



Republic of the Philippines  
**CITY OF KORONADAL WATER DISTRICT**  
Blk. 1, Casa Subd., Brgy. Zone III, City of Koronadal  
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## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of the **CITY OF KORONADAL WATER DISTRICT** is responsible for the preparation of the financial statements as at December 31, 2019, including the additional components attached thereto in accordance with the prescribed financial reporting framework indicated therein. The responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material statement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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

The Commission on Audit has audited the financial statements of the **City of Koronadal Water District** in accordance with the Philippine Public Sector Standards on Auditing and has expressed its opinion on the fairness of presentation upon completion of such audit, in its report to the Board of Directors.

**DIR. FRANCISCO D. SABLON**

Chairman of the Board

2/1/20  
Date Signed

**JOSEPHINE J. COSEP**

Division Manager B

Accounting Budget & Cash Management

1/29/20  
Date Signed

**REY J. VARGAS**

General Manager

1/29/20  
Date Signed



**CITY OF KORONADAL WATER DISTRICT**  
**Statement of Financial Position**  
**As at December 31, 2019**  
*(With Comparative Figures for CY 2018)*



	NOTE*	2019	2018
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	4	Php 39,664,424.53	Php43,813,722.47
Receivables	5	21,579,305.56	18,679,864.14
Inventories	6	16,348,676.90	12,035,815.81
Other Current Assets		18,661.43	18,661.43
<b>Total Current Assets</b>		<b>77,611,068.42</b>	<b>74,548,063.85</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	9	237,872,205.53	209,929,225.10
Other Non-Current Assets		8,908,498.21	3,766,277.01
<b>Total Non-Current Assets</b>		<b>246,780,703.74</b>	<b>213,695,502.11</b>
<b>Total Assets</b>		<b>Php 324,391,772.16</b>	<b>Php288,243,565.96</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>	10		
Financial Liabilities		Php 13,988,294.50	Php17,440,470.19
Inter-Agency Payables		779,656.10	1,231,411.30
Trust Liabilities		466,829.82	391,081.52
Unearned Revenue/Income		164,084.64	135,279.97
Other Payables		0.00	73,815.21
<b>Total Current Liabilities</b>		<b>15,398,865.06</b>	<b>19,272,058.19</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities	11	36,282,297.45	38,073,867.06
Provisions		6,979,580.83	4,218,684.57
<b>Total Non-Current Liabilities</b>		<b>43,261,878.28</b>	<b>42,292,551.63</b>
<b>Total Liabilities</b>		<b>58,660,743.34</b>	<b>61,564,609.82</b>
<b>Government Equity</b>	13	10,655,540.38	10,655,540.38
<b>Retained Earnings/(Deficit)</b>		255,075,488.44	216,023,415.76
<b>Total Equity</b>		<b>265,731,028.82</b>	<b>226,678,956.14</b>
<b>Total Liabilities and Equity</b>		<b>Php 324,391,772.16</b>	<b>Php288,243,565.96</b>

( See accompanying Notes to Financial Statements)



**CITY OF KORONADAL WATER DISTRICT**  
**Statement of Comprehensive Income**  
**For the Year Ended December 31, 2019**  
*(With Comparative Figures for CY 2018)*



	<u>NOTE*</u>	<u>2019</u>	<u>2018</u>
<b>Income</b>	<b>14</b>		
Service and Business Income		Php149,370,266.37	Php 131,232,295.11
Gains		1,928,907.71	836,183.75
Other Non-Operating Income		891,239.70	913,899.28
<b>Total Income</b>		<b>Php 152,190,413.78</b>	<b>Php 132,982,378.14</b>
<b>Expenses</b>	<b>15</b>		
Personnel Services		34,303,701.35	32,461,930.36
Maintenance and Other Operating Expenses		63,325,601.10	56,882,220.29
Financial Expenses		2,977,389.07	2,922,539.11
Non-Cash Expenses		10,916,352.02	9,692,475.61
Other Losses		10,364.13	5,275.00
<b>Total Expenses</b>		<b>111,533,407.67</b>	<b>101,964,440.37</b>
<b>Profit/(Loss) Before Tax</b>		<b>40,657,006.11</b>	<b>31,017,937.77</b>
<b>Income Tax Expense/(Benefit)</b>		<b>-</b>	<b>-</b>
<b>Profit/(Loss) After Tax</b>		<b>40,657,006.11</b>	<b>31,017,937.77</b>
<b>Net Assistance/Subsidy/(Financial Assistance/Subsidy/Contribution)</b>		<b>-</b>	<b>-</b>
<b>Net Income/(Loss)</b>		<b>40,657,006.11</b>	<b>31,017,937.77</b>
<b>Other Comprehensive Income/(Loss) for the Period</b>		<b>-</b>	<b>-</b>
<b>Comprehensive Income/(Loss)</b>		<b>Php 40,657,006.11</b>	<b>Php 31,017,937.77</b>

( See accompanying Notes to Financial Statements)





**CITY OF KORONADAL WATER DISTRICT**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2019**  
*(With Comparative Figures for CY 2018)*



	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash Inflows</b>		
Proceeds from Sale of Goods and Services	Php 10,629,802.43	Php 9,671,343.23
Collection of Receivables	139,449,314.00	123,237,737.47
Collection of Income/Revenue	146,150.30	132,600.00
Trust Receipt	714,497.00	42,466.50
Other Receipts	2,643,844.52	1,830,401.89
<b>Total Cash Inflows</b>	<b>153,583,608.25</b>	<b>134,914,549.09</b>
Adjustments	134,478.23	1,320.00
<b>Adjusted Cash Inflow</b>	<b>153,718,086.48</b>	<b>134,915,869.09</b>
<b>Cash Outflows</b>		
Payment of Expenses	68,652,814.12	67,811,685.51
Purchase of Inventories	16,467,722.40	1,672,871.40
Grant of Cash Advances	1,638,105.00	776,179.00
Payments of Accounts Payable	13,826,020.88	3,729,262.98
Remittance of Personnel Benefit Contributions	17,039,305.10	11,571,640.30
Refund of Deposits	631,997.00	319,760.89
Other Disbursements	-	9,502.95
<b>Total Cash Outflows</b>	<b>118,255,964.50</b>	<b>85,890,903.03</b>
Adjustments	60,763.98	19,490.57
<b>Adjusted Cash Outflows</b>	<b>118,316,728.48</b>	<b>85,910,393.60</b>
<b>Net Cash Provided by/(Used in) Operating Activities</b>	<b>35,401,358.00</b>	<b>49,005,475.49</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Cash Inflows</b>		
Receipt of Interest Earned	50,288.16	48,851.96
<b>Total Cash Inflows</b>	<b>50,288.16</b>	<b>48,851.96</b>
<b>Cash Outflows</b>		
Purchase/Construction of PPE	29,610,013.28	32,867,284.00
Other long-term investments	5,136,917.92	98,516.52
<b>Total Cash Outflows</b>	<b>34,746,931.20</b>	<b>32,965,800.52</b>
<b>Net Cash Provided By/(Used In) Investing Activities</b>	<b>(34,696,643.04)</b>	<b>(32,916,948.56)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Cash Inflows</b>	0.00	0.00
<b>Total Cash Inflows</b>	<b>0.00</b>	<b>0.00</b>
<b>Cash Outflows</b>		
Payment of Long-Term Liabilities	1,876,623.83	2,130,005.91
Payment of Interest on Loans and Other Fin'l. Charges	2,977,389.07	2,932,257.11
<b>Total Cash Outflows</b>	<b>4,854,012.90</b>	<b>5,062,263.02</b>
<b>Net Cash Provided By/(Used In) Financing Activities</b>	<b>(4,854,012.90)</b>	<b>(5,062,263.02)</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>Php (4,149,297.94)</b>	<b>Php 11,026,263.91</b>
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<b>43,813,722.47</b>	<b>32,787,458.56</b>
<b>CASH AND CASH EQUIVALENTS ENDING BALANCE</b>	<b>Php 39,664,424.53</b>	<b>Php 43,813,722.47</b>





**CITY OF KORONADAL WATER DISTRICT**  
**Statement of Changes in Equity**  
**For the Year Ended December 31, 2019**  
*(With Comparative Figures for CY 2018)*



	2019	2018
<b>BALANCE AT JANUARY 1</b>	<b>226,678,956.14</b>	<b>199,326,600.99</b>
<b>ADJUSTMENTS:</b>		
Add/(Deduct):		
Changes in Accounting Policy	0.00	0.00
Prior Period Errors	0.00	0.00
Other Adjustments	0.00	0.00
<b>RESTATED BALANCE</b>	<b>226,678,956.14</b>	<b>199,326,600.99</b>
<b>CHANGES IN EQUITY</b>		
Add/(Deduct):		
Issuances of Share Capital	0.00	0.00
Additional Capital from National Government	0.00	0.00
Members' Contribution	0.00	0.00
Comprehensive Income	40,657,006.11	31,017,937.77
Dividends	0.00	0.00
Other Adjustments	(1,604,933.43)	(3,665,582.62)
<b>BALANCE AT DECEMBER 31</b>	<b>265,731,028.82</b>	<b>226,678,956.14</b>



**CITY OF KORONADAL WATER DISTRICT**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2019**



## **1.0 Agency Background**

With Presidential Decree No. 198 as the enabling law, the Koronadal Water District (KWD) created through the Municipality of Koronadal Sangguniang Bayan Resolution No. 92, Series of 1980 and was issued the Conditional Certificate of Conformance (CCC No. 156) by the Local Water Utilities Administration (LWUA) on July 17, 1981. The mandates of the District are:

- To acquire, install, improve, maintain and operate water supply system for municipal uses for domestic and industrial within the boundaries of the District;
- To consider the sanitation of water for a sufficient, safe and potable water source by providing, maintaining and operating waste water collection treatment and disposal facilities; and
- To conduct such other functions and operations incidental to water resource development, utilization and disposal within the District, as are necessary or incidental to said purpose.

Koronadal Water District (KWD) was changed into the City of Koronadal Water District (CKWD), by virtue of the Interim Board of Directors Resolution No. 26, series of 2008 in consonance with the change in the “Municipality of Koronadal” to “City of Koronadal”. CKWD is classified as “Category C” but is re-categorized as “B” effective July 2015. The District is headed by General Manager Rey J. Vargas with the same set of Board of Directors as follows:

Chairperson	-	<i>Francisco D. Sablon, Jr</i> Business Sector Re-appointed, January 2015 to December 31, 2020
Vice-chairperson	-	<i>Engr. Danilo B. Araquil</i> Education Sector (until 2022) (replaced Vice Chairman Francisco D. Sablon, Jr.)
Secretary	-	<i>Engr. Lovi A. Ladera</i> Civic Sector (until December 31, 2019)
Members	-	<i>Hermogenes M. Simbulan</i> Professional Sector (until December 31, 2019)
	-	<i>Rosario Ruiz</i> Women Sector (until December 31, 2022)



Starting off with 119 employees in January 2019, the District has 49 regular and 74 job orders or a total of 123 workforces by the end of the year, excluding those who were hired for specific projects like the laborers for the expansion projects.

In the quest of further improvements in terms of customer service, and for the compliance with MC 2016-1 issued by the Department of Budget and Management, the City of Koronadal Water District implemented its Quality Management System for ISO 9001:2015 last November 2018 and was duly certified by the end of the year. This accreditation will provide guidance and tools to the district to ensure that services will consistently meet the customers' requirements, and quality is consistently improved.

The District has 22,084 active connections and serves an estimated population of 110,420 and a total growth of 2,427 as of December 31, 2019.

#### **Vision**

"A progressive self-sustaining provider of sufficient potable water supply and quality service in the City of Koronadal".

#### **Mission**

"As a public utility firm, CKWD is committed to promote the well-being of the people of City of Koronadal through effective and efficient delivery of potable and sustainable water supply, better quality and responsive services, utilization of modern technology, enhancement of its human resource capability and the transformation of the district into one of the most progressive and viable water district in the province of South Cotabato."

#### **Quality Policy**

#### ***CKWD ISO 9001:2015***

With the commitment to provide excellent services, we in the CITY OF KORONADAL WATER DISTRICT, shall adopt the following principles:

- Diligently adhere to our service standards and strive for excellence in customer service.
- Ensure compliance to all applicable statutory and legal requirements.
- Engage competent personnel and provide continuous personnel training and development.
- Regularly review the performance of our Quality Management System for continual improvement.

## **2.0 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

### **2.1 Statement of Compliance**

The City of Koronadal Water District's financial statements were previously prepared in accordance with the uniform and standard accounting prescribed by the Local Water Utilities Administration (LWUA).

Commission on Audit issued COA Circular No. 2015-010 dated December 1, 2015 prescribed the adoption of revised chart of accounts for all Government Owned and Controlled Corporation which includes Water Districts. With the issuance of COA Circular No. 2016-006 dated December 29, 2016, which is the implementing guidelines of COA Circular No. 2015-010, the District's financial statements for the year ended December 31, 2016 have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS).

Lastly, COA Circular No. 2017-004 dated December 13, 2017, prescribed the adoption of preparation of financial statement and other financial reports using Philippine Financial Reporting Standards by Government Corporation classified as Government Business Enterprise to which the CKWD complied.

## **3.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 Basis of recording**

The District adopts the accrual method of accounting. Under the accrual basis, the effects of transactions and other events are recognized when they occur and not as cash or its equivalent is received or paid, and they are recorded in the accounting records and reported in the financial statements of the period to which they relate.

### **3.2 Cash and Cash Equivalents**

*Cash on hand* - This includes undeposited collections and other cash items awaiting deposit such as customer's checks, money orders and petty cash fund.

*Cash in bank* - this includes demand deposit or checking account which are unrestricted as to withdrawal.

*Cash Equivalents* - are short term, highly liquid investment that are readily convertible to known amount of cash with original maturities of three months or less from dates of acquisition and that are subject to an insignificant risk of changes in values.



### 3.3 Receivables

Receivables are financial assets that represent a contractual right to receive cash or another financial asset from another entity.

Trade Receivables shall be valued at their face amount minus, whenever appropriate, allowance for doubtful accounts (Allowance for Impairment-Accounts Receivables) and/or any anticipated adjustments which, in the normal course of events will reduce the amount of receivables from debtors to estimated realizable values, shall be set up at the end of accounting period. Receivables from government agencies are not subject to bad debts.

The Allowance for Doubtful Accounts shall be provided in an amount based on the collectability of receivable balances and evaluation of such factors as aging of the accounts, collection experiences of the agency, expected loss experiences and identified doubtful accounts.

The determination of bad debt expense shall be derived from computations based on percentages and aging of accounts receivables as follows:

<u>Age of Accounts</u>	<u>Percentage</u>
1-180 days	0%
181-1 year	1%
1-2 years	2%
2-3 years	3%
3-4 years	4%
More than 4 years	5%

### 3.4 Inventories

Inventories are assets that are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventory is measured at cost upon initial recognition. The Water District Inventories are stated at a weighted average cost method. Under the weighted average cost formula, the cost of each item is determined from the weighted average of the cost of similar items at the beginning of the period and the cost of similar items purchased or produced during the period.

Inventories are recognized as an expense when deployed for the utilization or consumption in the ordinary course of operation of the Water District.

The CKWD use perpetual system for accounting for inventories, this system requires the maintenance of stock cards that usually offer a running summary of the inventory inflow and

outflow. Inventory increases and decreases are reflected in the stock cards and the resulting balance represents the inventory.

### **3.5 Prepayments**

Prepaid Expenses are individually measured at transaction costs and are subsequently amortized as they are used in operations or as they expire with the passage of time. These typically include prepayments on insurance, subscription and other prepaid expenses.

### **3.6 Property Plant and Equipment**

Property Plant and Equipment are tangible assets that are held for use in production or supply of goods or services, for rental to others, or for the administrative purposes, and are expected to be used during more than one periods.

An item of property plant and equipment shall be recognized as an asset when:

- a. It is probable that the 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.

The Water District uses the cost model as its accounting policy, and the straight-line method of depreciation has been used unless another method is more appropriate for districts' operation. The estimated residual value of 10% is being applied for the determination of the salvage value of the PPE.

Cost include the following:

- a. Its purchase price, including import duties and nonrefundable purchase taxes, after deducting trade discounts and rebates
- b. Expenditures that is directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management 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 the period.

#### *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.



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. For simplicity and to avoid proportionate computation, the depreciation is for one month if the PPE is available for use on or before the 15th of the month.

However, if the PPE is available for use after the 15th of the month, depreciation is for the succeeding month.

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

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

COA Circular No.2017-004 stated that the estimation of the useful life of the asset is a matter of judgment based on the experience of the entity with similar assets. The agency/entity is in the best position to estimate the expected useful life of its PPE. As a guideline, PPE be depreciated over the following lifespan.

<u>Item of PPE</u>	<u>Estimated Useful Life</u>
Land Improvements	-Over the useful life of the asset to which the improvement was made the useful life of the improvement if significantly shorter
Infrastructure Assets	20-50 years
Building and Other Structure	30-50 years
Machinery and Equipment	5-15 years
<u>Transportation Equipment</u>	
Motor Vehicles	5-15 years
Motor Vehicles ( <i>Military Vehicles</i> )	3-20 years
Trains	10-20 years
Aircrafts	10-20 years
Watercrafts	10-25 years
Furniture, Fixtures and Books	2-15 years

### 3.7 Liabilities

Liabilities are present obligation of an entity arising from past transaction or events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

PAS 39 provides that an entity shall recognize initially a financial liability at fair value plus transaction costs that are directly attributable to the issue of the financial liability.

After initial recognition, an entity shall measure a financial liability at amortized cost.

Current Liabilities are short term obligations that are not discounted but measured, recorded and reported at their face amount.

Noncurrent liabilities or long term obligation are measured at face amount or present value depending on whether they are interest bearing or noninterest bearing.

### **3.8 Provisions**

Provisions were recognized when the City of Koronadal Water District has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and reliable estimate can be made of the amount of the obligation.

Where the City of Koronadal Water district expects some or all of a provision to be reimbursed, for example, under leave benefits payable, where accrual value of money of earned leave credits of CKWD regular personnel were recognized and settle the obligation during monetization of earned leave and payment of terminal leave benefits.

Provisions were reviewed at each reporting date, and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits to settle the obligation, the provisions were reversed.

### **3.9 Revenue and Expense Recognition**

Revenue is the gross inflow of economic benefits arising from the ordinary operating activities of an entity. Revenue is recognized when it is probable that the economic benefit associated with the transaction will flow to the Water District and the amount of revenue can be measured reliably.

Expense is recognized when it is probable that a decrease in future economic benefits related to decrease in an asset or an increase in liability has occurred and that the decrease in economic benefits can be measured reliably



#### 4.0 Cash and Cash Equivalents

This includes the following:

Particulars	2019	2018
<b>Cash on Hand</b>		
Cash Collecting Officer	523,457.37	299,518.05
Petty Cash	3,500.00	
<b>Cash in Bank</b>		
Cash in Bank - PVB (0059-006394-01)	15,991,263.91	11,362,401.73
Cash in Bank - LBP (0752-1089-86)	-	127,725.82
Cash in Bank - LBP (1752-1091-92)	5,103,272.51	3,472,038.99
Cash in Bank - DBP (0935-037087-030)	18,042,910.51	27,452,022.30
Cash in Bank - DBP (0935-037087-080)	20.23	15.58
Cash in Bank - DBP (0935-037087-530)	-	1,100,000.00
<b>Total</b>	<b>39,664,424.53</b>	<b>43,813,722.47</b>

All collections of the water district are promptly deposited in the depository banks. The cash on hand at the end of the year are those undeposited cash collection and remain as deposit in transit, crediting to the bank accounts at the beginning of the succeeding year.

#### 5.0 Receivables

This includes the following:

Particulars	2019	2018
Accounts Receivable	18,160,581.40	15,973,518.23
Allowance for Impairment-Accounts Receivable	(251,207.35)	(234,184.66)
Receivable-Disallowances/Charges	235,136.00	235,136.00
Due from Officers and Employees	41,805.08	53,562.12
Other Receivables	3,392,990.43	2,651,832.45
Allowance for Impairment-Other Receivable	0.00	-
<b>Total</b>	<b>21,579,305.56</b>	<b>18,679,864.14</b>

5.1 Accounts Receivable –includes all amounts due from active and inactive customers arising from current water sales and those arrearages.

5.2 The Impairment Loss-Loans and Receivables were based on the collectability of receivables balances and evaluation of such factors as aging. The determination of Bad Debt

Expense has been derived from computations based on percentages and aging of accounts receivables shown below:

<b>Age of Accounts Receivable</b>	<b>Amount</b>	<b>%</b>	<b>Provisions</b>
1-180 days	10,466,877.19	0%	0.00
181 days- 1 year	1,570,540.82	1%	15,705.41
1 year- 2 years	1,429,513.00	2%	28,590.26
2 years - 3 years	1,098,210.11	3%	32,946.30
3 years - 4 years	580,663.30	4%	23,226.53
More than 4 years	3,014,776.98	5%	150,738.85
<b>Total Provision for Doubtful Accounts as of December 31, 2019</b>	<b>18,160,581.40</b>		<b>251,207.35</b>

5.3 Receivables – Disallowances and Charges – are the outstanding balance of the disallowed allowances released to the Interim Board of Directors, to wit:

<b>Name</b>	<b>2019</b>	<b>2018</b>
Daniel L. Landingin	66,700.00	66,700.00
Almer Zerrudo	-	-
Gigi Serafica	43,500.00	43,500.00
Joselito T. Reyes	62,392.75	62,392.75
Carlito Y. Uy	62,543.25	62,543.25
Fred F. Fabellon	-	-
Benjamin B. Cuanan	-	-
<b>TOTAL</b>	<b>235,136.00</b>	<b>235,136.00</b>

5.4 Other Receivables amounting to P 3,390,340.43 - This amount refers to the receivable from SOCOTECO, and Receivables from concessionaires for service connection fee and loaned materials.

## 6.0 Inventories

This includes the following:

<b>Particulars</b>	<b>2018</b>	<b>2018</b>
<b>Inventory Held for Sale</b>		
Merchandise Inventory	10,096,222.90	8,017,699.21
<b>Inventory Held for Distribution</b>		
Other Supplies and Materials for Distribution	4,493,027.68	3,370,130.00

<b>Particulars</b>	<b>2018</b>	<b>2018</b>
<b>Inventory Held for Consumption</b>		
Other Supplies and Materials for Consumption	1,759,426.32	647,986.60
Chemical and Filtering Supplies Inventory		
<b>Total</b>	<b>16,348,676.90</b>	<b>12,035,815.81</b>

Inventory held for sale is composed of materials used in installation of connections. Inventory held for distribution are water meters and reclassify as expense when issued. Inventory held for consumption includes materials used by maintenance section in repairs and rehabilitation of service connection, transmission and distribution lines, it also include filter media and chemical and filtering supplies used for water treatment operation. Weighted average method is used in measuring inventories.

## **7.0 Prepayments, Deposits & Other Deferred Charges**

This includes the following:

<b>Particulars</b>	<b>2019</b>	<b>2018</b>
Prepaid Rent	10,000.00	10,000.00
Other Deposits	8,661.43	8,661.43
<b>Total</b>	<b>18,661.43</b>	<b>18,661.43</b>

Prepaid Rent - P10, 000.00 is a deposit for the CKWD garage, representing one month deposit and one month advance based on the old/ initial rate at 5000/ month.

Other Payments and Deposits - P 8,661.43 includes deposit to Marbel Shell Station for gasoline withdrawals (P7, 000.00), NDD connection to DOTC, (P1, 500.00) and the remaining amount was the balance of prepayment made with SOCOTECO-1 which was deducted monthly to electric bills (P161.43 ).

## **8.0 Investment**

	<b>2019</b>	<b>2018</b>
Sinking Fund		
Sinking Fund-CKWD&LWUA Joint Account	4,098,067.74	3,766,277.01
Sinking Fund-Earned Leave	4,810,430.47	0.00
<b>Total</b>	<b>8,908,498.21</b>	<b>3,766,277.01</b>

As of December 31, 2019 Sinking Fund Account is composed of CKWD/LWUA joint account and an account for Sinking Fund-Earned Leaves which is established for the purpose of



appropriation for accumulated earned leave credits of CKWD regular employees and it is deposited under Development Bank of the Philippines.

## 9.0 Property, Plant and Equipment

9.1 Land account is composed of the following:

Location	Area in sqm.	Status of Title	Purpose	Cost
Purok M. Forro brgy. GPS	244	Owned TCT- T-99501	Pumping Station	122,000.00
Aguinaldo. St. Brgy. Sta. Cruz	669	Owned TCT- T-115581	Stockyard	1,400,000.00
Aguinaldo. St. Brgy. Sta. Cruz	555	Owned TCT- T-115582	Stockyard	
Casa Subd. Zone III	750	Owned TCT- T-132741	CKWD Admin Office	813,000.00
Purok Matibay, Brgy. Sta. Cruz	430	Owned TCT- T-132591	Pumping Station	301,000.00
Prk. Mabuhay, Brgy. Isidro	300	Owned TCT- T-141471	Pumping Station	130,000.00
Agreville Phase 1, Purok Bayanihan	139	Owned TCT- T-144508	Pumping Station	43,924.00
Agreville Phase 1, Purok Bayanihan	139	Owned TCT- T-150363	Pumping Station	39,970.84
Prk. Mabuhay, Brgy. Isidro	336	Owned TCT- T-151512	Pumping Station	300,000.00
Purok Bagong Silang, Brgy. Carpernter Hill	300	Owned TCT- T-148862	Pumping Station	340,000.00
Purok Pagasa, Brgy. Paraiso	300	Owned TCT- T-145- 2016001445	Pumping Station	13,050.67
<b>TOTAL</b>				<b>3,502,945.51</b>

Schedule of Property Plant and Equipment:

	Land	Infrastructure Assets	Building and Other Structures	Machinery and Equipment	Transportation Equipment	Furnitures and Fixtures	Other Property Plant & Equipment	Construction in Progress	TOTAL
Carrying amount as of January 1, 2019	3,502,945.51	124,907,985.41	17,512,208.41	14,470,103.20	5,302,224.90	271,503.51	1,006,742.70	42,940,011.46	209,929,225.10
Acquisitions				8,248,180.16	1,550,500.00		427,622.50		10,226,302.66
Total	3,502,945.51	124,907,985.41	17,512,208.41	22,718,283.36	6,852,724.90	271,503.51	1,434,365.20	42,940,011.46	220,140,027.76
Disposal/Reclassification		36,342,124.74	10,835.00					(7,721,452.64)	28,631,507.10
Misposting									-
Depreciation		6,105,262.28	644,508.48	2,833,580.68	1,157,204.55	73,870.20	84,903.14		10,899,329.33
Carrying amount as of December 31, 2019	3,502,945.51	155,144,847.87	16,878,534.93	19,884,702.68	5,695,520.35	197,633.31	1,349,462.06	35,218,558.82	237,872,205.53
Gross Cost	3,502,945.51	201,666,528.13	20,839,466.10	35,260,170.63	13,013,667.00	820,779.77	1,454,189.50	35,218,558.82	311,776,305.46
Accumulated Depreciation		(46,521,680.26)	(3,960,931.17)	(15,375,467.95)	(7,318,146.65)	(623,146.46)	(104,727.44)		(73,904,099.93)
Net Book Value	3,502,945.51	155,144,847.87	16,878,534.93	19,884,702.68	5,695,520.35	197,633.31	1,349,462.06	35,218,558.82	237,872,205.53

## 10.0 Payables

This account is composed of the following:

Particulars	2019	2018
Accounts Payable	12,236,438.78	15,476,100.57
Due to officers and Employees	10,303.72	10,303.72
Loans Payable-Domestic(Current Portion)	1,741,552.00	1,954,065.90
Due to BIR	673,604.57	1,167,199.26
Due to GSIS	61,702.24	27,897.70
Due to Pag-Ibig	42,294.77	37,243.61
Due to Philhealth	794.52	(2,139.27)
Due to SSS	1,260.00	1,210.00
Trust Liabilities	466,829.82	391,081.52
Unearned Revenue/Income	164,084.64	135,279.97
Other Payables	0.00	73,815.21
<b>Total</b>	<b>15,398,865.06</b>	<b>19,272,058.19</b>

Due to Officers and Employees includes P4,500 representing the amount paid by BOD Carlito Uy (P1,000) and BOD Francisco D. Sablon (P3,500) for the disallowed benefits, but still under appeal. This amount will be adjusted when final decision will be issued by the proper authority. Remaining amount of P5,803.72 is favored balances being verified for correction/reclassification.

## 11.0 Loans Payable

This covers all loans availed from the LWUA since 1996, payable until 2026 with interest rates range from 8.5% to 14.5%. During the year, LWUA notified the district about adjustments on interest rates to be lowered to 8.2% effective January 2015.



**Schedule of Loans Payable:**

Loan Account	Outstanding Balance as of December 31, 2019	Non Current Portion of the Long Term Debt	Current Portion of the Long Term Debt	Interest Rate	Term of Payment	Maturity Date
LWUA Loan Account # 3-476	3,970,047.81	2,949,078.81	1,020,969.00	8.2%	26 Years	June, 2023
LWUA Loan Account # 3-786	2,641,709.09	2,315,429.09	326,280.00	8.2%	26 Years	June, 2019
LWUA Loan Account # 9-0026-A	800,008.00	505,701.00	294,307.00	No Interest	10 Years	December, 2027
LWUA Loan Account # 9-0026-B	30,612,084.55	30,512,088.55	99,996.00	8.2%	30 Years	December, 2047
<b>Total</b>	<b>38,023,849.45</b>	<b>36,282,297.45</b>	<b>1,741,552.00</b>			

**12.0 Leave Benefits Payable**

CKWD used this account to recognize accrual money value of the earned leave credits of CKWD regular employees.  
This account is broken down as follows:

	Name	Position Title	SG	Basic Monthly Salary	Vacation Leave	Sick Leave	TOTAL	Leave Benefits Payable as of 2019
1	Aguirre, Amy P.	Division Manager B	23	75,015.00	70.889	226.06	296.9510	1,073,529.95
2	Alvarez, Rey P.	Water Maintenance B	8	16,910.00	4.838	47.67	52.5080	42,790.79
3	Bagaforo, Nancy G.	Collection Assistant	6	14,961.00	19.364	34.25	53.6140	38,656.28
4	Barro, Rylee B.	Driver	4	13,214.00	14.687	29.25	43.9370	27,979.89
5	Benedicto, Randy	Elect. Comm System Opttr. C	6	14,961.00	45.377	115.46	160.8350	115,963.80
6	Buendia, Rolly D.	Adm. Service Asst. B	10	19,394.00	5.067	87.46	92.5250	86,478.42
7	Caballo, Genelyn E.	Sr. Researcher Analyst B	15	30,909.00	20.061	91.38	111.4360	165,993.75
8	Cabaniel, Gorgonio Y.	Laboratory Technician	6	14,847.00	3.748	12.25	15.9980	11,446.84
9	Cacho, Ronnie	Water Resources Operator C	4	13,316.00	49.64	45.50	95.1400	61,054.57
10	Caolan, Rexes S.	Sr. Water Maintenance Man B	10	19,394.00	17.051	88.00	105.0510	98,185.84
11	Cosep, Josephine J.	Division Manager B	23	75,015.00	32.623	144.50	177.1230	640,330.71
12	Duragos, Dionisio Jr	Supervising Engineer A	18	41,140.00	3.941	71.62	75.5610	149,810.84
13	Escovidal, Albert A.	Water Maintenance B	6	14,847.00	14.782	20.00	34.7820	24,887.11
14	Fomales, Pearl Grace S.	Accounting Processor A	8	16,758.00	10.249	26.05	36.3010	29,317.17
15	Gadayan, Jonathan Q	Supervising Engineer A	18	41,140.00	13.357	79.38	92.7320	183,854.88
16	Cayanilo, Jerry M.	Water Maintenance B	8	16,910.00	32.841	63.68	96.5210	78,658.68
17	Guadalupe, Angelie C.	Secretary A	9	18,125.00	14.257	64.75	79.0070	69,012.04
18	Hisug, Ellen Toni Grace P.	Adm. Service Asst. C	8	16,910.00	10.421	40.75	51.1710	41,701.22
19	Holgado, Juancho B.	Sr. Water Maintenance Man B	10	19,394.00	16.238	14.50	30.7380	28,729.25
20	Ilagan, Raymart M.	Property Assistant A	9	18,125.00	14.367	56.25	70.6170	61,683.43

Name			Position Title		Basic Monthly		Vacation		Leave Benefits Payable as of 2019	
			SG		Salary		Leave	Sick Leave	TOTAL	
21	Legario, Lalaine B.	Customer Service Assistant E	4		13,214.00		1.343	6.75	8.0930	5,153.77
22	Mamak May Ann S.	Corporate Budget Examiner	10		19,233.00		14.51	57.25	71.7600	66,513.64
23	Manabe, Mariano F.	Water Maintenance B	6		14,961.00		2.591	58.71	61.3010	44,198.69
24	Mananes, Barbby	Customer Service Officer B	14		28,099.00		7.12	45.54	52.6550	71,303.65
25	Maturan, Azela R.	Collection Assistant	6		14,961.00		12.402	49.876	62.2780	44,902.83
26	Nombre, Milborn N.	Supervising Engineer A	18		41,140.00		13.336	61.62	74.9560	148,611.34
27	Obogon, Jun S.	Water Resources Operator C	4		13,316.00		41.75	33.00	74.7500	47,969.62
28	Padilla, Ivan N.	Accounting Processor A	8		17,063.00		4.55	70.58	75.1280	61,778.66
29	Pagurayan, Ronald M.	Water Maintenance C	4		13,418.00		6.127	19.79	25.9170	16,759.22
30	Palma, Karlo E.	Courier	2		11,761.00		0.058	20.50	20.5580	11,652.16
31	Panes, Eduardo Jr. A	Water Maint. Gen. Foreman	18		41,140.00		39.139	129.25	168.3890	333,856.06
32	Panganiban, Jimmy C.	Customer Service Asst. D	6		14,961.00		45.201	58.25	103.4510	74,589.31
33	Pe, Paul Anthony B.	Records Assistant	8		16,758.00		9.651	28.75	38.4010	31,013.16
34	Piabol, Ronnie P.	Plant Equipment C.	8		16,910.00		42.149	106.17	148.3160	120,868.43
35	Rendon Ariel V.	Sr. Water Maintenance Man B	10		19,384.00		9.247	111.91	121.1570	113,180.91
36	Reyes, Jose Amormio T.	Sr. Customer Service Officer	18		41,140.00		3.854	41.46	45.3140	89,841.70
37	Rosal, Roger M.	Sr. Water Res. Fac. Operator A	10		19,394.00		12.499	9.88	22.3790	20,916.51
38	Sadava, Aser G.	Comp. Serv. Prog. B	14		28,099.00		11.96	120.90	132.8630	179,918.65
39	Simon, Liza Jane S.	Clerk Processor C	4		13,214.00		8.394	13.13	21.5190	13,703.69
40	Solatorio, Ma. Lourdes G.	Department Manager B	25		96,635.00		74.388	198.55	272.9380	1,271,099.99
41	Solatorio, Nelson Sr. G	Water Maintenance Man A	8		16,910.00		34.255	74.67	108.9250	88,767.18
42	Songcog, Dinah B.	Cashiering Assistant	8		16,758.00		23.897	74.50	98.3970	79,466.72
43	Sua, Gilbert G.	Customer Assistant D	6		14,961.00		10.408	58.25	68.6580	49,503.17
44	Subaldo, Louise Mycee R.	Public Relation Assistant	8		16,758.00		35.612	72.75	108.3620	87,514.59
45	Sulit, Ronald P.	Water Resources Operator C	6		14,961.00		23.222	72.71	95.9320	69,168.03
46	Tianchon, Ayla Lea C.	Accounting Processor B	6		14,847.00		13.26	51.00	64.2600	45,979.12
47	Trojillo, Alvin P.	Water Maintenance C	4		13,418.00		11.476	20.75	32.2260	20,838.93
48	Umadhay, Mailene B.	Engineering Assistant B	8		16,758.00		10.25	27.00	37.2500	30,083.59
49	Vargas, Rey J.	General Manager B	27		123,393.00		29.426	90.03	119.4560	710,362.05
Total							965,873	3,142.264	4,108.1370	6,979,580.83



### 13.0 Government Equity

This is composed of restricted/paid-in government capital, contributed capital, and the retained earnings account.

<b>Government Equity</b>	<b>2018</b>	<b>2018</b>
Government Capital	380,419.38	380,419.38
Contributed Capital	10,275,121.00	10,275,121.00
Retained Earnings	255,075,488.44	216,023,415.76
<b>Total Equity</b>	<b>265,731,028.82</b>	<b>226,678,956.14</b>

### 14.0 Business & Service Income

This is composed of the following:

<b>Particulars</b>	<b>2019</b>	<b>2018</b>
<b>Service Income</b>		
Legal Fees	146,000.30	132,500.00
Fines & Penalties	4,915,515.31	4,335,021.41
Other Service Income	6,338,600.00	6,173,100.00
<b>Business Income</b>		
Waterworks System Fees	137,915,344.57	120,540,966.50
Interest Income	54,806.19	50,707.20
<b>Other Gains</b>	1,928,907.71	836,183.75
<b>Miscellaneous Income</b>	891,239.70	913,899.28
<b>Total</b>	<b>152,190,413.78</b>	<b>132,982,378.14</b>

### 15.0 Expenses

This is composed of the following:

#### Personnel Expenses

<b>Particulars</b>	<b>2019</b>	<b>2018</b>
Salaries & Wages - Regular	15,039,386.54	13,923,892.13
Personal Economic Relief Allowance	1,176,000.00	1,176,000.00
Representation Allowances	462,000.00	435,125.00
Transportation Allowance	462,000.00	435,125.00
Clothing / Uniform Allowance	450,720.00	526,760.00

<b>Particulars</b>	<b>2019</b>	<b>2018</b>
Honoraria	2,035,503.17	2,007,941.40
Year End Bonus	2,754,343.00	2,565,341.00
Other Bonuses & Allowances	7,945,050.29	9,309,325.85
Life & Retirement Insurance Contribution	1,782,745.56	1,671,365.10
Pag-ibig Contributions	58,800.00	58,800.00
Philhealth Contributions	171,959.61	165,574.75
Employees Insurance Premiums	58,800.00	58,700.00
Terminal Leave Benefits	1,906,393.18	127,980.13
<b>Total</b>	<b>34,303,701.35</b>	<b>32,461,930.36</b>

#### **Maintenance and Other Operating Expenses**

<b>Particulars</b>	<b>2019</b>	<b>2018</b>
Traveling Expenses-Local	1,252,205.21	912,700.33
Training Expenses	405,964.00	381,600.00
Office Supplies Expenses	562,774.43	479,406.90
Accountable Forms Expenses	111,500.00	10,100.00
Medical, Dental and Laboratory Supplies Expenses	-	27,424.25
Fuel, Oil and Lubricants Expenses	913,889.46	915,572.45
Chemical and Filtering Supplies Expenses	1,551,165.00	1,579,368.00
Other Supplies and Materials Expenses	5,733,493.03	5,184,607.42
Electricity Expenses	902,397.90	718,025.88
Postage and Courier Services	8,017.65	8,527.40
Telephone Expenses	194,874.35	171,024.77
Internet Subscription Expenses	78,000.00	71,500.00
Cable, Satellite, Telegraph and Radio Expenses	4,560.00	4,560.00
Generation, Transmission and Distribution Expenses	19,696,079.63	19,396,133.04
Extraordinary and Miscellaneous Expenses	-	6,000.00
Legal Services	198,050.00	250,800.00
Consultancy Services	130,663.23	544,805.00
Security Services	1,404,688.00	1,254,824.72
Repairs and Maintenance-Infrastructure Assets	2,617,986.72	2,522,718.65
Repairs and Maintenance-Buildings and Other Structures	328,377.56	130,536.76
Repairs and Maintenance-Machinery and Equipment	199,417.34	559,751.26
Repairs and Maintenance-Transportation Equipment	586,962.93	377,936.75
Taxes, Duties and Licenses	3,774,692.55	3,430,152.46
Fidelity Bond Premiums	63,127.50	70,627.50
Labor and Wages	13,035,101.20	8,963,972.44
Advertising, Promotional and Marketing Expenses	70,000.00	65,700.00

<b>Particulars</b>	<b>2019</b>	<b>2018</b>
Representation Expenses	32,901.00	78,406.35
Rent/Lease Expenses	94,325.55	83,460.00
Membership Dues and Contributions to Organizations	63,963.25	38,028.00
Donations	538,896.40	98,623.55
Other Maintenance and Operating Expenses	8,771,527.21	8,545,326.41
<b>Total</b>	<b>63,325,601.10</b>	<b>56,882,220.29</b>

### **Financial Expenses**

<b>Particulars</b>	<b>2019</b>	<b>2018</b>
Bank Charges	200.00	250.00
Interest Expense	2,977,189.07	2,922,289.11
<b>Total</b>	<b>2,977,389.07</b>	<b>2,922,539.11</b>

### **Non-Cash Expenses**

<b>Particulars</b>	<b>2019</b>	<b>2018</b>
Depreciation -Infrastructure Assets	6,105,262.27	5,656,764.37
Depreciation - Buildings & Other Structures	644,508.50	616,170.59
Depreciation - Machinery & Equipment	2,833,580.67	2,060,516.60
Depreciation - Transportation Equipment	1,157,204.55	1,237,104.34
Depreciation - Furniture & Fixtures	73,870.20	73,870.20
Depreciation-Other Property, Plant and Equipment	84,903.14	
Impairment Loss-Loans and Receivables	17,022.69	48,049.51
Other Losses	10,364.13	5,275.00
<b>Total</b>	<b>10,926,716.15</b>	<b>9,697,750.61</b>