



PEÑARANDA WATER DISTRICT

Gomez St. Poblacion II, Peñaranda, Nueva Ecija

Telefax No. (044) 940-4049, 940-0971

Email Add. pwd1987@yahoo.com.ph

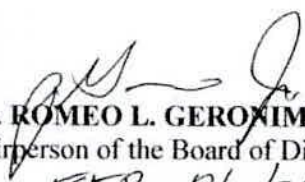
Website: pwd.gov.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS


The Management of the **PEÑARANDA WATER DISTRICT** is responsible for the preparation of the financial statement 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 misstatement 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 **PEÑARANDA WATER DISTRICT** in accordance with the Philippine 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.


Mr. ROMEO L. GERONIMO JR.
Chairperson of the Board of Directors

Feb-06-2023
Date Signed


AILEEN A. SIGUA
Senior Corporate Accounts Analyst

02/06/23
Date Signed


MARILYN E. GERONIMO
Division Manager C
Administrative, Finance and Commercial

02-06-2023
Date Signed


Engr. MARLON J. ABESAMIS
General Manager

02/06/23
Date Signed

PEÑARANDA WATER DISTRICT
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	<u>NOTE</u>	<u>December 31, 2022</u>	<u>December 31, 2022</u>	<u>January 01, 2021</u>
ASSETS				
Current Assets				
Cash and Cash Equivalents	4	9,424,171.36	7,854,951.39	8,410,534.90
International Reserves		-	-	-
Financial Assets		-	-	-
Other Investments		-	-	-
Receivables	5	3,730,474.73	2,114,515.54	2,122,525.82
Inventories	6	1,144,137.21	1,070,625.22	1,357,347.64
Non-Current Assets Held for Sale		-	-	-
Other Current Assets	7	83,457.58	77,291.58	66,091.62
Total Current Assets		14,382,240.88	11,117,383.73	11,956,499.98
Non-Current Assets				
Non-International Reserves Foreign Assets		-	-	-
Financial Assets		-	-	-
Investments in Joint Ventures		-	-	-
Investments in Associates/Affiliates		-	-	-
Investments in Subsidiaries		-	-	-
Other Investments	8	927,503.96	924,470.84	828,499.68
Receivables		-	-	-
Investment Property		-	-	-
Property, Plant and Equipment	9	48,932,480.21	48,757,406.73	45,839,428.28
Biological Assets		-	-	-
Intangible Assets	10	26,600.00	45,800.00	65,000.00
Deferred Tax Assets		-	-	-
Other Non-Current Assets	11	59,506.50	25,751.50	1,257,132.50
Total Non-Current Assets		49,946,090.67	49,753,429.07	47,990,060.46
Total Assets		64,328,331.55	60,870,812.80	59,946,560.44
LIABILITIES				
Current Liabilities				
Financial Liabilities	12	652,080.09	1,249,857.52	2,652,378.24
Inter-Agency Payables	13	1,160,738.03	984,663.02	776,585.04
Trust Liabilities	14	73,003.82	74,271.60	69,988.78
Deferred Credits/Unearned Income		-	-	-
Provisions	15	248,699.98	-	78,967.74
Other Payables		-	5,457.50	8,573.00
Total Current Liabilities		2,134,521.92	2,314,249.64	3,586,492.80

	<u>NOTE</u>	<u>December 31, 2022</u>	<u>December 31, 2022</u>	<u>January 01, 2021</u>
Non-Current Liabilities				
Financial Liabilities	12	5,912,088.00	6,155,664.00	6,870,012.92
Currency Issued		-	-	-
Deposit Liabilities		-	-	-
Inter-Agency Payables		-	-	-
Trust Liabilities		-	-	-
Deferred Credits/Unearned Income		-	-	-
Provisions	15	10,477,527.74	10,068,785.20	8,913,670.69
Deferred Tax Liabilities		-	-	-
Other Payables		-	-	-
Total Non-Current Liabilities		16,389,615.74	16,224,449.20	15,783,683.61
Total Liabilities		18,524,137.66	18,538,698.84	19,370,176.41
EQUITY				
Government Equity		-	-	-
Revaluation Surplus		-	-	-
Retained Earnings/(Deficit)		45,804,193.89	42,332,113.96	40,576,384.03
Stockholders' Equity		-	-	-
Cumulative Translation Adjustment		-	-	-
Cumulative Changes in Fair Value		-	-	-
Members' Equity		-	-	-
Total Equity		45,804,193.89	42,332,113.96	40,576,384.03
Total Liabilities and Equity		64,328,331.55	60,870,812.80	59,946,560.44

Prepared by:

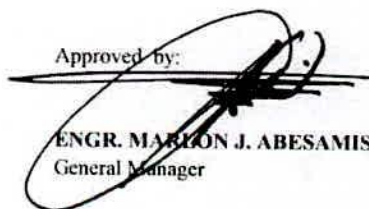

AILEEN A. SIGUA

Senior Corporate Account Analyst

Checked by:


MARILYN E. GERONIMODivision Manager C
Administrative, Finance and Commercial

Approved by:


ENGR. MARLON J. ABESAMIS
General Manager

PEÑARANDA WATER DISTRICT
DETAILED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 01, 2021</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	9,424,171.36	7,854,951.39	8,410,534.90
Cash on Hand	83,351.55	271,395.53	103,087.50
Cash-Collecting Officers	83,351.55	271,395.53	103,087.50
Petty Cash	-	-	-
Cash in Bank-Local Currency	248,821.14	626,345.42	517,600.94
Cash in Bank-Local Currency, Current Account	248,821.14	626,345.42	517,600.94
Cash Equivalents	9,091,998.67	6,957,210.44	7,789,846.46
Time Deposits-Local Currency	9,091,998.67	6,957,210.44	7,789,846.46
Receivables	3,730,474.73	2,114,515.54	2,122,525.82
Loans and Receivable Accounts	3,200,469.23	1,355,056.04	1,156,086.32
Accounts Receivable	3,426,618.94	1,564,538.25	1,340,517.53
Allowance for Impairment-Accounts Receivable	229,749.71	217,273.36	184,431.21
Net Value-Accounts Receivable	3,196,869.23	1,347,264.89	1,156,086.32
Receivable-Collecting Banks/Agents	-	4,191.15	-
Allowance for Impairment-Receivable-Collecting	-	-	-
Net Value-Receivable-Collecting Banks/Agents	-	4,191.15	-
Installment Sales Receivable	3,600.00	3,600.00	-
Allowance for Impairment-Installment Sales Receivable	-	-	-
Net Value-Receivable-Installment Sales Receivable	3,600.00	3,600.00	-
Other Receivables	530,005.50	759,459.50	966,439.50
Receivables-Disallowances/Charges	530,005.50	759,459.50	966,439.50
Inventories	1,144,137.21	1,070,625.22	1,357,347.64
Inventory Held for Consumption	1,144,137.21	1,070,625.22	1,357,347.64
Office Supplies Inventory	60,580.63	49,113.26	59,457.06
Allowance for Impairment-Office Supplies Inventory	-	-	-
Net Value-Office Supplies Inventory	60,580.63	49,113.26	59,457.06
Accountable Forms, Plates and Stickers Inventory	44,119.16	39,212.05	44,494.22
Allowance for Impairment-Accountable Forms, Plates and	-	-	-
Net Value-Accountable Forms, Plates and Stickers Inventory	44,119.16	39,212.05	44,494.22
Non-Accountable Forms Inventory	41,929.21	43,445.63	49,363.40
Allowance for Impairment-Non-Accountable Forms	-	-	-
Net Value-Non-Accountable Forms Inventory	41,929.21	43,445.63	49,363.40
Fuel, Oil and Lubricants Inventory	61,105.51	45,071.82	30,058.05
Allowance for Impairment-Fuel, Oil and Lubricants	-	-	-
Net Value-Fuel, Oil and Lubricants Inventory	61,105.51	45,071.82	30,058.05
Chemical and Filtering Supplies Inventory	29,400.00	7,200.00	13,300.00
Allowance for Impairment-Chemical and Filtering Supplies	-	-	-
Net Value-Chemical and Filtering Supplies Inventory	29,400.00	7,200.00	13,300.00
Supplies and Materials for Water Systems Operations	888,983.14	880,866.32	1,154,220.89
Allowance for Impairment-Supplies and Materials for Water	-	-	-
Net Value-Supplies and Materials for Water Systems	888,983.14	880,866.32	1,154,220.89
Housekeeping/Cleaning Supplies	17,739.56	5,716.14	6,454.02
Allowance for Impairment-Housekeeping/Cleaning Supplies	-	-	-
Net Value-Housekeeping/Cleaning Supplies	17,739.56	5,716.14	6,454.02
Other Supplies and Materials Inventory	280.00	-	-
Allowance for Impairment-Other Supplies and Materials	-	-	-
Net Value-Other Supplies and Materials Inventory	280.00	-	-

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 01, 2021</u>
Other Current Assets	83,457.58	77,291.58	66,091.62
Prepayments	83,457.58	77,291.58	66,091.62
Prepaid Insurance	61,950.54	55,784.54	64,191.62
Prepaid Subscription	11,200.00	11,200.00	-
Other Prepayments	10,307.04	10,307.04	1,900.00
Total Current Assets	14,382,240.88	11,117,383.73	11,956,499.98
Non-Current Assets			
Other Investments	927,503.96	924,470.84	828,499.68
Sinking Fund	927,503.96	924,470.84	828,499.68
Sinking Fund	927,503.96	924,470.84	828,499.68
Property, Plant and Equipment	48,932,480.21	48,757,406.73	45,839,428.28
Land	3,062,874.21	3,062,874.21	3,062,874.21
Land	3,062,874.21	3,062,874.21	3,062,874.21
Accumulated Impairment Losses-Land	-	-	-
Net Value-Land	3,062,874.21	3,062,874.21	3,062,874.21
Land Improvements	76,734.84	79,502.28	11,480.86
Other Land Improvements	317,010.70	317,010.70	229,617.20
Accumulated Depreciation-Other Land Improvements	240,275.86	237,508.42	218,136.34
Accumulated Impairment Losses-Other Land Improvements	-	-	-
Net Value-Other Land Improvements	76,734.84	79,502.28	11,480.86
Infrastructure Assets	28,326,378.14	28,917,860.22	27,652,434.70
Power Supply Systems	968,106.60	-	-
Accumulated Depreciation-Power Supply Systems	4,745.92	-	-
Accumulated Impairment Losses-Power Supply Systems	-	-	-
Net Value-Power Supply Systems	963,360.68	-	-
Plant-Utility Plant in Service (UPIS)	48,682,331.71	48,682,331.71	46,106,948.73
Accumulated Depreciation-Plant (UPIS)	21,319,314.25	19,764,471.49	18,454,514.03
Accumulated Impairment Losses-Plant (UPIS)	-	-	-
Net Value-Plant-Utility Plant in Service (UPIS)	27,363,017.46	28,917,860.22	27,652,434.70
(1,554,842.76)			
Buildings and Other Structures	7,818,911.30	8,161,324.22	8,503,235.41
Buildings	8,548,589.82	8,548,589.82	8,548,589.82
Accumulated Depreciation-Buildings	2,001,672.60	1,723,514.04	1,445,355.63
Accumulated Impairment Losses-Buildings	-	-	-
Net Value-Buildings	6,546,917.22	6,825,075.78	7,103,234.19
Water Plant, Structure and Improvements	2,029,087.26	2,029,087.26	2,029,087.26
Accumulated Depreciation-Water Plant, Structure and	757,093.18	692,838.82	629,086.04
Accumulated Impairment Losses-Water Plant, Structure and	-	-	-
Net Value-Water Plant, Structure and Improvements	1,271,994.08	1,336,248.44	1,400,001.22
Machinery and Equipment	9,174,903.99	7,957,521.42	5,788,868.84
Office Equipment	1,254,584.92	1,203,879.92	1,097,304.92
Accumulated Depreciation-Office Equipment	847,652.46	677,977.35	523,615.87
Accumulated Impairment Losses-Office Equipment	-	-	-
Net Value-Office Equipment	406,932.46	525,902.57	573,689.05
Information and Communication Technology Equipment	99,800.00	99,800.00	99,800.00
Accumulated Depreciation-Information and Communication	94,810.00	80,588.67	61,626.50
Accumulated Impairment Losses-Information and	-	-	-
Net Value-Information and Communication Technology	4,990.00	19,211.33	38,173.50
Other Machinery and Equipment	18,883,877.76	16,260,340.76	12,452,246.16
Accumulated Depreciation-Other Machinery and Equipment	10,120,896.23	8,847,933.24	7,275,239.87
Accumulated Impairment Losses-Other Machinery and	-	-	-
Net Value-Other Machinery and Equipment	8,762,981.53	7,412,407.52	5,177,006.29
Transportation Equipment	388,770.91	543,128.23	775,115.22

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 01, 2021</u>
Motor Vehicles	3,007,184.00	2,932,684.00	3,062,684.00
Accumulated Depreciation-Motor Vehicles	2,618,413.09	2,389,555.77	2,287,568.78
Accumulated Impairment Losses-Motor Vehicles	-	-	-
Net Value-Motor Vehicles	<u>388,770.91</u>	<u>543,128.23</u>	<u>775,115.22</u>
Furniture, Fixtures and Books	83,906.82	35,196.15	45,419.04
Furniture and Fixtures	171,606.80	107,606.80	107,606.80
Accumulated Depreciation-Furniture and Fixtures	87,699.98	72,410.65	62,187.76
Accumulated Impairment Losses-Furniture and Fixtures	-	-	-
Net Value-Furniture and Fixtures	<u>83,906.82</u>	<u>35,196.15</u>	<u>45,419.04</u>
Intangible Assets	26,600.00	45,800.00	65,000.00
Intangible Assets	26,600.00	45,800.00	65,000.00
Computer Software	212,000.00	212,000.00	212,000.00
Accumulated Amortization-Computer Software	185,400.00	166,200.00	147,000.00
Accumulated Impairment Losses-Computer Software	-	-	-
Net Value-Computer Software	<u>26,600.00</u>	<u>45,800.00</u>	<u>65,000.00</u>
Other Non-Current Assets	59,506.50	25,751.50	1,257,132.50
Other Assets	59,506.50	25,751.50	1,257,132.50
Other Assets	59,506.50	25,751.50	1,257,132.50
Accumulated Impairment Losses-Other Assets	-	-	-
Net Value-Other Assets	<u>59,506.50</u>	<u>25,751.50</u>	<u>1,257,132.50</u>
Total Non-Current Assets	49,946,090.67	49,753,429.07	47,990,060.46
Total Assets	64,328,331.55	60,870,812.80	59,946,560.44
LIABILITIES			
Current Liabilities			
Financial Liabilities	652,080.09	1,249,857.52	2,652,378.24
Payables	408,504.09	535,508.60	1,652,217.24
Accounts Payable	408,504.09	535,508.60	1,652,217.24
Bills/Bonds/Loans Payable	243,576.00	714,348.92	1,000,161.00
Loans Payable-Domestic	243,576.00	714,348.92	1,000,161.00
Inter-Agency Payables	1,160,738.03	984,663.02	776,585.04
Inter-Agency Payables	1,160,738.03	984,663.02	776,585.04
Due to BIR	289,248.59	359,970.73	407,085.67
Due to GSIS	335,303.71	349,802.64	184,097.50
Due to Pag-IBIG	17,054.71	18,530.14	19,181.79
Due to PhilHealth	36,398.64	25,100.88	22,948.86
Due to NGAs	482,732.38	231,258.63	143,271.22
Trust Liabilities	73,003.82	74,271.60	69,988.78
Trust Liabilities	73,003.82	74,271.60	69,988.78
Customers' Deposits Payable	73,003.82	74,271.60	69,988.78
Provisions	248,699.98	-	78,967.74
Provisions	248,699.98	-	78,967.74
Leave Benefits Payable	248,699.98	-	78,967.74
Other Payables	-	5,457.50	8,573.00

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 01, 2021</u>
Other Payables			
Other Payables	-	5,457.50	8,573.00
	-	5,457.50	8,573.00
Total Current Liabilities	<u>2,134,521.92</u>	<u>2,314,249.64</u>	<u>3,586,492.80</u>
Non-Current Liabilities			
Financial Liabilities			
	<u>5,912,088.00</u>	<u>6,155,664.00</u>	<u>6,870,012.92</u>
Bills/Bonds/Loans Payable	<u>5,912,088.00</u>	<u>6,155,664.00</u>	<u>6,870,012.92</u>
Loans Payable-Domestic	5,912,088.00	6,155,664.00	6,870,012.92
Provisions	<u>10,477,527.74</u>	<u>10,068,785.20</u>	<u>8,913,670.69</u>
Provisions	<u>10,477,527.74</u>	<u>10,068,785.20</u>	<u>8,913,670.69</u>
Leave Benefits Payable	10,477,527.74	10,068,785.20	8,913,670.69
Total Non-Current Liabilities	<u>16,389,615.74</u>	<u>16,224,449.20</u>	<u>15,783,683.61</u>
Total Liabilities	<u>18,524,137.66</u>	<u>18,538,698.84</u>	<u>19,370,176.41</u>
EQUITY			
Retained Earnings/(Deficit)	<u>45,804,193.89</u>	<u>42,332,113.96</u>	<u>40,576,384.03</u>
Retained Earnings/(Deficit)	<u>45,804,193.89</u>	<u>42,332,113.96</u>	<u>40,576,384.03</u>
Retained Earnings/(Deficit)	45,804,193.89	42,332,113.96	40,576,384.03
Total Equity	<u>45,804,193.89</u>	<u>42,332,113.96</u>	<u>40,576,384.03</u>
Total Liabilities and Equity	<u>64,328,331.55</u>	<u>60,870,812.80</u>	<u>59,946,560.44</u>

Prepared by:

**AILEEN A. SIGUA**

Senior Corporate Accounts Analyst

Checked by:


MARILYN E. GERONIMO

Division Manager C

Administrative, Finance and Commercial

Approved by:


ENGR. MARLON J. ABESAMIS

General Manager

**PEÑARANDA WATER DISTRICT
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>NOTE</u>	<u>2022</u>	<u>2021</u>
Income			
Service and Business Income	16	38,253,811.20	35,285,515.84
Shares, Grants and Donations		-	-
Gains		-	-
Other Non-Operating Income	17	439,890.62	403,271.71
Total Income		38,693,701.82	35,688,787.55
Expenses			
Personnel Services	18	19,204,306.29	18,456,493.33
Maintenance and Other Operating Expenses	19	11,918,494.32	11,182,970.80
Financial Expenses	20	12,956.00	72,627.00
Direct Costs		-	-
Non-Cash Expenses	21	3,637,451.47	3,557,776.75
Total Expenses		34,773,208.08	33,269,867.88
Profit/(Loss) Before Tax		3,920,493.74	2,418,919.67
Income Tax Expense/(Benefit)		-	-
Profit/(Loss) After Tax		3,920,493.74	2,418,919.67
Net Assistance/Subsidy/(Financial Assistance/Subsidy/Contribution)		-	-
Net Income/(Loss)		3,920,493.74	2,418,919.67
Other Comprehensive Income/(Loss) for the Period		-	-
Comprehensive Income/(Loss)		3,920,493.74	2,418,919.67

Prepared by:


AILEEN A. SIGUA

Senior Corporate Accounts Analyst

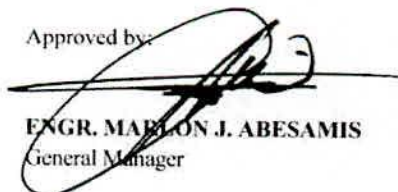
Checked by:


MARILOU E. GERONIMO

Division Manager C

Administrative, Finance and Commercial

Approved by:


ENGR. MARLON J. ABESAMIS

General Manager

**PEÑARANDA WATER DISTRICT
DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
Income		
Service and Business Income		
Business Income		
Waterworks System Fees	36,173,906.96	33,338,610.86
Sales Discounts	33,344.74	24,198.58
Net Sales	36,140,562.22	33,314,412.28
Interest Income	38,397.71	30,654.03
Fines and Penalties-Business Income	729,401.27	686,642.60
Other Business Income	1,345,450.00	1,253,806.93
Total Business Income	<u>38,253,811.20</u>	<u>35,285,515.84</u>
Total Service and Business Income	<u>38,253,811.20</u>	<u>35,285,515.84</u>
Other Non-Operating Income		
Sale of Assets		
Sale of Unserviceable Property	430.00	10,302.50
Total Sale of Assets	<u>430.00</u>	<u>10,302.50</u>
Miscellaneous Income		
Miscellaneous Income	439,460.62	392,969.21
Total Miscellaneous Income	<u>439,460.62</u>	<u>392,969.21</u>
Total Other Non-Operating Income	<u>439,890.62</u>	<u>403,271.71</u>
Total Income	<u>38,693,701.82</u>	<u>35,688,787.55</u>
Expenses		
Personnel Services		
Salaries and Wages		
Salaries and Wages-Regular	11,398,212.00	10,676,610.00
Total Salaries and Wages	<u>11,398,212.00</u>	<u>10,676,610.00</u>
Other Compensation		
Personnel Economic Relief Allowance (PERA)	908,000.00	880,000.00
Representation Allowance (RA)	222,000.00	222,000.00
Transportation Allowance (TA)	222,000.00	222,000.00
Clothing/Uniform Allowance	228,000.00	216,000.00
Honoraria	12,000.00	24,500.00
Longevity Pay	5,064.00	9,736.00
Year End Bonus	954,950.40	884,015.00
Cash Gift	189,500.00	183,000.00
Mid-Year Bonus	953,237.00	874,219.00
Directors and Committee Members' Fees	393,120.00	577,080.00
Other Bonuses and Allowances	1,094,800.00	1,108,515.11
Total Other Compensation	<u>5,182,671.40</u>	<u>5,201,065.11</u>
Personnel Benefit Contributions		
Retirement and Life Insurance Premiums	1,368,361.57	1,282,377.17

	<u>2022</u>	<u>2021</u>
Pag-IBIG Contributions	45,400.00	44,000.00
PhilHealth Contributions	216,459.54	145,901.75
Employees Compensation Insurance Premiums	45,400.00	44,000.00
Total Personnel Benefit Contributions	1,675,621.11	1,516,278.92
Other Personnel Benefits		
Terminal Leave Benefits	898,828.78	998,897.30
Other Personnel Benefits	48,973.00	63,642.00
Total Other Personnel Benefits	947,801.78	1,062,539.30
Total Personnel Services	19,204,306.29	18,456,493.33
Maintenance and Other Operating Expenses		
Traveling Expenses		
Traveling Expenses-Local	138,290.40	13,210.00
Total Traveling Expenses	138,290.40	13,210.00
Training and Scholarship Expenses		
Training Expenses	194,490.00	45,048.75
Total Training and Scholarship Expenses	194,490.00	45,048.75
Supplies and Materials Expenses		
Office Supplies Expenses	77,379.25	112,988.81
Accountable Forms Expenses	50,332.89	49,224.57
Non-Accountable Forms Expenses	15,466.42	22,417.77
Fuel, Oil and Lubricants Expenses	305,582.15	288,235.70
Chemical and Filtering Supplies Expenses	1,149,800.00	1,036,800.00
Semi-Expendable Machinery and Equipment Expenses	146,198.94	48,078.00
Semi-Expendable Furniture, Fixtures and Books Expenses	12,460.00	57,424.50
Supplies and Materials for Water Systems Operations Expense	634,270.00	524,965.00
Housekeeping/Cleaning Supplies Expense	80,247.38	69,769.12
Other Supplies and Materials Expenses	21,485.00	-
Total Supplies and Materials Expenses	2,493,222.03	2,209,903.47
Utility Expenses		
Electricity Expenses	237,120.56	6,090,199.93
Other Utility Expenses	4,710.00	540.00
Total Utility Expenses	241,830.56	6,090,739.93
Communication Expenses		
Postage and Courier Services	3,002.00	2,960.00
Telephone Expenses	166,776.31	221,493.53
Internet Subscription Expenses	27,540.00	-
Cable, Satellite, Telegraph and Radio Expenses	-	2,016.00
Total Communication Expenses	197,318.31	226,469.53
Survey, Research, Exploration and Development Expenses		
Survey Expenses	150,000.00	-
Total Survey, Research, Exploration and Development Expenses	150,000.00	-
Generation, Transmission and Distribution Expenses		
Generation, Transmission and Distribution Expenses	5,812,428.62	-
Confidential, Intelligence and Extraordinary Expenses		
Extraordinary and Miscellaneous Expenses	-	8,700.00
Total Confidential, Intelligence and Extraordinary Expenses	-	8,700.00
Professional Services		

	<u>2022</u>	<u>2021</u>
Auditing Services	251,473.75	287,987.41
Other Professional Services	181,250.00	232,235.00
Total Professional Services	432,723.75	520,222.41
General Services		
Security Services	336,000.00	334,463.54
Total General Services	336,000.00	334,463.54
Repairs and Maintenance		
Repairs and Maintenance-Land Improvements	-	-
Repairs and Maintenance-Infrastructure Assets	149,310.19	155,449.34
Repairs and Maintenance-Buildings and Other Structures	56,945.00	35,438.00
Repairs and Maintenance-Machinery and Equipment	264,931.00	214,042.07
Repairs and Maintenance-Transportation Equipment	96,919.00	83,834.00
Repairs and Maintenance-Furniture and Fixtures	-	-
Total Repairs and Maintenance	568,105.19	488,763.41
Taxes, Insurance Premiums and Other Fees		
Taxes, Duties and Licenses	706,043.26	687,655.06
Fidelity Bond Premiums	18,232.50	18,232.50
Insurance/Reinsurance Expenses	169,144.01	157,810.97
Total Taxes, Insurance Premiums and Other Fees	893,419.77	863,698.53
Other Maintenance and Operating Expenses		
Advertising, Promotional and Marketing Expenses	7,340.00	7,210.00
Representation Expenses	285,999.99	110,237.75
Transportation and Delivery Expenses	-	-
Membership Dues and Contributions to Organizations	19,222.50	18,622.50
Subscription Expenses	19,200.00	16,125.00
Other Maintenance and Operating Expenses	128,903.20	229,555.98
Total Other Maintenance and Operating Expenses	460,665.69	381,751.23
Total Maintenance and Other Operating Expenses	11,918,494.32	11,182,970.80
Financial Expenses		
Financial Expenses		
Interest Expenses	12,956.00	72,627.00
Total Financial Expenses	12,956.00	72,627.00
Non-Cash Expenses		
Depreciation		
Depreciation-Land Improvements	2,767.44	14,175.78
Depreciation-Infrastructure Assets	1,559,588.68	1,449,129.06
Depreciation-Buildings and Other Structures	342,412.92	342,852.29
Depreciation-Machinery and Equipment	1,456,859.43	1,443,050.38
Depreciation-Transportation Equipment	228,857.32	225,486.99
Depreciation-Furniture, Fixtures and Books	15,289.33	31,040.10
Total Depreciation	3,605,775.12	3,505,734.60
Amortization		
Amortization-Intangible Assets	19,200.00	19,200.00
Total Amortization	19,200.00	19,200.00
Impairment Loss		
Impairment Loss-Loans and Receivables	12,476.35	32,842.15
Total Impairment Loss	12,476.35	32,842.15

	<u>2022</u>	<u>2021</u>
Total Non-Cash Expenses	<u>3,637,451.47</u>	<u>3,557,776.75</u>
Total Expenses	<u>34,773,208.08</u>	<u>33,269,867.88</u>
Profit/(Loss) Before Tax	<u>3,920,493.74</u>	<u>2,418,919.67</u>
Income Tax Expense/(Benefit)	<u>-</u>	<u>-</u>
Profit/(Loss) After Tax	<u>3,920,493.74</u>	<u>2,418,919.67</u>
Net Income/(Loss)	<u>3,920,493.74</u>	<u>2,418,919.67</u>
Other Comprehensive Income/(Loss) for the Period		
Changes in Fair Value of Investments	-	-
Translation Adjustment	-	-
Total Other Comprehensive Income/(Loss) for the Period	<u>-</u>	<u>-</u>
Comprehensive Income/(Loss)	<u>3,920,493.74</u>	<u>2,418,919.67</u>


Prepared by:


AILEEN A. SIGUA
 Senior Corporate Accounts Analyst

Checked by:


MARILYN E. GERONIMO
 Division Manager C
 Administrative, Finance and Commercial

Approved by:


ENGR. MARLON J. ABESAMIS
 General Manager

**PEÑARANDA WATER DISTRICT
CONDENSED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Inflows		
Proceeds from Sale of Goods and Services	-	-
Collection of Income/Revenue	37,504,810.70	36,016,018.11
Receipt of Assistance/Subsidy	-	-
Collection of Receivables	229,454.00	206,980.00
Receipt of Inter-Agency Fund Transfers	-	-
Receipt of Intra-Agency Fund Transfers	-	-
Trust Receipts	36,701.32	30,129.00
Other Receipts	290,569.14	200,047.91
Total Cash Inflows	38,061,535.16	36,453,175.02
Adjustments	-	-
Adjusted Cash Inflows	38,061,535.16	36,453,175.02
Cash Outflows		
Payment of Expenses	19,821,968.90	19,197,760.23
Purchase of Inventories	3,542,050.73	3,167,511.10
Grant of Cash Advances	-	-
Prepayments	176,288.42	142,160.42
Refund of Deposits	-	150,494.03
Payments of Accounts Payable	535,508.60	1,607,275.24
Remittance of Personnel Benefit Contributions and Mandatory Deductions	7,934,422.69	7,038,828.68
Other Disbursements	12,302.33	25,573.08
Total Cash Outflows	32,022,541.67	31,329,602.78
Adjustments	-	-
Adjusted Cash Outflows	32,022,541.67	31,329,602.78
Net Cash Provided by/(Used in) Operating Activities	6,038,993.49	5,123,572.24
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Inflows		
Proceeds from Sale/ Disposal of Investment Property	-	-
Proceeds from Sale/Disposal of Property, Plant and Equipment	-	-
Sale of Investments	-	-
Receipt of Interest Earned	-	-
Receipt of Cash Dividends	-	-
Proceeds from Matured Investments/Redemption of Long-term Investments/Return on Investments	-	-
Collection of Long-Term Loans	-	-
Proceeds from Sale of Other Assets	16,800.00	72,888.00
Total Cash Inflows	16,800.00	72,888.00
Adjustments	-	-
Adjusted Cash Inflows	16,800.00	72,888.00

	<u>2022</u>	<u>2021</u>
Cash Outflows		
Purchase/Construction of Investment Property	-	-
Purchase/Construction of Property, Plant and Equipment	3,759,268.60	4,586,299.29
Purchase of Investments	-	92,956.46
Purchase of Bearer Biological Assets	-	-
Purchase of Consumable Biological Assets	-	-
Purchase of Intangible Assets	-	-
Grant of Loans	-	-
Total Cash Outflows	<u>3,759,268.60</u>	<u>4,679,255.75</u>
Adjustments	-	-
Adjusted Cash Outflows	<u>3,759,268.60</u>	<u>4,679,255.75</u>
Net Cash Provided By/(Used In) Investing Activities	<u>(3,742,468.60)</u>	<u>(4,606,367.75)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Inflows		
Proceeds from Incurrence of Financial Liabilities	-	-
Proceeds from Issuance of Bonds and Acceptances Payable	-	-
Proceeds from Domestic and Foreign Loans	-	-
Contribution from National Government	-	-
Proceeds from Issuance of Capital Stock and other Equity Securities	-	-
Total Cash Inflows	<u>-</u>	<u>-</u>
Adjustments	-	-
Adjusted Cash Inflows	<u>-</u>	<u>-</u>
Cash Outflows		
Payment of Long-Term Liabilities	714,348.92	1,000,161.00
Redemption of Bonds Issued and Unsecured Subordinated Debt	-	-
Payment for Reacquisition of Capital Stock and other Equity Securities	-	-
Payment of Interest on Loans and Other Financial Charges	12,956.00	72,627.00
Payment of Cash Dividends	-	-
Total Cash Outflows	<u>727,304.92</u>	<u>1,072,788.00</u>
Adjustments	-	-
Adjusted Cash Outflows	<u>727,304.92</u>	<u>1,072,788.00</u>
Net Cash Provided By/(Used In) Financing Activities	<u>(727,304.92)</u>	<u>(1,072,788.00)</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>1,569,219.97</u>	<u>(555,583.51)</u>
Effects of Exchange Rate Changes on Cash and Cash Equivalents	-	-
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>7,854,951.39</u>	<u>8,410,534.90</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>9,424,171.36</u>	<u>7,854,951.39</u>

Prepared by:

AILEEN A. SIGUA

Senior Corporate Accounts Analyst

Checked by:

MARILYN E. GERONIMO

Division Manager C

Administrative, Finance and Commercial

Approved by:

ENGR. MARLON J. ABESAMIS

General Manager

**PEÑARANDA WATER DISTRICT
DETAILED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Inflows		
Proceeds from Sale of Goods and Services	-	-
Collection of Income/Revenue	<u>37,504,810.70</u>	<u>36,016,018.11</u>
Collection of service and business income	37,061,588.08	35,676,686.70
Collection of other non-operating income	443,222.62	339,331.41
Collection of Receivables	<u>229,454.00</u>	<u>206,980.00</u>
Collection of receivable from audit disallowances and/or charges	229,454.00	206,980.00
Trust Receipts	<u>36,701.32</u>	<u>30,129.00</u>
Receipt of customers' deposits	36,701.32	30,129.00
Other Receipts	<u>290,569.14</u>	<u>200,047.91</u>
Receipt of unused petty cash fund	19,686.50	16,422.17
Receipt of other deferred credits	13,908.84	150,494.03
Receipt of refund of cash advances	256,973.80	-
Other miscellaneous receipts	-	33,131.71
Total Cash Inflows	<u>38,061,535.16</u>	<u>36,453,175.02</u>
Adjustments	-	-
Restoration of cash for cancelled/lost/stale checks/ADA	-	-
Restoration of cash for unreleased checks	-	-
Other adjustments-Inflow (Please specify)	-	-
Adjusted Cash Inflows	<u>38,061,535.16</u>	<u>36,453,175.02</u>
Cash Outflows		
Payment of Expenses	<u>19,821,968.90</u>	<u>19,197,760.23</u>
Payment of personnel services	11,659,384.04	11,479,186.66
Payment of maintenance and other operating expenses	8,162,584.86	7,718,573.57
Purchase of Inventories	<u>3,542,050.73</u>	<u>3,167,511.10</u>
Purchase of inventories for sale	-	-
Purchase of inventory held for consumption	3,442,270.73	3,063,872.60
Purchase of semi-expandable machinery and equipment	87,320.00	46,214.00
Purchase of semi-expandable furniture, fixtures and books	12,460.00	57,424.50
Prepayments	<u>176,288.42</u>	<u>142,160.42</u>
Prepaid Insurance	148,681.38	142,160.42
Other Prepayments	27,607.04	-
Refund of Deposits	-	<u>150,494.03</u>
Payment of guaranty deposits	-	150,494.03

	<u>2022</u>	<u>2021</u>
Payments of Accounts Payable	<u>535,508.60</u>	<u>1,607,275.24</u>
Remittance of Personnel Benefit Contributions and Mandatory Deductions	<u>7,934,422.69</u>	<u>7,038,828.68</u>
Remittance of taxes withheld	1,997,250.85	2,068,643.09
Remittance to GSIS/Pag-IBIG/PhilHealth/SSS	4,697,100.43	4,376,733.64
Remittance of other payables	1,240,071.41	593,451.95
Other Disbursements	<u>12,302.33</u>	<u>25,573.08</u>
Other disbursements	12,302.33	25,573.08
Total Cash Outflows	<u>32,022,541.67</u>	<u>31,329,602.78</u>
Adjustments	<u>-</u>	<u>-</u>
Adjustment for dishonored checks	-	-
Adjustment for cash shortage	-	-
Reversing entry for unreleased checks in previous year	-	-
Other adjustments - Outflow (Please specify)	-	-
Adjusted Cash Outflows	<u>32,022,541.67</u>	<u>31,329,602.78</u>
Net Cash Provided by/(Used in) Operating Activities	<u>6,038,993.49</u>	<u>5,123,572.24</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Inflows		
Proceeds from Sale of Other Assets	<u>16,800.00</u>	<u>72,888.00</u>
Total Cash Inflows	<u>16,800.00</u>	<u>72,888.00</u>
Adjustments (Please specify)	<u>-</u>	<u>-</u>
Adjusted Cash Inflows	<u>16,800.00</u>	<u>72,888.00</u>
Cash Outflows		
Purchase/Construction of Property, Plant and Equipment	<u>3,759,268.60</u>	<u>4,586,299.29</u>
Construction of infrastructure assets	968,106.60	2,709,423.79
Purchase of machinery and equipment	2,652,662.00	1,856,270.00
Purchase of transportation equipment	74,500.00	-
Purchase of furniture, fixtures and books	64,000.00	20,605.50
Purchase/Acquisition of Investments	<u>-</u>	<u>92,956.46</u>
Other long-term investments	-	92,956.46
Total Cash Outflows	<u>3,759,268.60</u>	<u>4,679,255.75</u>
Adjustments (Please specify)	<u>-</u>	<u>-</u>
Adjusted Cash Outflows	<u>3,759,268.60</u>	<u>4,679,255.75</u>
Net Cash Provided By/(Used In) Investing Activities	<u>(3,742,468.60)</u>	<u>(4,606,367.75)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		

	<u>2022</u>	<u>2021</u>
Cash Inflows		
Proceeds from Domestic and Foreign Loans	-	-
Proceeds from issuance of notes payable	-	-
Proceeds from domestic loans	-	-
Proceeds from foreign loans	-	-
Total Cash Inflows	-	-
Adjustments (Please specify)	-	-
Adjusted Cash Inflows	-	-
Cash Outflows		
Payment of Long-Term Liabilities	714,348.92	1,000,161.00
Payment of domestic loans	714,348.92	1,000,161.00
Payment of Interest on Loans and Other Financial Charges	12,956.00	72,627.00
Total Cash Outflows	727,304.92	1,072,788.00
Adjustments (Please specify)	-	-
Adjusted Cash Outflows	727,304.92	1,072,788.00
Net Cash Provided By/(Used In) Financing Activities	(727,304.92)	(1,072,788.00)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,569,219.97	(555,583.51)
Effects of Exchange Rate Changes on Cash and Cash Equivalents	-	-
CASH AND CASH EQUIVALENTS, JANUARY 1	7,854,951.39	8,410,534.90
CASH AND CASH EQUIVALENTS, DECEMBER 31	9,424,171.36	7,854,951.39

Prepared by:

AILEEN A. SIGUA

Senior Corporate Accounts Analyst

Checked by:

MARILYN E. GERONIMO

Division Manager C

Administrative, Finance and Commercial


Approved by:

ENGR. MARLON J. ABESAMIS
General Manager


**PEÑARANDA WATER DISTRICT
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Cumulative Translation Adjustment	Cumulative Changes in Fair Value of Investments	Revaluation Surplus	Retained Earnings/ (Deficit)	Contributed Capital	Share Capital	Share Premium	Members' Equity	TOTAL
BALANCE AT JANUARY 1, 2021	-	-	-	40,576,384.03	-	-	-	-	-
CHANGES IN EQUITY FOR 2021									
Add/(Deduct):									
Issuances of Share Capital				-					
Additional Capital from National Government				-					
Members' Contribution				-					
Comprehensive Income for the year	-	-	-	2,418,919.67	-	-	-	-	-
Dividends				-					
Other Adjustments	-	-	-	(663,189.74)	-	-	-	-	-
BALANCE AT DECEMBER 31, 2021	-	-	-	42,332,113.96	-	-	-	-	-
CHANGES IN EQUITY FOR 2022									
Add/(Deduct):									
Issuances of Share Capital	-	-	-	-	-	-	-	-	-
Additional Capital from National Government	-	-	-	-	-	-	-	-	-
Members' Contribution	-	-	-	-	-	-	-	-	-
Comprehensive Income for the year	-	-	-	3,920,493.74	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	(448,413.81)	-	-	-	-	-
BALANCE AT DECEMBER 31, 2022	-	-	-	45,804,193.89	-	-	-	-	-

Prepared by:


AILEEN A. SIGUA
Senior Corporate Accounts Analyst

Checked by:


MARLON E. GERONIMO
Division Manager C
Administrative, Finance and Commercial

Noted by:


ENGR. MARLON J. ABESAMIS
General Manager

PEÑARANDA WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Agency Background

The Peñaranda Water District is a local water district created by virtue of Resolution No. 033 dated August 1987 of the Municipal Council of Peñaranda, Nueva Ecija. On September 9, 1987, the Certificate of Conditional Conformance No. 306 was issued by Local Water Utilities Administration to formalize the establishment of Peñaranda Water District.

The operation of the local water district started on September 18, 1995 pursuant to the provisions of Presidential Decree No. 198 as amended by PD Nos. 768 and 1479, otherwise known as the "Provincial Water Utilities Act of 1973". Its primary objective is to acquire, install, improve, provide, maintain and operate the water supply and distribution system for domestic, commercial, and industrial consumption of residents within the boundaries of the District. As of December 31, 2022, the District is servicing 9 out of 10 barangays with total service connection of 6,472.

The District's vision is to operate and maintain a water supply and distribution systems for domestic, industrial, municipal, and agricultural uses for residents and land within the boundaries of Peñaranda.

Its mission are the following:

- a. Sustain a viable and self-supporting water utility that will provide safe and adequate water needs of the residents of the District.
- b. Expand its areas of operations in phases to keep up with growth in demand as the community progresses;
- c. Provide periodic trainings of staff and personnel in all aspects of operation to attain efficiency and morality in the service;
- d. Adopt government prescribed operating and accounting procedures to keep its service revenue generations to its optimum: and
- e. Maintain at all times good public relation by dealing with the public fairly and sincerely to win their support and goodwill especially the water consumers whose patronage is indispensable

Peñaranda Water District was composed of the following Board of Directors from different sectors

<u>Name</u>	<u>Position</u>	<u>Sector</u>
Jovita N. Calungcaguin	Chairperson	Professional
Romeo L. Geronimo Jr.	Vice-Chairperson	Civic
Ofelia D. Bernandino	Secretary	Women
Evangeline G. Simmons	Treasurer	Business
Lily L. Abiog	Member	Education

1.2 Authorization for Issue of the 2022 Financial Statements

The financial statements of Peñaranda Water District for the year ended December 31, 2022 were authorized for issue by the Board of Directors on January 19, 2023 in Board Resolution No. 006-2023 dated January 19, 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the District have been prepared using historical cost basis. The financial statements are presented in Philippine Peso (₱), which is the District's functional and presentation currency. All values are rounded off to two (2) decimal places, except when otherwise indicated.

For the years ended December 31, 2022 and 2021, the District prepared the financial statements (FS) in accordance with generally accepted accounting principles in the Philippines and Philippine Financial Reporting Standards (PFRS).

2.2 Statement of Compliance

The financial statements were prepared in compliance with Philippine Financial Reporting Standards (PFRS), which includes statements named PFRS, Philippine Accounting Standards (PAS), Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) issued by the Financial Reporting Standards Council and Revised Chart of Accounts (RCA) for Government Corporations prescribed in COA Circular No. 2020-002 dated January 28, 2020.

2.3 Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous financial years, except for the PFRS, amended PFRS and improvements to PFRS which were adopted as of January 1, 2021.

Unless otherwise stated, the new standards and amendments did not have any material impact to the District.

a. Amendments to PFRS 16, Leases – Covid-19-Related Rent Concessions

The amendments provide relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

- the rent concession is a direct consequence of COVID-19;
- the change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before June 30, 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

The amendment, issued on May 28, 2020, is effective June 1, 2020 but, to ensure the relief is available when needed most, lessees can apply the amendment immediately in any financial statements – interim or annual – not yet authorized for issue.

b. Amendments to PAS 1, Presentation of Financial Statements, and PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material

The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.”

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

c. Conceptual Framework for Financial Reporting issued on March 29, 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the International Accounting Standards Board in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

d. Amendments to PAS 16, Property, Plant and Equipment – Proceeds before Intended Use

The amendments prohibit entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the District first applies the amendment.

2.4 Significant Accounting Policies

The significant accounting policies that have been used in the preparation of the District's financial statements are summarized below.

2.4.1 Current versus Noncurrent Classification

The District presents assets and liabilities in the statement of financial position based on current or noncurrent classification. An asset is current when it is

- Expected to be realized or intended to sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when it is:

- Expected to be settled in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The District classifies all other liabilities as noncurrent.

2.4.2 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the District.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the District determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the District has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

2.4.3 Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash in bank earns interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original

maturities of three months or less from dates of acquisition and that are subject to an insignificant risk of change in value.

2.4.4 Recognition and Measurement of Financial Instruments

Date of recognition

The District recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

Initial recognition of financial instruments

Financial instruments are initially recognized at fair value, which is the fair value of the consideration given (in case of a financial asset) or received (in case of a financial liability). Except for securities at FVPL, the initial measurement of financial instruments includes transaction costs.

Classification

The District classifies its financial assets at initial recognition under the following categories: (a) financial assets at amortized cost, (b) financial assets at Fair Value through Other Comprehensive Income (FVOCI), and (c) financial assets at FVPL. The classification of a financial asset at initial recognition largely depends on the District's business model for managing the asset and its contractual cash flow characteristics. PFRS 9 eliminates the previous PAS 39 categories of Held to Maturity, Loans and Receivables and Available for Sale. Conversely, PFRS 9 retains the PAS 39 requirements for the classification and measurement of financial liabilities.

Financial Assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2022 and 2021, this category includes cash and cash equivalents and receivables.

Debt Instruments at FVOCI

For debt instruments that are not designated at FVPL under the fair value option, the financial assets are measured at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment gains or losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified from equity to profit or loss as a reclassification adjustment.

As at December 31, 2022 and 2021, the District does not have debt instruments at FVOCI.

Equity Instruments at FVOCI

For equity instruments that are not held for trading, the District may irrevocably designate, at initial recognition, a financial asset to be measured at FVOCI when it meets the definition of equity instrument under PAS 32, Financial Instruments: Presentation. This option is available and made on an instrument-by-instrument basis. Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains or losses from equity instruments are recognized in OCI and presented in the equity section of the consolidated statements of financial position. These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods, instead, these are transferred directly to retained earnings

As at December 31, 2022 and 2021, the District does not have equity instruments at FVOCI.

Financial Assets at FVPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose

of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not “solely for payment of principal and interest”, and which are not held within a business model whose objective is either to collect contractual cash flows or to both collect contractual cash flows and sell. The District may, at initial recognition, designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets. This category also includes equity instruments which the District had not irrevocably elected to classify at FVOCI at initial recognition. After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in profit or loss.

As at December 31, 2022 and 2021, the District does not have financial assets at FVPL.

Financial Liabilities at Amortized Cost

Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the District having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments. These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or impaired or through the amortization process.

As at December 31, 2022 and 2021, the District classifies its long-term debt, accounts and other payables except statutory liabilities under this category.

2.4.5 Derecognition of Financial Assets and Financial Liabilities

Financial assets

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

- the right to receive cash flows from the asset has expired;
- the District retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the District has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or

(b) has neither transferred nor retained the risks and rewards of the asset but has transferred the control of the asset.

Where the District has transferred its right to receive cash flows from an asset or has entered into a “pass-through” arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the District’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the District could be required to repay.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or has expired.

Where an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

2.4.6 Impairment of Financial Assets

PFRS 9 replaces the “incurred loss” model in PAS 39 with an “expected credit loss” (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under PFRS 9, credit losses are recognized earlier than under PAS 39.

2.4.7 Offsetting Financial Instruments

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.4.8 Classification of Financial Instruments between Debt and Equity

A financial instrument is classified as debt if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the District; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the District does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability

2.4.9 Inventories

Inventories are valued at the lower of cost or net realizable value (NRV). Cost is determined using the moving average method.

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

2.4.10 Prepaid expenses

Prepaid expenses are carried at cost less the amortized portion. These typically include prepayments for business taxes, insurance, subscription.

2.4.11 Property, Plant and Equipment

Recognition

An item is recognized as property, plant, and equipment (PPE) if it meets the characteristics and recognition criteria as a PPE. The characteristics of PPE are as follows:

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

An item of PPE is recognized as an asset if:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity;
- the cost or fair value of the item can be measured reliably; and
- the cost is P50,000.00.

PPE, except land, are stated at cost less accumulated depreciation and amortization and any impairment in value. Land is stated at cost less any impairment in value.

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

Expenditures incurred after the PPE have been put into operation, such as repairs and maintenance, are normally charged to operations 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 PPE beyond its originally assessed

standard of performance, the expenditures are capitalized as additional cost of the related PPE.

Depreciation and amortization of PPE commences once the PPE are available for use and are calculated on a straight-line basis over the estimated useful lives (EUL) of the PPE as follows:

Category	Number of years
Information & Communication Technology Equipment	5 years
Office Equipment	5 years
Transportation equipment	7 years
Furniture and fixtures	10 years
Other Land Improvements	10 years
Machinery and equipment	10 years
Water Plant, Structure and Improvements	30 years
Plant-Utility Plant in Service	30 years
Power Supply Systems	30 years
Building & Other structures	30 years

The EUL and depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of PPE.

Fully depreciated property, plant and equipment are retained in the accounts until they are no longer in use and no further depreciation are charged to current operations.

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.

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.

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

When PPE 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.

2.4.12 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is recognized in the statement of profit or loss when it is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

2.4.13 Impairment of Non-financial Assets

The District assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the District estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other fair value indicators. Impairment

losses of continuing operations are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

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

2.4.14 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the District and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

2.4.15 Income from Waterworks System

Water revenue is recognized when the related water services are rendered. Water is billed every month according to the bill cycles of the customers. As a result of bill cycle cut-off, monthly service revenue earned but not yet billed at end of the month are estimated and accrued. These estimates are based on historical consumption of the customers.

2.4.16 Fines and Penalties not related to taxes

The District recognizes revenue from fees and fines, except those related to taxes, when earned and the asset recognition criteria are met. Deferred income is recognized instead of revenue if there is a related condition attached that would give rise to a liability to repay the amount.

The District charges fines and penalties to customers when there is a delay in the payment of water bill. A penalty of 5% of the water bill is automatically charged by the Billing and Collection System the day following the due date.

2.4.17 Other Business Income

Other business income comprises of fees to concessionaires upon new application, reconnection, disconnection and other services.

2.4.18 Miscellaneous Income

Other customer related fees and income from sale of materials.

2.4.19 Interest Income

Interest income is recognized as it accrues, taking into account the effective yield of the assets.

2.4.20 Cost of Services and Operating Expenses

Cost of services and operating expenses are recognized as they are incurred. Cost and expenses are recognized in the profit and loss when a decrease in future economic benefit related to a decrease of an asset or an increase of a liability has arisen other than distributions to equity participants that can be measured reliably. Cost and expenses are recognized in the profit and loss on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, cease to qualify, for recognition in the statement of financial position as an asset.

As of December 31, 2022 and 2021, cost of services and operating expenses includes personnel services, maintenance and other operating expenses, financial expenses and non-cash expenses.

2.4.21 Tax

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as of the reporting date.

Deferred tax

Deferred tax is provided, using the liability method, for all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

A deferred tax shall be recognized for all deductible temporary differences and operating loss carry forward when it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. (PAS12.24)

Pursuant to Presidential Decree 198, under section 14 - Department of Justice ruling under case no. OSJ-2005-03 states that the Water Districts are exempted from Income tax and only liable to two percent (2%) Franchise Tax on its gross receipts. Recognition of deferred tax is not applicable as stated above.

2.4.22 Provisions and Contingencies

Provisions

A provision is recognized when the District has: (a) a present obligation (legal or constructive) as a result of a past event; (b) it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Where the District expects a provision to be reimbursed, the reimbursement is not recognized as a separate asset but only when the reimbursement is virtually certain. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

2.4.23 Employee Benefits

The employees of the District are members of the Government Service Insurance System (GSIS), which provides life and retirement insurance coverage. Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees.

The District recognizes the undiscounted amount of short term employee benefits, like salaries, wages, bonuses, allowance, etc., as expense unless capitalized, and as a liability after deducting the amount paid.

Other compensation includes allowances, overtime pay and other bonuses granted to regular employees during a particular period. All kinds of allowances in cash were authorized by law.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES and ASSUMPTIONS

The preparation of the District's financial statements in compliance with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported and disclosure in the financial statements and the related notes. Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that

are believed to be reasonable under circumstances. Actual results could differ from those estimates, and such, will be adjusted accordingly.

The District believes the following represent a summary of these significant judgments, estimates and assumptions, and the related impact and associated risks in the financial statements

3.1 Judgments

In the process of applying the District's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements.

Determination of impairment of non-financial asset

The District assesses the impairment of non-financial assets (property, plant and equipment, other current assets, and other noncurrent assets) whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the District considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of usage of the acquired assets or the strategy for the District's overall business; and,
- significant negative industry or economic trends.

In 2022 and 2021, the District has not identified any impairment indicator, thus, no impairment was recognized.

3.2 Estimates and Assumptions

Key assumptions concerning the future and other sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

Determination of impairment of receivables

The District considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the District compares the risk of default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. The following indicators are incorporated:

- Internal credit rating;
- External credit rating (as far as available);

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the debtor; and
- Significant increases in credit risk on other financial instruments of the same debtor.

The District, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for receivables. The provision matrix specifies provision rates depending on the number of days that a receivable is past due.

The following is the District's provision matrix and provision rates in computing the Allowance for Impairment – Accounts Receivable, to wit:

Age of Accounts	Percentage
1 - 60 days active	1%
1 - 60 days inactive	9%
61 - 180 days inactive	36%
181 days - 1 year	50%
More than 1 year	95%

Determination of estimated useful lives of PPE

The useful life of each of the District's item of PPE is estimated based on the period over which the asset is expected to provide economic benefits. Such estimation is based on a collective assessment of similar business, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future financial performance could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any item of PPE would increase the recorded depreciation expense and decrease the carrying value of PPE.

There were no changes in the estimated useful lives of property, plant and equipment in 2022 and 2021.

4. CASH AND CASH EQUIVALENTS

Cash consist of:

	2022	2021
Cash Collecting Officer	₱83,351.55	₱271,395.53
Cash in Bank-Local Currency	248,821.14	626,345.42
Time Deposits-Local Currency	9,091,998.67	6,957,210.44
Total	₱9,424,171.36	₱7,854,951.39

Cash - Collecting Officer pertains to collections of collecting officer not yet deposited in the District's current account as of the end of the reporting period.

Cash in Bank - Local Currency and Time Deposits - Local Currency are accounts of the District in Landbank of the Philippines, Gapan City Branch.

5. RECEIVABLES

The District's receivables include Accounts Receivable and Other Receivables.

Details of the District's receivables are as follows:

	2022	2021
Accounts Receivable	₱3,426,618.94	₱1,564,538.25
Allowance for Impairment- Accounts Receivable	229,749.71	217,273.36
	₱3,196,869.23	₱1,347,264.89
Receivable-Collecting Banks/Agents	0.00	4,191.15
Installment Sales Receivable	3,600.00	3,600.00
Receivables- Disallowances/Charges	530,005.50	759,459.50
Total Receivables, Net	₱3,730,474.73	₱2,114,515.54

Accounts receivables pertain to all amounts due arising from services rendered to customers/concessionaires, water sales and incidental services, net of allowance for impairment.

The assessed impairment of the District is for Accounts Receivable based on management prescribed policy on allowance for impairment-accounts receivable released on BOD Resolution No. 05, series of 2007 dated January 25, 2007.

On June 16, 2021, the District entered in a Collection Agreement with Electronic Commerce Payments, Inc. (ECPAY) as its collecting agent using over the counter and mobile online facilities payment. ECPAY shall accept payment from the concessionaire and the collection will be deposited to the District's Landbank account. The summary payment transaction file is transmitted to District on or before 7:00am of the following day, official receipt will then be issued per paid concessionaire and the collection for deposit of ECPAY will be recorded in the Receivable-Collecting Banks/Agents.

The Installment Sales Receivable is the service connection fee of new service connection paid by the concessionaire in five (5) months installment basis under "Tubig Muna, Bayad Saka Na" program.

The balance of employee's disallowances for refund which is about to settle is in the Receivables-Disallowances/Charges.

6. INVENTORIES

This account consists of un-issued materials and supplies, which are kept in the stock room and available for use by the District in its operations.

2022				
	Inventory Held for Consumption	Semi- Expendable Machinery and Equipment	Semi- Expendable Furniture, Fixtures and Books	Total
<i>Cost</i>				
Balance, Jan. 1, 2022	₱1,070,625.22	-	-	₱1,070,625.22
Additions/Acquisitions during the year	3,549,134.50	146,198.94	12,460.00	3,707,793.44
Expensed during the year except write- down	3,475,622.51	146,198.94	12,460.00	3,634,281.45
Write-down during the year	-	-	-	-
Reversal of Write- down during the year	-	-	-	-
Balance, Dec. 31, 2022	₱1,144,137.21	-	-	₱1,144,137.21

2021				
	Inventory Held for Consumption	Semi- Expendable Machinery and Equipment	Semi- Expendable Furniture, Fixtures and Books	Total
<i>Cost</i>				
Balance, Jan. 1, 2021	₱1,357,347.64	-	-	₱1,357,347.64
Additions/Acquisitions during the year	3,167,657.05	46,214.00	57,424.50	3,271,295.55
Expensed during the year except write-down	3,454,379.47	46,214.00	57,424.50	3,558,017.97
Write-down during the year	-	-	-	-
Reversal of Write-down during the year	-	-	-	-
Balance, Dec. 31, 2021	₱1,070,625.22	-	-	₱1,070,625.22

7. OTHER CURRENT ASSET

This account consists of prepayments of the water district:

	2022	2021
Prepaid Insurance	₱61,950.54	₱55,784.54
Prepaid Subscription	11,200.00	₱11,200.00
Other Prepayments	10,307.04	10,307.04
Total	₱83,457.58	₱77,291.58

8. OTHER INVESTMENTS

This account consists of the District's Sinking Fund set aside as Debt Services Reserve for loan repayments to LWUA.

9. PROPERTY, PLANT AND EQUIPMENT

This account includes all properties of relatively permanent character that are used in normal utility operations of the District with a capitalization threshold of P50,000.00.

The breakdown of this account is as follows:

2022					
PPE Account	Balance at January 1	Additions/ Acquisitions	Deductions/ Disposals	Accumulated Depreciation	PPE, Net
Land	P3,062,874.21	P0.00	P0.00	P0.00	P3,062,874.21
Buildings and Other Structures	10,577,677.08	0.00	0.00	2,758,765.78	7,818,911.30
Transportation Equipment	2,932,684.00	74,500.00	0.00	2,618,413.09	388,770.91
Furniture, Fixtures and Books	107,606.80	64,000.00	0.00	87,699.98	83,906.82
Machinery and Equipment	17,564,020.68	2,674,242.00	0.00	11,063,358.69	9,174,903.99
Other Land Improvements	317,010.70	0.00	0.00	240,275.86	76,734.84
Infrastructure Assets	48,682,331.71	968,106.60	0.00	21,324,060.17	28,326,378.14
Total	P83,244,205.18	P3,780,848.60	P0.00	P38,092,573.57	P48,932,480.21

2021					
PPE Account	Balance at January 1	Additions/ Acquisitions	Deductions/ Disposals	Accumulated Depreciation	PPE, Net
Land	P3,062,874.21	P0.00	P0.00	P0.00	P3,062,874.21
Buildings and Other Structures	10,577,677.08	0.00	0.00	2,416,352.86	8,161,324.22
Transportation Equipment	3,062,684.00	0.00	130,000.00	2,389,555.77	543,128.23
Furniture, Fixtures and Books	107,606.80	0.00	0.00	72,410.65	35,196.15
Machinery and Equipment	13,649,351.08	4,016,564.60	101,895.00	9,606,499.26	7,957,521.42
Other Land Improvements	229,617.20	87,393.50	0.00	237,508.42	79,502.28
Plant-Utility, Plant in Service	46,106,948.73	2,575,382.98	0.00	19,764,471.49	28,917,860.22
Total	P76,796,759.10	P6,679,341.08	P231,895.00	P34,486,798.45	P48,757,406.73

10. INTANGIBLE ASSETS

This account pertains to the billing and collection program of the water district:

	2022	2021
Computer Software	P212,000.00	P212,000.00
Accumulated Amortization	185,400.00	166,200.00
Net book value	P26,600.00	P45,800.00

11. OTHER NON-CURRENT ASSETS

This account pertains to unserviceable properties of the District that is subject for disposal.

12. FINANCIAL LIABILITIES

The breakdown of this account is as follows:

	2022	2021
<i>Current</i>		
Accounts Payable	P408,504.09	P535,508.60
Loans Payable - Domestic	243,576.00	714,348.92
Financial Liabilities-Current	652,080.09	1,249,857.52
<i>Non-current</i>		
Loans Payable - Domestic	5,912,088.00	6,155,664.00
Financial Liabilities-Non-Current	5,912,088.00	6,155,664.00
Total	P6,564,168.09	P7,405,521.52

Accounts Payable pertains to the unpaid credit and accrued expenses payable to suppliers of materials for expansion project and other service providers.

The loans payable represents the current and non-current portion of the obligations of the District to LWUA, repayments are made monthly based on the agreed terms and schedule provided in the contract agreement.

On January 10, 2010, the LWUA and PenWD entered into a Memorandum of Agreement of Understanding (MOU, for the funding of the project on the improvement of water supply system in the amount of ten million eight hundred fifty thousand pesos (P10,850,000.00) under the LWUA-NLIF-PSF Program. The NLIF fund extended to District is a 50%-50% loan-grant mix. The loan portion shall be interest free and to be amortized from a minimum of ten (10) years to a maximum of forty (40) years depending on the loan evaluation of LWUA.

As at December 31, 2021 the loan portion, P5,425,000.00 was already recognized as part of the non-current liabilities, payments have not been made since the District did not receive the amortization schedule.

The release of loan/grant under the LWUA-NLIF-PSF Program were disallowed by COA-LWUA under ND No.: PSF-15-003-(2009-2011) and Peñaranda Water District, as one of the beneficiaries of the program, was among the persons liable for the disallowance. Peñaranda Water District filed an Appeal to COA Central Office on August 8, 2017 for the payment of grant portion.

13. INTER-AGENCY PAYABLES

This account consists of taxes, auditing services and mandatory personnel deductions to be remitted to the government. Breakdown is as follows:

	2022	2021
Due to BIR	P289,248.59	P359,970.73
Due to GSIS	335,303.71	349,802.64
Due to Pag-IBIG	17,054.71	18,530.14
Due to PhilHealth	36,398.64	25,100.88
Due to NGAs	482,732.38	231,258.63
Total Inter-Agency Payables	P1,160,738.03	P984,663.02

Due to BIR refers to the withheld taxes on compensation of employees, expanded taxes on suppliers and franchise tax, which are due for remittance while Due to GSIS, Pag-IBIG and PhilHealth are the premiums and loans amortization for remittance. The amount payable to COA Region III for auditing services was charge to Due to NGAs.

14. TRUST LIABILITIES

This account consists of the concessionaire's advance payment.

15. PROVISIONS

This account consists of Leave Benefits Payable to recognize accrual of money value of the earned leave credits of the District's officials and employees to be paid upon their separation or retirement of government service from the District.

	2022	2021
Leave Benefits Payable		
<i>Current</i>	248,699.98	-
<i>Non-current</i>	10,477,527.74	10,068,785.20
Total	10,726,227.72	10,068,785.20

16. SERVICE AND BUSINESS INCOME

This account consists of the following:

	2022	2021
Waterworks Systems Fees	₱36,140,562.22	₱33,314,412.28
Interest Income	38,397.71	30,654.03
Fines and Penalties –Business Income	729,401.27	686,642.60
Other Business Income	1,345,450.00	1,253,806.93
Total Service and Business Income	₱38,253,811.20	₱35,285,515.84

Waterworks Systems Fees accounts pertain to water bill arising from services rendered to the customers of the District.

Interest Income includes interest income earned from current and savings depository accounts.

Fines & Penalties- Business Income accounts refer to penalty charges collected for delayed payment of water bill.

Other Business Income refers to service connection fee and other fees related to concessionaire's service connection.

17. OTHER NON-OPERATING INCOME

This account consists of the following:

	2022	2021
Sale of Assets	₱430.00	₱10,302.50
Miscellaneous Income	439,460.62	392,969.21
Total	₱439,890.62	₱403,271.71

Sale of Assets accounts the gain on sale of unserviceable properties while Miscellaneous Income pertains to the income from the sale of materials and other fees.

18. PERSONNEL SERVICES

This account consists of the following:

	2022	2021
Salaries and Wages	₱11,398,212.00	₱10,676,610.00
Other Compensation	5,182,671.40	5,201,065.11
Personnel Benefit Contributions	1,675,621.11	1,516,278.92

Other Personnel Benefits	947,801.78	1,062,539.30
Total Personnel Services	₱19,204,306.29	₱18,456,493.33

19. MAINTENANCE AND OTHER OPERATING SERVICES

This account consists of the following:

	2022	2021
Traveling Expenses	₱138,290.40	₱13,210.00
Training and Scholarship Expenses	194,490.00	45,048.75
Supplies and Materials Expenses	2,493,222.03	2,209,903.47
Utility Expenses	241,830.56	6,090,739.93
Communication Expenses	197,318.31	226,469.53
Survey, Research, Exploration and Development Expenses	150,000.00	0.00
Generation, Transmission and Distribution Expenses	5,812,428.62	0.00
Confidential, Intelligence & Extraordinary Expenses	0.00	8,700.00
Professional Services	432,723.75	520,222.41
General Services	336,000.00	334,463.54
Repairs and Maintenance	568,105.19	488,763.41
Taxes, Insurance Premiums and Other Fees	893,419.77	863,698.53
Other Maintenance and Operating	460,665.69	381,751.23
Total MOOE	₱11,918,494.32	₱11,182,970.80

20. FINANCIAL EXPENSES

This account represents the interests paid on long-term obligations of the District under loan agreement with LWUA and bank charges.

21. NON-CASH EXPENSE

This account consists of the following:

	2022	2021
Depreciation Expense	₱3,605,775.12	₱3,505,734.60
Amortization of Intangible Asset	19,200.00	19,200.00
Impairment Loss-Loans and Receivables	12,476.35	32,842.15
Total Non-Cash Expenses	₱3,637,451.47	₱3,557,776.75