

ANNUAL REPORT
For the Period January 1, 2020 to December 31, 2020

I. GENERAL

A. ADMINISTRATIVE

1. Attached approved organizational charts in effect as year's end.
a. Functional Chart
b. Position/Organizational Chart (Key employees only) - showing Permanent positions and incumbents

Annex "A"

Annex "B"

2. Attach list of employed personnel with pertinent information.
(List of Plantilla of Personnel for the Fiscal Year 2020)

Annex "C"

The following summarizes the District's staffing (as of 12-31-2020)

- a. Total number of employees
b. Number of permanent/regular employees
c. Number of casual/temporary employees/laborers
d. Number of employees meeting minimum qualifications per Job Description adopted by the District
e. Number of employees not classified as casual/temporary who do not meet the minimum qualifications established by the District

40

33

7

40

0

3. Has the District adopted a policy prohibiting hiring of personnel related up to the *fourth degree* by affinity or consanguinity? (Yes or No)

Yes, CSC Rules

If not, how many of the employees are related to other employees or officials with the fourth degree by *affinity of consanguinity*?

none

4. Has the District adopted rules and regulation

yes

- a. Personnel Matters
b. Utility Customer Relations
c. General Utility Operations

yes

yes

yes

During the year, in how many instances (or how many times) have exemption to theses rules and regulations has been in special cases?

none

5. Attach list of policy - setting resolutions adopted, repealed or amended by the District Board including those adopting LWUA guidelines (Summary of Policy - Setting Resolutions)

Annex "D"

6. Has the District written and properly updated, reliable records of the following?
(A field check may be undertaken, if necessary? Yes or no)

- a. Customer Complaints
b. Billing and Collection
c. Delinquencies in Payment of Water Bills
d. Meter Histories
e. Service Connections
f. Equipment Histories
g. Equipment Downtime
h. Bacteriological Tests
i. System Pressure
j. Leak Reports
k. Unaccounted for Water
l. Pump Efficiencies
m. Water Production
n. Water Production
o. Valve and pipeline location
p. General Accounting
q. Stock Inventory
r. Stores Usage
s. Employees Record
t. Minutes and Board Meetings

yes

yes

yes

yes

yes

-

-

yes

yes

yes

yes

yes

yes

yes

yes

yes

-

yes

yes

7. For this year, Auditing has been done by the Commission on Audit

yes

8. Attach list of reports prepared regularly by the District on a monthly basis as required in the commercial Practice Manual (Omit this item if the District has not yet installed the commercial practices system in which case, indicate that the said system has not yet been installed.
(List of Reports Prepared Regularly)

Annex "E"

B. FINANCIAL/COMMERCIAL

1. Attach the District's financial statements for the report year including a comparison of the immediate past year.

Annex "F"

2. For the year under report, the District's total *budgetary outlay* was broken down into:
(Source: Approved Budget)

127,852,959.00

- a. Operating Outlay
b. Capital Outlay
c. Special budgets, if any (*additional budget*)-Contingency
d. Debt Service
e. Reserve

64,311,451.00

61,350,000.00

-

-

2,191,508.00

3. For this same *one-year* period, the District's Gross Revenue was broken down into:
(Source: Financial Report)

- a. Collection from water sales
- b. Other water revenues
- c. Other non-operating income
- d. Proceeds from *LWUA loan* to finance new service connections

66,459,850.40

61,535,940.64

4,651,584.69

272,325.07

-

4. For this same *one-year* period, the District's expenditures was broken down into:
(Source: Financial Report)

- a. Operational (operation & maintenance expenses, including depreciation)
- b. Capital Outlay
- c. Annual Debt Servicing (Annex G - Summary of Loan Payments to :)

54,286,732.02

7,077,686.69

none

LWUA

n/a

LBP- Phils.

n/a

5. For this same *one-year* period, the total salaries, wages & other emoluments paid for the District's employees where broken down into:

12,080,266.36

- a. For permanent employees
- b. For casual/temporary/contractual

10,943,096.36

308,920.00

6. Expenses for power/fuel for pumping during the year (Acct. #726, if Commercial Practices Accts. are in effect):

12,573,152.77

7. Total amount *billed* during the year is broken down into:

65,818,740.19

- a. Total Billings (Current and Old Accounts)
- b. Old Accounts

65,818,740.19

-

8. Total amount *collected* (*water sales only* during the year is broken down into:

61,535,940.64

- a. Current Billings
- b. Arrears

58,394,862.86

3,141,077.78

9. Total amount uncollected (delinquent) at year's end excluding Bad Debts

8,572,114.65

10. Total reserves at year's end

3,133,426.72

11. Complaints filed, processed and settled during the year

- a. Total number filed, processed and settled during the year
- b. Number dismissed for lack of merit/withdrawn
- c. Number investigated
- d. Number settled to the satisfaction of complaints
- e. Number elevated to the District Board of Directors
- f. Number settled by the Board
- g. Number elevated to the higher authorities

none

0

0

0

0

0

0

12. At year's end, the following water charges were in force:
(Annex H-Approved Water Rates Schedule)

Annex "H"

Had these rates been submitted to LWUA for review? (Yes or No)

yes

C. TECHNICAL

1. Has the District adopted by Board Resolutions, a set of design and construction standard? (Yes or No)

If so, who prepared it?

Is it being adhered to strictly?

yes

LWUA

yes

2. Does the District undertake bacteriological test of its water? (Yes or No) (Annex "I")

How often are these test made per year?

Is LWUA being furnished copies of these test reports? (Yes or No)

For the report year, how many such reports were submitted to LWUA?

yes

once a month

yes

12 monthly reports

3. State the method of water treatment employed by the District, if any

chlorination

4. Does the District undertake regular pump efficiency test? (Yes or No)

How many of these pumps does the District have in its system?

How many of these pumps are operational?

yes

10

10

D. OPERATIONAL

1. Total water production during the year in cubic metes
(Annex "J"-Summary of Water Production and Consumption)

Total water billed in cubic meters

Average per capita consumption in lpd

3,496,465 cu.m.

Annex "J"

2. Attach list of Water Sources (Annex "K"-WD Water Sources)

Annex "K"

3. Is the District provided with measuring devices to measure their water production? (Yes or No)

If yes, what type?

If not, how do you measure productions

yes

flow meter

n/a

4. As of year's end, the District has the following existing service connection and related information. (Annex "L"-Service Connection Growth)

- a. Total number of existing connections (Active & Inactive Connection)
- b. Number of Active Connections
- c. Number of Metered Connections
 - 1. With functioning meters
 - 2. With non-functioning meters
- d. Number of flat rate connections
- e. Number of connections regularly billed
- f. Number of delinquent concessionaires
- g. Average number of customers per connections (HH)

Annex "L"

13,981
12,419
12,419
12,419
0
1
12,419
6,400
6

5. Estimated population of district service areas

85,026

- a. Estimated population served by utility whether fully or partially

85,026

6. Because of inadequate facilities, the District had to provide partial service in accordance with the following average length of time each 24-hours day:

- a. Less than 6 hours service
 - b. 7-12 hours service
 - c. 13-18 hours service
 - d. 19-24 hours service
- (Note: You may vary the number of hours as may be necessary to suit actual conditions)

24 hours service

7. Attach list of major equipment and machinery (with an initial cost of at least P 10,000.00 including pertinent information). (Annex "M"-List of Major Equipments)

Annex "M"

8. Does the District keep written record of request for service? (Yes or No)

yes

- a. Does the record show the date when such requests were made and the nature of the service requested (Yes or No)
- b. On the average, how long (in days) does it take the District to respond and attend such requests?
- c. How many such reports were received during the year?
- d. How many of these reports attended to during the year?

yes

one to two days

Submitted by:


JUAN T. CASTRO
 General Manager



ANNUAL REPORT
For the Period January 1, 2020 to December 31, 2020

II. PROFILE

1. THE WATER DISTRICT & ITS PHYSICAL SYSTEM'S FACILITIES

A. ORGANIZATION

1. Date Formed	August 5, 1978	Age (months) as of 12/31/20	495 months
2. Date CCC was issued	October 5, 1979	CCC No.	097
3. Personnel	40		
Comments: (adequacy, qualification, performance & others)			n/a

B. EXISTING SYSTEM'S FACILITIES

1. Service

1.1 Service Area	35 Barangays
1.2 Population of Service Area (Latest)	85,026
1.3 No. of Households	12,419
1.4 No. of Persons/Household	6
1.5 Service Time (hrs./day)	24/7

2. Structure and Equipment

2.1 Administration Building	
Office Area	320 sq. m.
Office Equipment (see List of Major Equipments)	Annex "M"
2.2 If rented, how much per month?	n/a
2.3 Type of Water Source	Deep Well
Rated Capacity per day (cu.m. / day)	10,285
2.4 Reservoir (description, built, dimension and capacity)	
1 unit 200 cu.m	Elevated Concrete Reservoir at Poblacion
1 unit 300 cu.m	Fiber Glass Ground Reservoir at San Isidro Norte Pump Station
1 unit 500 cu.m	Treated Water Reservoir at Calocan Sur Water Treatment Plant
1 unit 500 cu.m	Treated Water Reservoir at Biec Water Treatment Plant
1 unit 100 cu.m.	Steel Elevated Tank at Papagueyan
1 unit 10 cu.m.	Elevated Concrete Reservoir at Nagpalangan

2.5 Water Sources (Annex K-WD Water Sources)

2.6 Service Connections

Type	Flat	Metered	Total
Residential Government	0	12,299	12,299
Commercial	0	119	119
Bulk	0	1	1
Total	0	12,419	12,419

2.7 Production

Average Monthly Production	
a. Booster/Pumping (cu.m)	291,372 cu.m.
b. Bulk Water (cu.m)	-
Production Efficiency % (average/month)	
(Total Water Utilized/Total Production)	80.22%
NRW % (19.78 %) YTD	19.78%

2. CURRENT OPERATION / FINANCIAL HIGHLIGHTS

A. Existing Water Rates (Annex "H"-Water Rates Schedule)	Annex H
B. Operating Income/Expenses	
Average Water Sales (average/mo)	5,484,895.02
Average Collection (average/mo)	5,127,995.05
Average Expenses-O & M for the year (average/mo)	4,523,894.34
C. Financial Highlights (rate & status)	
Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liabilities}}$	6.03
Long Term Debt/Equity Ratio	n/a
Monthly Biling (average/mo)	5,308,790.05
Collection Efficiency-% of On-Time Payment (YTD)	88.72%

3. COMMUNITY ECONOMIC PROFILE

A. Total Population (covered by the Water District)	85,026
B. Average Monthly Family Income in the Area	8,500.00
C. Major Source of Income	Fishing
D. Average Monthly Family Expenditure in the Area	5,500.00
E. City/Municipal Revenue (CY 2020)	174,979,419.00
F. Average Rate of Mortality per 100,000 population due to waterborne diseases (e.g. diarrhea)	0
G. Average Rate of Morbidity per 100,000 population due to waterborne diseases (e.g. diarrhea)	0.08%
H. Major Agricultural, Industrial and Commercial activities Palay/Corn/Squash Production, Carabao/Cattle/Swine/Goat/Chicken Production; Concrete Aggregates	Fishing

4. OTHER INFORMATION

1. The District has been paying the n/a Water District an average of 0 cubic meter of Bulk Water per month
2. The District has implemented the Meter Clustering System to help alleviate water pilferage
3. The District has regularly monitors the Residual Chlorine in various strategic points of its water supply system (264 : Summary of Bacteriological Analysis 2020)
4. The District has maintained its established safety programs and standard operating procedure
5. The District has continued implementing the 5% discount for water bill of Senior Citizens
6. The District has approved the Gender and Development Budget for CY 2020 in compliance with RA 9710
7. The District has adopted and implemented the approved Strategic Performance Management System (SPMS)
8. The District has religiously paid the principal and interest of its various loans to LWUA

Prepared by:


MANUELA D. DE VERA
Division Manager

Administrative & Finance Division

Approved by:


JUAN T. CASTRO
General Manager

Binmaley Water District
Detailed Statements of Comprehensive Income
For the Year Ended December 31, 2020
(With Comparative Figures for 2019)

		<i>(in absolute pesos)</i>	
	Notes	2020	2019
Income			
Service and Business Income			
Service Income			
Other Service Income			323,700.00
Total Service Income		-	323,700.00
Business Income			
Waterworks System Fees	19	63,705,480.64	60,399,021.39
Interest Income	20	82,014.89	96,183.33
Share in the Profit/Revenue of Joint Venture		-	-
Fines and Penalties-Business Income	21	2,112,654.80	2,663,713.50
Other Business Income	22	560,650.07	-
Total Business Income		66,460,800.40	63,158,918.22
Total Service and Business Income		66,460,800.40	63,482,618.22
Grants and Donations			
Income from Grants and Donations in Cash		-	-
Income from Grants and Donations in Kind	23	1,600,000.00	-
Total Grants and Donations		1,600,000.00	-
Miscellaneous Income			
Miscellaneous Income		-	181,888.06
Total Miscellaneous Income		-	181,888.06
Total Other Non-Operating Income		-	181,888.06
Total Income		68,060,800.40	63,664,506.28
Expenses			
Personnel Services			
Salaries and Wages			
Salaries and Wages-Regular		10,943,096.36	10,349,195.50
Salaries and Wages-Casual/Contractual		308,920.00	105,370.00
Total Salaries and Wages		11,252,016.36	10,454,565.50
Other Compensation			
Personnel Economic Relief Allowance (PERA)		828,250.00	804,000.00
Representation Allowance (RA)		282,000.00	282,000.00
Transportation Allowance (TA)		282,000.00	282,000.00
Clothing/Uniform Allowance		198,000.00	199,400.00

gmr

		<i>(in absolute pesos)</i>	
	Notes	2020	2019
Honoraria		-	935,356.00
Hazard Pay		333,000.00	-
Longevity Pay		35,000.00	-
Overtime and Night Pay		1,072,896.52	620,366.19
Year End Bonus		885,561.15	1,044,346.20
Cash Gift		184,000.00	-
Mid-Year Bonus		794,302.00	
Directors and Committee Members' Fees		1,321,133.50	
Other Bonuses and Allowances	24	2,432,828.32	2,823,127.00
Total Other Compensation		8,648,971.49	6,990,595.39
Personnel Benefit Contributions			
Retirement and Life Insurance Premiums		1,345,164.18	1,253,782.44
Pag-IBIG Contributions		43,400.00	41,100.00
PhilHealth Contributions		145,160.66	114,679.93
Employees Compensation Insurance Premiums		43,219.20	40,983.70
Total Personnel Benefit Contributions		1,576,944.04	1,450,546.07
Other Personnel Benefits			
Terminal Leave Benefits		1,192,581.65	880,582.41
Other Personnel Benefits	25	394,898.42	1,417,972.00
Total Other Personnel Benefits		1,587,480.07	2,298,554.41
Total Personnel Services		23,065,411.96	21,194,261.37
Maintenance and Other Operating Expenses			
Traveling Expenses			
Traveling Expenses-Local		115,793.08	215,699.32
Total Traveling Expenses		115,793.08	215,699.32
Training and Scholarship Expenses			
Training Expenses		126,047.06	314,500.00
Total Training and Scholarship Expenses		126,047.06	314,500.00
Supplies and Materials Expenses			
Office Supplies Expenses		239,709.07	188,249.44
Accountable Forms Expenses		86,777.31	124,376.41
Fuel, Oil and Lubricants Expenses		191,451.76	224,791.62
Chemical and Filtering Supplies Expenses	26	5,064,160.00	4,636,100.00
Other Supplies and Materials Expenses		143,639.28	74,986.70
Supplies and Materials for Water System Operations		673,870.00	835,350.00
Total Supplies and Materials Expenses		6,399,607.42	6,083,854.17

gmr

		<i>(in absolute pesos)</i>	
	Notes	2020	2019
Utility Expenses			
Electricity Expenses		430,759.89	305,442.23
Total Utility Expenses		430,759.89	305,442.23
Communication Expenses			
Postage and Courier Services		8,763.00	3,513.00
Telephone Expenses		98,836.41	85,479.22
Total Communication Expenses		107,599.41	88,992.22
Generation, Transmission and Distribution Expenses			
Generation, Transmission and Distribution Expenses	27	13,085,496.33	12,104,570.81
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses		109,150.00	107,800.00
Total Confidential, Intelligence and Extraordinary Expenses		109,150.00	107,800.00
Professional Services			
Auditing Services		351,527.81	218,178.24
Other Professional Services	28	210,400.00	162,000.00
Total Professional Services		561,927.81	380,178.24
General Services			
Security Services		951,411.36	799,132.80
Total General Services		951,411.36	799,132.80
Repairs and Maintenance			
Repairs and Maintenance-Investment Property		-	-
Repairs and Maintenance-Land Improvements		-	-
Repairs and Maintenance-Infrastructure Assets		496,501.61	-
Repairs and Maintenance-Buildings and Other Structures		6,138.50	9,787.00
Repairs and Maintenance-Machinery and Equipment		171,326.20	191,778.83
Repairs and Maintenance-Transportation Equipment		88,808.48	80,120.00
Repairs and Maintenance-Furniture and Fixtures		33,715.00	2,000.00
Repairs and Maintenance-Other Property, Plant and Equipment		-	396,168.00
Total Repairs and Maintenance		796,489.79	679,853.83
Taxes, Insurance Premiums and Other Fees			
Taxes, Duties and Licenses		1,317,235.03	987,806.02
Insurance Expenses		95,426.83	93,460.86
Total Taxes, Insurance Premiums and Other Fees		1,412,661.86	1,081,266.88
Other Maintenance and Operating Expenses			
Advertising, Promotional and Marketing Expenses		73,881.60	70,381.60
Printing and Publication Expenses		-	-
Representation Expenses		538,066.26	703,997.27

QMS

	<i>(in absolute pesos)</i>	
	2020	2019
Membership Dues and Contributions to Organizations	10,980.00	-
Donations	118,500.00	68,200.00
Total Other Maintenance and Operating Expenses	741,427.86	842,578.87
Total Maintenance and Other Operating Expenses	24,838,371.87	23,003,869.37
Non-Cash Expenses		
Depreciation		
Depreciation-Investment Property	-	-
Depreciation-Land Improvements	-	-
Depreciation-Infrastructure Assets	2,308,280.04	2,324,796.83
Depreciation-Buildings and Other Structures	3,612,426.48	3,612,426.45
Depreciation-Machinery and Equipment	1,535,150.16	1,540,550.16
Depreciation-Transportation Equipment	234,967.44	234,967.44
Depreciation-Furniture, Fixtures and Books	1,709.63	39,164.59
Depreciation-Other Property, Plant and Equipment	-	-
Total Depreciation	7,692,533.75	7,751,905.47
Amortization		
Amortization-Service Concession-Intangible Assets	-	-
Amortization-Intangible Assets	13,758.68	124,400.14
Total Amortization	13,758.68	124,400.14
Impairment Loss		
Impairment Loss - Loans and Receivables	-	31,673.30
Total Impairment Loss	-	31,673.30
Total Non-Cash Expenses	7,706,292.43	7,907,978.91
Total Expenses	55,610,076.26	52,106,109.65
Profit/(Loss)/Surplus(Deficit) Before Tax	12,450,724.14	11,558,396.63
Income Tax Expense	-	-
Profit/(Loss)/Surplus(Deficit) After Tax	12,450,724.14	11,558,396.63
Net Income/(Loss)	12,450,724.14	11,558,396.63
Other Comprehensive Income/(Loss) for the Period		
Changes in Fair Value of Investments	-	-
Translation Adjustment	-	-
Other Comprehensive Income/(Loss) for the Period	-	-
Comprehensive Income/(Loss)	12,450,724.14	11,558,396.63

Prepared by:


LOUELLA A. CANO
 Sr. Corporate Accountant A

Certified Correct by:


MANUELA D. DE VERA
 Division Manager B

Approved by:


JUAN T. CASTRO
 General Manager B

Binmaley Water District
Detailed Statement of Financial Position
As of December 31, 2020
(With Comparative Figures for 2019)

		<i>(in absolute pesos)</i>	
	Notes	2020	2019
ASSETS			
Current Assets			
Cash and Cash Equivalents		<u>54,186,596.05</u>	<u>47,878,958.23</u>
Cash on Hand		<u>410,553.78</u>	<u>751,524.00</u>
Cash-Collecting Officers		410,553.78	751,524.00
Petty Cash	3.1	-	-
Cash in Bank-Local Currency		<u>53,776,042.27</u>	<u>47,127,434.23</u>
Cash in Bank-Local Currency, Current Account	3.2	339,191.20	581,916.98
Cash in Bank-Local Currency, Savings Account	3.2	53,436,851.07	46,545,517.25
Receivables		<u>13,475,124.89</u>	<u>9,096,082.10</u>
Loans and Receivable Accounts		<u>8,361,297.47</u>	<u>4,063,881.42</u>
Accounts Receivable	4.1	8,620,931.77	4,338,132.22
Allowance for Impairment-Accounts Receivable	4.5	(259,634.30)	(274,250.80)
Net Value-Accounts Receivable		<u>8,361,297.47</u>	<u>4,063,881.42</u>
Receivership and Liquidation Receivable		-	-
Allowance for Impairment-Receivership and Liquidation Receivable		-	-
Net Value-Receivership and Liquidation Receivable		<u>-</u>	<u>-</u>
Other Receivables		<u>5,113,827.42</u>	<u>5,032,200.68</u>
Receivables-Disallowances/Charges	4.3	4,965,193.16	4,833,452.30
Due from Officers and Employees	4.2	-	-
Other Receivables	4.4	148,634.26	198,748.38
Allowance for Impairment-Other Receivables		-	-
Net Value-Other Receivables		<u>148,634.26</u>	<u>198,748.38</u>
Inventories		<u>3,438,979.09</u>	<u>3,353,559.85</u>
Inventory Held for Sale		<u>-</u>	<u>-</u>
Merchandise Inventory		-	-
Allowance for Impairment-Merchandise Inventory		-	-
Net Value-Merchandise Inventory		<u>-</u>	<u>-</u>

for

		<i>(in absolute pesos)</i>	
	Notes	2020	2019
Inventory Held for Consumption		3,438,979.09	3,353,559.85
Office Supplies Inventory	5.1	118,386.67	109,894.38
<i>Allowance for Impairment-Office Supplies Inventory</i>			
Net Value-Office Supplies Inventory		<u>118,386.67</u>	<u>109,894.38</u>
Accountable Forms, Plates and Stickers Inventory	5.2	96,603.08	178,480.39
<i>Allowance for Impairment-Accountable Forms, Plates and Stickers Inventory</i>			
Net Value-Accountable Forms, Plates and Stickers Inventory		<u>96,603.08</u>	<u>178,480.39</u>
Non-Accountable Forms Inventory	5.3	38,730.47	33,339.68
<i>Allowance for Impairment-Non-Accountable Forms Inventory</i>			
Net Value-Non-Accountable Forms Inventory		<u>38,730.47</u>	<u>33,339.68</u>
Chemical and Filtering Supplies Inventory	5.4	152,250.00	210,250.00
<i>Allowance for Impairment-Chemical and Filtering Supplies Inventory</i>			
Net Value-Chemical and Filtering Supplies Inventory		<u>152,250.00</u>	<u>210,250.00</u>
Construction Materials Inventory		-	-
<i>Allowance for Impairment-Construction Materials Inventory</i>			
Net Value-Construction Materials Inventory		<u>-</u>	<u>-</u>
Supplies and Materials for Water Systems Operations	5.5	3,033,008.87	2,821,595.40
<i>Allowance for Impairment-Supplies and Materials for Water Systems Operations</i>			
Net Value-Other Supplies and Materials Inventory		<u>3,033,008.87</u>	<u>2,821,595.40</u>
Semi-Expendable Machinery and Equipment		<u>-</u>	<u>-</u>
Semi-Expendable Office Equipment		-	-
Other Current Assets		<u>202,654.32</u>	<u>201,884.03</u>
Advances		<u>-</u>	<u>-</u>
Advances for Payroll		-	-
Prepayments		<u>122,103.32</u>	<u>121,333.03</u>
Prepaid Rent			
Prepaid Interest			
Prepaid Insurance	6.1	70,103.31	56,333.03
Other Prepayments	6.2	52,000.01	65,000.00
Deposits		<u>80,551.00</u>	<u>80,551.00</u>
Guaranty Deposits	6.3	80,551.00	80,551.00
Total Current Assets		<u>71,303,354.35</u>	<u>60,530,484.21</u>

for

		<i>(in absolute pesos)</i>	
	Notes	2020	2019
Non-Current Assets			
Other Investments		-	3,131,404.74
Sinking Fund		-	3,131,404.74
Sinking Fund	7.1	-	3,131,404.74
Receivables		2,277,809.17	2,277,809.17
Loans and Receivable Accounts		2,277,809.17	2,277,809.17
Receivership and Liquidation Receivable	8	2,277,809.17	2,277,809.17
<i>Allowance for Impairment-Receivership and Liquidation Receivable</i>			
Net Value-Receivership and Liquidation Receivable		2,277,809.17	2,277,809.17
Property, Plant and Equipment	9	247,854,261.13	246,805,127.19
Land		13,806,362.79	10,886,362.79
Land		13,806,362.79	10,886,362.79
<i>Accumulated Impairment Losses-Land</i>			
Net Value-Land		13,806,362.79	10,886,362.79
Land Improvements		2,958.00	2,958.00
Other Land Improvements		29,580.00	29,580.00
<i>Accumulated Depreciation-Other Land Improvements</i>		(26,622.00)	(26,622.00)
<i>Accumulated Impairment Losses-Other Land Improvements</i>			
Net Value-Other Land Improvements		2,958.00	2,958.00
Land Improvements		29,580.00	29,580.00
<i>Accumulated Depreciation-Land Improvements</i>		(26,622.00)	(26,622.00)
<i>Accumulated Impairment Losses-Land Improvements</i>			
Net Value-Land Improvements		2,958.00	2,958.00
Infrastructure Assets		45,553,959.35	39,471,998.04
Plant-Utility Plant in Service (UPIS)		69,664,487.26	61,274,245.91
<i>Accumulated Depreciation-Plant (UPIS)</i>		(24,110,527.91)	(21,802,247.87)
<i>Accumulated Impairment Losses-Plant (UPIS)</i>			
Net Value-Plant-Utility Plant in Service (UPIS)		45,553,959.35	39,471,998.04
Infrastructure Assets		69,664,487.26	61,274,245.91
<i>Accumulated Depreciation-Infrastructure Assets</i>		(24,110,527.91)	(21,802,247.87)
<i>Accumulated Impairment Losses-Infrastructure Assets</i>			
		-	-

	<i>(in absolute pesos)</i>	
Notes	2020	2019
Net Value-Infrastructure Assets	45,553,959.35	39,471,998.04
Buildings and Other Structures	164,983,821.33	177,795,789.06
Buildings	3,779,140.93	3,653,584.18
<i>Accumulated Depreciation-Buildings</i>	<i>(1,660,146.72)</i>	<i>(1,475,309.52)</i>
<i>Accumulated Impairment Losses-Buildings</i>		
Net Value-Buildings	2,118,994.21	2,178,274.66
Water Plant, Structure and Improvements	209,497,911.97	218,823,009.97
<i>Accumulated Depreciation-Water Plant, Structure and Improvements</i>	<i>(46,633,084.85)</i>	<i>(43,205,495.57)</i>
<i>Accumulated Impairment Losses-Water Plant, Structure and Improvements</i>		
Net Value-Water Plant, Structure and Improvements	162,864,827.12	175,617,514.40
Buildings and Other Structures	213,277,052.90	222,476,594.15
<i>Accumulated Depreciation-Buildings and Other Structures</i>	<i>(48,293,231.57)</i>	<i>(44,680,805.09)</i>
<i>Accumulated Impairment Losses-Buildings and Other Structures</i>		
Net Value-Buildings and Other Structures	164,983,821.33	177,795,789.06
Machinery and Equipment	12,564,613.74	11,701,551.25
Office Equipment	595,129.00	543,541.00
<i>Accumulated Depreciation-Office Equipment</i>	<i>(421,418.40)</i>	<i>(364,644.96)</i>
<i>Accumulated Impairment Losses-Office Equipment</i>		
Net Value-Office Equipment	173,710.60	178,896.04
Information and Communication Technology Equipment	2,076,753.00	1,949,253.00
<i>Accumulated Depreciation-Information and Communication Technology Equipment</i>	<i>(1,427,764.32)</i>	<i>(1,199,588.52)</i>
<i>Accumulated Impairment Losses-Information and Communication Technology Equipment</i>		
Net Value-Information and Communication Technology Equipment	648,988.68	749,664.48
Medical Equipment	-	54,880.00
<i>Accumulated Depreciation-Medical Equipment</i>	-	<i>(29,635.20)</i>
<i>Accumulated Impairment Losses-Medical Equipment</i>		
Net Value-Medical Equipment	-	25,244.80
Other Machinery and Equipment	20,876,557.52	18,602,552.87
<i>Accumulated Depreciation-Other Machinery and Equipment</i>	<i>(9,134,643.06)</i>	<i>(7,854,806.94)</i>
<i>Accumulated Impairment Losses-Other Machinery and Equipment</i>		
Net Value-Other Machinery and Equipment	11,741,914.46	10,747,745.93
Machinery and Equipment	23,548,439.52	21,150,226.87

9/10/15

		<i>(in absolute pesos)</i>	
	Notes	2020	2019
<i>Accumulated Depreciation-Machinery and Equipment</i>		(10,983,825.78)	(9,448,675.62)
<i>Accumulated Impairment Losses-Machinery and Equipment</i>		-	-
Net Value-Machinery and Equipment		12,564,613.74	11,701,551.25
Transportation Equipment		526,787.81	742,414.25
Motor Vehicles		2,684,068.87	2,490,658.87
<i>Accumulated Depreciation-Motor Vehicles</i>		(2,157,281.06)	(1,748,244.62)
<i>Accumulated Impairment Losses-Motor Vehicles</i>		-	-
Net Value-Motor Vehicles		526,787.81	742,414.25
Transportation Equipment		2,684,068.87	2,490,658.87
<i>Accumulated Depreciation-Transportation Equipment</i>		(2,157,281.06)	(1,748,244.62)
<i>Accumulated Impairment Losses-Transportation Equipment</i>		-	-
Net Value-Transportation Equipment		526,787.81	742,414.25
Furniture, Fixtures and Books		65,758.11	23,467.74
Furniture and Fixtures		261,581.06	217,581.06
<i>Accumulated Depreciation-Furniture and Fixtures</i>		(195,822.95)	(194,113.32)
<i>Accumulated Impairment Losses-Furniture and Fixtures</i>		-	-
Net Value-Furniture and Fixtures		65,758.11	23,467.74
Furniture, Fixtures and Books		261,581.06	217,581.06
<i>Accumulated Depreciation-Furniture, Fixtures and Books</i>		(195,822.95)	(194,113.32)
<i>Accumulated Impairment Losses-Furniture, Fixtures and Books</i>		-	-
Net Value-Furniture, Fixtures and Books		65,758.11	23,467.74
Construction in Progress		10,350,000.00	6,180,586.06
Construction in Progress-Buildings and Other Structures		10,350,000.00	6,180,586.06
Intangible Assets		103,099.90	249,899.76
Intangible Assets		103,099.90	249,899.76
Computer Software	10.1	630,999.00	550,999.00
<i>Accumulated Amortization-Computer Software</i>		(527,899.10)	(490,499.10)
<i>Accumulated Impairment Losses-Computer Software</i>		-	-
Net Value-Computer Software		103,099.90	60,499.90
Other Intangible Assets	10.2	-	313,800.00
<i>Accumulated Amortization-Other Intangible Assets</i>		-	(124,400.14)

		<i>(in absolute pesos)</i>	
	Notes	2020	2019
<i>Accumulated Impairment Losses-Other Intangible Assets</i>			
Net Value-Other Intangible Assets		-	189,399.86
Other Non-Current Assets		13,992,084.12	9,597,722.03
Restricted Fund		13,992,084.12	9,597,722.03
Restricted Fund	11.1	13,992,084.12	9,597,722.03
Other Assets		-	-
Other Assets		-	-
<i>Accumulated Impairment Losses-Other Assets</i>			
Net Value-Other Assets		-	-
Total Non-Current Assets		264,227,254.32	262,061,962.89
Total Assets		335,530,608.67	322,592,447.10
LIABILITIES			
Current Liabilities			
Financial Liabilities		1,301,571.15	1,099,650.00
Payables		1,301,571.15	1,099,650.00
Accounts Payable	12	1,130,509.02	566,035.00
Due to Officers and Employees	13	171,062.13	533,615.00
Inter-Agency Payables		990,612.02	631,282.24
Inter-Agency Payables	14	990,612.02	631,282.24
Due to BIR		541,157.82	274,706.25
Due to GSIS		364,446.67	296,433.73
Due to Pag-IBIG		63,191.21	40,643.06
Due to PhilHealth		21,816.32	19,499.20
Trust Liabilities		7,082,818.40	6,770,544.80
Trust Liabilities		7,082,818.40	6,770,544.80
Customers' Deposits Payable	15.1	7,082,818.40	6,770,544.80
Provisions		1,903,570.59	2,797,169.86
Leave Benefits Payable	16	2,797,169.86	2,797,169.86

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		<i>(in absolute pesos)</i>	
	Notes	2020	2019
Other Payables		-	-
Other Payables			
Total Current Liabilities		<u>11,278,572.16</u>	<u>11,298,646.90</u>
Non-Current Liabilities			
Financial Liabilities		-	-
Loans Payable-Domestic			
Total Non-Current Liabilities		-	-
Total Liabilities		<u>11,278,572.16</u>	<u>11,298,646.90</u>
NET ASSETS/EQUITY			
Government Equity		<u>188,853,236.22</u>	<u>188,853,236.22</u>
Government Equity		<u>188,853,236.22</u>	<u>188,853,236.22</u>
Accumulated Surplus/(Deficit)			
Government Equity	17	<u>188,853,236.22</u>	<u>188,853,236.22</u>
Contributed Capital			
Retained Earnings/(Deficit)		<u>135,398,800.29</u>	<u>122,440,563.98</u>
Retained Earnings/(Deficit)		<u>135,398,800.29</u>	<u>122,440,563.98</u>
Retained Earnings/(Deficit)	18	<u>135,398,800.29</u>	<u>122,440,563.98</u>
Total Net Assets/Equity		<u>324,252,036.51</u>	<u>311,293,800.20</u>
Total Liabilities and Net Assets/Equity		<u>335,530,608.67</u>	<u>322,592,447.10</u>


Prepared by:


LOUELLA A. CANO
 Sr. Corporate Accountant A

Certified Correct by:


MANUELA D. DE VERA
 Division Manager B

Approved by:


JUAN T. CASTRO
 General Manager B

Binmaley Water District
Detailed Statement of Changes in Equity
For the Year Ended December 31, 2020
(With Comparative Figures for 2019)

	Notes	<u>(in absolute pesos)</u> 2020	2019
GOVERNMENT EQUITY			
Beginning balance		188,853,236.22	188,853,236.22
Adjustments:			
Add/(Deduct):			
Changes in Accounting Policy			
Prior Period Errors			
Other Adjustments			
Restated Balance		<u>188,853,236.22</u>	<u>188,853,236.22</u>
Changes in Equity for the Year			
Add/(Deduct):			
Issuances of Share Capital			
Additional Capital from National Government			
Member's Contribution			
Surplus/(Deficit) for the period			
Comprehensive Income/Loss for the Year			
Dividends			
Changes in fair value of available-for-sale securities			
Other Adjustments		-	-
Ending Balance		<u>188,853,236.22</u>	<u>188,853,236.22</u>
RETAINED EARNINGS/(DEFICIT)			
Beginning balance		122,440,563.98	111,340,116.44
Adjustments:			
Add/(Deduct):			
Changes in Accounting Policy			
Prior Period Errors		507,512.17	(457,949.09)
Other Adjustments			
Restated Balance		122,948,076.15	110,882,167.35
Changes in Equity for the Year			
Add/(Deduct):			
Issuances of Share Capital			
Additional Capital from National Government			
Member's Contribution			
Surplus/(Deficit) for the period			

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		<i>(in absolute pesos)</i>	
	Notes	2020	2019
Comprehensive Income/Loss for the Year		12,450,724.14	11,558,396.63
Dividends			
Changes in fair value of available-for-sale securities			
Other Adjustments		-	-
Ending Balance		<u>135,398,800.29</u>	<u>122,440,563.98</u>
Total Equity		<u>324,252,036.51</u>	<u>311,293,800.20</u>

Difference between totals and sum of components is due to rounding off.

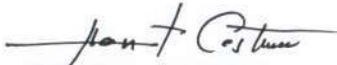
Prepared by:


LOUELLA A. CANO
 Sr. Corporate Accountant A

Certified Correct by:


MANUELA D. DE VERA
 Division Manager B

Approved by:


JUAN T. CASTRO
 General Manager B

Binmaley Water District
Detailed Statements of Cash Flows
For the Year Ended December 31, 2020
(With Comparative Figures for 2019)

(in absolute pesos)

2020 **2019**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Inflows

Proceeds from sale of goods and services	1,486,905.85	-
Collection of Income/Revenue	62,094,689.41	64,455,533.84
Collection of Tax Revenue	-	-
Collection of service and business income	62,094,689.41	64,455,533.84
Trust Receipts	374,443.80	393,060.00
Receipt of customers' deposits	374,443.80	393,060.00
Other Receipts	1,029,052.00	629,715.57
Refund of overpayment of Maintenance and Other Operating Expense:	-	-
Refund of cash advances	1,029,052.00	629,715.57
Total Cash Inflows	64,985,091.06	65,478,309.41

Cash Outflows

Payment of Expenses	(37,990,112.47)	(34,677,252.79)
Payment of personnel services	(12,056,486.36)	(11,174,085.50)
Payment of maintenance and other operating expenses	(25,933,626.11)	(23,503,167.29)
Purchase of Inventories	(4,137,376.85)	(5,582,393.00)
Purchase of inventory held for consumption	(4,137,376.85)	(5,582,393.00)
Prepayments	(84,123.97)	(65,000.00)
Prepaid Insurance	-	-
Other Prepayments	(84,123.97)	(65,000.00)
Payments of Accounts Payable	(5,029,516.09)	(3,805,886.14)
Remittance of Personnel Benefit Contributions and Mandatory Deductions	(5,855,899.82)	(6,979,878.11)
Remittance of taxes withheld	-	-
Remittance to GSIS/Pag-IBIG/PhilHealth	(5,855,899.82)	(6,979,878.11)



	<i>(in absolute pesos)</i>	
	<u>2020</u>	<u>2019</u>
Total Cash Outflows	(53,097,029.20)	(51,110,410.04)
Net Cash Provided by (Used in) Operating Activities	11,888,061.86	14,367,899.37
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Inflows		
Proceeds from Sale/ Disposal of Investment Property	-	-
Proceeds from Sale/Disposal of Property, Plant and Equipment	-	-
Receipt of Interest earned	29,996.78	37,278.82
Total Cash Inflows	29,996.78	37,278.82
Cash Outflows		
Purchase/Construction of Property, Plant and Equipment	(4,421,311.38)	(14,499,578.74)
Purchase of land	-	-
Payment for land improvements	-	-
Construction of infrastructure assets	-	-
Construction of buildings and other structures	(2,470,458.75)	(11,153,562.24)
Purchase of machinery and equipment	(1,132,516.51)	(2,309,988.68)
Purchase of transportation equipment	-	-
Purchase of furniture, fixtures and books	-	-
Payments for leased assets	-	-
Payments for leased assets improvements	-	-
Construction in progress	(818,336.12)	(1,036,027.82)
Construction/Acquisition of heritage assets	-	-
Purchase of Investments	(1,189,109.44)	(922,575.00)
Other long-term investments	(1,189,109.44)	(922,575.00)
Total Cash Outflows	(5,610,420.82)	(15,422,153.74)
Net Cash Provided By (Used In) Investing Activities	(5,580,424.04)	(15,384,874.92)

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(in absolute pesos)

2020

2019

CASH FLOWS FROM FINANCING ACTIVITIES

Cash Inflows

Proceeds from Incurrence of Financial Liabilities
Proceeds from Issuance of Bills/Bonds and Acceptances Payable
Proceeds from Domestic and Foreign Loans
Contribution/Equity from National Government
Proceeds from Issuance of Capital Stock and other Equity Securities

-	-
-	-
-	-
-	-
-	-

Total Cash Inflows

Cash Outflows

Payment of Long-Term Liabilities
 Payment of notes payable
 Payment of domestic loans

Payment of Interest on Loans and Other Financial Charges

Payment of Cash Dividends

Adjustments (Please specify)

-	-
-	-
-	-
-	-
-	-
-	-
-	-

Total Cash Outflows

Net Cash Provided By (Used In) Financing Activities

-	-
---	---

Net Increase/(Decrease) in Cash and Cash Equivalents

6,307,637.82 (1,016,975.55)

Effects of Exchange Rate Changes on Cash and Cash Equivalents

- -

Cash and Cash Equivalents, January 1, 2019

47,878,958.23 48,895,933.78

Cash and Cash Equivalents, December 31, 2019

54,186,596.05 47,878,958.23

- -

Prepared by:


LOUELLA A. CANO
Sr. Corporate Accountant A

Certified Correct by:


MANUELA D. DE VERA
Division Manager B

Approved by:


JUAN T. CASTRO
General Manager B

BINMALEY WATER DISTRICT

Binmaley, Pangasinan

NOTES TO FINANCIAL STATEMENTS

1. Agency Background

Binmaley Water District (BIWAD) was formed through Resolution No. 40, s. 1978 on August 5, 1978 passed by the Sangguniang Bayan Members of Binmaley. On October 5, 1979, Conditional Certificate of Conformance No. 097 was issued by the Local Water Utilities Administration (LWUA) pursuant to PD 198. With its existence, the municipal government of Binmaley transferred the ownership and management of the waterworks system to BIWAD. In 1992, all water districts were declared as Government Owned and Controlled Corporations by the Supreme Court in the landmark case of Davao City Water District vs. Civil Service Commission.

As of December 31, 2020, the District has 10 wells catering on a 24/7 service to the community. The District is also a beneficiary of two constructed and operational water treatment plants from the Japanese Government through the Japan International Cooperation Agency (JICA). The said treatment plants are now serving the Municipality with safe, affordable and potable water.

Presently, the policy-making body of BIWAD is composed of the following representing the sector opposite their names:

Name/Position	Sector	Term of Office
Anita U. Urbano – Chairman	Women	Jan. 1, 2021- Dec. 31, 2026
Teoly A. Ramos –Vice-Chairman	Professional	Jan. 1, 2017- Dec. 31, 2022
Apolinario S. Fabia – Board Secretary/Member	Business	Jan. 1, 2017 - Dec. 31, 2022
Amado L. Aquino– Member	Civic	Jan. 1, 2019- Dec. 31, 2024
Leonor C. delos Angeles – Member	Education	Jan. 1, 2021- Dec. 31, 2026

As of December 31, 2020, the District has ₱2,419 service connections with forty (40) hardworking employees under the stewardship of Mr. Juan T. Castro. With the cooperation of its staff and the Board of Directors, BIWAD continues in its mission to be of service to the people of Binmaley.

2. Summary of Significant Accounting Policies

2.1 Basis of Preparation

The financial statements of the District have been prepared in accordance with and comply with the Philippine Financial Reporting Standards (PFRS). The financial statements are presented in pesos, which is the functional and reporting currency of the District. The accounting policies have been applied starting the year 2017.

2.2 Basis of Accounting

The financial statements are prepared on an accrual basis in accordance with the Philippine Financial Reporting Standards (PFRS). Accounts were classified to conform to the Revised Chart of Accounts for Government Corporations prescribed under COA Circular No. 2020-002 dated January 28, 2020.

2.3 Financial Instruments

2.3.1 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 District 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 District commits to purchase or sell the asset.

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

- a. The rights to receive cash flows from the asset have expired or is waived
- b. The District 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 District has transferred substantially all the risks and rewards of the asset; or (b) the District 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 District 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:

- The debtors or a group of debtors are experiencing significant financial difficulty;
- Default or delinquency in interest or principal payments;
- The probability that debtors will enter bankruptcy or other financial reorganization; and
- 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 District 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 District 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 District. 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.

2.3.2 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 District 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 District'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 District 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 District 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 the control of the District in the notes to the 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.

2.4 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.

2.5 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 District.

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

2.6 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 District. Operating Lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

2.7 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:

- tangible items;

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- are expected to be used during more than one reporting period.

An item of PPE is recognized as an asset if:

- It is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- 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 transaction its cost is its fair value as at recognition date.

Cost includes the following:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- expenditure that is directly attributable to the acquisition of the items; and
- 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 District 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 District uses the Schedule on the Estimated Useful Life of PPE by classification prepared by COA.

The District uses a residual value equivalent to ten percent (10%) 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 District 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.

2.8 Impairment of Non-Financial Assets

Impairment of cash-generating assets

At each reporting date, the District 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 District 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 District estimates the asset's 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 District 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 District 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 District 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's market price less cost of disposal. If there is no binding sale agreement or active market for an asset, the District 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 District 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.

2.9 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 District and can be measured reliably.

Revenue from exchange transactions

Rendering of services

The District 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.

2.10 Changes in Accounting Policies and Estimates

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

The District 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.

2.11 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.

2.12 Employee Benefits

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

The District 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 District 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.

2.13 Related Parties

The District 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 the District, or vice versa. Members of key management are regarded as related parties and comprise the Board of Directors and General Manager.

2.14 Service Concession Arrangements

The District 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 District 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 District also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

2.15 Budget Information

The annual budget is prepared on the modified cash basis, that is, all planned costs and income are presented in a single statement to determine the needs of the INWD. As a result of the adoption of the modified cash basis for budgeting purposes, there are bases, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as disclosures of the statement of comparison of budget and actual amounts. Explanatory comments are provided in the notes to the annual financial statements for reasons of overall growth or decline in the budget and the details of overspending or under spending on line items.

2.16 Significant Judgments and Sources of Estimation Uncertainty

Judgments

In the process of applying the District 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, that 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 District 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 District. 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 District;
- 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 District 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 District 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

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can reasonably be expected to be derived from the asset. Where indicators of possible impairment are present, the PWD 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 District 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 District 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:

	2019	2019
Cash-Collecting Officer	P 410,553.78	P 751,524.00
Petty Cash	-	-
Advances for Payroll	-	-
Cash in Bank –Local Currency Current Account (LBP-2422-1025-77)	339,191.20	581,916.98
Cash in Bank-Local Currency Savings Account		
LBP 2421-1434-66 P53,354,998.65	53,436,851.07	46,545,517.25
LBP 2421-1615-88 81,852.42		
TOTAL	P 54,186,596.05	P 47,878,958.23

3.1 Cash On Hand includes Petty Cash Fund amounting to Php10,000.00 and is operated based on Imprest System.

3.2 Cash in Bank earns interest based on the prevailing bank deposit rates. Short-term deposits are made for varying periods - depending on the immediate cash requirement of BIWAD, and earn interest at the respective short term deposit rate.

4. Receivables

This account includes receivables from the following:

	2020	2019
Accounts Receivables	P 8,620,931.77	P 4,338,132.22
Due from Officers and Employees	-	-
Receivables-Disallowance/Charges	4,965,193.16	4,833,452.30
Other Receivables	148,634.26	198,748.38
Total	P 13,734,759.19	P 9,370,332.90
Less: Allowance for Impairment of A/R	(259,634.30)	(274,250.80)
Net Realizable Value	P13,475,124.89	P 9,096,082.10

4.1 Accounts Receivables (1-03-01-010) - This account represents the amount due from concessionaires (active and inactive) arising from the water sales and materials.

- In compliance to the Bayanihan to heal as one Act, the Binmaley Water District has passed Board Resolutions for non-imposition of Penalty Charges for the months of March, April, May and June 2021. In July 2021 the District has adopted "Payment Scheme" to alleviate the burden of our concessioners who were affected by this pandemic. This is the reason why there is a substantial increase in Accounts Receivable.

4.2 Due from Officers and Employees (1-03-05-020) - This account represents the balance of cash advances for incidental expenses during official travels of employees that were liquidated in 2019.

4.3 Receivables-Disallowances/Charges (1-03-05-010)- This account represents the Disallowances booked with Notice of Finality of Decision.

4.4 Other Receivables (1-03-05-990) – This account refers to the amount due from other parties arising from transactions other than water sales, and unpaid materials.

4.5 Allowance for Impairment – Accounts Receivables (1-03-01-011) – This account is credited upon recognition of impairment arising from non-collection of water bills. Basis on the computation of said account is a policy approved by BIWAD Board of Directors, Resolution No. 08, series 2019, on August 01, 2019.

Schedule of Percentage of Allowance for Impairment of Accounts Receivables is as follows:

AGE/YEARS	PERCENTAGE
One (1) year to Three (3) years	0%
Three (3) years and one (1) day to four (4) years	10%
Four (4) years and one (1) day to five (5) years	15%
Five (5) years and one (1) day to six (6) years	20%
Six (6) years and one (1) day to seven (7) years	25%

Seven (7) years and one (1) day to eight (8) years	30%
Eight (8) years and one (1) day to nine (9) years	35%
Nine (9) years and one (1) day to ten (10) years	40%
Ten (10) years above	50%

Age	Accounts Receivable	Percentage	Allowance
1 year to 3 years	560,203.80	0%	-0-
3 years and 1 day to 4 years	98,857.30	10%	9,885.75
4 years and 1 day to 5 years	70,416.30	15%	10,562.45
5 years and 1 day to 6 years	81,208.20	20%	16,241.60
6 years and 1 day to 7 years	50,284.25	25%	12,571.05
7 years and 1 day to 8 years	60,020.65	30%	18,006.20
8 years and 1 day to 9 years	77,724.30	35%	27,203.50
9 years and 1 day to 10 years	103,098.50	40%	41,239.40
10 years above	247,848.70	50%	123,924.35
TOTAL			259,634.30

5. Inventories

This account consists of the following:

	2020	2019
Merchandise Inventory	-0-	-0-
Office Supplies Inventory	118,386.67	109,894.38
Accountable Forms Inventory	96,603.08	178,480.39
Non-Accountable Forms Inventory	38,730.47	33,339.68
Semi-Expendable Office Equipment	-0-	-0-
Chemical and Filtering Supplies Inventory	152,250.00	210,250.00
Construction Materials Inventory	-0-	-0-
Supplies and Materials for Water Systems Operations	3,033,008.87	2,821,595.40
Total Inventories	P 3,438,979.09	P 3,353,559.85

5.1 Office Supplies Inventory (1-04-04-010)- refers to the office supplies held for consumption.

- 5.2 **Accountable Forms Inventory (1-04-04-020)**- composed of Commercial Checks, Official Receipts, Provisional Receipts, Statement of Account and Notice of Disconnection.
- 5.3 **Non-Accountable Forms Inventory (1-04-04-030)**- composed of Printed Forms for office use.
- 5.4 **Chemical and Filtering Supplies Inventory (1-04-04-120)**- composed of Poly Aluminum Chloride, a chemical used for Coagulation process in the Water Treatment Plant operations.
- 5.5 **Supplies and Materials for Water Systems Operations (1-04-04-220)**- composed of service connection materials, water meters, pipes, fittings and other materials for distribution lines.

	2020	2019
Service Connection Materials	1,027,990.05	1,023,289.08
Construction Materials Inventory	2,005,018.82	1,798,306.32
Total Inventories	P 3,033,008.87	2,821,595.40

6. Other Current Assets

This account is composed of the following:

	2020	2019
Prepayments		
a. Prepaid Insurance	P 70,103.31	P 56,333.03
b. Other Prepayments and Deposits	52,000.01	65,000.00
Guaranty Deposits	80,551.00	80,551.00
Total	P 202,654.32	P 201,884.03

- 6.1 **Prepaid Insurance (1-99-02-050)** represents the Prepaid Property Insurance paid to GSIS for the period November 09, 2020 to November 09, 2021.
- 6.2 **Other Prepayments and Deposits (1-99-02-990)** represents the Prepaid Lease of fishpond near the Caloocan Sur WTP used as sludge drying area and Real Property Taxes.
- 6.3 **Guaranty Deposits (1-99-03-020)** represents the deposit posted to DPWH for the excavation of road pavements for pipe laying activities.

7. Other Investments

7.1 Sinking Fund

8. Receivables-Non-Current

Receivership and Liquidation Receivable represents the Foreclosed deposit of a Savings Account from People's Rural Bank of Binmaley which is under PDIC Receivership.

9. Property, Plant And Equipment

This account consists of the following:

2020 Property, Plant, and Equipment			
PPE Item	Cost	Accumulated Depreciation	Net Book Value
Land	P 13,806,362.79	P -	P 13,806,362.79
Land Improvements	29,580.00	26,622.00	2,958.00
Infrastructure Assets	69,664,487.26	24,110,527.91	45,553,959.35
Buildings	3,779,140.93	1,660,146.72	2,118,994.21
Water Plant, Structures & Improvements	209,497,911.97	46,633,084.85	162,864,827.12
Leased Assets Improvements	-	-	-
Machinery and Equipment	23,548,439.52	10,983,825.78	12,564,613.74
a. Office Equipment	595,129.00	421,418.40	173,710.60
b. IT Equipment	2,076,753.00	1,427,764.32	648,988.68
c. Other Machinery and Equipment	20,876,557.52	9,134,643.06	11,741,914.46
Motor Vehicles	2,684,068.87	2,157,281.06	526,787.81
Furnitures and Fixtures	261,581.06	195,822.95	65,758.11
Leased Assets Improvements	-	-	-
Other PPEs	-	-	-
CIP- Buildings and Other Structures	10,350,000.00	-	10,350,000.00
Total	P 333,621,572.40	P 85,767,311.27	P 247,854,261.13

Composition of Land Account:

	Particulars	Location	Amount	Remarks
1	Parcel of land 288 sq. meters	Amancoro	179,000.00	TCT No. 026-2019006324
2	Parcel of Land 420 sq. meters	Papagueyan	124,915.85	TD No. 19790
3	Parcel of Land 100 sq. meters	Tombor	68,348.96	TD No. 25963
4	Parcel of Land 832 sq. meters	Caloocan Sur	510,803.00	TCT No. 026-2017003268
5	Parcel of Land 4,087 sq. meters	Caloocan Sur	2,509,197.00	TCT No. 026-2017003267
6	Parcel of Land 11,509 sq. meters	Biec	2,815,672.04	TD No. 13-14-008-02-005

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7	Parcel of Land 100 sq. meters	Naguilayan	212,505.76	TD No. 25542
8	Parcel of Land 340 sq. meters	San Isidro Norte	897,352.00	TCT No. 026-2016001398
9	Parcel of Land 100 sq. meters	Gayaman	358,700.00	Deed of Absolute Sale
10	Parcel of Land 100 sq. meters	Basing	248,619.90	TCT No. 026-2014002822
11	Parcel of Land 309 sq. meters	Luna St.	1,944,594.84	TD No. 21057
12	Parcel of Land 221 sq. meters	Balagan	266,653.44	TD Nos. 593 and 337
13	Parcel of Land 500 sq. meters	Linoc	750,000.00	"Contract to Sell"
14	Parcel of Land 200 sq. meters	Naguilayan	1,600,00.00	"Deed of Donation"
15	Parcel of Land 40 sq. meters	Naguilayan	320,000.00	"Deed of Absolute Sale"
16	Parcel of Land 200 sq. meters	Nagpalangan	1,000,000.00	"Deed of Sale of a Portion of Land"

10. Intangible Assets

10.1 Computer Software (1-08-01-020) represents the Software used for the Billing and Collection System.

10.2 Other Intangible Assets (1-08-01-990) represents the cost of archiving of data.

11. Other Non- Current Assets

11.1 Restricted Funds (1-99-04-010) represents Bank Deposits of Trust Liability Accounts such as Customers' Deposit and employees refund of Disallowance pending the decision of the Appeal filed to COA Commission Proper. Included in this account also is the Joint Savings Account of the Water District and the Local Water Utilities Administration as "Reserves" for utilization as needed.

	Savings Account	Amount
11.1.1	LBP High Yield Savings Account No. 2421-1519-73	P 7,110,349.32
11.1.2	LBP Savings Account No. 2421-1626-06	182,101.84
11.1.3	LBP Savings Account No. 2421-1640-64	3,566,206.24
11.1.4	LBP Savings Account No. 2421-0042-45	3,133,426.72
TOTAL		P 13,992,084.12

12. Accounts Payable (2-01-01-010)

This account represents Trade Payables to suppliers.

Accrued Expenses	P874,173.02
Mabuhay Vinyl Corporation	108,500.00
Jennifer Dalmacio (Linoc lot)	147,836.00
TOTAL	P1,130,509.02

13. Due to Officers and Employees (2-01-01-020)

This account represents amounts due to employees (e.g. Overtime).

14. Inter-Agency Payables

This account consists of the following:

	2020	2019
Due to BIR	P541,157.82	P 274,706.25
Due to GSIS	364,446.67	296,433.73
Due to Pag-IBIG	63,191.21	40,643.06
Due to Philhealth	21,816.32	19,499.20
TOTAL	P 990,612.02	P 631,282.24

15. Trust Liabilities

This account is composed of the following:

	2020	2019
Customers' Deposit	P 7,082,818.40	P 6,770,544.80

15.1 Customers' Deposit (2-04-01-050) represents the amount deposited by customers before the extension of any service connection as a security of payment for subsequent bills, otherwise known as guarantee deposit.

16. Leave Benefits Payable

This account is used to recognize accrual of money value of the earned leave credits of government personnel. Debit this account for monetization of earned leave and payment of terminal leave benefits.

17. GOVERNMENT EQUITY

This refers to the difference between the utility's assets and liabilities at the time the District assumed control over the operations of the utility.

18. PRIOR PERIOD ADJUSTMENTS ON RETAINED EARNINGS

Debits:

- a. Payment of Accrued Expenses 2019-----P479,407.90
- b. PAWD Annual Dues 2018-2019----- 33,278.00
- c. Leave Credits Adjustments of Employees hired before 1992----- 440,239.75
- d. Adjustment on Intangible Asset (ISO Certification)----- 133,041.18

Credits:

- a. Adjustment on Allowance for impairment of A/R----- P 14,616.50

- b. Adjustment of Motor Vehicles----- 19,341.00
c. Set up of Receivables-Disallowance/Charge----- 1,559,521.50

19. WATERWORKS SYSTEM FEES

Income from operation- Metered Sales to Concessioners.

125-1	P14,717,120.91
125-2	10,560,083.24
125-3	23,971,048.86
125-4	9,311,626.61
125-5	5,145,601.02
TOTAL	P63,705,480.64

20. INTEREST INCOME

This represents the interest income earned from LBP bank deposits.

21. FINES AND PENALTIES-BUSINESS INCOME

This income account is used to recognize the Fines and Penalties charged to concessioners 10% of their water bill account if not paid on or before the due date.

125-1	P419,024.90
125-2	324,105.65
125-3	847,273.45
125-4	390,364.15
125-5	212,886.65
TOTAL	P2,112,654.80

22. OTHER BUSINESS INCOME

This refers to fees collected such as application fee, tapping fee, inspection fee, reconnection fee, transfer fee and other service fees.

Registration Fees	P15,650.00
Inspection Fees	53,750.00
Tapping Fees	59,250.00
Road crossing Fees	27,900.00
Reconnection Fees	50,600.00
Transfer Fees	57,600.00
Change Meter/ Change Ball Valve/Change Name	22,625.00
Mark-up cost on sale of Service Connection Materials	273,275.07
TOTAL OTHER BUSINESS INCOME	P560,650.07

23. INCOME FROM GRANTS AND DONATIONS IN KIND

This refers to the parcel of land 200 square meters valued at P8,000.00/square meters donated by CASA MIRA REALTY located at Brgy. Naguilayan, Binmaley, Pangasinan. This lot is intended as the proposed site for the construction of 500 cubic meter capacity Ground Reservoir.

24. OTHER BONUSES AND ALLOWANCES

Productivity Bonus	P68,000.00
2019 Performance Based Bonus (PBB)	512,361.65
Performance Enhancement Incentive (PEI)	191,500.00
Service Recognition Incentive (SRI)	380,000.00
Meal Allowance (Jan-August 2020)	451,800.00
CNA Incentive	829,166.67
TOTAL OTHER BONUSES & ALLOWANCES	P2,432,828.32

25. OTHER PERSONNEL BENEFITS

Retirement Benefit (JD delos Santos MV Gonzalo)	P290,416.67
Laboratory Fees (Employees and BODs)	73,444.00
Token for Loyalty Awardees	31,037.75
TOTAL OTHER PERSONNEL BENEFITS	P394,898.42

26. CHEMICAL AND FILTERING SUPPLIES EXPENSES

This expense account represents the chemicals used for water treatment and disinfection.

Poly Aluminum Chloride	P2,396,160.00
Sodium Hypochlorite	2,668,000.00
TOTAL	P5,064,160.00

27. GENERATION, TRANSMISSION AND DISTRIBUTION EXPENSES

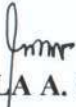
This expense represents the Power and Fuel costs for pumping it also include the cost of water sampling analyses for Bacteriological Testing and Physical-Chemical Testing.

Power Cost for Pumping	P12,663,957.98
Fuel Cost for Pumping	362,738.35
Water Sampling Expenses	58,800.00
TOTAL	P13,085,496.33

28. OTHER PROFESSIONAL SERVICES

Fees for Board Secretary	P41,000.00
Computer Maintenance Specialist	72,000.00
Website Developer	24,000.00
Professional Electrical Engr. Fee	8,000.00
Notarial Fees	11,150.00
Other Professional Fees	12,250.00
OGCC Corporate Counsel	42,000.00
TOTAL	P210,400.00


Prepared by:


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Certified Correct by:


MANUELA D. DE VERA
Division Manager B

Approved by:


JUAN T. CASTRO
General Manager B