



Republic of the Philippines  
**GENERAL SANTOS CITY WATER DISTRICT**  
E. Fernandez St., Brgy. Lagao, General Santos City  
Telephone No.: 552-3824; Telefax No.: 553-4960  
Email Address: gscwaterdistrict@yahoo.com

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

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

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


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



ENGR. MANUEL FORTUNATO D. YAPHOCKUN  
Chairman of the Board

Jan. 17, 2020

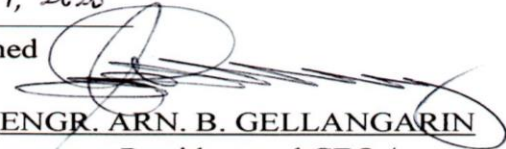
Date Signed



JULINCRIS M. UCAT  
Chief, Comptroller

January 17, 2020

Date Signed



ENGR. ARN. B. GELLANGARIN  
President and CEO /  
Authorized Representative

Jan. 17, 2020

Date Signed

**General Santos City Water District**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2019**

**1.0 Agency Background**

The General Santos City Water District was organized through Board Resolution No. 116, as amended by Board Resolution No. 224 series of 1987 dated August 21, 1987 of the Sangguniang Panlungsod, General Santos City. On November 29, 1988, the Certificate of Conditional Conformance No. 370 was issued by Local Water Utilities Administration to formalize the establishment of General Santos City Water District.

The WD's mandate is contained in Presidential Decree No. 198 as amended by PD Nos. 768 and 1479, otherwise known as the "Provincial Water Utilities Act of 1973", declaring a national policy favoring local operation and control of Water Systems; authorizing the formation of Local Water District and providing for the government and administration of such districts.

Sec. 5 of Title II of PD 198, the purposes of forming local water district include the following:

1. Acquiring, installing, improving, maintaining and operating water supply and distribution systems for domestic, industrial, municipal and agricultural uses for residents and lands within the boundaries of such districts,
2. Providing, maintaining and operating wastewater collection, treatment and disposal facilities, and
3. Conducting such other functions and operations incidental to water resources development, utilization and disposal within such districts, as are necessary or incidental to said purpose.

**Board of Directors**

The powers, privileges and duties of the District are exercised and performed by and through the Board of Directors, as the policy-making body composed of the following:

Chairman	-	Engr. Manuel Fortunato D. Yaphockun
Vice Chairman	-	Dr. Francisco N. Lorenzo
Secretary	-	Ms. Marjorie B. Cartojano
Treasurer	-	Atty. Rabmor Thomas T. Bartolome
P.I.O.	-	Mr. Isaias L. Golez

The operation of the District is headed by General Manager, Engr. Arn B. Gellangarin and its one hundred sixty-four (164) permanent employees, fifty-seven (57) casual, and

twenty-three (23) job order. The General Manager, subject to the approval of the Board, has full supervision and control over the maintenance, operation, and construction of water supply and administrative facilities of the district with full power and authority to exercise management prerogatives. In the quest for further improvements in terms of service quality, the District has obtained the ISO 9001:2015 accreditation on March 07, 2018. The Department of Health (DOH) has granted the district a certificate of accreditation for bacteriological and physical analysis with Accreditation No. 12-0001-17-LW-1. A Certificate of Proficiency was then issued annually for the excellent performance in the proficiency scheme for water microbiological testing laboratory. The district also received plaque of recognition for being one of the first local water district to join the eFOI Portal and for its exceptional and significant contribution to the Freedom of Information Program's progress and development. Also, the District was recognized as "Program to Institutionalize Meritocracy and Excellence in Human Resource Management (PRIME-HRM)" Bronze Awardee as per CSC Resolution No.1801157. This actually shows that our agency has fully met the national level enhanced PRIME-HRM Maturity Level II standards of the four (4) core Human Resource areas.

During the year 2019, the district also garnered many awards and achievements. GSCWD was compliant as per ISO Surveillance Audit and also was awarded as the CSC Sportsfest Over-All Champion 2019 and the Best Publication – First Prize Magazine Category.

Being classified as "Category A", GSCWD has 50,632 active service connections and serves an estimated population of 253,160 as of December 31, 2019.

## **2.0 Summary of Significant Accounting Policies**

### **2.1 Basis of Financial Statement Preparation**

General Santos City Water District has adopted the Philippine Financial Reporting Standards (PFRS). Corollary thereto, it observes the reportorial requirements of regulatory agencies such as the Commercial Practices Systems (CPS), an accounting system prescribed by the Local Water Utilities Administration (LWUA).

LWUA issued Memorandum Circular No. 003-08, dated June 16, 2008, prescribing the use of the CPS-NGAS Modified Chart of Accounts to facilitate the implementation of a unified accounting system that conforms to both NGAS and LWUA's regulatory and reportorial requirements. Understandably both CPS and NGAS, as their names connote, are accounting systems needing the further guidance of standards prescribed under the PFRS.

Subsequently, the District adopts the Revised Chart of Account for Government Corporations under COA Circular No. 2015-010 dated December 01, 2015.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. These financial statements have been prepared in the historical cost basis, except for the revaluation of certain financial assets, property, plant and equipment and investment property in pursuant to COA regulations. The measurement bases are more fully described in the accounting policies that follow.

## 2.2 Basis of Recording

The District uses the calendar year for its financial reporting and adopts the accrual method of accounting. All expenses are recognized when incurred and reported in the financial statements in the period to which they relate. Income is on accrual basis except transactions where accrual basis is impractical or when law requires other methods.

## 2.3 Monetary Denomination Used

These financial statements are presented in Philippine pesos, the District's functional currency, and all values represent absolute amounts except when otherwise indicated.

## **3.0 Cash and Cash Equivalents and International Reserves**

Cash includes cash on hand and cash in banks (local currency). Cash is valued at face value. It includes undeposited collections, petty cash and cash on collecting officers/change funds. Office collections are deposited intact the following banking day. Deposits in banks are available for general expenditures incurred in operations. Reserve funds are set aside for specific purposes such as Debt Service Reserve, Operation and Maintenance Reserve, and Capital Reserve for expansion.

Petty Cash Fund are maintained under the Imprest System. All replenishments are directly charged to appropriate expense account. The fund shall be sufficient for the nonrecurring, emergency, and petty expenses.

This includes the following:

Particulars	2019	2018
Cash - Collecting Officers	854,769.36	824,194.92
Petty Cash Fund	20,000.00	20,000.00
Cash in Bank - LBP Current Account	351,061.13	350,576.63
Cash in Bank - DBP Current Account (0925-006982-030)	555,465.64	555,265.64
Cash in Bank - DBP Current Account New (0925-024593-030)	106,693,889.30	94,528,817.06
Cash in Bank - DBP - SMP (0925-028786-030)	209,852.14	2,876,634.15
Cash in Bank - Al Amanah Bank current account	9,317,202.34	7,048,081.87
Cash in Bank - Enterprise Bank Current Account	76,113.71	584,478.56
Cash in Bank - Eastwest Bank Current Account	64,848.27	552,096.19
Cash in Bank - Penbank Calumpang (07-100-000839-16)	486,475.61	2,550,331.22
Cash in Bank - Penbank Calumpang-ATA (4-200-001811-69)	10,000.00	10,000.00
Cash in Bank - Penbank-Santiago (4-100-003761-6-36)	925,284.63	3,325,432.18
Cash in Bank - Penbank-Santiago-ATA (7-100-000839-16)	10,000.00	10,000.00
Cash in Bank - PNB KCC Mall Collection	3,467,785.19	15,095,142.68
Cash in Bank - UCPB - Current	84,515.14	616,379.54
Cash in Bank - RBS	0.00	187,718.54
Cash in Bank - DBP Special Deposit	43,276,958.61	42,928,425.12
Cash in Bank - LBP Current Account Pioneer	4,371,985.29	17,190,688.75
<b>Total</b>	<b>170,776,206.36</b>	<b>189,254,263.05</b>

LBP current account amounting to P351,061.13 and DBP current account amounting to P555,465.64 were garnished by BIR on July, 2009 due to Tax Liability case.

DBP-SMP account consists of the grants from DENR-Environment Management Bureau Region XII for the Feasibility Study of Septage Management Program amounting to P3,347,800.00. The remaining amount of P209,852.14 represents the withholding tax portion of the project which was already remitted to BIR using DBP current account check.

The accounts from collecting banks (Al-Amanah, UCPB, Enterprise, Eastwest, PNB KCC Mall, Penbank-Calumpang, Penbank-Santiago and LBP-New) were fund transferred to DBP Current Account for the payments of current operations. These banks are collecting payments of water bills from concessionaires.

Rural Bank of Subangdako (RBS) was declared closure in December 2008. GSCWD already paid by Philippine Deposit Insurance Corporation in the amount of P250,000 on January 26, 2010. The claim was deposited to DBP Current account. The remaining amount of P187,718.54 was credited as a loss due to bankruptcy as per COA recommendation.

DBP Special Savings Account represents the 3% of water sales which is mandatory policy to set up reserve for payments of loans, rehabilitation of water sources and systems in case of calamity, and for expansion of water services. This includes interest income and P8,400,000 as hold-out account due to DBP loan availments.

#### 4.0 Receivables

Receivables are stated at face value, less allowance for impairment accounts. Allowance for probable losses is set up at a level to provide for potential receivables, the collection of which is considered remote.

Periodic evaluation of accounts is conducted to identify, those requiring sufficient level of allowance and determine proper level thereof.

As per PAS 39, the carrying amount of the asset shall be reduced either directly or through the use of an allowance account.

This includes the following:

Particulars	2019	2018
Accounts Receivable - Customers	56,514,615.25	49,296,940.55
Less: Allowance for Impairment-Accounts Receivable	-11,277,073.11	-7,357,021.80
Accounts Receivable, net	45,237,542.14	41,939,918.75
Accounts Receivable - Materials	-1,019,939.50	-625,706.15
Loans Receivables-Others (Motorcycle)	67,396.00	135,052.00
Advances to Officers and Employees	21,481.30	56,780.23
Receivables-Disallowances/Charges	82,357.27	148,957.27
Other Receivables	1,164,698.64	1,035,435.42
<b>Total</b>	<b>45,553,535.85</b>	<b>42,690,437.52</b>

The Accounts Receivable-Customers includes all amounts due on open accounts arising from services rendered to customers for water sales and incidental services. Any advance payments made by concessionaires was recognized as unearned revenue under Customer's Deposit Payable account. The negative balance of the Accounts Receivable – Materials is still subject for reconciliation. The District still continues to exert effort so that balances between SL and GL will be kept reconciled. Reconciliations shall then be adjusted accordingly when done.

Additional provisions for the Allowance for Impairment-Accounts Receivable include from years 2010 (P647,428.85), 2011 (P687,546.90), 2012 (P744,480.74), 2013 (P1,002,240.36), 2014 (P257,589.08), 2015 (P284,834.93), 2016 (P301,514.06), 2017 (P1,608,376.23), 2018 (P1,823,010.65); and 2019 (P3,920,051.31).

Receivables-Disallowances/Charges amounting to P82,357.27 is the remaining balance from P589,286.70 as per ND No.2013-003-101(12) dated September 09, 2013.

Loans Receivables - Motorcycle are loans granted to meter readers and field maintenance worker.

Other Receivables also include materials borrowed by other water districts.

## 5.0 Inventories

Inventories are stated at cost which includes purchase price, import duties and taxes, freight, handling and other costs directly attributable to the acquisition of finished goods, materials and services as well as other costs incurred in bringing the inventories to their present location and condition.

Cost of ending inventory of supplies and materials is computed using the moving average method. A physical count is undertaken at least twice a year.

Inventories include assets held for transfer and for consumption in the normal course of operations. Inventories of the District include materials and supplies that are kept in stock for future use in operations. These are grouped into office supplies, accountable forms, laboratory, construction materials, and other supplies inventory.

Purchase of supplies and materials for stock, regardless of whether or not they are consumed within the accounting period, shall be recorded as inventory following the perpetual inventory method.

This includes the following:

Particulars	2019	2018
Office Supplies Inventory	1,430,033.54	1,238,375.76
Accountable Forms, Plates and Stickers Inventory	1,669,970.00	2,322,540.00
Medical, Dental and Laboratory Supplies Inventory	2,139,543.32	1,733,732.63
Other Supplies and Materials Inventory	85,358.60	74,248.60
Construction Materials Inventory	41,240,560.86	28,012,578.07
Other Inventories		
<b>Total</b>	<b>46,565,466.32</b>	<b>33,381,475.06</b>

The automation of Total Works Management System (TWMS) is still on process. Inventory Management Committee has already coordinated with MIS to set-up separate data base for warehouse (Stock Card) and Accounting (Bin Card) for the monthly reconciliation of accounts. Necessary adjustment/correction to arrive at the correct balances for the fair presentation of inventory accounts shall be made when TWMS has been totally set-up.

## 6.0 Prepayments

Prepaid Rent amounting to P46,600.00 represents the advance payment for lot equivalent to three years and 7 months rental in Vineyard Agrarian Reform Beneficiaries Cooperative (VARBC) for the purpose of drilling well, construction of pump house and ground reservoir for the operation of water system in Barangay San Jose and Fatima areas.

## 7.0 Property, Plant and Equipment

Property, plant, and equipment, except land, are stated at cost less accumulated depreciation and amortization and any impairment in value. Land is stated at cost less impairment in value, if any.

### *Initial recognition*

The initial cost of property, plant, and equipment comprises its purchase price, including import duties, taxes, and any directly attributable costs of bringing the property, plant and equipment to its working condition and location for its intended use, including capitalized borrowing costs incurred during the construction period.

### *Subsequent recognition*

Expenditures incurred after the property, plant, and equipment have been put into operation, such as repairs and maintenance, are normally charged to Maintenance and Other Operating Expenses (MOOE) in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its original assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

### *Depreciation*

In the computation of depreciation for property, plant, and equipment (PPE), the following provisions in COA Circular No. ZbOI-007 dated December 11, 2003:

The straight line method of computing depreciation for government property, plant and equipment (PPE) was adopted'.

A residual value equivalent to ten percent (10%) of the acquisition cost/appraisal value was deducted before dividing the same by the Estimated Useful Life.

The estimated useful life is based on the LWUA's Commercial Practices Manual and COA guidelines.

### *Derecognition*

When assets are sold and retired, their cost and accumulated depreciation and amortization are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of income and expenses.



This account includes the following:

Particulars	2019	2018
Land	58,745,095.95	56,247,249.20
Land Improvements	8,310,495.57	8,310,495.57
Water Supply Systems	774,693,920.88	735,398,225.66
Buildings	17,996,019.34	17,996,019.34
Other Structures - Bodega	3,919,540.87	3,919,540.87
Office Equipment	4,351,606.00	3,758,319.75
Information and Communication Technology Equipment	25,085,714.98	22,890,459.98
Medical Equipment	2,075,578.20	2,075,578.20
Other Machinery and Equipment	18,511,074.25	15,938,467.28
Motor Vehicles	25,417,349.35	21,824,349.35
Furniture and Fixtures	2,391,222.69	2,256,902.69
Electrification/Energy Structures (Power Supply System)	359,342.88	
<b>Total</b>	<b>941,856,960.96</b>	<b>890,615,607.89</b>
Less: Accumulated Depreciation	431,617,624.88	386,874,710.98
<b>Total</b>	<b>510,239,336.08</b>	<b>503,740,896.91</b>

#### Accumulated Depreciation

Particulars	2019	2018
Land Improvements	2,721,843.27	1,959,455.26
Water Supply Systems	374,733,543.17	341,503,662.43
Buildings	6,593,413.65	5,783,592.81
Other Structures	1,108,411.58	916,072.16
Office Equipment	2,291,160.74	1,640,517.84
Information and Communication Technology Equipment	20,561,501.38	16,544,832.82
Medical Equipment	1,307,803.88	1,143,930.93
Other Machinery and Equipment	10,338,583.45	8,463,255.18
Motor Vehicles	10,784,931.55	7,948,374.45
Furniture and Fixtures	1,160,261.79	971,017.10
Power Supply System	16,170.42	
<b>Total</b>	<b>431,617,624.88</b>	<b>386,874,710.98</b>

## 8.0 Construction in Progress

Construction in-progress is stated at cost. While the construction is in progress, project costs are accrued based on the contractors' accomplishment reports and billings. These represent costs incurred for technical services and capital works program contracted by the System to facilitate the implementation of the project. While the construction of the project is in progress, no provision for depreciation is recognized.

For assets under construction, the Construction Period Theory shall be applied for costing purposes. Liquidated damages charged and paid for by the contractor shall be deducted from the total cost of the assets.

Construction in-progress is transferred to the related Property, Plant and Equipment account when the construction or installation and related activities necessary to prepare the property, plant and equipment for their intended use have been completed, and the property, plant and equipment are ready for service.

Construction in progress is not depreciated until such time that the relevant assets are in the location and condition necessary for it to be capable of operating in the manner intended by management.

Any related expenses incurred during the construction of the project, such as license fees, permit fee, clearance fees, etc. shall be capitalized.

When property, plant, and equipment is retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and accumulated impairment, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

This consists of the following:

Particulars	2019
Pipe replacement/pipe rehabilitation	292,243.60
Pressure reducing and sustaining valve	650,232.31
Pipeline expansion	206,925.39
Pressure reducing and sustaining valve	4,524,697.01
1000 cu.m. cylindrical steel tank	4,509,656.84
1000 cu.m. cylindrical steel tank	1,124,940.19
45cu.m. elevated steel tank in VARBC pumping station	127,083.15
45cu.m. elevated steel tank in VARBC pumping station	720,137.85
Brand new ultrasonic flowmeter	873,796.74
Pumphouse building and perimeter fence	87,944.95
3-Phase powerline including trans. & metering accessories Cal. & Co	1,453,863.80
1,000 cu.m. cylindrical steel ground reservoir-Templado lot	66,460.91
Warehouse office renovation	16,396.30
Tools & equipment room at motorpool	185,138.70
Warehouse-Udagre (realignment of warehouse)	1,175,711.78
Additional water source at MSU campus	6,505,409.70
Pump house building and perimeter fence Well #20 Calumpang	3,170,519.12
1,000 cu.m. ground steel tank, Well No. 20, Calumpang	5,823,441.25
Pipe replacement/pipe rehabilitation	2,916,030.67
Service expansion	10,042,133.40
Installation of pressure reducing and sustaining valve	423,905.00
Booster pump house	2,201,220.00
Steel pipe bridge crossing in Silway bridge	4,385,094.90
Data logger	5,852.75
Rehabilitation and enhancement of old DMA's	60,917.38
Bypass line in PS #6 Roca subdivision	428,358.44
Bypass line in PS #9, Bliss site	2,460.00
Power House	544,000.00
250 KVA alternator winding supply and installation	65,000.00
Distribution transformers	11,525.00
Computer Software	385,000.00
<b>Total</b>	<b>52,986,097.13</b>

Particulars	2018
Installation of 300mm Transmission in Brgy. San Jose - VARBC	Php 7,708,429.08
Pipe Replacement/Pipe Rehabilitation	292,243.60
Pressure Reducing and Sustaining Valve	857,157.70
Pipeline Expansion	4,524,697.01
Construction of 1000 cu.m. Cylindrical Steel Tank	5,634,597.03
45 cu.m. Elevated Steel Tank in VARBC Pumping Station	847,221.00
300mm Transmission Pipeline From New Mabuhay to Dacera	4,099,380.66
Bridge or Steel Pipe Crossing	5,486,726.21
Brand New Ultrasonic Flowmeter	873,796.74
Pump House Building in Brgy. Conel	3,987,657.01
Pump House Building and Perimeter Fence	87,944.95
3-Phase Power line including Transmission & Metering Accessory	1,453,863.80
Exploratory Well Construction, Pump House #19, Cylindrical Steel	5,148,315.58
1000 cu.m Cylindrical Steel Ground Reservoir in Templado Lot	66,460.91
<b>Total</b>	<b>Php 41,068,491.28</b>

## 9.0 Other Assets

These consist of furniture, fixtures and equipment that are already fully depreciated with 10% salvage value. These are classified into serviceable and unserviceable assets. The serviceable assets are those fully depreciated but still used by the District and the unserviceable are those waiting for disposal.

This account is composed of the following:

Particulars	2019	2018
Other Assets- Serviceable	8,380,230.62	8,473,715.51
Other Assets- Unserviceable	613,841.72	644,400.22
<b>Total</b>	<b>Php 8,994,072.34</b>	<b>Php 9,118,115.73</b>

Other Assets account shall be adjusted when the automation of Total Works Management System (TWMS) is finalized. Inventory Management Committee has already coordinated with MIS for proper recording. When done, corresponding adjustment shall be made.

## 10.0 Current Liabilities

This consists of the following accounts:

Particulars	2019	2018
Accounts Payable	14,865,989.28	20,922,992.93
Notes Payable-DBP Current Portion	35,208,118.00	35,208,118.68
Notes Payable-AI-Amanah Current Portion	7,300,000.00	7,299,999.96
Due to Officers and Employees	19,129,575.50	15,252,279.25
Due to BIR	-27,160.43	(27,160.43)
Due to GSIS	1,003.05	347.47
Due to Pag-IBIG	0.00	100.00
Due to Philhealth	0.00	0.04
Guaranty/Security Deposits Payable	339,604.50	798,544.50
Other Deferred Credits	1,924,542.34	3,465,608.93
Unearned Income	553,161.56	3,347,800.00
Other Payables	31,462.84	31,462.84
<b>Total</b>	<b>Php 79,326,296.64</b>	<b>Php 86,300,094.17</b>

**Accounts Payable** represents the following unpaid balances:

Items		
Softwater Billing System (INFOMAX)		121,000.00
Labor from Disconnectors & Reconnectors		945,864.57
Notarization of New Service Applications		34,601.00
Other Accounts Payable for 2019 Capital Expenditures		4,516,520.00
Other Accounts Payable for Procurement of Goods		7,382,725.25
10% Retention from various suppliers:		
Crystalla Glass Art Gallery Enterprises	781,140.00	
Waterkonsult Equipment & Services	217,700.90	
Fil Power Group & Marketing Corporation	329,300.00	
East Asia Solutions Technologies Corporation	117,919.78	
LHE Construction & Industrial Services, Inc.	164,601.78	
Grandcanyon Multiholdings, Inc.	10,580.00	
GS Ferrolino Construction & Supply	66,400.00	
Philippine Valve Mfg., Co.	169,000.00	
EESI Material & Controls Corporation	7,436.00	
Jigzpi Original Apparel	1,200.00	1,865,278.46
<b>Total</b>		<b>Php 14,865,989.28</b>

**Due to Officers and Employees** represents the monetary value of leave credits of employees less the monetized portion of the total leave credits of each employee.

The debit balance of **Due to BIR** account amounting to P27,160.43 is composed of tax withheld from suppliers which already remitted to BIR but check payments were not claimed by the suppliers.

PARTICULARS	AMOUNT
a.) Tax withheld from full payment of billing and collection program rendered by INFOMAX with JEV#07-12-2867 & DV#07-12-1467 dated December 26, 2007;	24,200.00

b.) Tax withheld from Monark Equipment for repair of oil leaks of CAT 3306 generating set in Pumping Station No.6 as per JEV# 13-06-1928 dated June 3, 2013;	1,809.81
c.) Tax withheld from various suppliers which were remain unclaimed and thus, became stale checks.	<u>1,150.62</u>
<b>TOTAL</b>	<b><u>P 27,160.43</u></b>

The current portion of Loans Payable which is due to be settled within twelve (12) months after the reporting date is P35,208,118.00 and P7,300,000.00 for Development Bank of the Philippines and Al-Amanah Islamic Bank, respectively.

**Other Payables** consist of the following:

- a) Guarantee/Security Deposits of P339,604.50 represents the bid securities deposited/paid by the project bidders.
- b) Customers' Deposits totaled to P553,161.56 were voluntarily paid in advance by the concessionaires in payments for their water consumptions.
- c) Other Deferred Credits of P1,924,542.34 is the amount already paid by subdivision owners (Brixton Homes, Viviene Heights Subdivision, Agan Land-Lagao, Agan Land-Greenville, and Lacewood Subdivision) for the construction of pipeline expansions. Such pipeline expansion projects are still to be constructed in the future.
- d) Other Payables in the amount of P31,462.84 represents transactions before 2003 which is subject for reconciliation.

### 11.0 Loans Payable –Domestic (Long Term)

These loans were refinanced by Development Bank of the Philippines and Al-Amanah Islamic Bank from Local Water Utilities Administration on November 16, 2011. Development Bank of the Philippines offered 9.2% per annum interest rate which is lower by 3.3% compared to LWUA interest of 12.5% per annum. Additional Loan was granted by DBP on year 2017 amounting to P85 million bearing an interest rate of 5.33% (PN 2017-043 amounting to P33,000,000 and PN 2017-044 amounting to P52,000,000). During the grant of additional loan, the interest from previous loan buy-out was reduced from 9.2% to 6.5% per annum.

Particulars	2019	2018
DBP (PN 2011-067)	23,953,395.05	50,084,371.05
DBP (PN 2017-043)	21,450,000.00	24,750,000.00
DBP (PN 2011-044)	37,556,826.64	43,333,968.64
Al-Amanah Islamic Bank	6,691,666.99	13,991,666.99
<b>Total</b>	<b>Php 89,651,888.68</b>	<b>Php 132,160,006.68</b>

## 12.0 Government Equity and Contributed Capital

This is composed of restricted/paid-in government capital, contributed capital, and the retained earnings account. Prior period adjustments are made to the beginning balance of retained earnings account.

The following are government and private water systems, and lots turned-over/donated to the district:

<b>Particulars</b>	<b>2019</b>
LGU Water Systems - 1989	Php 3,198,224.00
Rosario Village Subdiviison Phase I - August, 1991	1,396,420.00
Sarangani Homes Phase I - July, 1993	850,000.00
Doña Soledad Subd Phase I - October, 1993	3,058,677.00
Claudland - August 2005	261,521.84
<b>Total</b>	<b>Php 8,764,842.84</b>

Contributed Capital represents distribution lines for all turned-over subdivisions within the district's coverage area amounting to P42,866,149.28 as per JEV#12-02-0531 dated Feb. 28, 2012 and Well site locations amounting to P543,750.00 as per COA AOM GSC 2014-003 dated April 24, 2014 (JEV#14-09-2981). Additional contributed capital was donated by Prime Land Subdivision as per JEV# 17-09-3104 dated September 12, 2017 amounting to P200,000.00. Donated five parcels of land was also recorded as per COA AOM 19-03 (2018) dated February 1, 2019 with JEV#19-07-2750 dated July 31, 2019.

<b>Particulars</b>	<b>2019</b>
Alpine Ville Subdivision	Php 8,555,126.41
Las Villas Subdivision	2,691,099.14
Agan Home Phase 1 to 3	1,652,409.30
Malesido Homes P-3A to P-3B	4,975,882.66
Agan Centro Phase 1 and 2	3,560,414.20
Issabella Homes	3,737,941.62
Camella Homes	7,587,369.11
Agan Grandville Subdivision	2,079,784.68
Agan North Subdivision	1,669,756.78
Colinas Verdes (Sta. Luisa Subdivision)	6,107,492.02
Nuñez St., Riverside- Well#5	393,750.00
Nuñez St., Prk. Matatag- Well #1	150,000.00
Lislet Amri Grande	17,223.36
Maria Ana Liza	31,650.00
Prime Land Subdivision	200,000.00
Calumpang @ PS#9	185,779.40
Doña Soledad Well	373,635.00
Rosario Village Well	103,709.10
Sarangani Homes Well	624,435.00
Roca Subdivision @ PS#6	386,294.25
<b>Total</b>	<b>Php 45,083,752.03</b>

### 13.0 Income

This is composed of the following:

#### Business Income

<b>Particulars</b>	<b>2019</b>	<b>2018</b>
Waterworks System Fees		
Residential	Php 350,173,978.84	Php 317,044,673.56
Government	13,992,799.60	12,651,716.62
Commercial	68,357,832.40	59,551,331.25
Sales Discount	(647,324.36)	(642,789.27)
Other Business Income	8,015,188.61	8,900,617.97
Fines and Penalties	7,128,878.24	6,602,835.79
<b>Total</b>	<b>Php 447,021,353.33</b>	<b>Php 404,108,385.92</b>

#### Other Income

<b>Particulars</b>	<b>2019</b>	<b>2018</b>
Interest Income	Php 611,087.39	Php 511,656.97
Gain on Sale of Property, Plant and Equipment	0.00	688,093.00
<b>Total</b>	<b>Php 611,087.39</b>	<b>Php 1,199,749.97</b>

## 14.0 Expenses

This composed the following:

<b>Personal Services</b>			
<b>Particulars</b>		<b>2019</b>	<b>2018</b>
Salaries and Wages			
Salaries and Wages - Regular	Php	49,824,209.06	Php 44,007,188.92
Salaries and Wages - Casual/Contractual		6,785,783.56	10,410,779.62
Other Compensation			
PERA		4,916,116.80	4,472,039.74
Representation Allowance		936,000.00	891,000.00
Transportation Allowance		936,000.00	891,000.00
Clothing/Uniform Allowance		1,194,000.00	1,233,080.00
Productivity Incentive Allowance		34,950,786.98	27,345,179.25
Overtime and Night Pay		4,874,094.92	3,730,602.73
Year-End Bonus		14,446,215.00	12,524,654.90
Cash Gift		1,031,000.00	949,750.00
Provident/Welfare Fund Contributions		11,453,397.82	9,885,423.80
Other Bonuses & Allowance		31,962,211.20	39,562,798.78
Personnel Benefit Contributions			
Retirement and Life Insurance Premiums (GSIS)		6,792,252.93	5,921,698.01
Pag-IBIG Contributions		250,800.00	226,950.00
Philhealth Contributions		663,643.34	594,742.86
Employees Compensation Insurance Premiums		249,500.00	226,200.00
Longevity Pay		525,000.00	250,000.00
Other Personnel Benefits			
Terminal Leave Benefits		5,006,046.77	4,740,943.49
<b>Total</b>	<b>Php</b>	<b>176,797,058.38</b>	<b>Php 167,864,032.10</b>



### Maintenance and Other Operating Expenses

Particulars	2019	2018
Traveling Expenses	Php 1,881,734.36	Php 1,396,570.52
Training and Scholarship Expenses	1,296,185.29	1,747,920.40
Supplies and Materials Expenses		
Office Supplies Expenses	1,664,766.60	1,839,715.95
Accountable Forms Expenses	597,690.00	468,320.00
Medical, Dental and Laboratory Supplies Expenses	3,360,677.11	3,252,999.01
Fuel, Oil and Lubricants Expenses	5,441,094.89	4,494,934.15
Utility Expenses		
Electricity Expenses	69,350,162.12	63,925,852.53
Communication Expenses		
Postage and Courier Services	42,121.43	29,722.98
Telephone Expenses	685,177.23	818,026.80
Internet Subscription Expenses	788,951.18	539,985.11
Extraordinary and Miscellaneous Expenses	14,188,190.52	9,342,072.60
Professional Services		
Legal Services	66,777.78	47,238.89
Auditing Services		
General Services		
Security Services	4,263,745.01	4,153,179.71
Other Professional Services	206,000.00	6,000.00
Repairs and Maintenance		
Repairs and Maintenance - Land Improvements	296,347.25	91,170.00
Repairs and Maintenance - Infrastructure Assets	20,886,513.88	15,162,675.82
Repairs and Maintenance - Buildings and Other Structure	504,652.11	288,353.34
Repairs and Maintenance - Machinery and Equipment	1,722,560.72	1,607,080.66
Repairs and Maintenance - Transportation Equipment	1,255,479.23	888,471.30
Repairs and Maintenance - Office Equipment	167,462.00	14,864.95
Repairs and Maintenance - ICT Equipment	122,016.75	59,125.00
Repairs and Maintenance - Medical Equipment	80,339.75	96,766.00
Repairs and Maintenance - Furniture and Fixtures	40,360.00	17,960.00
Taxes, Duties and Licenses	8,877,485.25	6,996,178.71
Insurance Expenses	861,431.03	940,781.78
Advertising, Promotional and Marketing Expenses	2,209,360.10	2,912,106.26
Representation Expenses	768,502.16	733,367.83
Rent/Lease Expenses	95,398.75	87,817.02
Membership Dues and Contributions to Organizations	131,995.00	152,316.17
Donations	292,720.60	2,010,000.20
Other Maintenance and Operating Expenses	4,898,699.13	4,038,508.96
Depreciation Expense		
Depreciation - Land Improvements	747,944.64	727,094.64
Depreciation - Infrastructure Assets	35,953,549.24	33,193,978.10
Depreciation - Buildings and Other Structures	986,200.20	958,239.65
Depreciation - Transportation Equipment	2,841,509.65	2,178,184.90
Depreciation - Machinery and Equipment	650,642.90	613,853.58
Depreciation - ICT Equipment	4,099,099.56	4,458,002.65
Depreciation - Communication Equipment	3,164.40	10,699.19
Depreciation - Other Machinery and Equipment	2,012,046.90	2,466,416.36
Depreciation - Medical Equipment	163,872.95	165,910.48
Depreciation - Furniture, Fixtures and Books	189,244.69	211,599.35
Impairment Loss - Loans and Receivable	3,966,048.01	1,823,010.65
<b>Total</b>	<b>Php 198,657,920.37</b>	<b>Php 174,967,072.20</b>

**Financial Expenses**

<b>Particulars</b>	<b>2019</b>		<b>2018</b>	
Interest Expense				
Development Bank of the Phil. (PN 2011-067)	Php	3,510,756.97	Php	5,020,993.27
Development Bank of the Phil. (PN 2017-043)		1,450,222.40		1,643,499.07
Development Bank of the Phil. (PN 2017-044)		2,557,550.53		2,818,323.71
Al-Amanah Islamic Bank (PN 2011-010)		1,238,296.75		1,740,327.64
<b>Total</b>	<b>Php</b>	<b>8,756,826.65</b>	<b>Php</b>	<b>11,223,143.69</b>