, as shown below:

HGDD Score	11.83 points
Divided by: Maximum Score	<u>20.00 points</u>
Percent attributable to GAD	59.15 percent
Multiplied by: Project Cost	<u>P34,761,953.08</u>
Project Cost Attributable to GAD	<u>P20,561,695.25</u>

Comparison of the two preceding computations disclosed a difference of ₱3,180,718.71, as shown below:

Cost attributable to GAD	₱20,561,695.25
Actual cost attributed to GAD	<u>17,380,976.54</u>
Difference	<u>₱ 3,180,718.71</u>

Review of the GAD attribution practices of the CWD revealed that the project cost attributed to the renovation project was not in accordance with the revised computation prescribed in Item 1.2.2.2.2 of PCW MC No. 2020-05 and that the HGDG tool was not used during the GAD Planning and budgeting phase, contrary to Item 1.2.2.2.1 of the same PCW MC. The GFPS Chairperson admitted that they were not aware of the new formula for computing the attributable costs using the HGDG tool and that the HGDG tool for the renovation project was used only after the GPB was prepared.

The foregoing resulted in the understatement of the GAD-attributable cost of the *“Renovation of the CWD Admin. Building”* project by ₱3,180,718.71 and the non-implementation of 12 GAD PAPs that could have addressed the GAD issues identified by the GFPS.

We recommended, and the General Manager agreed to:

- a. **Cause the GFPS to attend trainings to gain the required technical knowledge and prepare the CWD’s GAD Agenda in accordance with PCW MC No. 2018-04;**
- b. **Conduct a survey of employees and concessionaires in order to expand the information contained in its sex-disaggregated database and be able to identify potential GAD issues that need to be addressed by its GAD PAPs and GAD Agenda, in accordance with Item 4.4. of PCW-NEDA-DBM Joint Circular No. 2012-01;**
- c. **Direct the GFPS to implement the revised computation of GAD attribution, in accordance with Item 1.2.2.2.2 of PCW MC No. 2020-05;**
- d. **Utilize the HGDG tool in the planning and budgeting phase, in accordance with Item 1.2.2.2.1 of PCW MC No. 2020-05, to provide a more accurate GPB and avoid incurring a large variance between the GPB and GAD AR amounts;**
- e. **Ensure that GAD PAPs included in the GPB are implemented so as to maximize the benefits that could be provided to the intended beneficiaries; and**
- f. **Henceforth, ensure compliance with PCW MC No. 2018-04, PCW-NEDA-DBM Joint Circular No. 2012-01, PCW MC No. 2020-05 and other GAD-related.**

Comparison of Accomplishments vis-à-vis Targets

For calendar year (CY) 2022, the Carmona Water District (CWD) reported the following results of operations as compared to its Corporate Operating Budget:

Particulars	Budget	Actual	Variance
Total Revenue	₱119,197,746.65	₱128,036,704.75	₱ 8,838,958.10
Personnel Services	54,586,289.67	35,001,399.58	(19,584,890.09)
Maintenance and Other Operating Expenses	53,613,580.15	36,443,091.18	(17,170,488.97)
Financial Expenses	30,000.00	3,000.00	(27,000.00)

As can be gleaned from the table above, the CWD was able to exceed budgeted revenues and did not exceed their budgeted expenses for CY 2022. Additionally, the CWD reported the following results on Key Performance Indicators for the year:

Particulars	Target	Actual	Remarks
Non-Revenue Water	Below 20 percent	19.98 percent	Attained
Collection Efficiency	At least 90 percent	98.10 percent	Attained
Current Ratio	At least 1.5 : 1	34.75 : 1	Attained
Process Results - Quality of Service	International Organization for Standardization (ISO)-certified Quality Management System (QMS) or its equivalent	ISO 9001:2015 Environmental Management System (EMS) 14001:2015 Continuing Certification	QMS and ISO 9001:2015 certification valid until August 10, 2023. ISO EMS 14001:2015 certification valid until August 3, 2023.
Water Quality Reports	Philippine National Standards for Drinking Water (PNSDW) Compliant	Monthly and annual water test results passed the PNSDW.	Attained
Staff Productivity Index (SPI)	1:120 staff-to-concessionaire ratio	1:219 staff-to-concessionaire ratio	Not attained

It can be noted from the table above that the CWD was able to attain its targets for CY 2022, except for the SPI. In an inquiry, Management explained that the SPI was not attained because the CWD intends to maximize output under minimum cost and that the CWD is able to operate effectively under the current SPI.

Verification of the said accomplishments disclosed that these were in line with the KPIs issued by the Local Water Utilities Administration (LWUA) through LWUA Memorandum Circular No. 011-18 dated June 1, 2018 and LWUA-Department of Budget and Management (DBM) Joint Circular No. 2021-01 dated October 19, 2021.

Implementation of Septage Management Plan

The construction, commissioning, testing and process proving of the Carmona Water District's (CWD's) Septage Treatment Facility (STF) was completed on May 31, 2022 and was formally inaugurated on July 8, 2022. The budget allocation for the project was ₱45,000,000.00 and the total actual cost incurred was ₱41,500,000.00.

The Septage facility is manned by three Permanent employees and four staff under a Contracts of Service. As of December 31, 2022, there are two vacuum trucks that shall be used for siphoning and desludging activities.

Under the Septage Management Plan (SMP), the septage collection program and scheduling shall be divided into five zones with five year siphoning cycle. The summary of the septage collection and treatment process is shown below:

1. The Environmental Sanitation Inspection (ESI) Team from the local government of Carmona, Cavite shall conduct a survey to determine the accessibility and availability of septic tank manholes.
2. The CWD inspection team shall verify submitted surveys. If found to be accessible, the CWD shall provide a siphoning schedule to the concerned concessionaires.
3. Actual siphoning of septage shall be performed at validated and scheduled sites.
4. The siphoned septage shall then be transferred to the STF for proper treatment.
5. If a concessionaire requests for another desludging within the five-year period after the first scheduled desludging was made, the concessionaire shall pay a desludging fee based on historical water consumption.
6. Where requests for desludging are from establishments that are not concessionaires of the CWD, the owners shall pay a one-time desludging fee at a rate to be approved by the Local Water Utilities Administration (LWUA).

The CWD's proposed rate of ₱3.50 per cubic meter (cu.m) of consumption of concessionaires is still pending approval from the LWUA. However, desludging activities have already commenced. As of December 31, 2022, the CWD reported 473 siphoning activities, as summarized on the next page:

Classification	No. of Siphoning Activities
Residential	461
Commercial/Industrial	0
Institutions/Government	<u>12</u>
Total	<u>473</u>

Non-Revenue Water (NRW) and Reduction Program

The Non-Revenue Water (NRW) of the Carmona Water District (CWD) for calendar year (CY) 2022 was computed at 19.98 percent which is within the 20 percent maximum limit set under Local Water Utilities Administration (LWUA) Board Resolution No. 444, s. 2009. The details are presented below:

Particulars	Value	
Water Produced	4,549,665.00	cu.m
Billed	<u>3,640,754.00</u>	cu.m
NRW	908,911.00	cu.m
NRW in Percentage	<u>19.98 percent</u>	

Some of the programs and activities implemented by the CWD in CY 2022 to reduce the NRW to an acceptable level are shown below:

- Monthly preparation of water balance to determine the source of NRW whether it came from physical losses or commercial losses that will give the management on where to start to minimize NRW.
- Water Distribution system is divided into smaller groups to easily identify which area provides the highest difference in well production versus the billed volume in the areas involved.
- Conduct of leak detection during night time from 9PM to 3AM until all distribution and service lines were inspected within the priority District Metered Areas (DMAs).
- Pressure gauges are installed in pumping stations and distribution lines in different barangays as part of pressure monitoring of Carmona Water District. Pressure transmitters were also installed in pumping stations to automatically shut off the pumping stations with Variable Frequency Drive (VFD) if the pressure reaches 60 psi in pumping stations.
- Calibration of over-aged water meters or water meters installed five (5) years or more to ensure accurate meter reading and replacement of failed meter test.
- Weekly reading of fire hydrants is implemented to ensure that the siphoned water serves its purpose.

- Water discharge during flushing activities is properly recorded and included in NRW computation.

Imposed Water Rates and Other Charges

The water rates imposed by the Carmona Water District (CWD) to its concessionaires in calendar year (CY) 2022 were approved by the Local Water Utilities Administration (LWUA) Board of Trustees per Board Resolution No. 61. As of December 31, 2022, the approved minimum water rates of the CWD are as follows, based on service connections with ½ sized connections:

Classification	Minimum Charge (First 10 cu.m)	Commodity charges			
		11-20 cu.m	21-30 cu.m	31-40 cu.m	41 above cu.m
Residential	₱238.60	₱ 26.20	₱ 29.00	₱ 32.60	₱ 37.00
Commercial	477.20	52.40	58.00	65.20	74.00
Commercial A	417.55	45.85	50.75	57.05	64.75
Commercial B	357.90	39.30	43.50	48.90	55.50
Commercial C	298.25	32.75	36.25	40.75	46.25
Wholesale/Bulk Water	715.80	78.60	87.00	97.80	111.00

Other fees charged by the CWD are as follows:

Particulars	Minimum Rate
Service Connection Fee	₱1,258.00 plus ₱1,500.00 Jetting Fee, if applicable
Service Connection Materials Fee	Weighted Average Cost of Materials at the time of application plus 30% (including the water meter)
Penalty for Late Payment	10 percent of the current month bill
Reconnection Fee (up to three years)	₱150.00 to ₱400.00
Production Assessment Fee	₱1.00 per cu.m

Additionally, the CWD has a proposed ₱3.50 per cu.m. that shall be charged to concessionaires to cover the cost of implantation of its Septage Management Program. The said proposal is pending approval of the LWUA as of December 31, 2022.

Compliance with RA No. 9994

The Carmona Water District has complied Section 4 (c) of Republic Act (RA) No. 9994, that grants a five percent discount on monthly water bills for concessionaires whose water meters are registered in the name of a Senior Citizen and where consumption is less than 30 cubic meters. For CY 2022, the reported ₱52,490.06 in discounts granted to senior citizens.

Disaster Risk and Reduction Management (DRRM)

For calendar year (CY) 2022, the Carmona Water District (CWD) has allocated DRRM Funds amounting to ₱5,580,711.15 or five percent of its budgeted total revenue. Out of the total fund, 1.17 percent or ₱65,093.96 was utilized for DRRM activities on the prevention and mitigation, preparedness, response and recovery and rehabilitation before, during and after disaster/calamity, in compliance with Republic Act (RA) No. 10121.

The details of the CWD's DRRM Budget and its utilization are shown in **Annex C** and summarized below:

Program	Budgeted	Utilized	Balance
I. Disaster Prevention and Mitigation	₱ 15,000.00	₱ 0.00	₱ 15,000.00
II. Disaster Preparedness	215,000.00	0.00	215,000.00
III. Disaster Response	1,050,000.00	56,808.96	993,191.04
IV. Disaster Rehabilitation and Recovery	2,626,497.80	8,285.00	2,618,212.80
V. Quick Response Fund (QRF) - 30 percent	<u>1,674,213.35</u>	<u>0.00</u>	<u>1,674,213.35</u>
Totals	<u>₱5,580,711.15</u>	<u>₱65,093.96</u>	<u>₱5,515,617.19</u>

Implementation of Water Safety Plan (WSP)

The CWD's Water Safety Plan (WSP) was approved by the DOH on September 26, 2022, in compliance with the requirements for acceptability pursuant to the Department of Health Administrative Order No. 2017-0006.

Compliance with tax laws and regulations

For calendar year (CY) 2022, the Carmona Water District (CWD) withheld and remitted the following amounts to the Bureau of Internal Revenue (BIR) as shown below:

	CY 2022
Beginning Balance	₱ 860,996.15
Withheld during the Year	8,582,831.85
Total	9,443,828.00
Less: Remittances	8,144,964.11
Ending Balance	₱ 1,298,863.88

The amount withheld for the month of December 2022 was remitted on January 10, 2023 for Creditable Withholding and Final Withholding Taxes on January 9, 2023; January 6, 2023 for Compensation Taxes; and January 23, 2023, for Franchise Taxes.

Maintenance Program of Fire Hydrants

It was observed in prior years' Annual Audit Report (AAR) that the Carmona Water District had no existing Memorandum Agreement (MOA) with the Bureau of Fire Protection (BFP) that shall establish their respective roles and accountabilities in case of

fire and procedures to be followed on the usage, maintenance and reimbursement of installations costs of fire hydrants. In connection therewith, a MOA between the CWD and the BFP that addresses the aforementioned issues was executed on April 25, 2023.

Additionally, the CWD has 44 active fire hydrants strategically located within the Municipality of Carmona, Cavite as of December 31, 2022, as summarized below:

Barangay	Active Hydrants	Inactive Hydrants	Total
Poblacion 4	3	0	3
Poblacion 5	0	1	1
Poblacion 7	1	0	1
Poblacion 8	2	0	2
Maduya	12	0	12
Cabilang			
Baybay	4	3	7
Mabuhay	9	1	10
Milagrosa	4	1	5
Lantic	2	0	2
Bancal	1	0	1
Total	38	6	44

Annual Inventory and Insurance of all Insurable Assets with the GSIS

The Carmona Water District submitted the Property Inventory Form (PIF) to the GSIS via email on November 15, 2022, in accordance with COA Circular No. 2018-002 dated May 31, 2018. The PIF disclosed that a total of ₱133,675,744.92 worth of PPE was insured with the General Insurance Fund as of December 31, 2022.

Status of Audit Suspensions, Disallowances and Charges

As of December 31, 2022, the Carmona Water District (CWD) has four outstanding Notices of Disallowance (NDs) totaling ₱5,699,381.52, broken down as follows:

Date	ND NO.	Balance
11/25/2011	11-001-101 (10)	₱ 847,654.88
05/31/2012	12-001-101 (11)	1,576,133.85
06/27/2017	CWD 17-001 (14-15)	2,795,592.79
06/29/2019	CWD 19-001 (16-17)	<u>480,000.00</u>
Total		<u>₱5,699,381.52</u>

The CWD has no outstanding suspensions and charges.

Bulk Water Supply Contracts

The Carmona Water District has no existing Bulk Water Supply Contracts as of December 31, 2022.

Official Development Assistance (ODA) Projects

The Carmona Water District (CWD) has no ODA-funded projects for calendar year (CY) 2022.

**PART III – STATUS OF IMPLEMENTATION OF
PRIOR YEARS' AUDIT RECOMMENDATIONS**

**CARMONA WATER DISTRICT
STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS**

As of December 31, 2022

Of the 22 audit recommendations embodied in the preceding Annual Audit Reports (AARs), 14 were fully implemented and eight were partially implemented by the Carmona Water District (CWD).

Reference	Observation	Recommendation	Management's Action	Status of Implementation	Reason for Non/ Partial Implementation
<p>Calendar Year (CY) 2021 AAR</p> <p>Audit Observation No. 1</p> <p>Page Nos. 33 to 35</p>	<p>1. The existence, accuracy and reliability of Property, Plant and Equipment (PPE) items with a recorded cost of ₱13,145,051.00 was not ascertained due to being unlocated and without disclosure in the Notes to Financial Statements (NFS); and the presence of negative balance of Transmission and Distribution Lines account totaling ₱1,383,104.48, contrary to Philippine Accounting Standard (PAS) 1, thus affecting the fair presentation of the</p>	<p>We reiterated our previous years' recommendation that Management:</p> <p>a. Instruct the Inventory Committee to conduct further investigation, and expand efforts to account for the missing PPEs, and likewise, determine the cause of the negative balance in the transmission and distribution items in the books, thereafter prepare an Investigation Report thereon; and</p>	<p>The Inventory Committee investigated the missing PPEs and presented the results of investigation in the application for a one-time cleansing of PPE account balances, submitted to the Audit Team on September 16, 2022. The cause of negative balances of transmission and distribution items in the books were also analyzed and necessary adjusting entries under Journal Entry Voucher (JEV) No. 22-07-0756 dated</p>	<p>Fully Implemented</p>	

Reference	Observation	Recommendation	Management's Action	Status of Implementation	Reason for Non/ Partial Implementation
	PPE account in the Financial Statements (FS) in CY 2021.		July 31, 2022 were prepared by the Accounting Division.		
b. Direct the Finance Division Manager (FDM) to disclose in the NFS additional information on the missing assets.		The Management disclosed in the NFS that application for one-time cleansing was already submitted to COA for approval.	Partially Implemented		
In addition, after all possible remedies are exhausted and PPEs remained missing, Management may have to consider the disposition of non-existing/missing PPE items for one-time cleansing of the PPE account balances, in accordance with the prescribed guidelines and procedures set under Commission on Audit (COA) Circular No. 2020-006 dated January 31, 2021.		CWD initiated a one-time cleansing process for the disposition of non-existing or missing PPE items. The related physical inventory count was then conducted from July 11 to 29, 2022, with a COA representative present as a witness. Meanwhile, the Management submitted the District's application for a one-time cleansing of PPE Account Balances to the Audit Team on September 16, 2022.	Fully Implemented		

Reference	Observation	Recommendation	Management's Action	Status of Implementation	Reason for Non/ Partial Implementation
CY 2021 AAR Audit Observation No. 2 Page Nos. 35 to 39	2. The Accounts Receivable (AR)'s collection efficiency was not considered by the CWD in the formulation of the policy for computing the Allowance for Impairment Loss (AIL) - AR, contrary to Paragraphs 5.5.17 and B.5.5.35 of Philippine Financial Reporting Standard (PFRS) 9, thus casting doubt on the reasonableness of the reported balance of AIL - AR amounting to P(4,731,635.30), and consequently understated the Net Realizable Value (NRV) of total AR, while overstating the recorded Impairment Loss - Loans and Receivables of P274,976.70 in the FS. Moreover, a very high impairment loss	We recommended that the General Manager (GM): a. Direct the FDM to develop a more realistic policy for computing the AIL in accordance with PFRS 9, to properly reflect the collection efficiency of the CWD, subject to the GM's review, and approval of the Board of Directors (BODs);	The CWD has adopted a new provision for impairment loss of the estimated uncollectible AR for CY 2022 as per Board Resolution No. 006-2023 dated January 24, 2023.	Fully Implemented	
		b. Direct the FDM to avoid using very high expected loss rates in the AIL policy that will indirectly write-off AR accounts in the FS without the approval of the COA, pursuant to COA Circular No. 2016-005 dated December 19, 2016; and	The CWD used appropriate loss rates in the AIL policy that would not directly write-off AR accounts as per Board Resolution No. 006-2023 dated January 24, 2023.	Fully Implemented	
		c. Consider the formulation of a new policy, subject to the approval of the BODs,	The CWD has exerted effort to send demand letters to concessionaires with	Fully Implemented	

Reference	Observation	Recommendation	Management's Action	Status of Implementation	Reason for Non/ Partial Implementation
	<p>rate was assigned to AR - General Customers (AR-GC) account that indirectly write-off accounts aged above 300 days in the FS without following the prescribed procedures of Section 8 of COA Circular No. 2016-005 dated December 19, 2016.</p>	<p>that will help strengthen the CWD's ability to collect AR - Production Assessment (AR-PA) on time to increase the AR - Turnover (ARTO) for AR-GC, which will decrease its average collection time.</p>	<p>receivable balance. Also, regular inspection of inactive accounts is being done to identify the necessary actions so as to collect the receivable and decrease its average collection time.</p>		
<p>CY 2021 AAR Audit Observation No. 3 Page Nos. 39 to 40</p>	<p>3. Three purchased and two donated lots were not covered with Transfer Certificates of Title (TCTs) in the name of CWD, and these donated lots remain unaccounted in the books, contrary to Section 39 of Presidential Decree (PD) No. 1445 and PAS 16, thereby exposing the lots to third party claims,</p>	<p>We reiterated our previous year's recommendations that Management:</p> <p>a. Facilitate the titling of land under the name of the CWD to safeguard its interest and dispel doubts as to the legal ownership over the properties. Henceforth, all prospective acquisitions/ donations of land should be covered with TCTs</p>	<p>The Management processed the titling of one of the donated lots located in Monte Carlo Subdivision thru payment of donor's tax and documentary stamp tax on October 24, 2022.</p>	<p>Partially Implemented</p>	<p>All the recorded land in the books of accounts were not yet titled under the name of the CWD. Management is still in the process of securing the land titles and currently awaiting for either the partition of the</p>

Reference	Observation	Recommendation	Management's Action	Status of Implementation	Reason for Non/ Partial Implementation
	and understating the Land account by the value of two donated parcels of lot without indicated cost.	registered under the name of the CWD to avoid the risks of possible third-party claims; and			mother title or the surrender of the original title from the donee. This is reiterated in Audit Observation No. 4, Pages 40 to 42, Part II of this Report.
		b. Instruct the FDM to record the donated lands using the zonal values obtained from the Bureau of Internal Revenue (BIR) to correct the balance of the Land account.	Two donated lots were recorded in the Land account using the BIR zonal value thru the JEV Nos. 22-12-1420 and 22-12-1421 dated December 31, 2022.	Fully Implemented	
CY 2021 AAR Audit Observation No. 4 Page Nos. 40 to 42	4. The accuracy and reliability of the Other Assets account with a balance of ₱1,852,571.24 as of December 31, 2021 are doubtful due to inclusion of unaccounted	We reiterated our previous year's recommendation that the Accountant re-evaluate the composition of all unaccounted properties and make all the necessary adjustments in the books, or act accordingly on whatever results it would lead them to, so as to rid the account	The Management investigated the unaccounted properties as part of one-time cleansing made in CY 2022 and included the missing assets in application for one time cleansing.	Fully Implemented	

Reference	Observation	Recommendation	Management's Action	Status of Implementation	Reason for Non/ Partial Implementation
	balances and Inventory adjustments totaling ₱668,306.30 and non-disclosure in the NFS, contrary to Paragraph 15 of PAS 1 and Annex C of COA Circular No. 2020-002 dated January 28, 2020, thus affecting the fair presentation of the account in the Statement of Financial Position.	of dubious items.			
		Additionally, we recommended that Management instruct the FDM to:			
		a. Revisit the available CY 2004 records and/or other documents to establish details of the unaccounted balances recorded under the OA account; and	Unaccounted Other Assets amounting to ₱302,288.47 were included in the missing assets reported in application for one-time cleansing.	Fully Implemented	
		b. Review the adjustments for the variances noted in the Inventory account totaling ₱140,178.47 and check whether there was sufficient proof to support the adjustments made in the books.	The Management analyzed the variances noted in the Inventory account totaling ₱140,178.47 and made the necessary adjustment to correct the balance of Other Assets Account thru JEV No. 22-07-0773 dated July 31, 2022.	Fully Implemented	
CY 2021 AAR Audit Observation	5. Collections totaling ₱263,057.67 deposited in the bank accounts	We recommended that Management direct the FDM to immediately book all valid reconciling items	For the year ending December 31, 2022, all valid reconciling items found in BRS were	Fully Implemented	

Reference	Observation	Recommendation	Management's Action	Status of Implementation	Reason for Non/ Partial Implementation
No. 5 Page Nos. 43 to 44	maintained by CWD were not recorded in the books despite being included as book reconciling items in the Bank Reconciliation Statements (BRS) as of December 31, 2021, contrary to Section 74 of PD No. 1445 and PAS 1, thereby understating the Cash in Bank (CIB) account and overstating AR by the same amount.	found during the conduct of bank reconciliation in order to present the correct CIB balance in the FS as of year-end.	recorded in the books.		
CY 2021 AAR Audit Observation No. 6 Page No. 44 to 45	6. The disposal of unserviceable properties with net book value totaling ₱1,190,789.94 as of December 31, 2021 was not prioritized by the CWD, contrary to PD No. 1445 and COA Circular No. 89-296, thus exposing the properties to further deterioration and	We reiterated our previous years' recommendation that Management prioritize the disposal of unserviceable items to decongest the storage area, prevent further deterioration of the assets, or loss of possible additional income for the CWD, if there is any, in accordance with Section 79 of PD No. 1445 and COA Circular No. 89-296.	Unserviceable PPE worth a total of ₱216,406.76 was disposed of by Management thru destruction last October 13, 2022. Also, various scrap Office Equipment, saddle clamps, padlocks and various junk found in the warehouse were disposed of thru public	Partially Implemented	The Management is still in the process of disposal of remaining unserviceable PPE.

Reference	Observation	Recommendation	Management's Action	Status of Implementation	Reason for Non/ Partial Implementation
	deprived the CWD of additional income from sale thereof.		bidding last May 17 and July 5, 2022 for a total price of ₱124,629.00.		
CY 2021 AAR Audit Observation No. 7 Page Nos. 45 to 47	7. There is no existing Memorandum of Agreement (MOA) between the CWD, Bureau of Fire Protection (BFP) that clearly establishes their respective roles and accountabilities in case of fire and procedures to be followed on the usage, maintenance and reimbursement of installation costs of fire hydrants, contrary to Section 32 of PD No. 198 and Section 7.0.2.2(A) of the Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9514, hence the rights and obligations of the	We recommended that Management immediately convene with the BFP and/or the Local Government of Carmona for the creation of a MOA that clearly identifies the roles and accountabilities of each party to achieve their common objectives, in accordance with Section 32 of PD No. 198 and Section 7.0.2.2(A) of the Revised IRR of RA No. 9514.	A MOA was executed between Carmona BFP and CWD on April 25, 2023 establishing their respective roles and accountabilities in case of fire and procedures to be followed on the usage and maintenance of fire hydrants.	Fully Implemented	

Reference	Observation	Recommendation	Management's Action	Status of Implementation	Reason for Non/ Partial Implementation
	said agencies were not formally established, to the disadvantage of both.				
<p>CY 2020 AAR Audit Observation No. 5 Page Nos. 48-51</p>	<p>8. AR - Customers totaling P9,197,752.51 in CY 2020 consists mainly of long outstanding and inactive accounts aging over five years with doubtful collectability and the correctness of the provided allowance for impairment loss and the corresponding expense account could not be relied upon, contrary to Section 111 of PD No. 1445 and inconsistent with PAS 39 (58) and PAS 36 (59 and 60) on Impairment of Assets.</p>	<p>We recommended that Management review, analyze and consider aging further all accounts over five years to determine existence of receivables actually aged 10 years and above, and if there are any, and consider the possibility of collection and continuously send demand letters. If efforts remain futile, request for authority to write-off from the COA, supported with the required documents per COA Circular No. 2016-005 dated December 19, 2016.</p>	<p>The Commercial Division submitted an application for the write-off of some AR accounts to COA last November 2022.</p>	<p>Partially Implemented</p>	<p>The Finance Division Manager is still reviewing and analyzing all accounts over 10 years to determine existence of receivables and to consider the possibility of collection.</p>

Reference	Observation	Recommendation	Management's Action	Status of Implementation	Reason for Non/ Partial Implementation
<p>CY 2019 AAR Audit Observation No. 2 Page Nos. 39-41</p>	<p>9. The recorded balances of Loans Payable to the LWUA of ₱7,194,893.00 for CY 2019 is doubtful and unreliable due to non-reconciliation of the CWD's record with the amount certified by the LWUA, resulting in a difference of ₱12,015,107.00, contrary to Sections 59 and 111 of PD No. 1445, thus affecting the fair presentation of liability accounts in the financial statements.</p>	<p>We recommended that Management prepare the necessary adjusting entries upon completion of the required reconciliation of account and documentation, if warranted.</p>	<p>The Management sent a formal letter thru email to LWUA last March 3, 2020, requesting several documents for verification of the District's loans payable. In addition, a follow-up letter was also sent to LWUA last November 10, 2020 and June 03, 2021.</p>	<p>Partially Implemented</p>	<p>LWUA has yet to provide the complete documents to support the account reconciliation. Hence, Management is not yet able to prepare the adjusting entries, if necessary.</p>
<p>CY 2019 AAR Audit Observation No. 6 Page Nos. 50-</p>	<p>10. The CWD's reported balance of Due to Local Government Unit (LGU) in the amount of ₱1,063,811.63 pertaining to 25</p>	<p>We recommended that the GM: a) Require the Inventory Team to locate the mentioned donated items of water facilities that were not</p>	<p>The Inventory Committee determined, during the process of its application for a</p>	<p>Fully Implemented</p>	

Reference	Observation	Recommendation	Management's Action	Status of Implementation	Reason for Non/ Partial Implementation
54	percent share of the Municipality of Carmona on the CWD's gross receipts from operations of donated water facilities at Carmona Public Market (CPM) is doubtful as to its validity as it violates Section 30 of PD No. 198, otherwise referred to as the Provincial Water Utilities Act of 1973, thereby affecting the fair presentation of liabilities account in the Statement of Financial Position.	recorded in the books;	one-time cleansing of PPE, that most of the donated items except for the elevated tank were already replaced. The said tank was already included in the physical count of the CWD.		
		b) Instruct the Division Manager B to verify further the other composition of the donated items and to prepare the necessary journal entries to record the same after the determination of the appraised value by the Appraisal Committee; and	The Management verified the composition of donated items and discovered that the items had either already been replaced or did not qualify to be recognized as PPE, except for the elevated tank, which had already been recorded in the books of account. Therefore, no journal entries were required.	Fully Implemented	
		c) Require the Accountant to prepare the necessary adjusting entries on Due to LGU account	The adjusting entries were already prepared to comply with the three percent maximum limit of	Fully Implemented	

Reference	Observation	Recommendation	Management's Action	Status of Implementation	Reason for Non/ Partial Implementation
		to comply with the three percent maximum limit of revenue share per Section 30 of PD No. 198, if warranted.	revenue share per Section 30 of PD No. 198.		
CYs 2014-2015 AAR Audit Observation No. 12 Page Nos. 63-64	11. Donations amounting to ₱359,900.00 granted to persons and organizations were unsupported with proper documentation, contrary to Section 4 of PD No. 1445. This is also inconsistent with the provision of Section 1.a.8 of Administrative Order (AO) No. 103 dated August 31, 2004.	We recommended that the GM cause the refund of the said disbursements.	The GM already stopped the grant of donations or contributions not related to the mandate of the CWD and informed the former GM, but no action has been done by the latter.	Partially Implemented	The Audit Team shall coordinate with the previous Audit Team Leader for the possible issuance of a Notice of Disallowance.
CYs 2014-2015 AAR Audit Observation No. 15	12. Payment of Membership Dues to private organization totaling ₱13,200.00 and ₱74,520.00 for	We recommended that the former General Manager and one of the current members of the BODs be required to refund the total amount of	The incumbent GM already exerted effort to refund the total amount of membership dues by the former GM and one member of the	Partially Implemented	No action has been made yet by the former General Manager and only the member of the BOD caused the

Reference	Observation	Recommendation	Management's Action	Status of Implementation	Reason for Non/ Partial Implementation
Page Nos. 66-68	CYs 2014 and 2015, respectively, were made by the CWD, contrary to DBM NBC No. 442 dated March 29, 1995.	₱87,720.00 to the CWD in accordance with the RRSA, as such payment was contrary to the said DBM NBC's provision.	BOD. However, only the member of the BOD caused the refund for this matter.		refund for this matter. The Audit Team shall coordinate with the previous Audit Team Leader for the possible issuance of a Notice of Disallowance.
CYs 2014-2015 AAR Audit Observation No. 16 Page Nos. 68-69	13. Reimbursements of Representation Allowances by the former General Manager amounting to ₱355,486.82 and ₱222,750.58 for CYs 2014 and 2015, respectively, are in excess of the rates prescribed under Section 5 of Department of Budget and Management (DBM) National Budget Circular (NBC) No. 548.	We recommended that the incumbent GM coordinate with the former GM to refund the excess Representation Allowance reimbursed, pursuant to Section 5.2 of DBM NBC No. 548, and strictly observe the limitations provided for in the said guidelines.	Representation expenses have been strictly monitored since CY 2016. The incumbent GM already informed the former GM but no action has been done by the latter.	Partially Implemented	The former GM still has not refunded the said amount. The Audit Team shall coordinate with the previous Audit Team Leader for the possible issuance of a Notice of Disallowance.

Part IV – Annexes

Carmona Water District
Schedule of Guaranty Deposits Payable Account
As of December 31, 2022

Date	Particulars	Amount
Balance of Proceeds from Sale of Bidding Documents Released to the Bids and Awards Committee (BAC):		
08/27/2015	EMI Industrial Corp.	P 1,000.00
09/07/2015	RenPhil Trading	1,000.00
09/11/2015	IAWS Construction	1,000.00
10/09/2015	RDAZ Enterprise	5,000.00
10/09/2015	IAWS Construction	5,000.00
10/13/2015	SSR Construction	5,000.00
01/23/2020	R.D. Mandanas Const.-Design & Build	2,434.65
01/29/2020	Rey-Tech Const. & Devt. Corp.-Design & Build	17,666.67
02/05/2020	BAP Const. & Devt. Corp.	17,666.67
11/27/2020	Chemical Research Products	13,500.00
12/14/2020	Envirokonsult Equipment & Services	13,500.00
12/07/2021	Protech Construction & Devt. Corp.	17,666.67
01/12/2022	Agbuya Builders	17,666.67
01/19/2022	Christian Ley Construction	17,666.67
	Subtotal	135,768.00
Proceeds from Sale of Bidding Documents from Disposal Activities:		
10/03/2019	Ronquillo, E.	500.00
10/04/2019	Balingit, R.S.	500.00
10/15/2019	Loyola, C.	500.00
10/16/2019	Levarado, E.	500.00
04/08/2021	Morfi, R.	500.00
04/14/2021	De Vera, T.	500.00
04/15/2021	Layos, E.	500.00
04/22/2021	Morfi, R.	500.00
05/10/2022	RRDA Trading	500.00
05/10/2022	Lucas Grey Scrap Trading	500.00
05/10/2022	Veloso Trading	500.00
05/10/2022	Murao, A.D.	500.00
05/13/2022	Arceo, A.L.	500.00
05/16/2022	Anciro, W.	500.00
06/24/2022	G. Aboc Trading	500.00
07/04/2022	Enales, E.	500.00
07/05/2022	Bernales, J.M.	500.00
	Subtotal	8,500.00

Date	Particulars	Amount
Proceeds from Sale of Bidding Documents Not Yet Released to the BAC:		
06/10/2022	BJ Marthel Int'l. Inc.	5,000.00
06/10/2022	Chemical Research	5,000.00
08/31/2022	JB Janz Marketing	5,000.00
10/26/2022	JB Janz Marketing	5,000.00
10/27/2022	Macrotrade Resources Inc.	10,000.00
11/03/2022	EDMI Philippines Inc.	5,000.00
12/06/2022	Mocrotrade Resources Inc.	10,000.00
	Subtotal	<u>45,000.00</u>
Retention Money Pending Release to Suppliers:		
07/06/2022	Retention - Philippine Valve	8,374.80
07/06/2022	Retention - Philippine Valve	13,969.20
09/06/2022	Retention 1st progress payment - Protech	369,519.56
11/04/2022	JB Janz Marketing- Retention	11,660.34
12/01/2022	Retention 2nd progress payment - Protech	718,181.95
	Subtotal	<u>1,121,705.85</u>
	Grand Total	P <u><u>1,310,973.85</u></u>

Carmona Water District
Comparison Gender and Development (GAD) Plan and Budget (GPB) Against GAD Accomplishment Report (AR)
CY 2022

Focus Area	Activity	GPB	AR	Variance	Remarks
Client-Focused	Maintenance of GAD Corner	₱ 30,000.00	₱ 0.00	₱ (30,000.00)	Not implemented
Client-Focused	Usage of Website for GAD-related activities	10,000.00	0.00	(10,000.00)	Not implemented
Client-Focused	Gender Sensitivity Seminar	100,000.00	0.00	(100,000.00)	Not implemented
Client-Focused	Talk on gender equality and women's rights	300,000.00	0.00	(300,000.00)	Not implemented
Client-Focused	PCW-prescribed tarpaulin	5,000.00	1,100.00	(3,900.00)	
Client-Focused	Streaming of PCW-endorsed films	0.00	0.00	0.00	Not implemented
Client-Focused	Renovation of CWD Admin Bldg.	9,250,000.00	17,380,976.54	8,130,976.54	Variance due to HGDG attribution
Organization	GFPS monthly meeting	30,000.00	0.00	(30,000.00)	Not implemented
Organization	Talk on gender equality and women's rights	10,000.00	33,551.25	23,551.25	
Organization	Flag-raising ceremony for International women's month	20,000.00	0.00	(20,000.00)	Not implemented
Organization	Basic Gender Sensitivity Seminar	100,000.00	0.00	(100,000.00)	Not implemented
Organization	Training on Gender analysis	80,000.00	0.00	(80,000.00)	Not implemented
Organization	Establishment of Sex-disaggregated database	5,000.00	0.00	(5,000.00)	Not implemented
Organization	Establishment of SDD - employees	0.00	0.00	0.00	Not implemented
Organization	Formulation of GAD Agenda/Plan/Budget	20,000.00	14,055.70	(5,944.30)	
Organization	Training on GAD Planning and Budgeting	80,000.00	0.00	(80,000.00)	Not implemented
Organization	VAWC-related activities including t-shirts with PCW-prescribed design	50,000.00	15,545.00	(34,455.00)	
Totals		₱ 10,090,000.00	₱ 17,445,228.49	₱ 7,355,228.49	

Carmona Water District
Comparison of Disaster Risk and Reduction Management (DRRM) Plan and Budget Against Actual Expenditures
CY 2022

Planned Activities and Budget		Actual Expenditures				Balance
Program/Activity/Project	Budget	DV		Particulars	Disbursements	
		Date	No.			
I. Disaster Prevention and Mitigation						
Conduct of hazard/Risk assessment I.A review and CWD DRRM manual review	P 15,000.00				P 0.00	P 15,000.00
II. Disaster Preparedness						
Conduct of Trainings on disaster II.A preparedness and response, search, rescue and retrieval operations	50,000.00				0.00	50,000.00
Development of information, education II.B and communication (IEC) campaign	15,000.00				0.00	15,000.00
II.C Stockpiling of basic emergency supplies	150,000.00				0.00	150,000.00
III. Disaster Response						
III.A Food subsistence for CWD employees on duty	50,000.00	02/07/2022	22-02-0082	Fruits for COVID Positive Employee	306.30	
		02/07/2022	22-02-0082	Thermal Scanner w/ alcohol dispenser	1,350.00	
		08/01/2022	22-07-0547	Fruits for COVID Positive Employee	362.66	
		09/01/2022	22-08-0631	Fruits for COVID Positive Employee	260.00	
		Subtotal			2,278.96	47,721.04
Procurement of supplies, tools and III.B equipment for response and rescue activities	1,000,000.00	11/08/2022	22-11-0778	Installation of Barbed Wire Fence in Pumping Station	54,530.00	945,470.00
IV. Disaster Rehabilitation and Recovery						
Construction/Rehabilitation of damaged IV.A infrastructure facilities, pipelines and other accessories	2,626,497.80	09/19/2022	22-09-0675	Repainting of 4PS due to cracks caused by the earthquake on July 27, 2022	6,770.00	
		09/19/2022	22-10-0748	Meals During Clean up activity on Sept 26, 2022 at Collection Office due to typhoon Karding	1,515.00	
		Subtotal			8,285.00	2,618,212.80
V. Quick Response Fund (QRF) - 30%	1,674,213.35				0.00	1,674,213.35
Total	P 5,580,711.15				P 65,093.96	P 5,515,617.19