



Republic of the Philippines
GENERAL SANTOS CITY WATER DISTRICT

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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, 2022, 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

January 19, 2023

Date Signed

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

January 19, 2023

Date Signed

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

January 19, 2023

Date Signed

GENERAL SANTOS CITY WATER DISTRICT

Statement of Financial Position

As of December 31, 2022

(With Comparative Figures for CY 2021)

In Philippine Peso

	Note	2022	2021
ASSETS			
Current Assets			
Cash and Cash Equivalents	3	114,813,908.74	139,189,877.79
Receivables	4	51,897,776.07	52,388,976.17
Inventories	5	100,698,268.84	77,727,962.60
Prepayments	6	8,050.00	21,850.00
Total Current Assets		267,418,003.65	269,328,666.56
Non-Current Assets			
Property, Plant and Equipment	7	611,486,723.06	587,173,224.99
Construction in Progress	8	84,682,019.08	38,832,806.20
Intangible Assets	9	198,916.57	275,916.61
Other Assets	10	10,932,278.46	11,301,508.37
Total Non-Current Assets		707,299,937.17	637,583,456.17
TOTAL ASSETS		974,717,940.82	906,912,122.73
LIABILITIES AND EQUITY			
Liabilities			
Current Liabilities			
Financial Liabilities	11	25,042,035.32	23,007,748.25
Inter-Agency Payables	12	572.06	5,836.66
Trust Liabilities	13	10,080,217.73	6,842,866.70
Deferred Credits/Unearned Revenue/Income	14	1,112,853.46	488,909.85
Provisions	15	31,045,611.71	26,904,766.46
Other Payables	16	31,462.84	31,462.84
Total Current Liabilities		67,312,753.12	57,281,590.76
Non-Current Liabilities			
Financial Liabilities	17	31,775,398.72	40,852,541.20
Total Non-Current Liabilities		31,775,398.72	40,852,541.20
Total Liabilities		99,088,151.84	98,134,131.96
Equity	18	875,629,788.98	808,777,990.77
TOTAL LIABILITIES AND EQUITY		974,717,940.82	906,912,122.73

(See accompanying Notes to Financial Statements)

GENERAL SANTOS CITY WATER DISTRICT
Statement of Comprehensive Income
For the Year Ended December 31, 2022
(With Comparative Figures for CY 2021)
In Philippine Peso

	Note	2022	2021
REVENUE/INCOME			
Business Income	19	501,855,129.22	475,259,680.38
Total Revenue		501,855,129.22	475,259,680.38
LESS: EXPENSES			
Personnel Services	20	182,746,675.78	195,746,449.18
Maintenance and Other Operating Expenses	21	188,035,267.08	148,498,212.78
Financial Expenses	22	2,599,075.79	3,834,838.39
Non-Cash Expenses	23	56,355,676.75	57,744,875.20
Total Expenses		429,736,695.40	405,824,375.55
PROFIT (LOSS)		72,118,433.82	69,435,304.83

(See accompanying Notes to Financial Statements)

GENERAL SANTOS CITY WATER DISTRICT

Statement of Changes in Equity

For the Year Ended December 31, 2022

(With Comparative Figures for CY 2021)

In Philippine Peso

	2022	2021
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	47,754,281.79	45,108,752.03
Add (Deduct): Additional Contributed Capital	-	2,645,529.76
Contributed Capital, Ending Balance	47,754,281.79	47,754,281.79
Retained Earnings, Beginning Balance	752,258,866.14	683,172,962.26
Add (Deduct):		
Changes during the Period	(5,266,635.61)	(349,400.95)
Profit (Loss) for the Period	72,118,433.82	69,435,304.83
Retained Earnings, Ending Balance	819,110,664.35	752,258,866.14
Equity, Ending Balance	875,629,788.98	808,777,990.77

GENERAL SANTOS CITY WATER DISTRICT

Statement of Cash Flows

For the Year Ended December 31, 2022

(With Comparative Figures for CY 2021)

In Philippine Peso

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Inflows:		
Collection of Service and Business Income	482,151,309.91	457,391,106.64
Collection of Other Non-Operating Income	38,336,779.95	27,746,159.45
Total Cash Inflows from Operating Activities	520,488,089.86	485,137,266.09
Cash Outflows:		
Payment of Personnel Services	169,349,222.00	337,586,318.56
Payment of Maintenance and Other Operating Expenses	188,307,461.93	-
Purchase of Inventory Held for Consumption	52,488,628.18	15,503,393.52
Refund of Guaranty/Security Deposits	5,243,572.54	-
Other Disbursements	9,370,778.37	12,924,151.88
Total Cash Outflows from Operating Activities	424,759,663.02	366,013,863.96
Net Cash Provided (Used) in Operating Activities	95,728,426.84	119,123,402.13
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Inflows:		
Total Cash Inflows from Investing Activities		
Cash Outflows:		
Purchase of Property, Plant and Equipment	108,428,177.62	89,941,521.61
Total Cash Outflows from Investing Activities	108,428,177.62	89,941,521.61
Net Cash Provided (Used) in Investing Activities	(108,428,177.62)	(89,941,521.61)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Inflows:		
Total Cash Inflows from Financing Activities		
Cash Outflows:		
Payment of Domestic Loans	11,676,218.27	43,557,118.18
Total Cash Outflows from Financing Activities	11,676,218.27	43,557,118.18
Net Cash Provided (Used) in Financing Activities	(11,676,218.27)	(43,557,118.18)
NET CASH PROVIDED (USED)	(24,375,969.05)	(14,375,237.66)
Add: Cash and Cash Equivalents, Beginning Balance	139,189,877.79	153,565,115.45
CASH AND CASH EQUIVALENTS, ENDING BALANCE	114,813,908.74	139,189,877.79

General Santos City Water District
NOTES TO FINANCIAL STATEMENTS
For Year Ended December 31, 2022

(All amounts are in Philippines Pesos unless otherwise stated)

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 56,741 active service connections and serves an estimated population of 283,705 as of December 31, 2022.

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 twenty-seven (227) permanent employees, twenty-one (21) casual, and fifteen (15) job orders. 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 e-FOI 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.

Year after year, the District 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 2019.

GSCWD is consistently compliant with ISO Surveillance Audit. A special citation from Sangguniang Panlungsod as per Resolution No. 533 was received in 2021. Therein, the District got a “Gold Certification” issued by LGU for being fully compliant re: Covid-19 Protocols in the workplace. The District has also received “FOI Rising Star Awardee” by the Presidential Proclamation Operation Office on November 25, 2021.

During the year 2022, the District received the following awards and recognitions: Certificate of Compliance awarded by the Presidential Communications Operations Office for being fully-compliant with the enhanced Freedom of Information (FOI) requirements; Awarded as “Persons with Disabilities Friendly Establishment” by the GSC Persons with Disability Affairs Office (PDAO); Excellent Performance in the CY 2021 Proficiency Testing Scheme for Water Biological Testing Laboratory conducted by DOH; Recertification of Water Safety Plan; Overall Second Place in SOCEMWIC Sportsfest; ARTA Compliant; and Overall Champion in PSEAS Sportsfest.

Operational Highlights

The financial position and performance of GSCWD for the calendar year 2022 as compared to the previous year 2021 are presented below.

Financial Condition

Particulars	2022	2021	Increase (Decrease)	Percentage
Total Assets	974,717,940.82	906,912,122.73	67,805,818.09	7.48
Total Liabilities	99,088,151.84	98,134,131.96	954,019.88	0.97
Total Equity	875,629,788.98	808,777,990.77	66,851,798.21	8.27

For CY 2022, total asset increased by ₱67,805,818.09 or 7.48% and total liabilities also increased by ₱954,019.88 or 0.97%. The government equity increased by ₱66,851,798.21 or 8.27%.

Financial Performance

Particulars	2022	2021	Increase (Decrease)	Percentage
Income	501,855,129.22	475,259,680.38	26,595,448.84	5.60
Expenses	429,736,695.40	405,824,375.55	23,912,319.85	5.89
Profit (Loss)	72,118,433.82	69,435,304.83	2,683,128.99	3.86

For the year ended December 31, 2022, the gross income increased by ₱26,595,448.84 or 5.60% and the expenses also increased by ₱23,912,319.85 or 5.89% resulting to the increase in the District’s net income by ₱2,683,128.99 or 3.86%.

2. Summary of Significant Accounting Policies

The significant accounting policies used in the preparation of the financial statements are summarized below.

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 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 to the Authorized Government Depository Banks (AGDBs) as prescribed in Department Circular No. 01-2017 dated May 11, 2017. 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 is maintained under the Imprest Fund System. All replenishments are directly charged to appropriate expense account. The fund shall be sufficient for the nonrecurring, emergency and petty expenses.

Cash and Cash Equivalents consist of:

Particulars	2022	2021
<i>Cash on Hand</i>		
Cash-Collecting Officers	1,017,729.88	296,877.45
Petty Cash	20,000.00	-
<i>Cash in Bank-Local Currency</i>		
Cash in Bank-Local Currency, Current Account		
LBP Current 0172-0182-54	19,765,946.72	5,422,742.58
DBP Current 0925-006982-030	702,107.64	555,865.64
Al Amanah Current 094-005-01-00711-0	2,443,675.02	1,390,047.41
DBP Current 0925-024593-030	28,363,297.54	67,693,256.71
UCPB Current 20407-000175-8	3,055,317.30	2,808,792.23
Enterprise Bank Current 088-014-02-000105	-	156,119.76
Eastwest Bank Current 200000183481	103,648.24	221,407.37
LBP Current 0172-1017-12	7,144,439.90	5,723,631.99
Penbank Santiago ATA 4-200-001811-69	-	10,000.00
DBP - SMP Current 0925-028786-030	210,467.84	210,193.30
LBP Current 0172-1035-96	10,100.00	10,000.00
Penbank Savings 07-100-000839-16	-	993,574.05
Penbank Santiago Savings 4-100-003761-6-36	-	2,004,706.71
Penbank Calumpang ATA 7-200-000282-57	-	10,000.00
DBP Special Savings 0925-028786-160	51,977,178.66	51,682,662.59
Total	114,813,908.74	139,189,877.79

During the year, bank accounts under Enterprise Bank Current (088-014-02-000105), Penbank ATA (4-200-001811-69), Penbank Savings (07-100-000839-16), Penbank Santiago Savings (4-100-003761-6-36) and Penbank ATA (7-200-000282.57), which are not considered as authorized government depository banks, were closed pursuant to Section 2 (5.2.1) of DOF Department Circular No. 01-2017. Ending balances from these banks were transferred to DBP Current (0925-024593-030).

The District also has processed and requested the Collection Contract Termination with Eastwest Bank Current (200000183481) on August 31, 2022 and December 19, 2022. But despite notifications, the bank still continued and insisted to collect payments. Thus, resulting to an ending balance of ₱103,648.24. This amount, however, was transferred to DBP Current (0925-024593-030) on January 04, 2023 and subsequently, the said bank account was finally closed.

LBP Current Account No. 0172-1017-12 and DBP Current Account No. 0925-006982-030 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 No. 0172-1017-12 is being used by Electronic Commerce Payments, Inc. as bank collecting agent effective November 2020 while the DBP Current Account No. 0925-006982-030 is being used for the Forest Program Fund.

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 ₱1,287.45 represents the accumulated interest income earned.

LBP Current Account No. 0172-1035-96 with 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, Penbank-Calumpang, Penbank-Santiago and LBP) were fund transferred to DBP Current Account for the payments of current operations. These banks are collecting agents for water bill collections from concessionaires. However, the accounts from Eastwest, Enterprise, Penbank-Calumpang and Penbank-Santiago were already closed as recommended.

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 2022, there was no increase in reserve fund except for the interest earned from such account.

Cash balances were consistently reconciled monthly with the bank balances through the preparation of the Bank Reconciliation Statements. The decrease in cash and cash equivalents was due primarily to asset acquisitions during the year, as evidenced by the increase in Property, Plant and Equipment (PPE) balances of the District.

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	2022	2021
<i>Loans and Receivable Accounts</i>		
Accounts Receivable-Customers	72,320,745.38	70,639,953.14
Less: Allowance for Impairment-A/R	(21,885,662.62)	(18,608,974.34)
Accounts Receivable, Net	50,435,082.76	52,030,978.80
Accounts Receivable-Materials	(720,500.36)	(1,224,909.66)
<i>Other Receivables</i>		
Receivables-Disallowances/Charges	-	7,974.77
Loans Receivable-Motorcycle	1,008,502.00	473,076.00
Other Receivables	1,174,691.67	1,101,856.26
Total	51,897,776.07	52,388,976.17

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 were recognized as unearned revenue under Customers' Deposits Payable account.

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.

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

Period Covered	Amount
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
2022	3,276,688.28
Total	21,885,662.62

Receivables-Disallowances/Charges amounting to ₱589,286.70 as per ND No. 2013-003-101(12) dated September 9, 2013 was already fully settled during the year.

Liquidation of cash advances is in accordance with the guidelines set provided under COA Circular 97-002 dated February 10, 1997 and reiterated in COA Circular 2009-002 dated May 18, 2009. Under Section 7.0 Eligibility of Individuals of Joint Memorandum Circular (JMC) No. 2020-1 on the Guidelines on the Grant of Fiscal Year 2020 Performance-Based Bonus for Local Water Districts (LWDs) issued pursuant to Executive Order No. 80, s. 2012 and Administrative Order (AO) No. 25 Inter-Agency Task Force (IATF) Memorandum Circular No. 2020-1, no cash advances granted to officials and employees shall remain unliquidated. The said JMC states that officials and employees who fail to liquidate cash advances shall not be entitled to receive the PBB.

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

Other Receivables 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	2022	2021
<i>Inventories Held for Consumption</i>		
Office Supplies Inventory	1,990,205.99	1,547,070.77
Accountable Forms, Plates and Stickers Inventory	2,014,600.00	1,434,100.00
Medical, Dental and Laboratory Supplies Inventory	2,287,202.36	2,598,937.88
Construction Materials Inventory	94,313,511.89	72,062,495.35
Other Supplies and Materials Inventory	92,748.60	85,358.60
Total	100,698,268.84	77,727,962.60

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 database for warehouse (Stock Card) and Accounting (Bin Card) for the monthly reconciliation of accounts. Necessary adjustments/corrections 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.

The District has on-going inventory reconciliation on these items to identify and address the discrepancies. Also, adjustments will be made to match the inventory record against the actual physical count maintained by the concerned departments.

6. Prepayments

This includes the following:

Particulars	2022	2021
Prepaid Rent	8,050.00	21,850.00
Total	8,050.00	21,850.00

Prepaid Rent amounting to ₱8,050.00 represents the advance payment for lot equivalent to seven 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 were 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 its 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	2022	2021
<i>Land</i>		
Land	63,024,171.06	63,013,857.06
<i>Land Improvements</i>		
Other Land Improvements	9,269,784.57	8,914,784.57
<i>Less: Accumulated Depreciation-Other Land Improvements</i>	(4,875,699.67)	(4,117,413.85)
Net Value-Other Land Improvements	4,394,084.90	4,797,370.72

Particulars	2022	2021
Infrastructure Assets		
Water Supply Systems	971,032,841.18	916,859,052.79
<i>Less: Accumulated Depreciation-Water Supply Systems</i>	(488,285,148.91)	(449,616,133.63)
Net Value-Water Supply Systems	482,747,692.27	467,242,919.16
Power Supply Systems	7,770,879.33	2,792,153.04
<i>Less: Accumulated Depreciation-Power Supply Systems</i>	(1,035,805.99)	(639,450.76)
Net Value-Power Supply Systems	6,735,073.34	2,152,702.28
Buildings and Other Structures		
Buildings	17,996,019.34	18,059,599.34
<i>Less: Accumulated Depreciation-Buildings</i>	(9,022,876.17)	(8,213,055.33)
Net Value-Buildings	8,973,143.17	9,846,544.01
Other Structures	19,845,941.55	18,208,945.30
<i>Less: Accumulated Depreciation-Other Structures</i>	(2,685,039.21)	(1,895,853.00)
Net Value-Other Structures	17,160,902.34	16,313,092.30
Machinery and Equipment		
Office Equipment	4,372,156.58	4,972,320.24
<i>Less: Accumulated Depreciation-Office Equipment</i>	(2,932,686.89)	(3,180,934.58)
Net Value-Office Equipment	1,439,469.69	1,791,385.66
Information & Communications Technology Equip.	23,182,302.22	17,127,420.22
<i>Less: Accumulated Depreciation-ICT Equipment</i>	(13,765,887.78)	(14,505,997.24)
Net Value-ICT Equipment	9,416,414.44	2,621,422.98
Communications Equipment	53,100.00	53,100.00
<i>Less: Accumulated Depreciation-Communications Equipment</i>	(13,092.64)	(8,484.64)
Net Value-Communications Equipment	40,007.36	44,615.36
Medical Equipment	1,580,018.00	2,106,833.20
<i>Less: Accumulated Depreciation-Medical Equipment</i>	(1,127,947.09)	(1,368,401.32)
Net Value-Medical Equipment	452,070.91	738,431.88
Other Machinery and Equipment	18,926,852.25	18,561,998.25
<i>Less: Accumulated Depreciation-Other Machinery & Equipmt.</i>	(12,149,984.94)	(9,900,149.28)
Net Value-Other Machinery and Equipment	6,776,867.31	8,661,848.97
Transportation Equipment		
Motor Vehicles	23,502,352.13	19,966,272.13
<i>Less: Accumulated Depreciation-Motor Vehicles</i>	(13,890,060.56)	(11,033,996.93)
Net Value-Motor Vehicles	9,612,291.57	8,932,275.20
Furniture, Fixtures and Books		
Furniture and Fixtures	1,072,184.02	1,757,715.19
<i>Less: Accumulated Depreciation-Furniture and Fixtures</i>	(357,649.32)	(740,955.78)
Net Value-Furniture and Fixtures	714,534.70	1,016,759.41
Total Net Value	611,486,723.06	587,173,224.99

COA Circular No. 2022-004 dated May 31, 2022 Re: Guidelines on the Implementation of Section 23 of the General Provisions Act (RA) No. 11639 also known as the General Appropriations Act (GAA) for Fiscal Year (FY) 2022 Relative to the Increase on Capitalization Threshold from ₱15,000.00 to ₱50,000.00 was adopted.

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 District 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 accounts when the construction or installation and related activities necessary to prepare the property, plant and equipment to 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.

Construction in progress includes the following:

Particulars	2022	2021
Infrastructure Assets	80,208,243.48	38,832,806.20
Buildings and Other Structures	4,473,775.60	-
Total	84,682,019.08	38,832,806.20

This account consists of the following projects:

Particulars	Amount
Construction in Progress - Infrastructure Assets	
Construction of 1,000cu.m. Cylindrical Ground Steel Reservoir-Activation of Well No. 22	10,844,945.65
Construction of Pumphouse, Building and Electro-Mechanical Equipment-Well No. 22	390,000.00
Exploratory/Drilling of Production Well-Landero Lot, Brgy Mabuhay	822,359.34
Re-Drilling of Well No. 4-Purok Masunurin, Brgy. San Isidro	5,462,913.35
Well Drilling-Cabrerros Lot, Brgy. Sinawal	840,343.65
Pumphouse, Building Fence, Genset Shed-Bria Homes Well No. 23	2,015,060.01
300cu.m. Elevated Steel Tank-Well No. 24, CSWD Compound	12,446,318.74
Pumphouse, Building Fence, Genset Shed-Bria Homes Well No. 24, CSWD Compound	713,183.40
1000cu.m. Cylindrical Ground Steel Tank-Well No. 25, Virginia Talde Lot	7,775,418.46

Particulars	Amount
Pumphouse, Building Fence, Genset Shed-Well No. 25, Virginia Talde Lot	1,388,932.47
Booster Pumphouse Building-Well No. 25, Virginia Talde Lot	598,023.49
Booster Pump and Accessories-Well No. 25	133,091.83
Construction of Water Testing Laboratory	2,570,863.03
Installation of Steel Pipe Transmission-PS 25, Brgy. Conel	12,351,769.62
Erection of 50cu.m. Elevated Steel Tank-PS 18, VARBC	615,846.50
Pipeline Expansion	21,239,173.94
Construction in Progress - Infrastructure Assets	
Construction of Meter Room and Motorpool Building	4,473,775.60
Total	84,682,019.08

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	2022	2021
Computer Software	385,000.00	385,000.00
Less: Accumulated Amortization-Computer Software	(186,083.43)	(109,083.39)
Net Value	198,916.57	275,916.61

10. Other Assets

Other Assets 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	2022	2021
<i>Other Assets</i>		
Serviceable	6,746,111.80	6,823,118.56
Unserviceable	4,186,166.66	4,478,389.81
Total	10,932,278.46	11,301,508.37

11. Financial Liabilities – Current Portion

This includes the following:

Particulars	2022	2021
<i>Payables</i>		
Accounts Payable	15,964,892.84	13,930,605.77
Notes Payable - DBP (Current Portion)		
DBP (PN 2017-043)	3,300,000.00	3,300,000.00
DBP (PN 2018-224)	5,777,142.48	5,777,142.48
Total	25,042,035.32	23,007,748.25

Accounts Payable represents the following unpaid balances:

Particulars	Amount
Labor from Disconnectors & Reconnectors	1,304,123.43
Notarization of New Service Applications	45,730.00
Other Accounts Payable from Procurement of Goods/Services:	
Adame Construction and Supply	291,578.73
Besida Security Agency	319,387.06
Bureau of Internal Revenue	2,315,107.50
Columbia Computer Center Davao Inc.	5,900.00
Dadiangas Glass and Construction Depot Inc.	37,320.00
Dadiangas TJ Marketing	140,500.00
DENJR Information Technology	75,500.00
Drona Marketing	916,080.00
Exquisite Finds PPE Trading	6,400.00
Gensan Glass and Aluminum Supply	6,600.00
GKAS Airconditioning Services	14,000.00
Infoworx Inc.	15,400.00
International Pipe Industries Corporation	8,520,000.00
JRC Heavy Equipment Parts	6,600.00
Mabuhay Vinyl Corp.	270,640.00
Melgene Aircon Marketing and Services	212,051.60
Mindanao State University-Gensan	40,000.00
Mystic Water Phil Inc.	490,000.00
NJG Construction Inc.	540.00
Overtime Pay and Night Differential	380,660.52
PLDT Company	20,000.00
RO Tesoro and Sons Inc.	275,200.00
Rubix Tyre and Battery Center	178,800.00
Selfie Corporation	21,180.00
Southworld Enterprises	2,500.00
Southern Union Hardware	16,430.00
Starbright Office Depot	5,164.00
Willmark Marketing	31,500.00
Total	15,964,892.84

Old Loans from DBP and Al-Amanah Banks were already paid in full on November 2021. Only the new loans in DBP with PN # 2017-043 and PN # 2018-224 remain outstanding and will mature on year 2027.

For 2022, a total amount of ₱9,077,142.48 was reclassified to current portion of long-term debt of Loans Payable-Domestic based on PAS 1. This is to properly recognize the current portion of long-term debts to predict the ability of the District to meet its current obligations out of its current assets.

12. Inter-Agency Payables

This includes the following:

Particulars	2022	2021
Due to GSIS	572.06	5,836.66
Total	572.06	5,836.66

The preceding balance consists the following:

Particulars	Amount
Educational Loan deducted from payroll but not remitted since the loan has already been fully paid as per GSIS record. Offset to this balance shall be reflected in January 2023 payroll.	216.67
Personal share differentials using the new salary rate of Mr. Florante Tibayan (₱140.58) and Mr. Nelson Reyes (₱214.81) were not accepted since the GSIS System still used the old salary rate. Corresponding adjustments are reflected in January 2023.	355.39
Total	572.06

13. Trust Liabilities

This includes the following:

Particulars	2022	2021
Guaranty/Security Deposits Payable	10,051,087.68	6,289,705.14
Customers' Deposits Payable	29,130.05	553,161.56
Total	10,080,217.73	6,842,866.70

Guaranty/Security Deposits Payable of ₱10,051,087.68 represents the retention money of various project bidders.

Customers' Deposits Payable of ₱29,130.05 was voluntarily paid in advance by the concessionaires for their water connections.

14. Deferred Credits/Unearned Revenue/Income

This includes the following:

Particulars	2022	2021
<i>Deferred Credits/Unearned Revenue/Income</i>		
Deferred Revenue from Grants and Donations	146,652.00	-
Other Deferred Credits	345,359.76	488,909.85
<i>Unearned Revenue/Income</i>		
Other Unearned Revenue/Income	620,841.70	-
Total	1,112,853.46	488,909.85

Other Deferred Credits represents the amount already paid in advance by subdivision owners as follows:

Particulars	Amount
Golden Arches	105,414.00
Meneses Compound, Purok Masagana	63,269.87
Sarah C. Salvador, Salvani Street	54,123.89
Pamela C. Reyes	97,974.00
PE 04 Palmwoods Subdivision	24,578.00
Total	345,359.76

15. Provisions

This includes the following:

Particulars	2022	2021
Leave Benefits Payable	31,045,611.71	26,904,766.46
Total	31,045,611.71	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	2022	2021
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	2022	2021
<i>Bills/Bonds/Loans Payable</i>		
Loans Payable-Domestic		
DBP (PN 2017-043)	11,550,000.00	14,850,000.00
DBP (PN 2018-224)	20,225,398.72	26,002,541.20
Total	31,775,398.72	40,852,541.20

Loans which were refinanced by Development Bank of the Philippines and Al-Amanah Islamic Bank in a lower interest rate from Local Water Utilities Administration on November 16, 2011 were already paid in full on November 2021. Additional loans were granted by DBP on the year 2017 totaling ₱85 million with an interest rate of 5.33% (PN 2017-043 amounting to ₱33 million and PN 2018-224 amounting to ₱52,000,000). During the grant of additional loans, the interest from previous loan buy-out was reduced from 9.2% to 6.5% per annum.

18. Equity

Equity pertains to the District's restricted/paid-in government capital, contributed capital and retained earnings account. Prior period adjustments are added/deducted to the beginning balance of retained earnings account. This is composed of the following accounts:

Particulars	2022	2021
<i>Government Equity</i>		
Government Equity	8,764,842.84	8,764,842.84
Contributed Capital	47,754,281.79	47,754,281.79
<i>Retained Earnings/(Deficit)</i>		
Retained Earnings/(Deficit)	819,110,664.35	752,258,866.14
Total	875,629,788.98	808,777,990.77

Government equity consists of the following government and private water systems, and lots turned-over/donated to the District:

Particulars	2022	2021
LGU Water Systems - 1989	3,198,224.00	3,198,224.00
Rosario Village Subdivision 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 were also recorded as per COA AOM 19-03 (2018) dated February 1, 2019 with JEV # 19-07-2750 dated July 31, 2019. It is composed of the following:

Particulars	2022	2021
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	734,328.87
Vivienne Heights Subdivision	35,050.18	35,050.18
Agan Greenville Subdivision	19,080.00	19,080.00
Aganland Lagao Subdivision	33,672.00	33,672.00
Brixton Homes Subdivision	1,720,308.65	1,720,308.65
Communities, General Santos	103,090.06	103,090.06
Total	47,754,281.79	47,754,281.79

19. Business Income

This includes the following:

Particulars	2022	2021
<i>Business Income</i>		
Waterworks System Fees		
Residential	389,621,174.66	381,445,975.59
Government	15,902,514.60	14,612,186.80
Commercial	72,471,236.80	60,624,933.80
<i>Sales Discounts</i>	(408,423.68)	(422,483.83)
Interest Income	355,766.48	287,416.69
Fines and Penalties-Business Income	7,648,301.13	3,240,746.31
Other Business Income	16,264,559.23	15,470,905.02
Total	501,855,129.22	475,259,680.38

20. Personnel Services

This includes the following:

Particulars	2022	2021
<i>Salaries and Wages</i>		
Salaries and Wages-Regular	73,336,574.02	63,581,837.09
Salaries and Wages-Casual/Contractual	5,934,586.53	8,189,035.23
<i>Other Compensation</i>		
Personnel Economic Relief Allowance (PERA)	5,710,772.67	5,558,661.31
Representation Allowance (RA)	1,066,500.00	942,500.00
Transportation Allowance (TA)	1,066,500.00	942,500.00
Clothing/Uniform Allowance	1,428,000.00	1,308,000.00
Productivity Incentive Allowance	17,765,147.62	32,322,362.28
Longevity Pay	750,000.00	260,000.00
Overtime and Night Pay	7,292,621.75	6,162,226.53
Year-End Bonus	6,798,005.80	6,187,000.40
Cash Gift	1,196,000.00	1,184,500.00
Mid-Year Bonus	6,455,680.00	5,784,587.00
Other Bonuses and Allowances	29,601,601.55	32,030,361.74
<i>Personnel Benefit Contributions</i>		
Retirement and Life Insurance Premiums	9,339,910.36	8,626,773.96
Pag-IBIG Contributions	287,200.00	280,300.00
PhilHealth Contributions	1,302,106.79	979,125.16
Employees Compensation Insurance Premiums	286,300.00	279,300.00
Provident/Welfare Fund Contributions	5,523,053.40	14,478,590.70
<i>Other Personnel Benefits</i>		
Terminal Leave Benefits	7,606,115.29	6,648,787.78
Total	182,746,675.78	195,746,449.18

Salaries and Wages account represents the employee's earnings at a particular period. This is the gross amount before deduction of taxes and other statutory and contractual obligations. Payroll for contractual/job order employees are recognized under the General Services Account (MOOE).

Other Compensation includes allowances, overtime pay and other bonuses granted to employees during a particular period.

Personnel Benefit Contributions are statutory and contractual obligations which represent the government/employer counterpart.

Other Personnel Benefits represents the monetary value of Terminal Leave Benefits of employees incurred during the year.

21. Maintenance and Other Operating Expenses

This includes the following:

Particulars	2022	2021
<i>Traveling Expenses</i>		
Traveling Expenses-Local	2,400,338.62	166,716.05
<i>Training and Scholarship Expenses</i>		
Training Expenses	1,780,998.06	1,097,083.85
<i>Supplies and Materials Expenses</i>		
Office Supplies Expenses	2,119,993.22	1,998,863.49
Accountable Forms Expenses	785,100.00	785,820.00
Medical, Dental and Laboratory Supplies Expenses	1,220,699.45	4,685,059.22
Fuel, Oil and Lubricants Expenses	5,712,274.60	5,127,260.85
Semi-Expendable Machinery and Equipment Expenses	4,132,244.18	1,244,262.00
Semi-Expendable Furniture, Fixtures and Books Expenses	588,007.00	322,540.00
Other Supplies and Materials Expenses	2,928,592.47	3,269,987.60
<i>Utility Expenses</i>		
Electricity Expenses	1,766,498.80	77,828,380.80
<i>Communication Expenses</i>		
Postage and Courier Services	104,471.00	32,079.16
Telephone Expenses		
Landline	56,162.21	52,906.63
Mobile	524,055.35	1,674,379.50
Internet Subscription Expenses	1,459,676.78	641,696.47
<i>Generation, Transmission and Distribution Expenses</i>		
Generation, Transmission and Distribution Expenses	94,394,112.82	-
<i>Confidential, Intelligence and Extraordinary Expenses</i>		
Extraordinary and Miscellaneous Expenses	135,577.27	8,554,696.12
<i>Professional Services</i>		
Legal Services	117,750.00	29,405.55
Auditing Services	450,000.00	-
Other Professional Services	-	40,000.00

Particulars	2022	2021
<i>General Services</i>		
Security Services	7,205,637.39	6,090,435.03
<i>Repairs and Maintenance</i>		
Repairs and Maintenance-Infrastructure Assets	22,590,951.70	15,300,175.20
Repairs and Maintenance-Building and Other Structures	975,341.69	359,604.28
Repairs and Maintenance-Machinery and Equipment	2,038,370.83	1,639,760.61
Repairs and Maintenance-Transportation Equipment	1,351,047.56	1,327,707.54
Repairs and Maintenance-Furniture and Fixtures	37,833.00	10,100.00
<i>Taxes, Insurance Premiums and Other Fees</i>		
Taxes, Duties and Licenses	10,214,641.09	9,471,087.63
Fidelity Bond Premiums	95,625.00	93,375.00
Insurance/Reinsurance Expenses	1,821,573.08	1,624,399.38
<i>Other Maintenance and Operating Expenses</i>		
Advertising, Promotional and Marketing Expenses	3,078,399.38	1,538,156.30
Representation Expenses	1,143,440.19	635,557.26
Rent/Lease Expenses	124,803.75	109,638.00
Membership Dues and Contributions to Organizations	139,951.00	134,902.00
Donations	6,867,466.99	2,612,177.26
Other Maintenance and Operating Expenses	9,673,632.60	-
Total	188,035,267.08	148,498,212.78

22. Financial Expenses

This mainly consists of interest on new loans from DBP as follows:

Particulars	2022	2021
<i>Financial Expenses</i>		
Interest Expenses		
DBP (PN 2011-067)	-	626,450.67
DBP (PN 2017-043)	945,846.68	1,087,596.26
DBP (PN 2018-224)	1,653,229.11	1,889,054.27
Al-Amanah Islamic Bank (PN 2011-010)	-	231,737.19
Total	2,599,075.79	3,834,838.39

23. Non-Cash Expenses

This consists of the following:

Particulars	2022	2021
<i>Depreciation</i>		
Depreciation-Land Improvements	758,285.82	683,012.28
Depreciation-Infrastructure Assets	42,175,305.44	42,746,045.12
Depreciation-Buildings and Other Structures	1,656,062.89	1,395,011.26
Depreciation-Machinery and Equipment	5,440,197.49	6,178,261.95
Depreciation-Transportation Equipment	2,856,063.63	2,553,473.52
Depreciation-Furniture, Fixtures and Books	116,073.16	137,295.17

Particulars	2022	2021
<i>Amortization</i>		
Amortization-Intangible Assets	77,000.04	77,000.04
<i>Impairment Loss</i>		
Impairment Loss-Loans and Receivables	3,276,688.28	3,598,070.66
<i>Losses</i>		
Loss on Sale of Assets	-	376,705.20
Total	56,355,676.75	57,744,875.20

24. Issue on the Disposition of Income to the National Treasury

In compliance with Republic Act 7656, the Philippine Association of Water Districts (PAWD) circularized Office of the Government Corporate Counsel (OGCC) Opinion No. 190, series of 2010, addressing whether all local water districts (LWDs) are required to declare and remit fifty percent (50%) of its annual earnings to the National Treasury. The OGCC opined in the negative. Relevant portions of the said Opinion are as follows:

"Following the definition of government-owned or controlled corporations (GOCC) in the afore-cited cases, water districts are government instrumentalities exercising corporate powers. They are, therefore, not covered by RA 7656. Moreover, it bears emphasis that water districts are created purposely for public service as Section 5, Chapter II of PD 198 provides. Local water districts also do not receive any government subsidy and financial support/appropriation from the government. Its operating income is derived principally from the collection of water consumption fees and loans from Local Water Utilities Administration (LWUA) or Government Banks for its development and expansion programs. Most important, the manner of utilization and disposition of its income is restricted under Section 41 of PD 198, thus: Sec. 41. Disposition - The income of the district shall be disposed of according to the following priorities: First, to pay its contractual and statutory obligations and to meet its essential current operating expenses. Second, to allocate at least fifty percent (50%) of the balance exclusively as a reserve for debt service and operating and maintenance, to be used for such purposes only during periods of calamities force majeure of unforeseen events. Third, to allocate the residue as a reserve exclusively for expansion and improvement of its facilities."

Hence, no part of the water district's income shall be used or disposed of for any other purpose than those mentioned above. To require the water districts to remit 50% of its earnings to National Treasury would constitute a violation of its Charter on the disposition of its income. Relying on this legal basis, the GSCWD is not remitting the fifty percent (50%) of its annual earnings to the National Treasury.

Moreover, the District is exempted from paying income taxes as per Republic Act No. 10026 or An Act Granting Income Tax Exemption to Local Water Districts.