

**CABUYAO WATER DISTRICT**  
Financial Statement for the year ended December 31, 2021

**Notes to Financial Statements**

**A. Header**

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Notes to Financial Statement  
For the year ended December 31, 2021

**B. Body**

**1. GENERAL INFORMATION/ENTITY PROFILE**

The financial statement of **Cabuyao Water District** was authorized for issue on February 11, 2022 as shown in the Statement of Management Responsibility for Financial Statements signed by Mr. Arnold G. Valencia, the General Manager, and Mr. Felimon E. Antiporta, Chairman of the Board.

Cabuyao Water District is a Government-Owned and Controlled Corporation established on September 11, 2002 and operates under the authority of the Presidential Decree No. 198. The mandates/functions of Cabuyao Water District are to acquire, install, improve, maintain, and operate water supply and distribution systems for domestic, industrial, municipal, and agricultural uses for residents and lands within the boundaries of the district. The Entity's registered office is located in 2F Centromall, Brgy. Pulo, City of Cabuyao.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below.

**2.1 Basis of Preparation**

The accompanying financial statements have been prepared on a going concern basis, which contemplate the realization of assets and settlement of liabilities in the normal course of business.

**2.2 Statement of Compliance**

The Entity financial statements have been prepared in accordance with Philippine Financial Reporting Standards for GBEs.

**2.3 Accounting Policies Adopted**

**Financial Assets**

Financial assets are recognized initially at fair value and subsequently measured at amortized cost less impairment.

Financial assets include the following:

**Cash**

Cash includes cash in banks and this is measured at face value. Cash in banks are deposits held at call with banks. The Water District reconciles the books and bank balances regularly as part of its cash monitoring and internal control measures.

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**Trade Receivables**

Trade Receivables are measured initially at billed price and subsequently measured at amortized cost as reduced by appropriate allowances for doubtful accounts and impairment, if any. The allowance for doubtful accounts is the estimated amount of probable losses arising from non-collection based on past collection experience and management's review of the current status of the long-outstanding receivables. The doubtful accounts expense is recognized in the statements of income.

**Property, Plant and Equipment**

Property, Plant and Equipment are measured initially at its cost. Property, plant and equipment, after initial recognition are stated at cost less any accumulated depreciation and any accumulated impairment losses.

The initial cost of property, plant and equipment, comprises its purchase price and any cost 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. These can include the costs of initial delivery and handling, installation and assembly, and testing of functionality.

The following costs are not costs of an item of property, plant and equipment, and the entity recognized them as an expense when they are incurred: costs of opening a new facility, costs of introducing a new product or service (including costs of advertising and promotional activities), costs of conducting business in a new location or with a new class of customer (including costs of staff training), administration and other general overhead costs and borrowing costs.

For financial reporting purposes, duties and taxes related to the acquisition of property, plant and equipment are capitalized.

For financial reporting purposes, depreciation is computed using the straight-line method over the estimated useful lives of the assets.

If there is an indication that there has been a significant change since the last annual reporting date in the pattern by which an entity expects to consume an asset's future economic benefits, the entity shall review its present depreciation method and, if current expectations differ, change the depreciation method to reflect the new pattern. The entity shall account for the change as a change in an accounting estimate.

Factors such as a change in how an asset is used, significant unexpected wear and tear, technological advancement, and changes in market prices may indicate that the residual value or useful life of an asset has changed since the most recent annual reporting date. If such indicators are present, an entity shall review its previous estimates and, if current expectations differ, amend the residual value, depreciation method or useful life. The entity shall account for the change in residual value, depreciation method or useful life as a change in an accounting estimate.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is recognized in profit or loss when the item is derecognized such gain is not recognized as revenue.

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**Intangible Assets**

Intangible Assets are non-monetary assets which are without physical substance and identifiable (either being separable or arising from contractual or other legal rights). Intangible assets meeting the relevant recognition criteria are initially measured at cost, subsequently measured at cost or using the revaluation model, and amortised on a systematic basis over their useful lives (unless the asset has an indefinite useful life, in which case it is not amortised).

**Financial Liabilities**

Financial liabilities are recognized initially at fair value and subsequently measured at amortized cost less impairment.

Financial liabilities are recognized when the Water District becomes a party to the contractual provisions of the instrument.

**Amortized Cost**

The amortized cost of a financial liability is

- a.) the amount at which the asset or liability is measured at initial recognition (usually "cost")
- b.) minus any repayments of principal,
- c.) minus any reduction for impairment or uncollectibility, and
- d.) plus or minus the cumulative amortization of the difference between that initial amount and the maturity amount.

**Trade and Other Payables**

Trade payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier.

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts if any due to employees. It is necessary to estimate the amount or timing of accruals, however, the uncertainty is generally much less than for provisions.

**Non-Current Liabilities**

Non-current liabilities represent loans from Local Water Utilities Administration(LWUA) and long-term liabilities from suppliers and contractors.

**Derecognition of Financial Assets and Financial Liabilities**

**Financial assets**

A financial asset (or, where applicable a part of financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;

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- the Water District retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a pass-through arrangement; or
- the Water District has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Financial Liabilities**

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where 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, and the difference in the respective carrying amounts is recognized in the statement of income.

**Impairment of Non-Financial Assets**

The Water District assesses as at reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Water District makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use or its net selling price and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those assets or groups of assets. Where the carrying amount of an asset 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 pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. Impairment losses are recognized in the statements of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statements of income unless the asset is carried at revalued amount, in which case the reversal is treated as revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**Retained Earnings**

Retained earnings include all current and prior period results as disclosed in the statement of income.

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**Revenue and Cost recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Water District's activities. Revenue is shown net of sales discounts.

The Water District recognizes revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and costs incurred or to be incurred can be reliably measured.

Cost, distribution and administrative expenses are recognized in the statement of income upon utilization of the service or in the date they are incurred.

**Employees' Benefit**

The Water District recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Water District to its employees include compensation, mandatory contributions, compensated absences, bonuses and other non-monetary benefits.

**Events after the End of the Reporting Period**

Post-year-end events up to the date of the auditor's report that provide additional information about the Water District's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

**Related Parties**

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (1) individual owning, directly or indirectly through one or more intermediaries, control, or are controlled by, or under common control with, the Water District; (2) associates; and (3) individuals owning, directly or indirectly, an interest in the voting power of the Water District that gives them significant influence over the Water District and close members of the family of any such individual.

The key management personnel of the Water District are also considered to be related parties.

**3. Significant Accounting Judgment and Estimates**

**3.1 Judgments**

The preparation of the Water District's financial statements in conformity with PFRS for SMEs requires management to make estimates and assumptions that affect the amounts reported in the Water District's financial statements and accompanying notes. The estimates and assumptions used in the Water District's financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the Water District's financial statements. Actual results could differ from such estimates, judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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**3.2 Estimates**

In the application of the Water District's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

- **Estimated Useful Lives of Property and Equipment**

The estimated useful lives of the Water District's Property and Equipment were based on COA Circular No. 2003-007 – Annex A.

- **Impairment of Non-Financial Assets**

The Water District assesses the value of property and equipment which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, and require the Water District to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Water District to conclude that property, plant and equipment and other long-lived assets are impaired. Any resulting impairment loss could have a material adverse impact on the Water District's financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Water District believes that its assumptions are appropriate and reasonable, significant changes in these assumptions may materially affect the Water District's assessment of recoverable values and may lead to future additional impairment charges.

- **Revenue recognition**

The Water District's revenue recognition policies require the use of estimates and assumptions that may affect the reported amounts of revenues and receivables. Differences between the amounts initially recognized and actual settlements are taken up in the accounts upon reconciliation. However, there is no assurance that such use of estimates may not result to material adjustments in future periods.

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**4. CASH AND CASH EQUIVALENTS**

Particulars	As at December 31, 2021	As at December 31, 2020
Cash on Hand	277,433.90	529,534.16
Cash in Bank-Local Currency	16,064,957.25	25,584,287.72
Land Bank of the Philippines CA#3262-1008-20	11,712,480.81	19,119,476.67
Land Bank of the Philippines CA#3262-1014-51	910,999.47	395,414.21
Development Bank of the Philippines CA#0660013051030	2,761,452.91	3,318,227.83
Planbank CA#006-21-00460-3	680,024.06	2,751,169.01
Cash Equivalents	-	-
<b>Total Cash and Cash Equivalents</b>	<b><u>16,342,391.15</u></b>	<b><u>26,113,821.88</u></b>

**5. RECEIVABLES**

**5.1 Loans and Receivables**

Accounts	2021			2020		
	Current	Non-Current	Total	Current	Non-Current	Total
Accounts Receivable	24,857,440.63	-	24,857,440.63	22,681,304.57	-	22,681,304.57
Allowance for Impairment- Accounts Receivable	(447,946.45)	-	(447,946.45)	(400,600.94)	-	(400,600.94)
Net Value - Accounts Receivable	24,409,494.18	-	24,409,494.18	22,280,703.63	-	22,280,703.63
<b>Total</b>	<b><u>24,409,494.18</u></b>	<b>-</b>	<b><u>24,409,494.18</u></b>	<b><u>22,280,703.63</u></b>	<b>-</b>	<b><u>22,280,703.63</u></b>

Accounts Receivables are presented net of Allowance for Doubtful Accounts based on rates provided in National Government Accounting System (NGAS). These include services rendered to customers and water sales.

**5.2 Aging/Analysis of Receivables**

*As at December 31, 2021*

Accounts	Total	Not past due	Past due		
			Over 1 year	Over 2 years	Over 3 years
Accounts Receivable	24,857,440.63	19,106,637.50	2,237,121.38	499,893.60	3,013,788.15
<b>Total</b>	<b><u>24,857,440.63</u></b>	<b><u>19,106,637.50</u></b>	<b><u>2,237,121.38</u></b>	<b><u>499,893.60</u></b>	<b><u>3,013,788.15</u></b>

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**6. OTHER RECEIVABLES**

Accounts	2021			2020		
	Current	Non-Current	Total	Current	Non-Current	Total
Due from Officers and Employees	112,697.96	-	112,697.96	289,776.05	-	289,776.05
Other Receivables	3,902,165.38	-	3,902,165.38	5,241,960.97	-	5,241,960.97
Allowance for Impairment-Other Receivables	-	-	-	-	-	-
Net Value-Other Receivables	3,902,165.38	-	3,902,165.38	5,241,960.97	-	5,241,960.97
<b>Total</b>	<b><u>4,014,863.34</u></b>	<b>-</b>	<b><u>4,014,863.34</u></b>	<b><u>5,531,737.02</u></b>	<b>-</b>	<b><u>5,531,737.02</u></b>

Other Receivables are receivables from MERALCO refundable deposit and from customers' installment registration fee.

**7. INVENTORIES**

**7.1 Inventories Held for Consumption**

Accounts	2021		2020	
	Inventories carried at the lower of cost and net realizable value	Inventories carried at fair value less cost to sell	Inventories carried at the lower of cost and net realizable value	Inventories carried at fair value less cost to sell
<b>Inventory Held for Consumption</b>				
Carrying Amount, January 1	21,970,886.89	-	17,637,128.75	-
Additions/Acquisitions during the year	11,513,422.76	-	8,892,577.93	-
Expensed during the year except write-down	(11,741,872.12)	-	(4,558,819.79)	-
Write-down during the year	-	-	-	-
Reversal of Write-down during the year	-	-	-	-
<b>Total Carrying Amount, December 31</b>	<b><u>21,742,437.53</u></b>	<b>-</b>	<b><u>21,970,886.89</u></b>	<b>-</b>

**7.2 Inventories per account**

Particulars	2021	2020
Office Supplies Inventory	208,010.00	397,700.00
Accountable Forms, Plates and Stickers Inventory	41,700.00	-
Chemical and Filtering Supplies Inventory	568,794.70	695,809.79
Construction Materials Inventory	1,082,118.74	969,396.56
Supplies and Materials for Water Systems Operations	19,841,814.09	19,907,980.54
<b>Total</b>	<b><u>21,742,437.53</u></b>	<b><u>21,970,886.89</u></b>

Supplies and Materials for Water Systems Operations are unissued materials & supplies which are kept in stock for future use of the Water District for its operations. This account consists of Pipes and



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Fittings to be used in New Service Connections and Repairs of water distribution lines. The Water District uses the Moving Average Method in maintaining the inventories.

**8. PROPERTY, PLANT AND EQUIPMENT**

*As at December 31, 2021*

	Carrying Amount, January 01, 2021	Additions/ Acquisitions	Total	Depreciation	Adjustments	Carrying Amount, December 31, 2021
Land	14,856,271.31	250,000.00	15,106,271.31	-	-	15,106,271.31
Land Improvements	810,730.65	-	810,730.65	(62,766.12)	-	747,964.53
Infrastructure Assets	57,864,002.44	11,173,578.26	69,037,580.70	(3,899,263.04)	-	65,138,317.66
Buildings and Other Structures	130,755,720.65	-	130,755,720.65	(8,236,933.80)	-	122,518,786.85
Machinery and Equipment	8,076,044.44	2,170,765.26	10,246,809.70	(2,762,904.88)	-	7,483,904.82
Transportation Equipment	2,127,415.10	202,000.00	2,329,415.10	(530,237.06)	-	1,799,178.04
Furniture, Fixtures and Books	11,937.80	-	11,937.80	(6,427.61)	-	5,510.19
Leased Assets	2.79	-	2.79	-	-	2.79
Construction in Progress	2,736,858.20	833,677.61	3,570,535.81	-	-	3,570,535.81
<b>Total</b>	<b>217,238,983.38</b>	<b>14,630,021.13</b>	<b>231,869,004.51</b>	<b>(15,498,532.51)</b>	<b>=</b>	<b>216,370,472.00</b>

	Gross Cost	Accumulated Depreciation	Accumulated Impairment Losses	Carrying Amount, December 31, 2021
Land	15,106,271.31	-	-	15,106,271.31
Land Improvements	1,255,324.00	(507,359.47)	-	747,964.53
Infrastructure Assets	80,827,117.02	(15,688,799.36)	-	65,138,317.66
Buildings and Other Structures	164,738,676.81	(42,219,889.96)	-	122,518,786.85
Machinery and Equipment	24,211,898.62	(16,727,993.80)	-	7,483,904.82
Transportation Equipment	5,301,576.70	(3,502,398.66)	-	1,799,178.04
Furniture, Fixtures and Books	536,466.24	(530,956.05)	-	5,510.19
Leased Assets	309,303.75	(309,300.96)	-	2.79
Construction in Progress	3,570,535.81	-	-	3,570,535.81
<b>Total</b>	<b>295,857,170.26</b>	<b>(79,486,698.26)</b>	<b>=</b>	<b>216,370,472.00</b>

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*As at December 31, 2020*

	Carrying Amount, January 01, 2020	Additions/ Acquisitions	Total	Depreciation	Adjustments	Carrying Amount, December 31, 2020
Land	34,168,271.31	-	34,168,271.31	-	(19,312,000.00)	14,856,271.31
Land Improvements	873,496.77	-	873,496.77	(62,766.12)	-	810,730.65
Infrastructure Assets	57,290,345.04	4,119,900.00	61,410,245.04	(3,546,242.60)	-	57,864,002.44
Buildings and Other Structures	138,992,654.45	-	138,992,654.45	(8,236,933.80)	-	130,755,720.65
Machinery and Equipment	9,428,775.17	1,278,710.05	10,707,485.22	(2,631,440.78)	-	8,076,044.44
Transportation Equipment	2,639,385.74	-	2,639,385.74	(511,970.64)	-	2,127,415.10
Furniture, Fixtures and Books	40,158.00	-	40,158.00	(28,220.20)	-	11,937.80
Leased Assets	2.79	-	2.79	-	-	2.79
Construction in Progress	6,295,234.51	2,808,000.00	9,103,234.51	-	(6,366,376.31)	2,736,858.20
<b>Total</b>	<b>249,728,323.78</b>	<b>8,206,610.05</b>	<b>257,934,933.83</b>	<b>(15,017,574.14)</b>	<b>(25,678,376.31)</b>	<b>217,238,983.38</b>

	Gross Cost	Accumulated Depreciation	Accumulated Impairment Losses	Carrying Amount, December 31, 2020
Land	14,856,271.31	-	-	14,856,271.31
Land Improvements	1,255,324.00	(444,593.35)	-	810,730.65
Infrastructure Assets	69,653,538.76	(11,789,536.32)	-	57,864,002.44
Buildings and Other Structures	164,738,676.81	(33,982,956.16)	-	130,755,720.65
Machinery and Equipment	22,041,133.36	(13,965,088.92)	-	8,076,044.44
Transportation Equipment	5,099,576.70	(2,972,161.60)	-	2,127,415.10
Furniture, Fixtures and Books	536,466.24	(524,528.44)	-	11,937.80
Leased Assets	309,303.75	(309,300.96)	-	2.79
Construction in Progress	2,736,858.20	-	-	2,736,858.20
<b>Total</b>	<b>281,227,149.13</b>	<b>(63,988,165.75)</b>	<b>-</b>	<b>217,238,983.38</b>

This account refers to the property, plant & equipment owned by Cabuyao Water District. The Water District uses the straight-line method in computing for accumulated depreciation.

The adjustment in Land on year 2020 was a reversal of a parcel of land as the result of AOM 2020-10(17-19) and 2020-11(17-19) issued by the COA. The acquisition of land could not be ascertained due to lack of required document.

The adjustment in Construction in Progress is the reclassification of completed projects of the water district.

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**9. INTANGIBLE ASSETS**

Particulars	2021			2020		
	Computer Software	Other Intangible Assets	Total	Computer Software	Other Intangible Assets	Total
Carrying Amount, January 1	117,757.56	45,000.00	162,757.56	172,698.41	45,000.00	217,698.41
Additions-Internally Developed	-	-	-	-	-	-
Additions-Purchased/ Acquired thru exchange on non-exchange transaction	-	-	-	-	-	-
Impairment Loss Reversed	-	-	-	-	-	-
<b>Total</b>	<b>117,757.56</b>	<b>45,000.00</b>	<b>162,757.56</b>	<b>172,698.41</b>	<b>45,000.00</b>	<b>217,698.41</b>
Disposals	(26,249.64)	-	(26,249.64)	(54,940.85)	-	(54,940.85)
Amortization recognized	(26,249.64)	-	(26,249.64)	(54,940.85)	-	(54,940.85)
Impairment Loss	-	-	-	-	-	-
Other Changes	-	-	-	-	-	-
<b>Carrying Amount, December 31</b>	<b><u>91,507.92</u></b>	<b><u>45,000.00</u></b>	<b><u>136,507.92</u></b>	<b><u>117,757.56</u></b>	<b><u>45,000.00</u></b>	<b><u>162,757.56</u></b>

Gross Cost (Balance per Statement of Financial Position)	541,500.00	45,000.00	586,500.00	541,500.00	45,000.00	586,500.00
Accumulated Amortization	(449,992.08)	-	(449,992.08)	(423,742.44)	-	(423,742.44)
<b>Carrying Amount, December 31</b>	<b><u>91,507.92</u></b>	<b><u>45,000.00</u></b>	<b><u>136,507.92</u></b>	<b><u>117,757.56</u></b>	<b><u>45,000.00</u></b>	<b><u>162,757.56</u></b>

**10. OTHER ASSETS**

**10.1 Current and Non-Current Other Assets**

Particulars	2021			2020		
	Current	Non-Current	Total	Current	Non-Current	Total
Advances	558,500.00	-	558,500.00	1,413,500.00	-	639,200.00
Prepayments	-	-	-	-	-	-
Deposits	2,249,817.33		2,249,817.33	2,249,817.33		2,320,417.33
Restricted Fund		7,857,329.03	7,857,329.03		4,354,836.94	8,271,156.68
Other Assets		326,992.35	326,992.35		186,992.35	186,992.35
<b>Total</b>	<b><u>2,808,317.33</u></b>	<b><u>8,184,321.38</u></b>	<b><u>10,992,638.71</u></b>	<b><u>3,663,317.33</u></b>	<b><u>4,541,829.29</u></b>	<b><u>8,205,146.62</u></b>

The Deposits consist of cash bond to DPWH and Municipality of Cabuyao refundable upon completion of the project.

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Restricted Fund is a joint savings account of LWUA and the Water District. It is a reserve fund for debt service and operating and maintenance to be used only during periods of calamities, force majeure or unforeseen events. On CY 2020, an amount of P5,000,000.00 was transferred to the Operating Fund due to the drastic decrease in the collection caused by the pandemic.

**10.2 Advances**

	<b>2021</b>	<b>2020</b>
Advances for Payroll	-	-
Advance to Officers and Employees	-	855,000.00
Advances to Contractors	558,500.00	558,500.00
<b>Total</b>	<b><u>558,500.00</u></b>	<b><u>1,413,500.00</u></b>

**11. FINANCIAL LIABILITIES**

**11.1 Payables**

<b>Particulars</b>	<b>2021</b>		<b>2020</b>	
	<b>Current</b>	<b>Non-Current</b>	<b>Current</b>	<b>Non-Current</b>
<b>Payables</b>				
Accounts Payable	1,600,138.67	73,390,158.44	3,360,344.08	87,583,123.40
Due to Officers and Employees	1,300,115.44	-	1,332,924.47	-
Leave Benefits Payable	6,673,659.68	-	4,418,556.59	-
<b>Total</b>	<b><u>9,573,913.79</u></b>	<b><u>73,390,158.44</u></b>	<b><u>9,111,825.14</u></b>	<b><u>87,583,123.40</u></b>

Accounts Payable - Current consists of credit purchases from suppliers, payables to contractors and remaining unpaid salaries of some employees and payable within a year.

Accounts Payable – Non-Current are liabilities from MIG Systems Inc, Laguna Well Drilling & Construction Corporation, and Penalties from LWUA Loan amounting to P38,833,123.44, P299,500.00, and P34,257,535.00 respectively for 2021.

Leave Benefits Payable refers to the earned leave credits of the employees of the water district. The accrual was only recognized in CY 2020 as the result of audit findings in AOM 2020-08(17-19).

**CABUYAO WATER DISTRICT**  
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**11.2 Bills/Bonds/Loans Payable**

Particulars	2021		2020	
	Current	Non-Current	Current	Non-Current
Loans Payable-Domestic				
Local Water Utilities Association (Acct#90306)	-	5,029,442.00	-	5,300,642.00
Development Bank of the Philippines (PN# 2020-016)	-	134,212,469.12	-	137,508,698.97
<b>Total</b>	=	<b><u>139,241,911.12</u></b>	=	<b><u>142,809,340.97</u></b>

On 2020, the Development Bank of the Philippines refinanced the district's loan on LWUA.

**12. INTER-AGENCY PAYABLES**

Particulars	2021		2020	
	Current	Non-Current	Current	Non-Current
Due to BIR	1,162,797.19	-	1,094,936.51	-
Due to GSIS	662,427.74	-	189,909.64	-
Due to Pag-IBIG	308,363.80	-	295,775.58	-
Due to PhilHealth	67,411.40	-	59,731.71	-
<b>Total</b>	<b><u>2,201,999.13</u></b>	=	<b><u>1,640,353.44</u></b>	=

**13. SERVICE AND BUSINESS INCOME**

Particulars	2021	2020
<b>Service Income</b>		
Registration Fees	4,419,013.66	3,799,970.93
Fines and Penalties-Service Income	3,452,960.17	1,694,405.89
Other Service Income	422,691.23	290,152.51
<b>Total Service Income</b>	<b><u>8,294,665.06</u></b>	<b><u>5,784,529.33</u></b>
<b>Business Income</b>		
Waterworks System Fees	114,924,964.22	104,165,479.15
Sales Revenue	237,101.08	101,655.74
Interest Income	7,935.16	13,245.42
Royalty Fees	4,968,108.90	3,472,121.00
<b>Total Business Income</b>	<b><u>120,138,109.36</u></b>	<b><u>107,752,501.31</u></b>
<b>Total</b>	<b><u>128,432,774.42</u></b>	<b><u>113,537,030.64</u></b>

**CABUYAO WATER DISTRICT**  
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Other service income refers to reconnection fees, calibration fees, illegal connection fees, Groundwater Production Assessment Fees, Bid docs, and others.

Sales Revenue refers to revenues from materials sold by the Water District to the concessionaires.

Interest Income refers to interest earned on the Water District's bank deposits.

Royalty Fees refers to Groundwater Production Assessments paid to CABWAD by various establishments that have its own deep wells.

**14. PERSONNEL SERVICES**

**14.1 Salaries and Wages**

Particulars	2021	2020
Salaries and Wages-Regular	17,425,758.00	16,882,836.72
Salaries and Wages-Casual/Contractual	12,837,190.87	9,464,646.14
<b>Total</b>	<b><u>30,262,948.87</u></b>	<b><u>26,347,482.86</u></b>

**14.2 Other Compensation**

Particulars	2021	2020
Personnel Economic Relief Allowance (PERA)	3,075,000.00	2,970,000.00
Representation Allowance (RA)	282,000.00	282,000.00
Transportation Allowance (TA)	282,000.00	282,000.00
Clothing/Uniform Allowance	794,219.00	778,746.94
Honoraria	125,000.00	25,000.00
Hazard Pay	1,968,500.00	1,435,500.00
Overtime and Night Pay	1,344,059.79	1,187,058.21
Year End Bonus	2,242,038.00	2,098,701.00
Cash Gift	641,500.00	623,500.00
Mid-Year Bonus	2,235,844.00	2,061,802.00
Directors and Committee Members' Fees	393,225.00	317,520.00
Other Bonuses and Allowances	3,913,934.15	3,837,000.00
<b>Total</b>	<b><u>17,297,319.94</u></b>	<b><u>15,898,828.15</u></b>

Performance-Based Bonus, and Mid-Year Bonus were recognized as Other Bonuses and Allowances.

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**14.3 Personnel Benefit Contributions**

Particulars	2021	2020
Retirement and Life Insurance Premiums	3,223,537.77	3,003,968.71
Pag-IBIG Contributions	316,400.00	318,200.00
PhilHealth Contributions	388,454.04	359,778.80
Employees Compensation	153,500.00	148,000.00
<b>Total</b>	<b><u>4,081,891.81</u></b>	<b><u>3,829,947.51</u></b>

**14.4 Other Personnel Benefits**

Particulars	2021	2020
Terminal Leave Benefits	3,250,067.29	2,592,080.51
<b>Total</b>	<b><u>3,250,067.29</u></b>	<b><u>2,592,080.51</u></b>

**15. MAINTENANCE AND OTHER OPERATING EXPENSES**

**15.1 Traveling Expenses**

Particulars	2021	2020
Traveling Expenses-Local	229,102.00	253,520.00
Traveling Expenses-Foreign	-	-
<b>Total</b>	<b><u>229,102.00</u></b>	<b><u>253,520.00</u></b>

**15.2 Training and Scholarship Expenses**

Particulars	2021	2020
Training Expenses	97,646.35	51,000.00
Scholarship Grants/Expenses	-	-
<b>Total</b>	<b><u>97,646.35</u></b>	<b><u>51,000.00</u></b>

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**15.3 Supplies and Materials Expenses**

Particulars	2021	2020
Office Supplies Expenses	548,826.20	325,539.08
Accountable Forms Expenses	230,900.00	0.00
Medical, Dental and Laboratory Supplies Expenses	181,339.89	491,563.25
Fuel, Oil and Lubricants Expenses	1,093,751.01	733,019.82
Chemical and Filtering Supplies Expenses	3,242,215.09	2,938,831.34
Semi-Expendable Machinery and Equipment Expenses	496,418.35	298,683.02
Semi-Expendable Furniture, Fixtures and Books Expenses	159,496.12	99,068.00
Other Supplies and Materials Expenses	330,440.20	69,866.30
<b>Total</b>	<b><u>6,283,386.86</u></b>	<b><u>4,956,570.81</u></b>

**15.4 Utility Expenses**

Particulars	2021	2020
Water Expenses	38,613.50	19,602.98
Electricity Expenses	200,629.24	183,185.02
<b>Total</b>	<b><u>239,242.74</u></b>	<b><u>202,788.00</u></b>

**15.5 Communication Expenses**

Particulars	2021	2020
Postage and Courier Services	675.00	-
Telephone Expenses	204,441.07	209,767.20
Internet Subscription Expenses	75,771.50	-
<b>Total</b>	<b><u>280,887.57</u></b>	<b><u>209,767.20</u></b>

**15.6 Awards/Rewards, Prizes and Indemnities**

Particulars	2021	2020
Awards/Rewards Expenses	88,050.00	70,207.35
<b>Total</b>	<b><u>88,050.00</u></b>	<b><u>70,207.35</u></b>

**15.7 Generation, Transmission and Distribution Expenses**

Particulars	2021	2020
Generation, Transmission and Distribution Expenses	19,215,423.96	15,151,501.90



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<b>Total</b>	<u><b>19,215,423.96</b></u>	<u><b>15,151,501.90</b></u>
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**15.8 Confidential, Intelligence and Extraordinary Expenses**

Particulars	2021	2020
Extraordinary and Miscellaneous Expenses	97,659.30	67,997.01
<b>Total</b>	<u><b>97,659.30</b></u>	<u><b>67,997.01</b></u>

**15.9 Professional Services**

Particulars	2021	2020
Legal Services	52,865.00	12,587.75
Auditing Services	-	-
Other Professional Services	2,303,740.00	1,208,500.00
<b>Total</b>	<u><b>2,356,605.00</b></u>	<u><b>1,221,087.75</b></u>

**15.10 General Services**

Particulars	2021	2020
Security Services	1,635,510.55	1,355,620.43
<b>Total</b>	<u><b>1,635,510.55</b></u>	<u><b>1,355,620.43</b></u>

**15.11 Repairs and Maintenance**

Particulars	2021	2020
Repairs and Maintenance-Infrastructure Assets	3,730,965.68	3,642,426.53
Repairs and Maintenance-Buildings and Other Structures	1,420,212.80	471,472.30
Repairs and Maintenance-Machinery and Equipment	1,503,351.39	613,853.00
Repairs and Maintenance-Transportation Equipment	1,201,832.84	808,092.44
Repairs and Maintenance-Semi-Expendable Machinery and Equipment	-	50,102.95
<b>Total</b>	<u><b>7,856,362.71</b></u>	<u><b>5,585,947.22</b></u>

**15.12 Taxes, Insurance Premiums and Other Fees**

Particulars	2021	2020
Taxes, Duties and Licenses	3,047,678.91	3,740,553.15
Fidelity Bond Premiums	49,500.00	45,000.00

**CABUYAO WATER DISTRICT**  
**Financial Statement for the year ended December 31, 2021**

Insurance Expenses	36,180.33	42,341.75
<b>Total</b>	<b><u>3,133,359.24</u></b>	<b><u>3,827,894.90</u></b>

**15.13 Other Maintenance and Operating Expenses**

Particulars	2021	2020
Advertising, Promotional and Marketing Expenses	227,900.00	-
Printing and Publication Expenses	-	14,450.00
Representation Expenses	358,305.84	223,393.91
Rent/Lease Expenses	370,120.44	523,263.73
Membership Dues and Contributions to Organizations	79,769.00	103,644.00
Major Events and Conventions Expenses	690,767.71	0.00
Other Maintenance and Operating Expenses	320,564.02	1,593,450.50
<b>Total</b>	<b><u>2,047,427.01</u></b>	<b><u>2,450,202.14</u></b>

**16. FINANCIAL EXPENSES**

Particulars	2021	2020
Interest Expenses	5,024,160.22	4,816,918.70
Bank Charges	100.00	350.00
Other Financial Charges	30,141.02	39,567.06
<b>Total</b>	<b><u>5,054,401.24</u></b>	<b><u>4,856,835.76</u></b>

Interest Expenses refers to the interest on Water District's Loans and Other Long-term liabilities.

Bank Charges refers to interbranch deposits fee charged by the bank to the district every time the latter deposits payment to its supplier.

Other Financial Charges refers to charges of transferring funds from banks to other banks.

**CABUYAO WATER DISTRICT**  
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**17. NON-CASH EXPENSES**

**17.1 Depreciation**

<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Depreciation-Land Improvements	62,766.12	62,766.12
Depreciation-Infrastructure Assets	3,899,263.04	10,835,360.64
Depreciation-Buildings and Other Structures	8,236,933.80	100,068.48
Depreciation-Machinery and Equipment	2,762,904.88	3,479,188.06
Depreciation-Transportation Equipment	530,237.06	511,970.64
Depreciation-Furniture, Fixtures and Books	6,427.61	28,220.20
<b>Total</b>	<b><u>15,498,532.51</u></b>	<b><u>15,017,574.14</u></b>

**17.2 Amortization**

<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Amortization-Intangible Assets	26,249.64	54,940.85
<b>Total</b>	<b><u>26,249.64</u></b>	<b><u>54,940.85</u></b>

**17.3 Impairment Loss**

<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Impairment Loss-Loans and Receivables	47,345.51	110,101.66
<b>Total</b>	<b><u>47,345.51</u></b>	<b><u>110,101.66</u></b>

Depreciation and Amortization Expenses are computed using straight-line method. The estimated useful lives of the Water District's Property and Equipment were based on COA Circular No. 2003-007 – Annex A.

**18. RELATED PARTY TRANSACTIONS**

The Water District's related parties include its Board of Directors and key management personnel. There is no key management compensation for the years 2021, and 2020.

**19. EVENTS AFTER THE BALANCE SHEET DATE**

There were no events after the balance sheet date that would require disclosure or adjustment on the financial statements of the Water District.

\*\*\*nothing follows\*\*\*