




Republic of the Philippines
GENERAL SANTOS CITY WATER DISTRICT
E. Fernandez St., Brgy. Lagao, General Santos City
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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, 2021, 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.

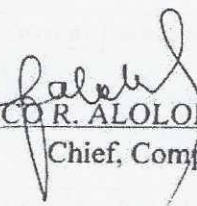
The Board of Directors reviews and approves the financial statements before such statements are issued to the regulators, creditors and other users.

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. YAPHOEKUN
Chairman of the Board

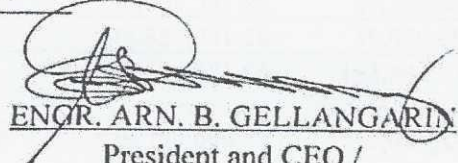
Jan. 18, 2022

Date Signed


FRANCISCO R. ALOLOD, JR., CPA, CESE
Chief, Comptroller

Jan. 18, 2022

Date Signed


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

January 18, 2022

Date Signed

GENERAL SANTOS CITY WATER DISTRICT

Statement of Financial Position

As of December 31, 2021

(With Comparative Figures for CY 2020)

In Philippine Peso

	NOTE	2021	2020
ASSETS			
Current Assets			
Cash and Cash Equivalents	3	139,189,877.79	153,565,115.45
Receivables	4	52,388,976.17	55,803,436.15
Inventories	5	77,727,962.60	79,456,094.18
Prepayments	6	21,850.00	34,600.00
Total Current Assets		269,328,666.56	288,859,245.78
Non-Current Assets			
Property, Plant and Equipment	7	587,173,224.99	559,809,016.26
Construction in Progress	8	38,832,806.20	32,341,326.66
Intangible Assets	9	275,916.61	352,916.65
Other Assets	10	11,301,508.37	8,988,787.34
Total Non-Current Assets		637,583,456.17	601,492,046.91
TOTAL ASSETS		906,912,122.73	890,351,292.69
LIABILITIES AND EQUITY			
Liabilities			
Current Liabilities			
Financial Liabilities	11	23,007,748.25	95,501,166.33
Inter-Agency Payables	12	5,836.66	(15,041.23)
Trust Liabilities	13	6,842,866.70	5,526,692.02
Deferred Credits/Unearned Revenue/Income	14	488,909.85	2,330,771.92
Provisions	15	26,904,766.46	-
Other Payables	16	31,462.84	31,462.84
Total Current Liabilities		57,281,590.76	103,375,051.88
Non-Current Liabilities			
Financial Liabilities	17	40,852,541.20	49,929,683.68
Total Non-Current Liabilities		40,852,541.20	49,929,683.68
Total Liabilities		98,134,131.96	153,304,735.56
Equity	18	808,777,990.77	737,046,557.13
TOTAL LIABILITIES AND EQUITY		906,912,122.73	890,351,292.69

(See accompanying Notes to Financial Statements)

GENERAL SANTOS CITY WATER DISTRICT
Statement of Comprehensive Income
For the Year Ended December 31, 2021
(With Comparative Figures for CY 2020)
In Philippine Peso

	NOTE	2021	2020
REVENUE/INCOME			
Business Income	19	475,259,680.38	457,236,321.11
Total Revenue		475,259,680.38	457,236,321.11
LESS: EXPENSES			
Personnel Services	20	195,746,449.18	187,110,187.44
Maintenance and Other Operating Expenses	21	148,498,212.78	140,141,778.53
Financial Expenses	22	3,834,838.39	6,372,253.00
Non-Cash Expenses	23	57,744,875.20	53,013,926.66
Total Expenses		405,824,375.55	386,638,145.63
PROFIT (LOSS)		69,435,304.83	70,598,175.48

(See accompanying Notes to Financial Statements)

GENERAL SANTOS CITY WATER DISTRICT
Statement of Changes in Equity
For the Year Ended December 31, 2021
(With Comparative Figures for CY 2020)
In Philippine Peso

	2021	2020
Government Equity, Beginning Balance	8,764,842.84	8,764,842.84
Add (Deduct):		
Government Equity, Ending Balance	8,764,842.84	8,764,842.84
Contributed Capital, Beginning Balance	45,108,752.03	45,083,752.03
Add (Deduct): Additional Contributed Capital	2,645,529.76	25,000.00
Contributed Capital, Ending Balance	47,754,281.79	45,108,752.03
Retained Earnings, Beginning Balance	683,172,962.26	612,334,533.89
Add (Deduct):		
Changes during the Period	(349,400.95)	240,252.89
Profit (Loss) for the Period	69,435,304.83	70,598,175.48
Retained Earnings, Ending Balance	752,258,866.14	683,172,962.26
Equity, Ending Balance	808,777,990.77	737,046,557.13

GENERAL SANTOS CITY WATER DISTRICT

Statement of Cash Flows

For the Year Ended December 31, 2021
(With Comparative Figures for CY 2020)
In Philippine Peso

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Inflows:		
Collection of Income from Water System/Receivables	457,391,106.64	430,158,901.74
Collection of Other Receivables and Other Income	27,746,159.45	24,119,371.62
Total Cash Inflows from Operating Activities	485,137,266.09	454,278,273.36
Cash Outflows:		
Payment of Operating, Maintenance & Personnel Services	337,586,318.56	322,288,253.67
Purchase of Materials and Supplies Inventories	15,503,393.52	5,602,428.52
Miscellaneous	12,924,151.88	10,770,890.97
Total Cash Outflows from Operating Activities	366,013,863.96	338,661,573.16
Net Cash Provided (Used) in Operating Activities	119,123,402.13	115,616,700.20
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Inflows:		
Total Cash Inflows from Investing Activities		
Cash Outflows:		
Purchase of Property, Plant and Equipment	89,941,521.61	86,183,600.40
Total Cash Outflows from Investing Activities	89,941,521.61	86,183,600.40
Net Cash Provided (Used) in Investing Activities	(89,941,521.61)	(86,183,600.40)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Inflows:		
Increase in Reserve	-	236,180.92
Total Cash Inflows from Financing Activities	-	236,180.92
Cash Outflows:		
Payment of Loan Amortization and Other Finance Charges	43,557,118.18	48,880,371.63
Transfer of Funds to Reserve	-	(2,000,000.00)
Total Cash Outflows from Financing Activities	43,557,118.18	46,880,371.63
Net Cash Provided (Used) in Financing Activities	(43,557,118.18)	(46,644,190.71)
NET CASH PROVIDED (USED)	(14,375,237.66)	(17,211,090.91)
Add: Cash and Cash Equivalents, Beginning Balance	153,565,115.45	170,776,206.36
CASH AND CASH EQUIVALENTS, ENDING BALANCE	139,189,877.79	153,565,115.45

General Santos City Water District
NOTES TO FINANCIAL STATEMENTS
For Year Ended December 31, 2021
(In Philippine Peso)

1. Agency Background

The General Santos City Water District (GSCWD) was established on August 21, 1987 through Board Resolution No. 116, as amended by Board Resolution No. 224, series of 1987 of the Sangguniang Panlungsod pursuant to the provisions of Sections 3, 27 and 45 of Titles I and II of Presidential Decree (PD) No. 198, as amended. On November 29, 1988, Local Water Utilities Administration (LWUA) issued a Conditional Certificate of Conformance (CCC) No. 370 to formally establish the GSCWD.

Under Section 5 of Title II of PD No. 198, the purposes of forming local water district include the following:

- 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;
- Providing, maintaining and operating wastewater collection, treatment and disposal facilities; and
- 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.

The General Santos City Water District envisions a vital role in upgrading the life of its people by providing safe, potable, reliable and affordable water service.

Along with the GSCWD's mandate of providing safe and potable water, it is highly committed to fulfill its corporate social responsibility. It actively participated in the protection of water resources through the adoption of protected areas and established projects for watershed development. It extended special projects such as donations of school building for the children in the remote areas and sustained the need of a child to access quality health through the support and adoption of the Neonatal Intensive Care Unit (NICU) project at the General Santos City District Hospital.

The first re-categorization of GSCWD from small to medium category was in year 2001. Eight years thereafter, in 2009, it was re-categorized from medium to large category water district with active service connections of 25,617. The GSCWD has been classified as Category A since March 2012. Subsequently, on July 2, 2012, the Department of Budget (DBM) approved the GSCWD Organizational Structure and Staffing Pattern

(OS/SP) under Category A, pursuant to Local Water Utilities Manual on Categorization, Re-categorization and Other Related Matters (LWD-MaCRO).

Being classified as “Category A”, GSCWD has 54,531 active service connections and serves an estimated population of 272,655 as of December 31, 2021.

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	-	Education
Vice Chairman	-	Dr. Francisco N. Lorenzo	-	Professional
Secretary	-	Atty. Rabmor Thomas T. Bartolome	-	Business
Treasurer	-	Ms. Marjorie B. Cartojano, MM, REB, REA, REC	-	Women
P.I.O.	-	Mr. Isaias L. Golez, Jr.	-	Civic

The operation of the District is headed by General Manager, Engr. Arn B. Gellangarin and its two hundred one (201) permanent employees, thirty-seven (37) casual and twenty-two (22) 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 7, 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 districts 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 the agency has fully met the national level enhanced PRIME-HRM Maturity Level II standards of the four (4) core Human Resource areas. In year 2019, the District also garnered many awards and achievements. GSCWD was awarded as the CSC Sportsfest Over-All Champion 2019 and the Best Publication – First Prize Magazine Category. The District was also awarded by the Association of Government Accountants of the Philippines (AGAP) as one of the Most Outstanding Accounting Offices.

In 2020, GSCWD is consistently compliant with ISO Surveillance Audit. During the year, a special citation from Sangguniang Panlungsod as per Resolution No. 533 was received. Therein, the District got a “Gold Certification” issued by LGU for fully compliant re: Covid-19 Protocols in the workplace.

During the Year 2021, the District has received “FOI Rising Star Awardee” by the Presidential Proclamation Operation Office on November 25, 2021.

2. Summary of Significant Accounting Policies

Basis of Financial Statement Preparation

General Santos City Water District (GSCWD) 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 Updated Revised Chart of Accounts for Government Corporations under COA Circular No. 2020-002 dated January 28, 2020.

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 pursuant to COA regulations. The measurement bases are more fully described in the accounting policies that follow.

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 for transactions where accrual basis is impractical or when law requires other methods.

Monetary Denomination Used

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

3. Cash and Cash Equivalents

Cash includes cash on hand and cash in bank (local currency). Cash is valued at face value. It includes undeposited collections, petty cash and cash-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 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 consists of:

Particulars	2021	2020
<i>Cash on Hand</i>		
Cash-Collecting Officers	296,877.45	1,259,597.15
Petty Cash	-	20,000.00
<i>Cash in Bank-Local Currency</i>		
Cash in Bank-Local Currency, Current Account		
LBP Current 0172-0182-54	5,422,742.58	399,066.83
DBP Current 0925-006982-030	555,865.64	555,665.64
Al Amanah Current 094-005-01-00711-0	1,390,047.41	3,031,366.29
DBP Current 0925-024593-030	67,693,256.71	90,076,704.24
UCPB Current 20407-000175-8	2,808,792.23	1,856,114.04
Enterprise Bank Current 088-014-02-000105	156,119.76	208,357.78
Eastwest Bank Current 200000183481	221,407.37	585,976.09
LBP Current 0172-1017-12	5,723,631.99	7,354,503.14
Penbank Santiago ATA 4-200-001811-69	10,000.00	10,000.00
DBP - SMP Current 0925-028786-030	210,193.30	210,022.88
LBP Current 0172-1035-96	10,000.00	10,000.00
Penbank Savings 07-100-000839-16	993,574.05	539,086.72
Penbank Santiago Savings 4-100-003761-6-36	2,004,706.71	1,925,515.12
Penbank Calumpang ATA 7-200-000282-57	10,000.00	10,000.00
DBP Special Savings 0925-028786-160	51,682,662.59	45,513,139.53
Total	139,189,877.79	153,565,115.45

The decrease in cash and cash equivalents was, to some extent, due to suspension of the imposition of penalties for the delayed payments of concessionaires for the whole year because of the Covid-19 pandemic situation. This was also due to the payments of Accounts Payable (A/P) during the year, as evidenced by the decrease of ₱18,846,041.13 (from ₱32,776,646.90 to ₱13,930,605.77). Thus, cash account balance was shrunk down.

LBP Current Account No. 0172-1017-12 amounting to ₱351,061.13 and DBP Current Account No. 0925-006982-030 amounting to ₱555,465.64 were garnished by BIR on July, 2009 due to Tax Liability case. But Warrants of Garnishment to these bank accounts were lifted as per lifting orders all dated October 19, 2020. Meanwhile, LBP CA # 0172-1017-12 was being used by Electronic Commerce Payments, Inc. as bank collecting agent effective November 2020. Hence, the differing amounts.

DBP-SMP account consists of the grants from DENR-Environment Management Bureau Region XII for the Feasibility Study of Septage Management Program amounting to ₱3,347,800.00. The remaining amount of ₱209,180.39, exclusive of interest income, represents the withholding tax portion of the project which was already remitted to BIR using DBP current account check. Differing amount of ₱1,012.91 represents the earned interest income.

LBP Current Account No. 0172-1035-96 with an initial deposit of ₱10,000.00 is an additional bank account opened to serve as a depository for collecting agents, particularly from online payment transactions.

The amounts collected from collecting banks (Al-Amanah, UCPB, Enterprise, Eastwest, PNB, KCC Mall, Penbank-Calumpang, Penbank-Santiago and LBP) were funds transferred to DBP Current Account for the payments of current operations. These banks are collecting agents for water bill collections from concessionaires.

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 hold-out accounts due to DBP loan availments. During the year 2021, additional ₱6,000,000.00 was transferred to increase the reserve funds.

4. 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	2021	2020
<i>Loans and Receivable Accounts</i>		
Accounts Receivable-Customers	70,639,953.14	70,937,440.57
Less: Allowance for Impairment-Accounts Receivable	(18,608,974.34)	(15,009,857.49)
Accounts Receivable, net	52,030,978.80	55,927,583.08
Accounts Receivable-Materials	(1,224,909.66)	(1,795,395.59)
<i>Other Receivables</i>		
Receivables-Disallowances/Charges	7,974.77	64,857.27
Loans Receivable-Motorcycle	473,076.00	-
Other Receivables	1,101,856.26	1,606,391.39
Total	52,388,976.17	55,803,436.15

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 Customers' Deposits Payable account.

Provisions for the Allowance for Impairment-Accounts Receivable include the following:

Period Covered	Amount
2010	647,428.85
2011	687,546.90
2012	744,480.74
2013	1,002,240.36
2014	257,589.08
2015	284,834.93
2016	301,514.06
2017	1,608,376.23
2018	1,823,010.65
2019	3,920,051.31
2020	3,732,784.38
2021	3,599,116.85
Total	18,608,974.34

The negative balance of the Accounts Receivable-Materials was caused by the establishment of computerization system and is still subject for reconciliation. The District still continues to exert effort so that balances between SL and GL will be kept reconciled. Several discrepancies were already noted and identified but due to pandemic situation, reconciliations were delayed.

Receivables-Disallowances/Charges amounting to ₱7,974.77 is the remaining balance from ₱589,286.70 as per ND No. 2013-003-101(12) dated September 9, 2013.

Loans Receivables-Motorcycle are loans granted to meter readers and field maintenance workers to be used in performance for their primary duties and responsibilities as specified in the Memorandum of Agreement.

Other Receivables also include materials borrowed by other water districts.

5. 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 and materials 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	2021	2020
<i>Inventories Held for Consumption</i>		
Office Supplies Inventory	1,547,070.77	1,317,769.51
Accountable Forms, Plates and Stickers Inventory	1,434,100.00	2,219,320.00
Medical, Dental and Laboratory Supplies Inventory	2,598,937.88	2,709,568.76
Construction Materials Inventory	72,062,495.35	73,124,077.31
Other Supplies and Materials Inventory	85,358.60	85,358.60
Total	77,727,962.60	79,456,094.18

The inventory is automated through the Total Works Management System (TWMS). Inventory Management Committee has already coordinated with MIS to continuously set-up the 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.

Large amount of Construction Materials Inventory was kept in-stocked due to the hampered day-to-day operations caused by the Covid-19 pandemic.

6. Prepayments

This includes the following:

Particulars	2021	2020
Prepaid Rent	21,850.00	34,600.00
Total	21,850.00	34,600.00

Prepaid Rent amounting to ₱21,850.00 represents the advance payment for lot equivalent to one year 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. 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. 2003-007 dated December 11, 2003 was adopted:

- Straight-line method of computing depreciation for government property, plant and equipment (PPE).

- 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.

The PPE account includes the following:

Particulars	2021	2020
<i>Land</i>		
Land	63,013,857.06	58,776,144.35
<i>Land Improvements</i>		
Other Land Improvements	8,914,784.57	8,310,495.57
<i>Infrastructure Assets</i>		
Water Supply Systems	916,859,052.79	865,351,945.94
Power Supply Systems	2,792,153.04	2,792,153.04
<i>Buildings and Other Structures</i>		
Buildings	18,059,599.34	18,059,599.34
Other Structures	18,208,945.30	3,995,210.87
<i>Machinery and Equipment</i>		
Office Equipment	4,972,320.24	4,732,462.00
Information & Communications Technology Equip.	17,127,420.22	25,778,914.98
Communications Equipment	53,100.00	102,040.00
Medical Equipment	2,106,833.20	2,375,578.20
Other Machinery and Equipment	18,561,998.25	22,910,329.25
<i>Transportation Equipment</i>		
Motor Vehicles	19,966,272.13	25,472,169.35
<i>Furniture, Fixtures and Books</i>		
Furniture and Fixtures	1,757,715.19	2,391,222.69
Total	1,092,394,051.33	1,041,048,265.58
Less: Accumulated Depreciation	(505,220,826.34)	(481,239,249.32)
Carrying Value	587,173,224.99	559,809,016.26

Accumulated Depreciation

Particulars	2021	2020
Other Land Improvements	4,117,413.85	3,434,401.57
Water Supply Systems	449,616,133.63	413,660,813.08
Power Supply Systems	639,450.76	388,156.96
Buildings	8,213,055.33	7,403,234.49
Other Structures	1,895,853.00	1,286,182.58
Office Equipment	3,180,934.58	2,965,797.89
Information & Communications Technology Equip.	14,505,997.24	23,302,989.72
Communications Equipment	8,484.64	4,327.23
Medical Equipment	1,368,401.32	1,471,701.58
Other Machinery and Equipment	9,900,149.28	12,584,172.16
Motor Vehicles	11,033,996.93	13,435,758.91
Furniture and Fixtures	740,955.78	1,301,713.15
Total	505,220,826.34	481,239,249.32

8. 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 includes the following:

Particulars	2021	2020
Infrastructure Assets	38,832,806.20	32,341,326.66
Total	38,832,806.20	32,341,326.66

The Construction in Progress-Infrastructure Assets consists of the following:

Particulars	Amount
Activation of Well No. 22 I Cabuay, Sinawal	8,147,404.85
1000 cu.m. Cylindrical Ground Steel Tank	832,748.96
Additional Water Source-Exploratory Drilling in Conel	5,167,144.65
300mm Steel Transmission Lines in Katangawan-Laga	5,336,297.22
500mm Steel Transmission Lines in Cabuay, Sinawal	4,784,064.09
300mm Steel Transmission Lines in Mabuhay Road	910,185.65
Pipeline Expansion Projects	13,654,960.78
Total	38,832,806.20

Completed projects were reclassified to their appropriate PPE accounts and their corresponding depreciation were recognized based on the date of completion, in accordance with Section 41, Volume I of NGAS Manual.

9. Intangible Assets

This includes the following:

Particulars	2021	2020
Computer Software	385,000.00	385,000.00
Less: Accumulated Amortization-Computer Software	(109,083.39)	(32,083.35)
Net Value	275,916.61	352,916.65

10. 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	2021	2020
<i>Other Assets</i>		
Serviceable	6,823,118.56	8,374,945.62
Unserviceable	4,478,389.81	613,841.72
Total	11,301,508.37	8,988,787.34

11. Financial Liabilities – Current Portion

This includes the following:

Particulars	2021	2020
<i>Payables</i>		
Accounts Payable	13,930,605.77	32,776,646.90
Due to Officers and Employees	-	23,002,315.07
Notes Payable - DBP (Current Portion)	9,077,142.48	33,030,537.33
Notes Payable - Al-Amanah (Current Portion)	-	6,691,667.03
Total	23,007,748.25	95,501,166.33

Decrease in Accounts Payable was due to on time payment made to suppliers during the year.

Due to Officers and Employees was reclassified to Leave Benefits Payable as prescribed under COA Circular No. 2020-002 dated January 28, 2020 re: adoption of the Updated Revised Chart of Accounts for Government Corporations (2019).

DBP loan (old loan) with PN # 2011-067 was already paid in full effective November 15, 2021. Only the new loans in DBP with PN # 2017-043 and PN # 2018-224 remained outstanding and will mature on the year 2027.

Notes Payable in Al-Amanah (Current Portion) was also paid in full on November 16, 2021.

Accounts Payable represents the following unpaid balances:

Particulars	Amount
Labor from Disconnectors & Reconnectors	1,274,253.51
Notarization of New Service Applications	39,398.00
Other Accounts Payable from Procurement of Goods/Services:	
ADAME CONSTRUCTION AND SUPPLY	291,578.73
ARMEN ELECTRO-MECH SALES AND GENERAL MERCHANDISE	2,380,000.00
BROWNSTONE ASIA-TECH INC.	35,240.00
CERBERUS TYRE AND BATTERY CENTER	17,700.00
CHEMLINE SCIENTIFIC CORPORATION	18,876.00
CO BAN KIAT HARDWARE	180,000.00
DADIANGAS TJ MARKETING	143,200.00
DIGITAL INTERFACE	59,121.00
DRONA MARKETING	191,684.00
DUMALAG SURVEYING AND ENGINEERING SERVICES	3,068,466.57
GENSAN GLASS ALUMINUM	9,500.00
GENSAN ULTIMATE AUTO SUPPLY AND HARDWARE INC.	9,050.00
GOTESCO MARKETING INC.	24,000.00
GS FERROLINO CONSTRUCTION AND SUPPLY	2,495,500.00
INFOWORX, INC.	70,500.00
LANDERO, BERNARDO	945,000.00
LOCAL WATER UTILITIES ADMINISTRATION	199,574.29
MABUHAY VINYL CORP.	101,490.00
MINDANAO STATE UNIVERSITY-GSC	40,000.00
MY BUSY BEE	102,500.00
MYSTIC WATER PHIL INC	42,000.00
RA PIPELINES	319,000.00
RML SHELL STATION	227,332.37
SOUTHERN UNION HARDWARE	16,430.00
SPEED SUMMIT AUTO SUPPLY	16,800.00
SUN CELLULAR	29,700.00
SYNCHROTEK CORPORATION	48,000.00
TALDE, VIRGINIA	900,000.00
TECHNO-TRADE RESOURCES, INC.	40,330.00
TECTONICS ELECTRONICS MARKETING	3,499.00
TREND SETTER CONSTRUCTION AND SUPPLY CORPORATION	423,002.30
TZ-E TRADING	158,900.00
WAVESENSE-TECH WATER EQUIPMENT AND SUPPLY	7,300.00
WILLMARK MARKETING	1,680.00
Total	13,930,605.77

12. Inter-Agency Payables

This includes the following:

Particulars	2021	2020
Due to BIR	-	(27,160.43)
Due to GSIS	5,836.66	11,886.38
Due to Pag-IBIG	-	-
Due to PhilHealth	-	232.82
Total	5,836.66	(15,041.23)

The balance in Due to GSIS amounting to ₱5,836.66 represents the increase in contribution for the two newly promoted employees (Ms. Maritess Primaylon and Ms. Agnes Tampico). Such increase was not yet reflected in the GSIS System at the time of payment but will be adjusted the following month of remittance.

13. Trust Liabilities

This includes the following:

Particulars	2021	2020
Guaranty/Security Deposits Payable	6,289,705.14	4,973,530.46
Customers' Deposits Payable	553,161.56	553,161.56
Total	6,842,866.70	5,526,692.02

Guarantee/Security Deposits Payable of ₱6,289,705.14 represents the retention money of various project bidders.

Customers' Deposits Payable of ₱553,161.56 were voluntarily paid in advance by the concessionaires in payments for their water connections.

14. Deferred Credits/Unearned Revenue/Income

This includes the following:

Particulars	2021	2020
Other Deferred Credits	488,909.85	2,330,771.92
Total	488,909.85	2,330,771.92

Other Deferred Credits of ₱488,909.85 is the amount already paid by subdivision owners as follows:

Particulars	Amount
Viviene Heights Subdivision	18,456.00
Agan Greenville Subdivision	10,300.00
Palmwoods Subdivision	24,578.00
Grand County Subdivision	318,182.09
Meneses Compound, Purok Masagana	63,269.87
Sarah C. Salvador, Salvani Street	54,123.89
Total	488,909.85

15. Provisions

This includes the following:

Particulars	2021	2020
Leave Benefits Payable	26,904,766.46	-
Total	26,904,766.46	-

Leave Benefits Payable account represents the monetary value of leave credits of employees less the monetized portion of the total leave credits of each employee.

16. Other Payables

This includes the following:

Particulars	2021	2020
Other Payables	31,462.84	31,462.84
Total	31,462.84	31,462.84

Other Payables in the amount of ₱31,462.84 represents transactions before 2003 which is subject for reconciliation.

17. Financial Liabilities – Non-Current Portion

This includes the following:

Particulars	2021	2020
<i>Bills/Bonds/Loans Payable</i>		
Loans Payable-Domestic		
DBP (PN 2017-043)	14,850,000.00	18,150,000.00
DBP (PN 2017-044)	26,002,541.20	31,779,683.68
Total	40,852,541.20	49,929,683.68

These loans were refinanced by Development Bank of the Philippines (PN 2011-067) and Al-Amanah Islamic Bank (PN 2011-010) 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 ₱85 million bearing an interest rate of 5.33% (PN 2017-043 amounting to ₱33 million and PN 2017-044 amounting to ₱52 million). During the grant of additional loan, the interest from previous loan buy-out was reduced from 9.2% to 6.5% per annum. Old loans with PN 2011-067 from DBP and PN 2011-010 from Al-Amanah were already fully paid on November 2021.

18. Equity

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

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

Government Equity

Particulars	2021	2020
LGU Water Systems -1989	3,198,224.00	3,198,224.00
Rosario Village Subdiviison Phase I - August,1991	1,396,420.00	1,396,420.00
Sarangani Homes Phase I - July, 1993	850,000.00	850,000.00
Doña Soledad Subd Phase I - October,1993	3,058,677.00	3,058,677.00
Claudland - August 2005	261,521.84	261,521.84
Total	8,764,842.84	8,764,842.84

Contributed Capital represents distribution lines for all turned-over subdivisions within the District's coverage area amounting to ₱42,866,149.28 as per JEV # 12-02-0531 dated February 28, 2012 and well site locations amounting to ₱543,750.00 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 ₱200,000.00. 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.

Contributed Capital is composed of the following:

Particulars	2021	2020
Alpine Ville Subdivision	8,555,126.41	8,555,126.41
Las Villas Subdivision	2,691,099.14	2,691,099.14
Agan Home Phase 1 to 3	1,652,409.30	1,652,409.30
Malesido Homes P-3A to P-3B	4,975,882.66	4,975,882.66
Agan Centro Phase 1 and 2	3,560,414.20	3,560,414.20
Issabella Homes	3,737,941.62	3,737,941.62
Camella Homes	7,587,369.11	7,587,369.11
Agan Grandville Subdivision	2,079,784.68	2,079,784.68
Agan North Subdivision	1,669,756.78	1,669,756.78
Colinas Verdes (Sta. Luisa Subdivision)	6,107,492.02	6,107,492.02
Nuñez St., Riverside-Well#5	393,750.00	393,750.00
Nuñez St., Prk. Matatag-Well #1	150,000.00	150,000.00
Lislet Amri Grande	17,223.36	17,223.36
Maria Ana Liza	31,650.00	31,650.00
Prime Land Subdivision	200,000.00	200,000.00
Calumpang @ PS#9	185,779.40	185,779.40
Doña Soledad Well	373,635.00	373,635.00
Rosario Village Well	103,709.10	103,709.10
Sarangani Homes Well	624,435.00	624,435.00
Roca Subdivision & PS#6	386,294.25	386,294.25
Freeman, Sunshine Ville	25,000.00	25,000.00
Lacewood Subdivision	734,328.87	-
Vivienne Heights Subdivision	35,050.18	-
Agan Greenville Subdivision	19,080.00	-
Aganland Lagao Subdivision	33,672.00	-
Brixton Homes Subdivision	1,720,308.65	-
Communities, General Santos	103,090.06	-
Total	47,754,281.79	45,108,752.03

19. Business Income

This includes the following:

Particulars	2021	2020
<i>Business Income</i>		
Waterworks System Fees		
Residential	381,445,975.59	371,191,460.01
Government	14,612,186.80	12,712,119.48
Commercial	60,624,933.80	60,234,106.32
<i>Sales Discounts</i>	(422,483.83)	(453,363.13)
Interest Income	287,416.69	255,726.48
Fines and Penalties-Business Income	3,240,746.31	10,995,923.74
Other Business Income	15,470,905.02	2,300,348.21
Total	475,259,680.38	457,236,321.11

20. Personnel Services

This includes the following:

Particulars	2021	2020
<i>Salaries and Wages</i>		
Salaries and Wages-Regular	63,581,837.09	53,836,827.36
Salaries and Wages-Casual/Contractual	8,189,035.23	8,965,856.07
<i>Other Compensation</i>		
Personnel Economic Relief Allowance (PERA)	5,558,661.31	5,210,698.30
Representation Allowance (RA)	942,500.00	936,000.00
Transportation Allowance (TA)	942,500.00	936,000.00
Clothing/Uniform Allowance	1,308,000.00	1,348,840.00
Productivity Incentive Allowance	32,322,362.28	33,189,246.22
Longevity Pay	260,000.00	270,000.00
Overtime and Night Pay	6,162,226.53	5,827,576.66
Year-End Bonus	6,187,000.40	5,315,935.75
Cash Gift	1,184,500.00	1,100,000.00
Mid-Year Bonus	5,784,587.00	5,325,000.00
Other Bonuses and Allowances	32,030,361.74	38,761,663.02
<i>Personnel Benefit Contributions</i>		
Retirement and Life Insurance Premiums	8,626,773.96	7,421,360.62
Pag-IBIG Contributions	280,300.00	264,300.00
PhilHealth Contributions	979,125.16	860,154.14
Employees Compensation Insurance Premiums	279,300.00	263,200.00
Provident/Welfare Fund Contributions	14,478,590.70	11,683,817.00
<i>Other Personnel Benefits</i>		
Terminal Leave Benefits	6,648,787.78	5,593,712.30
Total	195,746,449.18	187,110,187.44

21. Maintenance and Other Operating Expenses

This includes the following:

Particulars	2021	2020
<i>Traveling Expenses</i>		
Traveling Expenses-Local	166,716.05	210,855.34
<i>Training and Scholarship Expenses</i>		
Training Expenses	1,097,083.85	221,329.10
<i>Supplies and Materials Expenses</i>		
Office Supplies Expenses	1,998,863.49	1,644,061.62
Accountable Forms Expenses	785,820.00	501,550.00
Medical, Dental and Laboratory Supplies Expenses	4,685,059.22	3,252,012.61
Fuel, Oil and Lubricants Expenses	5,127,260.85	4,010,177.88
Semi-Expendable Machinery and Equipment Expenses	1,244,262.00	-
Semi-Expendable Furniture, Fixtures and Books Expenses	322,540.00	-
Other Supplies and Materials Expenses	3,269,987.60	-
<i>Utility Expenses</i>		
Electricity Expenses	77,828,380.80	76,770,128.43
<i>Communication Expenses</i>		
Postage and Courier Services	32,079.16	25,292.00
Telephone Expenses		
Landline	52,906.63	58,717.98
Mobile	1,674,379.50	1,659,840.00
Internet Subscription Expenses	641,696.47	486,429.96
<i>Confidential, Intelligence and Extraordinary Expenses</i>		
Extraordinary and Miscellaneous Expenses	8,554,696.12	12,791,070.85
<i>General Services</i>		
Legal Services	29,405.55	24,050.00
Auditing Services	-	213,310.69
Other Professional Services	40,000.00	6,000.00
<i>General Services</i>		
Security Services	6,090,435.03	5,098,620.34
<i>Repairs and Maintenance</i>		
Repairs and Maintenance-Land Improvements	-	11,150.00
Repairs and Maintenance-Infrastructure Assets	15,300,175.20	12,617,017.76
Repairs and Maintenance-Building and Other Structures	359,604.28	400,140.47
Repairs and Maintenance-Machinery and Equipment	1,639,760.61	942,676.99
Repairs and Maintenance-Transportation Equipment	1,327,707.54	1,095,998.61
Repairs and Maintenance-Furniture and Fixtures	10,100.00	-
<i>Taxes, Insurance Premiums and Other Fees</i>		
Taxes, Duties and Licenses	9,471,087.63	9,103,131.13
Fidelity Bond Premiums	93,375.00	-
Insurance/Reinsurance Expenses	1,624,399.38	1,200,182.51
<i>Other Maintenance and Operating Expenses</i>		
Advertising, Promotional and Marketing Expenses	1,538,156.30	1,821,325.26
Representation Expenses	635,557.26	521,840.84
Rent/Lease Expenses	109,638.00	103,738.63
Membership Dues and Contributions to Organizations	134,902.00	138,632.00
Donations	2,612,177.26	1,351,952.96
Other Maintenance and Operating Expenses	-	3,860,544.57
Total	148,498,212.78	140,141,778.53

22. Financial Expenses

This mainly consists of interest on loans from DBP and Al-Amanah Islamic Bank, as follows:

Particulars	2021	2020
<i>Financial Expenses</i>		
Interest Expenses		
DBP (PN 2011-067)	626,450.67	2,093,331.52
DBP (PN 2017-043)	1,087,596.26	1,286,844.22
DBP (PN 2018-224)	1,889,054.27	2,252,812.85
Al-Amanah Islamic Bank (PN 2011-010)	231,737.19	739,264.41
Total	3,834,838.39	6,372,253.00

23. Non-Cash Expenses

This consists of the following:

Particulars	2021	2020
<i>Depreciation</i>		
Depreciation-Land Improvements	683,012.28	712,558.30
Depreciation-Infrastructure Assets	42,746,045.12	38,684,428.17
Depreciation-Buildings and Other Structures	1,395,011.26	987,591.84
Depreciation-Machinery and Equipment	6,178,261.95	5,829,939.13
Depreciation-Transportation Equipment	2,553,473.52	2,650,827.36
Depreciation-Furniture, Fixtures and Books	137,295.17	141,451.36
<i>Amortization</i>		
Amortization-Intangible Assets	77,000.04	32,083.35
<i>Impairment Loss</i>		
Impairment Loss-Loans and Receivables	3,598,070.66	3,975,047.15
<i>Losses</i>		
Loss on Sale of Assets	376,705.20	-
Total	57,744,875.20	53,013,926.66