

#2c)



**BUTUAN CITY WATER DISTRICT  
CONDENSED STATEMENT OF FINANCIAL POSITION  
(ALL FUNDS)  
AS AT DECEMBER 31, 2019**

	NOTE*	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	3	₱ 87,464,676.73	₱ 47,382,266.08
Receivables	4	44,037,582.66	38,997,633.22
Inventories	5	38,069,883.17	28,537,079.13
Other Current Assets	9	2,757,817.43	3,788,055.05
<b>Total Current Assets</b>		<b>₱ 172,329,959.99</b>	<b>₱ 118,705,033.48</b>
<b>Noncurrent Assets</b>			
Investments	6	₱ 88,412,925.58	₱ 76,941,347.05
Receivables	4	14,217,588.84	12,912,026.80
Property, Plant and Equipment	7	935,118,146.72	965,562,612.40
Intangible Assets	8	94,718.64	147,872.48
Other Noncurrent Assets	9	18,134,319.01	18,089,540.65
<b>Total Noncurrent Assets</b>		<b>₱ 1,055,977,698.79</b>	<b>₱ 1,073,653,399.38</b>
<b>Total Assets</b>		<b>₱ 1,228,307,658.78</b>	<b>₱ 1,192,358,432.86</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Financial Liabilities	10	₱ 85,390,247.50	₱ 68,763,763.01
Inter-agency Payables	11	3,768,511.87	7,164,014.01
Trust Liabilities	12	66,132,616.34	28,387,058.50
Deferred Credits/ Unearned Income	13	453,904.43	-
Provisions	14	6,197,693.74	5,826,147.23
Other Payables	15	1,386,118.06	486,407.31
<b>Total Current Liabilities</b>		<b>₱ 163,329,091.94</b>	<b>₱ 110,627,390.06</b>
<b>Noncurrent Liabilities</b>			
Financial Liabilities	10	504,610,758.95	570,190,705.57
Trust Liabilities	12	25,657,668.37	466,466.00
Deferred Credits/ Unearned Income	13	3,908,162.57	3,997,362.02
<b>Noncurrent Liabilities</b>		<b>₱ 534,176,589.89</b>	<b>₱ 574,654,533.59</b>
<b>Total Liabilities</b>		<b>₱ 697,505,681.83</b>	<b>₱ 685,281,923.65</b>

**BUTUAN CITY WATER DISTRICT  
CONDENSED STATEMENT OF FINANCIAL POSITION  
(ALL FUNDS)  
AS AT DECEMBER 31, 2019**

<b>EQUITY</b>	<b>NOTE*</b>	<b>2019</b>	<b>2018</b>
<b>Equity</b>			
Government Equity	16	₱ 17,914,209.59	₱ 17,914,209.59
Retained Earnings/ (Deficit)	17	512,887,767.36	489,162,299.62
<b>Total Equity</b>		<b>₱ 530,801,976.95</b>	<b>₱ 507,076,509.21</b>
<b>Total Equity</b>		<b>₱ 530,801,976.95</b>	<b>₱ 507,076,509.21</b>
<b>Total Liabilities and Equity</b>		<b>₱ 1,228,307,658.78</b>	<b>₱ 1,192,358,432.86</b>

\*The notes on pages 17 to 37 form part of these statements.

**PREPARED BY:**



**NOVIE MARIE B. ANIT, C.P.A**  
Corporate Accountant

**CHECKED BY:**



**MARIA CHRISTINE D. BALINOS, C.P.A**  
Division Manager A, Finance- Accounting

**REVIEWED BY:**



**EMMA B. LUPIBA, C.P.A**  
Assistant General Manager,  
Administration and Finance

**NOTED BY:**



**ENGR. ANSELMO L. SANG TIAN**  
General Manager A

**BUTUAN CITY WATER DISTRICT**  
**DETAILED STATEMENT OF FINANCIAL POSITION**  
**(ALL FUNDS)**  
**AS AT DECEMBER 31, 2019**

<b>ASSETS</b>	<b>2019</b>	<b>2018</b>
<b>Current Assets</b>		
<b>Cash and Cash Equivalents</b>	<b>₱ 87,464,676.73</b>	<b>₱ 47,382,266.08</b>
<b>Cash on Hand</b>	<b>66,257,294.90</b>	<b>31,039,953.64</b>
Cash- Collecting Officers	66,197,294.90	30,979,953.64
Petty Cash	60,000.00	60,000.00
<b>Cash in Bank- Local Currency</b>	<b>21,207,381.83</b>	<b>16,342,312.44</b>
Cash in Bank- Local Currency, Current Account	193,710.02	167,255.29
Cash in Bank- Local Currency, Savings Account	21,013,671.81	16,175,057.15
<b>Receivables</b>	<b>₱ 44,037,582.66</b>	<b>₱ 38,997,633.22</b>
<b>Loans and Receivable Accounts</b>	<b>37,373,169.00</b>	<b>33,400,439.52</b>
Accounts Receivable	37,841,779.39	33,859,022.68
Allowance for Impairment- Accounts Receivable	(468,610.39)	(458,583.16)
<i>Net Value- Accounts Receivable</i>	<i>37,373,169.00</i>	<i>33,400,439.52</i>
<b>Other Receivables</b>	<b>6,664,413.66</b>	<b>5,597,193.70</b>
Receivable - Disallowances/ Charges	1,279,834.77	430,110.41
Due from Officers and Employees	282,755.23	1,037,310.15
Other Receivables	5,251,120.55	4,279,021.50
Allowance for Impairment- Other Receivables	(149,296.89)	(149,248.36)
<i>Net Value- Other Receivables</i>	<i>5,101,823.66</i>	<i>4,129,773.14</i>
<b>Inventories</b>	<b>₱ 38,069,883.17</b>	<b>₱ 28,537,079.13</b>
<b>Inventory Held for Distribution</b>	<b>33,915,285.52</b>	<b>26,001,573.30</b>
Other Supplies and Materials for Distribution	33,915,285.52	26,001,573.30
<b>Inventory Held for Manufacturing</b>	<b>458,881.34</b>	<b>126,681.44</b>
Work-in-Process Inventory	458,881.34	126,681.44
<b>Inventory Held for Consumption</b>	<b>3,695,716.31</b>	<b>2,408,824.39</b>
Office Supplies Inventory	882,875.49	768,280.95
Fuel, Oil and Lubricants Inventory	44,710.81	32,077.10
Chemicals and Filtering Supplies Inventory	745,666.64	786,035.70
Construction Materials Inventory	1,818,988.73	669,990.95
Other Supplies and Materials Inventory	203,474.64	152,439.69
<b>Other Current Assets</b>	<b>₱ 2,757,817.43</b>	<b>₱ 3,788,055.05</b>
<b>Advances</b>	<b>(0.00)</b>	<b>30,195.89</b>
Advances to Officers and Employees	(0.00)	30,195.89
<b>Prepayments</b>	<b>1,468,721.34</b>	<b>2,468,763.07</b>
Advances to Contractors	49,250.00	1,213,962.00
Prepaid Insurance	163,107.00	152,662.57
Withholding Tax at Source	241,744.50	215,519.45
Other Prepayments	1,014,619.84	886,619.05
<b>Deposits</b>	<b>1,289,096.09</b>	<b>1,289,096.09</b>
Guaranty Deposits	1,289,096.09	1,289,096.09
<b>Total Current Assets</b>	<b>₱ 172,329,959.99</b>	<b>₱ 118,705,033.48</b>
<b>Noncurrent Assets</b>		
<b>Investments</b>	<b>₱ 88,412,925.58</b>	<b>₱ 76,941,347.05</b>
<b>Sinking Fund</b>	<b>87,689,376.00</b>	<b>76,217,797.47</b>
Sinking Fund	87,689,376.00	76,217,797.47
<b>Other Investments</b>	<b>723,549.58</b>	<b>723,549.58</b>
Other Investments	723,549.58	723,549.58
<b>Receivables</b>	<b>₱ 14,217,588.84</b>	<b>₱ 12,912,026.80</b>
<b>Loans and Receivable Accounts</b>	<b>11,508,273.27</b>	<b>11,563,615.35</b>
Accounts Receivable	11,508,273.27	11,563,615.35
<b>Other Receivables</b>	<b>2,709,315.57</b>	<b>1,348,411.45</b>
Receivable - Disallowances/ Charges	2,709,315.57	1,348,411.45

**BUTUAN CITY WATER DISTRICT**  
**DETAILED STATEMENT OF FINANCIAL POSITION**  
**(ALL FUNDS)**  
**AS AT DECEMBER 31, 2019**

	2019	2018
<b>Property, Plant and Equipment</b>	<b>₱ 935,118,146.72</b>	<b>₱ 965,562,612.40</b>
<b>Land</b>	<b>6,628,476.57</b>	<b>6,628,476.57</b>
Land	6,628,476.57	6,628,476.57
<b>Land Improvements</b>	<b>150,565.33</b>	<b>150,565.33</b>
Land Improvements, Reforestation Projects	150,565.33	150,565.33
<b>Infrastructure Assets</b>	<b>728,791,828.09</b>	<b>764,897,862.70</b>
Plant- Utility Plant in Service	1,109,008,561.06	1,106,985,829.99
Accumulated Depreciation- Plant (UPIS)	(380,216,732.97)	(342,087,967.29)
<i>Net Value- Plant (UPIS)</i>	<i>728,791,828.09</i>	<i>764,897,862.70</i>
<b>Buildings and Other Structures</b>	<b>72,695,762.44</b>	<b>77,096,098.58</b>
Water Plant, Structures and Improvements	114,334,176.75	113,623,959.46
Accumulated Depreciation- Water Plant, Structure and Improvement	(41,638,414.31)	(36,527,860.88)
<i>Net Value- Water Plant, Structure and Improvement</i>	<i>72,695,762.44</i>	<i>77,096,098.58</i>
<b>Machinery and Equipment</b>	<b>77,677,935.56</b>	<b>84,915,628.79</b>
Office Equipment	7,773,836.01	7,165,302.01
Accumulated Depreciation- Office Equipment	(4,770,941.30)	(4,135,314.74)
<i>Net Value- Office Equipment</i>	<i>3,002,894.71</i>	<i>3,029,987.27</i>
Information and Communication Technology Equipment	18,952,880.95	17,844,684.95
Accumulated Depreciation- Information and Communication Technology Equipment	(13,728,303.41)	(11,873,009.97)
<i>Net Value- Information and Communication Technology Equipment</i>	<i>5,224,577.54</i>	<i>5,971,674.98</i>
Construction and Heavy Equipment	10,956,250.00	10,956,250.00
Accumulated Depreciation- Construction and Heavy Equipment	(8,097,584.36)	(6,934,668.78)
<i>Net Value- Construction and Heavy Equipment</i>	<i>2,858,665.64</i>	<i>4,021,581.22</i>
Other Equipment	180,297,302.17	172,895,751.82
Accumulated Depreciation- Other Equipment	(113,705,504.50)	(101,003,366.50)
<i>Net Value-Other Equipment</i>	<i>66,591,797.67</i>	<i>71,892,385.32</i>
<b>Transportation Equipment</b>	<b>6,832,508.72</b>	<b>8,367,476.30</b>
Motor Vehicles	17,675,081.64	17,675,081.64
Accumulated Depreciation- Motor Vehicles	(10,842,572.92)	(9,307,605.34)
<i>Net Value- Motor Vehicles</i>	<i>6,832,508.72</i>	<i>8,367,476.30</i>
<b>Furniture, Fixtures and Books</b>	<b>148,523.58</b>	<b>226,625.78</b>
Furniture and Fixtures	615,473.40	615,473.40
Accumulated Depreciation- Furniture and Fixtures	(474,526.80)	(396,424.60)
<i>Net Value- Motor Vehicles</i>	<i>140,946.60</i>	<i>219,048.80</i>
Books	75,769.76	75,769.76
Accumulated Depreciation- Books	(68,192.78)	(68,192.78)
<i>Net Value- Books</i>	<i>7,576.98</i>	<i>7,576.98</i>
<b>Construction in Progress</b>	<b>42,192,546.43</b>	<b>23,279,878.35</b>
Construction in Progress- Buildings and Other Structures	42,192,546.43	23,279,878.35
<b>Intangible Assets</b>	<b>₱ 94,718.64</b>	<b>₱ 147,872.48</b>
<b>Intangible Assets</b>	<b>94,718.64</b>	<b>147,872.48</b>
Computer Software	558,559.28	558,559.28
Accumulated Amortization- Computer Software	(463,840.64)	(410,686.80)
<i>Net Value- Computer Software</i>	<i>94,718.64</i>	<i>147,872.48</i>
<b>Other Noncurrent Assets</b>	<b>₱ 18,134,319.01</b>	<b>₱ 18,089,540.65</b>
<b>Other Noncurrent Assets</b>	<b>18,134,319.01</b>	<b>18,089,540.65</b>
Deferred Charges/ Losses	17,656,391.39	17,495,151.88
Other Assets	477,927.62	594,388.77
<b>Total Noncurrent Assets</b>	<b>₱ 1,055,977,698.79</b>	<b>₱ 1,073,653,399.38</b>
<b>Total Assets</b>	<b>₱ 1,228,307,658.78</b>	<b>₱ 1,192,358,432.86</b>

**BUTUAN CITY WATER DISTRICT**  
**DETAILED STATEMENT OF FINANCIAL POSITION**  
**(ALL FUNDS)**  
**AS AT DECEMBER 31, 2019**

	2019	2018
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
<b>Financial Liabilities</b>	₱ <b>85,390,247.50</b>	₱ <b>68,763,763.01</b>
<b>Payables</b>	<b>35,141,862.20</b>	<b>23,889,752.83</b>
Accounts Payable	29,775,767.79	19,409,789.38
Due to officers and Employees	5,366,094.41	4,479,963.45
<b>Loans Payable</b>	<b>49,292,633.00</b>	<b>43,704,768.55</b>
Loans Payable- Domestic	49,292,633.00	43,704,768.55
<b>Other Financial Liabilities</b>	<b>955,752.30</b>	<b>1,169,241.63</b>
Other Financial Liabilities	955,752.30	1,169,241.63
<b>Inter-agency Payables</b>	₱ <b>3,768,511.87</b>	₱ <b>7,164,014.01</b>
<b>Inter-agency Payables</b>	<b>3,768,511.87</b>	<b>7,164,014.01</b>
Due to BIR	2,350,805.20	5,832,183.13
Due to GSIS	1,075,155.06	1,027,926.55
Due to Pag-IBIG	187,405.99	197,171.46
Due to PhilHealth	106,862.08	102,825.58
Due to LGUs	2,489.85	16,067.93
Due to SSS	45,793.69	(12,160.64)
<b>Trust Liabilities</b>	₱ <b>66,132,616.34</b>	₱ <b>28,387,058.50</b>
<b>Trust Liabilities</b>	<b>66,132,616.34</b>	<b>28,387,058.50</b>
Trust Liabilities	35,527,993.41	1,029,467.82
Guaranty/ Security Deposits Payable	9,074,016.46	7,577,691.52
Customers' Deposits Payable	21,530,606.47	19,779,899.16
<b>Deferred Credits/ Unearned Income</b>	₱ <b>453,904.43</b>	₱ <b>-</b>
<b>Unearned Revenue/ Income</b>	<b>453,904.43</b>	<b>-</b>
Other Unearned Revenue/ Income	453,904.43	-
<b>Provisions</b>	₱ <b>6,197,693.74</b>	₱ <b>5,826,147.23</b>
<b>Provisions</b>	<b>6,197,693.74</b>	<b>5,826,147.23</b>
Leave Benefits Payable	6,197,693.74	5,826,147.23
<b>Other Payables</b>	₱ <b>1,386,118.06</b>	₱ <b>486,407.31</b>
<b>Other Payables</b>	<b>1,386,118.06</b>	<b>486,407.31</b>
Other Payables	1,386,118.06	486,407.31
<b>Total Current Liabilities</b>	₱ <b>163,329,091.94</b>	₱ <b>110,627,390.06</b>
<b>Noncurrent Liabilities</b>		
<b>Financial Liabilities</b>	₱ <b>504,610,758.95</b>	₱ <b>570,190,705.57</b>
<b>Loans Payable</b>	<b>504,610,758.95</b>	<b>570,190,705.57</b>
Loans Payable- Domestic	504,610,758.95	570,190,705.57
<b>Trust Liabilities</b>	₱ <b>25,657,668.37</b>	₱ <b>466,466.00</b>
<b>Trust Liabilities</b>	<b>25,657,668.37</b>	<b>466,466.00</b>
Trust Liabilities	25,657,668.37	466,466.00
<b>Deferred Credits/ Unearned Income</b>	₱ <b>3,908,162.57</b>	₱ <b>3,997,362.02</b>
<b>Deferred Credits</b>	<b>3,036,369.70</b>	<b>3,125,569.15</b>
Other Deferred Credits	3,036,369.70	3,125,569.15
<b>Unearned Revenue/ Income</b>	<b>871,792.87</b>	<b>871,792.87</b>
Other Unearned Revenue/ Income	871,792.87	871,792.87
<b>Total Noncurrent Liabilities</b>	₱ <b>534,176,589.89</b>	₱ <b>574,654,533.59</b>
<b>Total Liabilities</b>	₱ <b>697,505,681.83</b>	₱ <b>685,281,923.65</b>

**BUTUAN CITY WATER DISTRICT  
 DETAILED STATEMENT OF FINANCIAL POSITION  
 (ALL FUNDS)  
 AS AT DECEMBER 31, 2019**

	2019	2018
<b>EQUITY</b>		
<b>Equity</b>		
<b>Government Equity</b>	₱ 17,914,209.59	₱ 17,914,209.59
<b>Government Equity</b>	<u>17,914,209.59</u>	<u>17,914,209.59</u>
Government Equity	2,367,355.65	2,367,355.65
Contributed Capital	<u>15,546,853.94</u>	<u>15,546,853.94</u>
<b>Retained Earnings/ (Deficit)</b>	₱ 512,887,767.36	₱ 489,162,299.62
<b>Retained Earnings/ (Deficit)</b>	<u>512,887,767.36</u>	<u>489,162,299.62</u>
Retained Earnings/ (Deficit)	<u>512,887,767.36</u>	<u>489,162,299.62</u>
<b>Total Equity</b>	₱ 530,801,976.95	₱ 507,076,509.21
<b>Total Equity</b>	₱ 530,801,976.95	₱ 507,076,509.21
<b>Total Liabilities and Equity</b>	₱ 1,228,307,658.78	₱ 1,192,358,432.86

\*The notes on pages 17 to 37 form part of these statements.

PREPARED BY:

  
**NOVIE MARIE B. ANIT, C.P.A**  
 Corporate Accountant

CHECKED BY:

  
**MARIA CHRISTINE D. BALINOS, C.P.A**  
 Division Manager A, Finance- Accounting

REVIEWED BY:

  
**EMMA B. LUPIBA, C.P.A**  
 Assistant General Manager,  
 Administration and Finance

NOTED BY:

  
**ENGR. ANSELMO L. SANG TIAN**  
 General Manager A

**BUTUAN CITY WATER DISTRICT  
CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
(ALL FUNDS)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	NOTE*	<u>2019</u>	<u>2018</u>
<b>Income</b>			
Service and Business Income	P	394,561,341.90	P 370,762,156.57
Gains		-	32,099.36
Other Non-operating Income		<u>7,413,761.37</u>	<u>6,469,660.88</u>
<b>Total Income</b>	<b>P</b>	<b><u>401,975,103.27</u></b>	<b><u>377,263,916.81</u></b>
<b>Expenses</b>			
Personnel Services	P	79,542,350.68	P 71,889,483.18
Maintenance and Other Operating Expenses		225,305,128.09	187,916,828.35
Financial Expenses		30,967,796.86	41,950,530.35
Non-Cash Expenses		<u>61,509,963.70</u>	<u>60,946,306.06</u>
<b>Total Expenses</b>	<b>P</b>	<b><u>397,325,239.33</u></b>	<b><u>362,703,147.94</u></b>
<b>Profit/ (Loss) Before Tax</b>	<b>P</b>	<b><u>4,649,863.94</u></b>	<b><u>14,560,768.87</u></b>
<b>Income Tax Expense/ (Benefit)</b>		<u>-</u>	<u>-</u>
<b>Profit/ (Loss) After Tax</b>	<b>P</b>	<b><u>4,649,863.94</u></b>	<b><u>14,560,768.87</u></b>
<b>Net Assistance/ Subsidy/ (Financial Assistance/ Subsidy/ Contribution)</b>		<u>-</u>	<u>-</u>
<b>Net Income/ (Loss)</b>	<b>19 P</b>	<b><u>4,649,863.94</u></b>	<b><u>14,560,768.87</u></b>
<b>Other Comprehensive/ (Loss) for the Period</b>		<u>-</u>	<u>-</u>
<b>Comprehensive Income/ (Loss)</b>	<b>P</b>	<b><u>4,649,863.94</u></b>	<b><u>14,560,768.87</u></b>

\*The notes on pages 37 to 38 form part of these statements.

PREPARED BY:

  
NOVIE MARIE B. ANIT, C.P.A  
Corporate Accountant

CHECKED BY:

  
MARIA CHRISTINE D. BALINOS, C.P.A  
Division Manager A, Finance- Accounting

REVIEWED BY:

  
EMMA B. LUPIBA, C.P.A  
Assistant General Manager,  
Administration and Finance

NOTED BY:

  
ENGR. ANSELMO L. SANG TIAN  
General Manager A

**BUTUAN CITY WATER DISTRICT  
DETAILED STATEMENT OF COMPREHENSIVE INCOME  
(ALL FUNDS)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>2019</b>	<b>2018</b>
<b>INCOME</b>		
<b>Service and Business Income</b>		
<b>Business Income</b>		
Waterworks System Fees	₱ 381,793,573.68	₱ 356,954,406.15
Interest Income	13,903.43	12,507.19
Fines and Penalties- Business Income	9,336,941.04	9,895,610.26
Other Business Income	3,416,923.75	3,899,632.97
<b>Total Business Income</b>	<b>₱ 394,561,341.90</b>	<b>₱ 370,762,156.57</b>
<b>Total Service and Business Income</b>	<b>₱ 394,561,341.90</b>	<b>₱ 370,762,156.57</b>
<b>Gains</b>		
<b>Gains</b>		
Other Gains	₱ -	₱ 32,099.36
<b>Total Gains</b>	<b>₱ -</b>	<b>₱ 32,099.36</b>
<b>Total Gains</b>	<b>₱ -</b>	<b>₱ 32,099.36</b>
<b>Other Non-operating Income</b>		
<b>Sale of Assets</b>		
Sale of Unserviceable Property	₱ -	₱ 1,321,582.14
<b>Total Sale of Assets</b>	<b>₱ -</b>	<b>₱ 1,321,582.14</b>
<b>Miscellaneous Income</b>		
Miscellaneous Income	₱ 7,413,761.37	₱ 5,148,078.74
<b>Total Miscellaneous Income</b>	<b>₱ 7,413,761.37</b>	<b>₱ 5,148,078.74</b>
<b>Total Other Non-operating Income</b>	<b>₱ 7,413,761.37</b>	<b>₱ 6,469,660.88</b>
<b>Total Income</b>	<b>₱ 401,975,103.27</b>	<b>₱ 377,263,916.81</b>
 <b>EXPENSES</b>		
<b>Personnel Services</b>		
<b>Salaries and Wages</b>		
Salaries and Wages- Regular	₱ 44,087,957.40	₱ 38,213,830.20
<b>Total Salaries and Wages</b>	<b>₱ 44,087,957.40</b>	<b>₱ 38,213,830.20</b>
<b>Other Compensation</b>		
Personnel Economic Relief Allowance (PERA)	₱ 3,670,282.89	₱ 3,440,136.63
Representation Allowance (RA)	756,000.00	731,125.00
Transportation Allowance (TA)	756,000.00	731,125.00
Clothing and Uniform Allowance	955,674.13	893,200.25
Subsistence Allowance	12,000.00	12,000.00
Overtime and Night Pay	1,966,941.30	2,462,901.15
Year End Bonus	7,381,891.70	7,774,511.49
Cash Gift	764,500.00	727,000.00
Other Bonuses and Allowances	9,288,708.33	7,530,466.92
<b>Total Other Compensation</b>	<b>₱ 25,551,998.35</b>	<b>₱ 24,302,466.44</b>
<b>Personnel Benefit Contributions</b>		
Retirement and Life Insurance Premiums	₱ 5,057,867.21	₱ 4,424,014.89
Pag-IBIG Contributions	460,976.26	737,619.46
PhilHealth Contributions	528,521.66	474,500.04
Employees' Compensation Insurance Premiums	188,700.00	178,400.00
<b>Total Personnel Benefit Contributions</b>	<b>₱ 6,236,065.13</b>	<b>₱ 5,814,534.39</b>
<b>Other Personnel Benefits</b>		
Terminal Leave Benefits	₱ 3,212,174.95	₱ 3,198,098.45
Other Personnel Benefits	454,154.85	360,553.70
<b>Other Personnel Benefits</b>	<b>₱ 3,666,329.80</b>	<b>₱ 3,558,652.15</b>
<b>Total Personnel Services</b>	<b>₱ 79,542,350.68</b>	<b>₱ 71,889,483.18</b>

**BUTUAN CITY WATER DISTRICT**  
**DETAILED STATEMENT OF COMPREHENSIVE INCOME**  
**(ALL FUNDS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
<b>Maintenance and Other Operating Expenses</b>		
<b>Travelling Expenses</b>		
Travel Expenses- Local	₱ 2,620,370.47	₱ 1,756,107.04
<b>Total Travelling Expenses</b>	<u>2,620,370.47</u>	<u>1,756,107.04</u>
<b>Training and Scholarship Expenses</b>		
Training Expenses	₱ 815,015.64	₱ 1,052,147.25
<b>Total Training and Scholarship Expenses</b>	<u>815,015.64</u>	<u>1,052,147.25</u>
<b>Supplies and Materials Expenses</b>		
Office Supplies Expense	₱ 2,056,490.23	₱ 1,731,635.45
Drugs and Medicine Expenses	13,768.10	11,070.25
Fuel, Oil and Lubricants Expense	2,408,254.55	2,381,758.65
Other Supplies and Materials Expenses	8,676,952.88	7,588,006.94
<b>Total Supplies and Materials Expenses</b>	<u>₱ 13,155,465.76</u>	<u>₱ 11,712,471.29</u>
<b>Utility Expenses</b>		
Water Expenses	₱ 196,666.70	₱ 233,579.42
Electricity Expenses	1,819,825.16	1,912,571.86
<b>Total Utility Expenses</b>	<u>₱ 2,016,491.86</u>	<u>₱ 2,146,151.28</u>
<b>Communication Expenses</b>		
Postage and Courier Services	₱ 22,544.00	₱ 23,148.00
Telephone expenses	576,315.00	576,524.13
Internet Subscription Expenses	410,611.37	328,624.00
Cable, Satellite, Telegraph and Radio Expenses	8,160.00	8,840.00
<b>Total Communication Expenses</b>	<u>₱ 1,017,630.37</u>	<u>₱ 937,136.13</u>
<b>Awards/ Rewards, Prizes and Indemnities</b>		
Awards/ Rewards Expenses	₱ 323,125.00	₱ 586,735.00
Indemnities	-	11,577.35
<b>Total Awards/ Rewards, Prizes and Indemnities</b>	<u>₱ 323,125.00</u>	<u>₱ 598,312.35</u>
<b>Generation, Transmission and Distribution Expenses</b>		
Generation, Transmission and Distribution Expenses	₱ 158,806,681.19	₱ 127,512,318.37
<b>Total Generation, Transmission and Distribution Expenses</b>	<u>158,806,681.19</u>	<u>127,512,318.37</u>
<b>Confidential, Intelligence and Extra-ordinary Expenses</b>		
Confidential Expenses	₱ 750,000.00	-
Extraordinary and Miscellaneous Expenses	437,058.00	282,252.00
<b>Total Confidential, Intelligence and Extra-ordinary Expenses</b>	<u>₱ 1,187,058.00</u>	<u>₱ 282,252.00</u>
<b>Professional Services</b>		
Legal Services	₱ 128,997.39	₱ 195,010.00
Auditing Services	-	-
Consultancy Services	-	297,000.00
Other Professional Services	330,788.50	233,486.00
<b>Total Professional Services</b>	<u>₱ 459,785.89</u>	<u>₱ 725,496.00</u>
<b>General Services</b>		
Security Services	₱ 4,023,566.83	₱ 3,655,029.52
<b>Total General Services</b>	<u>4,023,566.83</u>	<u>3,655,029.52</u>
<b>Repairs and Maintenance</b>		
Repairs and Maintenance- Land Improvements	₱ 2,723,463.55	₱ 2,999,055.00
Repairs and Maintenance- Infrastructure Assets, Plant (UPIS)	8,858,235.35	7,954,966.33
Repairs and Maintenance- Buildings and Other Structures	551,653.19	376,847.59
Repairs and Maintenance- Machinery and Equipment	1,729,173.35	1,058,463.69
Repairs and Maintenance- Transportation Equipment	538,361.40	484,725.31
<b>Total Repairs and Maintenance</b>	<u>₱ 14,400,886.84</u>	<u>₱ 12,874,057.92</u>
<b>Taxes, Insurance, Premiums and Other Fees</b>		
Taxes, Duties and Licenses	₱ 7,574,527.59	₱ 7,227,188.60
Insurance Expenses	552,218.58	616,734.63
<b>Total Taxes, Insurance, Premiums and Other Fees</b>	<u>₱ 8,126,746.17</u>	<u>₱ 7,843,923.23</u>
<b>Other Maintenance and Operating Expenses</b>		
Advertising, Promotional and Marketing Expenses	₱ 2,201,069.76	₱ 2,330,208.19
Printing and Publication Expenses	324,730.00	226,680.00
Representation Expenses	1,699,565.25	1,510,022.62
Rent/ Lease Expenses	4,340,134.45	3,799,614.27
Membership Dues and Contributions to Organizations	160,163.00	114,251.00

**BUTUAN CITY WATER DISTRICT**  
**DETAILED STATEMENT OF COMPREHENSIVE INCOME**  
**(ALL FUNDS)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>2019</u>	<u>2018</u>
Donations	176,747.40	114,125.00
Directors and Committee Members' Fee	1,753,200.00	1,618,200.00
Other Maintenance and Operating Expenses	7,696,694.21	7,108,324.89
<b>Total Other Maintenance and Operating Expenses</b>	<b>₱ 18,352,304.07</b>	<b>₱ 16,821,425.97</b>
<b>Total Maintenance and Other Operating Expenses</b>	<b>₱ 225,305,128.09</b>	<b>₱ 187,916,828.35</b>
<b>Financial Expenses</b>		
<b>Financial Expenses</b>		
Interest Expenses	₱ 30,609,542.12	₱ 41,524,433.38
Bank Charges	9,778.47	9,589.50
Other Financial Charges	348,476.27	416,507.47
<b>Total Financial Expenses</b>	<b>₱ 30,967,796.86</b>	<b>₱ 41,950,530.35</b>
<b>Total Financial Expenses</b>	<b>₱ 30,967,796.86</b>	<b>₱ 41,950,530.35</b>
<b>Non-Cash Expenses</b>		
<b>Depreciation</b>		
Depreciation- Infrastructure Assets, Plant (UPIS)	₱ 38,128,765.68	₱ 38,025,456.93
Depreciation- Buildings and Other Structures	5,110,553.43	4,853,041.28
Depreciation- Machinery and Equipment	16,361,933.67	16,073,728.15
Depreciation- Transportation Equipment	1,534,967.58	1,608,525.49
Depreciation- Furniture and Fixtures	78,102.20	97,409.67
<b>Total Depreciation</b>	<b>₱ 61,214,322.56</b>	<b>₱ 60,658,161.52</b>
<b>Amortization</b>		
Amortization- Intangible Assets	₱ 53,153.84	₱ 71,051.63
<b>Total Amortization</b>	<b>₱ 53,153.84</b>	<b>₱ 71,051.63</b>
<b>Impairment Loss</b>		
Impairment Loss- Loans and Receivables	₱ 10,027.23	₱ 6,086.03
Impairment Loss- Other Receivables	48.53	(6,002.26)
<b>Total Impairment Loss</b>	<b>₱ 10,075.76</b>	<b>₱ 83.77</b>
<b>Discounts and Rebates</b>		
Other Discounts	₱ 232,411.54	₱ 217,009.14
<b>Total Discounts and Rebates</b>	<b>₱ 232,411.54</b>	<b>₱ 217,009.14</b>
<b>Total Non-Cash Expenses</b>	<b>₱ 61,509,963.70</b>	<b>₱ 60,946,306.06</b>
<b>Total Expenses</b>	<b>₱ 397,325,239.33</b>	<b>₱ 362,703,147.94</b>
<b>Profit/ (Loss) Before Tax</b>	<b>₱ 4,649,863.94</b>	<b>₱ 14,560,768.87</b>
<b>Income Tax Expense/ (Benefit)</b>	-	-
<b>Profit/ (Loss) After Tax</b>	<b>₱ 4,649,863.94</b>	<b>₱ 14,560,768.87</b>
<b>Net Assistance/ Subsidy/ (Financial Assistance/ Subsidy/ Contribution)</b>	-	-
<b>Net Income/ (Loss)</b>	<b>₱ 4,649,863.94</b>	<b>₱ 14,560,768.87</b>
<b>Other Comprehensive/ (Loss) for the Period</b>	-	-
<b>Comprehensive Income/ (Loss)</b>	<b>₱ 4,649,863.94</b>	<b>₱ 14,560,768.87</b>

\*The notes on pages 37 to 38 form part of these statements.

PREPARED BY:

  
**NOVIE MARIE B. ANIT, C.P.A.**  
 Corporate Accountant

REVIEWED BY:

  
**EMMA B. LUPIBA, C.P.A.**  
 Assistant General Manager,  
 Administration and Finance

CHECKED BY:

  
**MARIA CHRISTINE D. BALINOS, C.P.A.**  
 Division Manager A, Finance- Accounting

NOTED BY:

  
**ENGR. ANSELMO L. SANG TIAN**  
 General Manager A

**BUTUAN CITY WATER DISTRICT  
CONDENSED STATEMENT OF CASH FLOWS  
(ALL FUNDS)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

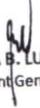
	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash Inflows</b>		
<b>Proceeds from Sale of Goods and Services</b>		
Collection of Income/Revenue	P 388,607,549.79	P 372,591,212.07
Collection of Receivables	24,652,763.08	4,037,948.05
Receipt of Inter-Agency Fund Transfers	59,254,155.07	2,106.20
Trust Receipts	4,920,311.93	7,168,197.65
Other Receipts	2,234,316.72	4,192,826.73
<b>Total Cash Inflows</b>	<b>P 479,669,096.59</b>	<b>P 387,992,290.70</b>
Adjustments	127,853.56	-
<b>Adjusted Cash Inflows</b>	<b>P 479,796,950.15</b>	<b>P 387,992,290.70</b>
<b>Cash Outflows</b>		
Payment of Expenses	P 134,994,534.84	P 237,641,967.38
Purchase of Inventories	7,952,825.91	4,937,304.95
Grant of Cash Advances	8,778,769.11	6,712,890.47
Prepayments	1,978,129.07	2,001,445.89
Refund of Deposits	-	2,500.00
Payments of Accounts Payable	118,299,035.13	33,018,396.68
Remittance of Personnel Benefit Contributions and Mandatory Deductions	52,374,712.58	45,911,016.18
Other Disbursements	17,021,569.44	18,639,861.90
<b>Total Cash Outflows</b>	<b>P 341,399,576.08</b>	<b>P 348,865,383.45</b>
Adjustments	-	81,079.65
<b>Adjusted Cash Outflows</b>	<b>P 341,399,576.08</b>	<b>P 348,946,463.10</b>
<b>Net Cash Provided by/(Used in) Operating Activities</b>	<b>P 138,397,374.07</b>	<b>P 39,045,827.60</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Cash Inflows</b>		
<b>Proceeds from Sale/ Disposal of Investment Property</b>		
Proceeds from Sale/Disposal of Property, Plant and Equipment	P 84,298.08	P 2,257,538.06
Receipt of Interest Earned	13,869.23	12,507.19
<b>Total Cash Inflows</b>	<b>P 98,167.31</b>	<b>P 2,270,045.25</b>
Adjustments	-	-
<b>Adjusted Cash Inflows</b>	<b>P 98,167.31</b>	<b>P 2,270,045.25</b>
<b>Cash Outflows</b>		
Purchase/Construction of Property, Plant and Equipment	P 8,849,690.06	P 14,656,812.78
Purchase/Acquisition of Investments	10,552,767.00	11,690,737.00
<b>Total Cash Outflows</b>	<b>P 19,402,457.06</b>	<b>P 26,347,549.78</b>
Adjustments	-	61,470,200.00
<b>Adjusted Cash Outflows</b>	<b>P 19,402,457.06</b>	<b>P 87,817,749.78</b>
<b>Net Cash Provided By/(Used In) Investing Activities</b>	<b>P (19,304,289.75)</b>	<b>P (85,547,704.53)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Cash Outflows</b>		
Payment of Long-Term Liabilities	P 46,623,090.23	P 126,952,999.12
Payment of Interest on Loans and Other Financial Charges	32,387,583.44	45,368,804.54
<b>Total Cash Outflows</b>	<b>P 79,010,673.67</b>	<b>P 172,321,803.66</b>
Adjustments	-	-
<b>Adjusted Cash Outflows</b>	<b>P 79,010,673.67</b>	<b>P 172,321,803.66</b>
<b>Net Cash Provided By/(Used In) Financing Activities</b>	<b>P (79,010,673.67)</b>	<b>P (172,321,803.66)</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>P 40,082,410.65</b>	<b>P (218,823,680.59)</b>
Effects of Exchange Rate Changes on Cash and Cash Equivalents	-	-
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<b>47,382,266.08</b>	<b>266,205,946.67</b>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>P 87,464,676.73</b>	<b>P 47,382,266.08</b>

\*The notes on pages 17 to 18 and 38 form part of these statements.

PREPARED BY:

  
NOVIE MARIE B. ANIT, C.P.A  
Corporate Accountant

REVIEWED BY:

  
EMMA B. LUPIBA, C.P.A  
Assistant General Manager,

CHECKED BY:

  
MARIA CHRISTINE D. BALINOS, C.P.A  
Division Manager A, Finance- Accounting

NOTED BY:

  
ENGR. ANSELMO L. SANG TIAN  
General Manager A

**BUTUAN CITY WATER DISTRICT  
DETAILED STATEMENT OF CASH FLOWS  
(ALL FUNDS)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash Inflows</b>		
<b>Collection of Income/Revenue</b>	<b>₱ 388,607,549.79</b>	<b>₱ 372,591,212.07</b>
Collection of service and business income	385,158,592.05	371,312,347.55
Collection of other non-operating income	3,448,957.74	1,278,864.52
<b>Collection of Receivables</b>	<b>₱ 24,652,763.08</b>	<b>₱ 4,037,948.05</b>
Collection of loans and receivables	-	3,940,375.42
Collection of receivable from audit disallowances and/or charges	1,339,200.88	83,458.30
Collection of other receivables	23,313,562.20	14,114.33
<b>Receipt of Inter-Agency Fund Transfers</b>	<b>₱ 59,254,155.07</b>	<b>₱ 2,106.20</b>
Receipt of cash for the account of National Government Agencies	41,155.07	2,106.20
Receipt of cash for the account of Other Government Corporations	1,600.00	-
Receipt of funds for the implementation of projects from Local Government Units	59,211,400.00	-
<b>Trust Receipts</b>	<b>₱ 4,920,311.93</b>	<b>₱ 7,168,197.65</b>
Receipt of guaranty/security deposits	786,540.65	3,218,086.91
Receipt of customers' deposits	3,041,210.46	3,206,838.87
Collection of other trust receipts	1,092,560.82	743,271.87
<b>Other Receipts</b>	<b>₱ 2,234,316.72</b>	<b>₱ 4,192,826.73</b>
Receipt of other deferred credits	849,012.95	2,838,600.00
Receipt of refund of overpayment of personnel services	390.00	-
Receipt of refund of overpayment of maintenance and other operating expenses	24,791.64	155,889.79
Receipt of refund of cash advances	1,174,983.00	1,064,156.26
Other miscellaneous receipts	185,139.13	134,180.68
<b>Total Cash Inflows</b>	<b>₱ 479,669,096.59</b>	<b>₱ 387,992,290.70</b>
<b>Adjustments</b>	<b>127,853.56</b>	<b>-</b>
Restoration of cash for unreleased checks	127,853.56	-
<b>Adjusted Cash Inflows</b>	<b>₱ 479,796,950.15</b>	<b>₱ 387,992,290.70</b>
<b>Cash Outflows</b>		
<b>Payment of Expenses</b>	<b>₱ 134,994,534.84</b>	<b>₱ 237,641,967.38</b>
Payment of personnel services	39,010,925.05	44,352,110.71
Payment of maintenance and other operating expenses	76,440,270.82	173,839,705.76
Payment of financial expenses	-	4,526.50
Payment of expenses pertaining to/incurred in the prior years	19,543,338.97	19,445,624.41
<b>Purchase of Inventories</b>	<b>₱ 7,952,825.91</b>	<b>₱ 4,937,304.95</b>
Purchase of inventories for distribution	6,186,076.98	2,892,814.22
Purchase of inventory held for consumption	1,766,748.93	2,044,490.73
<b>Grant of Cash Advances</b>	<b>₱ 8,778,769.11</b>	<b>₱ 6,712,890.47</b>
Advances to/ Due from officers and employees	8,778,769.11	6,712,890.47
<b>Prepayments</b>	<b>1,978,129.07</b>	<b>2,001,445.89</b>
Prepaid Insurance	615,688.88	645,429.85
Other Prepayments	1,362,440.19	1,356,016.04
<b>Refund of Deposits</b>	<b>₱ -</b>	<b>₱ 2,500.00</b>
Payment of guaranty deposits	-	2,500.00
<b>Payments of Accounts Payable</b>	<b>₱ 118,299,035.13</b>	<b>₱ 33,018,396.68</b>
<b>Remittance of Personnel Benefit Contributions and Mandatory Deductions</b>	<b>₱ 52,374,712.58</b>	<b>₱ 45,911,016.18</b>
Remittance of taxes withheld	21,060,202.12	19,094,050.51
Remittance to GSIS/Pag-IBIG/PhilHealth/SSS	16,183,635.67	14,915,591.57
Remittance of provident/welfare fund contribution	15,074,434.79	11,901,374.10
<b>Other Disbursements</b>	<b>₱ 17,021,569.44</b>	<b>₱ 18,639,861.90</b>
Refund of excess income	5,720.00	-
Refund of guaranty/security deposits	2,253,059.47	5,592,108.19
Refund of customers' deposit	42,358.58	89,428.47
Other disbursements not classified above	14,720,431.39	12,958,325.24
<b>Total Cash Outflows</b>	<b>₱ 341,399,576.08</b>	<b>₱ 348,865,383.45</b>
<b>Adjustments</b>	<b>-</b>	<b>81,079.65</b>
<b>Adjusted Cash Outflows</b>	<b>₱ 341,399,576.08</b>	<b>₱ 348,946,463.10</b>
<b>Net Cash Provided by/(Used in) Operating Activities</b>	<b>₱ 138,397,374.07</b>	<b>₱ 39,045,827.60</b>

**BUTUAN CITY WATER DISTRICT  
DETAILED STATEMENT OF CASH FLOWS  
(ALL FUNDS)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019	2018
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Cash Inflows</b>		
<b>Proceeds from Sale/Disposal of Property, Plant and Equipment</b>	₱ 84,298.08	₱ 2,257,538.06
<b>Receipt of Interest Earned</b>	₱ 13,869.23	₱ 12,507.19
<b>Total Cash Inflows</b>	₱ 98,167.31	₱ 2,270,045.25
<b>Adjustments</b>	-	-
<b>Adjusted Cash Inflows</b>	₱ 98,167.31	₱ 2,270,045.25
<b>Cash Outflows</b>		
<b>Purchase/Construction of Property, Plant and Equipment</b>	₱ 8,849,690.06	₱ 14,656,812.78
Construction of infrastructure assets	710,520.80	-
Purchase of machinery and equipment	2,754,330.49	1,296,941.48
Purchase of transportation equipment	-	742,500.00
Purchase of furniture, fixtures and books	-	14,764.28
Construction in progress	5,237,088.77	11,332,395.02
Advances to contractors	147,750.00	1,270,212.00
<b>Purchase/Acquisition of Investments</b>	₱ 10,552,767.00	₱ 11,690,737.00
Other long-term investments	10,552,767.00	11,690,737.00
<b>Total Cash Outflows</b>	₱ 19,402,457.06	₱ 26,347,549.78
<b>Adjustments</b>	-	₱ 61,470,200.00
Reversing entry for fund transfer made in Other Assets Account	-	393,901.40
Reversing entry for fund transfer made in Sinking Fund Account	-	60,353,000.00
Reversing entry for fund transfer made in Other Investments Account	-	723,298.60
<b>Adjusted Cash Outflows</b>	₱ 19,402,457.06	₱ 87,817,749.78
<b>Net Cash Provided By/(Used In) Investing Activities</b>	₱ (19,304,289.75)	₱ (85,547,704.53)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Cash Outflows</b>		
<b>Payment of Long-Term Liabilities</b>	₱ 46,623,090.23	₱ 126,952,999.12
Payment of domestic loans	46,623,090.23	126,952,999.12
<b>Payment of Interest on Loans and Other Financial Charges</b>	₱ 32,387,583.44	₱ 45,368,804.54
<b>Payment of Cash Dividends</b>	-	-
<b>Total Cash Outflows</b>	₱ 79,010,673.67	₱ 172,321,803.66
<b>Adjustments</b>	-	-
<b>Adjusted Cash Outflows</b>	₱ 79,010,673.67	₱ 172,321,803.66
<b>Net Cash Provided By/(Used In) Financing Activities</b>	₱ (79,010,673.67)	₱ (172,321,803.66)
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	₱ 40,082,410.65	₱ (218,823,680.59)
<b>Effects of Exchange Rate Changes on Cash and Cash Equivalents</b>	-	-
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	₱ 47,382,266.08	₱ 266,205,946.67
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	₱ 87,464,676.73	₱ 47,382,266.08

\*The notes on pages 17 to 18 and 38 form part of these statements.

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**NOVIE MARIE B. ANIT, C.P.A.**  
Corporate Accountant

REVIEWED BY:

  
**EMMA B. LUPIBA, C.P.A.**  
Assistant General Manager,

CHECKED BY:

  
**MARIA CHRISTINE D. BALINOS, C.P.A.**  
Division Manager A, Finance- Accounting

NOTED BY:

  
**ENGR. ANSELMO L. SANG TIAN**  
General Manager A

**BUTUAN CITY WATER DISTRICT  
STATEMENT OF CHANGES IN EQUITY  
(ALL FUNDS)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE*	Government Equity	Retained Earnings/ (Deficit) (Restated)	TOTAL
<b>CHANGES IN EQUITY FOR 2018</b>			
BALANCE AT JANUARY 1, 2018	₱ 17,914,209.59	₱ 546,810,302.27	₱ 564,724,511.86
<b>ADJUSTMENTS:</b>			
Add/(Deduct):			
Change in Accounting Policy		(748,850.28)	
Prior Period Errors		(78,107,974.17)	(78,107,974.17)
Other Adjustments		6,648,052.93	
<b>RESTATED BALANCE AT JANUARY 1, 2018</b>	<b>₱ 17,914,209.59</b>	<b>₱ 474,601,530.75</b>	<b>₱ 492,515,740.34</b>
Add/(Deduct):			
Comprehensive Income for the year		14,560,768.87	14,560,768.87
<b>BALANCE AT DECEMBER 31, 2018</b>	<b>₱ 17,914,209.59</b>	<b>₱ 489,162,299.62</b>	<b>₱ 507,076,509.21</b>
<b>CHANGES IN EQUITY FOR 2019</b>			
BALANCE AT JANUARY 1, 2019	₱ 17,914,209.59	₱ 489,162,299.62	₱ 507,076,509.21
<b>ADJUSTMENTS:</b>			
Add/(Deduct):			
Change in Accounting Policy	17		
Prior Period Errors	17	12,213,794.60	12,213,794.60
Other Adjustments	17	6,861,809.20	6,861,809.20
<b>RESTATED BALANCE AT JANUARY 1, 2019</b>	<b>₱ 17,914,209.59</b>	<b>₱ 508,237,903.42</b>	<b>₱ 526,152,113.01</b>
Add/(Deduct):			
Comprehensive Income for the year	18	4,649,863.94	4,649,863.94
<b>BALANCE AT DECEMBER 31, 2019</b>	<b>₱ 17,914,209.59</b>	<b>₱ 512,887,767.36</b>	<b>₱ 530,801,976.95</b>

\*The notes on pages 36 to 37 form part of these statements.

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Assistant General Manager,  
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NOTED BY:

  
ENGR. ANSELMO L. SANG TIAN  
General Manager A

**BUTUAN CITY WATER DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**1.0 BRIEF BACKGROUND**

The Butuan City Water District (BCWD) was created on April 1, 1974 by virtue of Municipal Board of Butuan City under the leadership of the Mayor Figurado O. Plaza. Its birth was covered by Resolution No. 256 and in accordance with the provisions of Presidential Decree No. 198, as amended, otherwise known as the "Provincial Water Utilities Act of 1973." BCWD was created for the following purpose: (1) acquiring, installing, improving, maintaining and operating water supply and distribution system for domestic, industrial, municipal and agricultural uses for residents and lands within the boundaries of the district; (2) Providing, maintaining, and operating waste water collection, treatment and disposal facilities; and (3) Conducting such other functions and operations incidental to water resource development, utilization and disposal, as are necessary or incidental to said purpose.

Current members of the Governing Board include Dir. Roldan L. Torralba, Chairman of the Board, Dir. Juanito A. Lao, Dir. Leah A. Mendoza, Dir. Horacio T. Santos and Dir. Crispin L. Young.

Year 2019 had marked BCWD's 45 years of service to the public. Its mission to preserve the environment, deliver quality service and satisfy its customers constantly drives the organization into "Surging High at 45". BCWD continues to grow under the leadership of its dynamic General Manager, Engr. Anselmo L. Sang Tian. It has begun with 700 service connections and now serving 51,908 active metered connections from the estimated population of 259,540. With its goal of increasing the availability of water supply to all concessionaires, BCWD starts to serve additional 3 barangays, Bobon, Camayahan and Pianing, by June of 2019.

To support the increasing availability of water supply, BCWD engages in different programs and projects ranging from rehabilitation and improvement of existing facilities to taking part in new endeavors aligned with continuous capacity building. Challenges in the production of treated water are faced and both ends are considered as BCWD pursues to work with its Bulk Water Supplier, Taguibo Aquatech Solutions Corporation (TASC), under the Water Supply Development & Water Treatment Service Projects (WSDWTSP) - Public Private Partnership (PPP). TASC's commencement of commercial operations was announced in May 2018, production of water increases to an average of 350,000 cubic meter monthly in 2019. Hopefully, the demands of the existing and future consumers to provide the required volume of water and water pressure will be satisfied in the long run. On the other hand, the BCWD Reservoir in Bit-os started its normal operations in October 2019. The reservoir can hold 1,000 cubic meter of treated water, benefiting consumers from Barangay Bit-os, San Vicente and Villa Kananga.

On September 26, 2019, the Department of Health (DOH) awarded the Certificate of Acceptance to BCWD for its Water Safety Plan (WSP). This promotes its goal to sustain quality of water in accordance with the Philippine National Standards on Drinking Water (PNSDW) and proves the organization's commitment to have a sound healthy community.

The organization is actively involved in safeguarding, ensuring the protection, rehabilitation and conservation of Taguibo Watershed Forest Reserve (TWFR). BCWD carries out campaigns and projects in partnership with watershed settlers and local residents, addressing water-related problems and emphasizing its role in protecting and sustaining nature. In July 2019, the construction of the potable water system facility at Sitio Mahayahay, Anticala has been completed, giving easy access of safe and potable water to its partner-community. Adopt- A- Forest Program was designed by BCWD for individuals, institutions and organizations desiring to contribute in the rehabilitation of the watershed. The program precedes, acquiring more partner-institutions advocating to save the Taguibo Watershed in 2019. Among those who have entered into a Memorandum of Agreement (MOA) in 2019 are ANHS Class 85, Southern Gate Eagles Club, Butuan Club of Southern California (BCSC) and ANECO. In addition, the City Environment & Natural Resources Office (CENRO) also donated eight (8) sacks of assorted Dipterocarp seeds to BCWD last October 14, 2019.

In line with its persistent desire to serve the public, BCWD continues to strive to imitate nature. As it is themed to say "Replicating Nature's Way".

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## **2.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of Financial Statements**

Financial Statements has been prepared in accordance with Philippine Financial Reporting Standards (PFRS) applicable to Government Corporations classified as Government Business Enterprises (GBEs). Transactions are recorded on a modified accrual basis.

### **Cash and Cash Equivalents**

Cash includes cash on hand and in banks. Cash equivalents are short-term and highly liquid investments that are readily convertible into cash with maturities of three months or less from dates of acquisition and that are subject to an insignificant risk of change in value.

### **Accounts Receivables**

Accounts Receivables account is presented in its Net Realizable Value which is Gross Receivables less Allowance for Impairment.

### **Inventory**

Inventories are valued at cost on a first in, first out basis. A periodic physical inventory is conducted at the close of the year.

### **Investments**

Accumulated cash in excess of that needed for current operations and other assets are invested and form part of investments. They are classified as noncurrent when they are set aside for a specific purpose either by liquidation of long term debt or by virtue of a contract or legal requirement.

### **Property, Plant and Equipment**

Property, Plant and Equipment is carried at cost less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the properties, five (5) % of the acquisition cost

has been provided as residual value. Capitalization threshold applied for the recognition of Property, Plant and Equipment is P15,000.00. Minor repairs and maintenance cost are charged to expense when incurred.

<u>Item of Property, Plant and Equipment</u>	<u>Estimated Useful Life</u>
Land Improvements	10 years
Plant- Utility Plant in Service	30 years
Water Plant, Structures and Improvements	30 years
Office Equipment	5 years
Information and Communciation Technology Equipment	5 years
Construction and Heavy Equipment	10 years
Water Treatment Equipment	10 years
Other Equipment	20/10 years
Laboratory Equipment	5 years
Motor Vehicles	7 years
Furniture and Fixtures	5 years
Books	5 years

### Accounts Payable

Liability to pay accounts is recorded when services are already rendered or goods are already delivered and are duly accepted according to its specifications.

### Revenue

Revenue is recognized when it is probable that the economic benefits will flow to the District and revenue can be measured reliably, regardless of when payment is made. Hence, water revenue is recognized when services are rendered and billed to the concessionaires.

### Expenses

Cost of operation, maintenance and other expenses are recognized as they are incurred.

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## 3.0 CASH AND CASH EQUIVALENTS

This account consists of:

	<b>2019</b>	<b>2018</b>
<b>Current</b>		
<b>Cash on Hand</b>		
Cash- Collecting Officers	₱ 66,197,294.90	₱ 30,979,953.64
Petty Cash	60,000.00	60,000.00
<b>Cash in Bank- Local Currency</b>		
Cash in Bank- Local Currency, Current Account	₱ 193,710.02	₱ 167,255.29
Cash in Bank- Local Currency, Savings Account	21,013,671.81	16,175,057.15
	<b>₱ 87,464,676.73</b>	<b>₱ 47,382,266.08</b>

The **Cash-Collecting Officer Account** pertains to cash and other cash items that are held available for use in the normal course of operation. This account includes receipt of funds from the Local Government Unit of

Butuan City for the implementation of “Water Supply System for Butuan City Rural Barangays” in the amount of ₱59,211,400.00. The aforementioned project is a collaboration between LGU-Butuan City and Butuan City Water District, the latter being designated in the implementation and construction of water supply distribution system as provided in the Memorandum of Agreement. For the time being, the project is expected to be completed within two (2) years.

With the ongoing judicial proceedings against the Construction Industry Arbitration Commission (CIAC), R.D. Policarpio & Co. Inc. (RDPCI), et al., on the executed garnishment order, BCWD secures most of its undeposited cash collections, customer’s checks and manager’s checks in the safekeeping of its vault under the custody of the Cashier. However, some collections from concessionaires are deposited to the bank or credited to the account of BCWD through online payments.

The **Petty Cash Fund Account** is composed of two (2) funds handled by two (2) designated disbursing officers, whom are individually accountable for an amount equivalent to ₱30,000.00.. One fund called the Working Fund is set aside for petty disbursements of subscriptions, inventoriable supplies and materials, and other purchase of items. While the other fund, the Petty Cash Fund, is set aside for petty expenses for repairs, maintenance, or those requiring job requests. Both funds are to be consumed for various petty cash disbursements not exceeding ₱1,000.00 per transaction and to be replenished whenever 75 percent of it is already expended.

The **Cash in Bank- Local Currency Account** further consists of the following bank accounts:

		2019	2018
<b>Current Account</b>			
DBP BCWD/ LWUA Current Account	DBP 0805-019619-030	₱ 25,455.44	₱ 25,455.44
PVB BCWD	0033-006749-001	168,254.58	141,799.85
<i>Total Current Account</i>		₱ 193,710.02	₱ 167,255.29
<b>Savings Account</b>			
DBP LWUA Joint Savings Account No.2	DBP 0805-019505-530	₱ 4,979,637.03	₱ 4,993,252.07
DBP BCWD Savings Account No. 1	DBP 0805-019620-530	25,862.93	25,923.65
DBP BCWD Savings Account No. 2	DBP 0805-019621-530	20,378.20	20,399.59
DBP BCWD Savings Account No. 3	DBP 0805-019620-531	9,837,316.97	10,396,925.12
DBP Bills Payment	DBP 0805-019621-531	14,813.62	59,396.68
DBP BCWD E-GOV	DBP 0805-019621-532	5,470,170.89	603,414.30
Land Bank of the Philippines- BCWD	0361-1158-72	665,492.17	75,745.77
<i>Total Savings Account</i>		₱ 21,013,671.81	₱ 16,175,057.18
<b>Total Cash in Bank, Local Currency Account</b>		₱ <b>21,207,381.83</b>	₱ <b>16,342,312.47</b>

Given the legal threats to the District’s public fund, payments of disbursements are made directly through cash on hand or through the DBP BCWD E-GOV Account unlike in the prior years where DBP BCWD/ LWUA Current Account was used to issue checks for payment to suppliers and all other disbursements. On the other hand, a number of concessionaires make online payments through DBP Savings Account No. 3, PVB BCWD, DBP BCWD E-GOV, Land Bank of the Philippines BCWD Accounts and DBP Bills Payment Account. Checks received from collection of water accounts are also deposited to E-GOV Savings Account considering that it is the only bank account not affected by the garnishment order; although, this account should have been used in remittances of HDMF contributions and loan settlements. Furthermore, material amounts were garnished from the five (5) Savings Accounts in October 2019.

#### 4.0 RECEIVABLES

This account consists of the following:

	2019	2018
<b>Current</b>		
Loans and Receivable Accounts		
Accounts Receivable	₱ 37,841,779.39	₱ 33,859,022.68
Allowance for Impairment- Accounts Receivable	(468,610.39)	(458,583.16)
Net Value- Accounts Receivable	37,373,169.00	33,400,439.52
<b>Total Loans and Receivable Accounts</b>	<b>₱ 37,373,169.00</b>	<b>₱ 33,400,439.52</b>
Other Receivables		
Receivable - Disallowances/ Charges	₱ 1,279,834.77	₱ 430,110.41
Due from Officers and Employees	282,755.23	1,037,310.15
Other Receivables	5,251,120.55	4,279,021.50
Allowance for Impairment- Other Receivables	(149,296.89)	(149,248.36)
Net Value- Other Receivables	5,101,823.66	4,129,773.14
<b>Total Other Receivables</b>	<b>₱ 6,664,413.66</b>	<b>₱ 5,597,193.70</b>
<b>Total Current Receivables</b>	<b>₱ 44,037,582.66</b>	<b>₱ 38,997,633.22</b>
<b>Noncurrent</b>		
Loans and Receivable Accounts		
Accounts Receivable- Noncurrent	₱ 11,508,273.27	₱ 11,563,615.35
Other Receivables		
Receivable - Disallowances/ Charges	₱ 2,709,315.57	₱ 1,348,411.45
<b>Total Noncurrent Receivables</b>	<b>14,217,588.84</b>	<b>12,912,026.80</b>
	<b>₱ 58,255,171.50</b>	<b>₱ 51,909,660.02</b>

**Accounts Receivable** is the amount due from concessionaires that comprises of water billings, penalty charges and collectibles from installation and sale of P.E. Tubes. This account is further classified into current and noncurrent. **Current portion of Accounts Receivable** is shown in the table below.

	2019	2018
Current Water Accounts	₱ 35,710,282.89	₱ 31,693,665.34
Receivable from Penalty Charges	1,421,844.74	1,291,452.26
Receivable from Installation and Sale of P.E. Tubes	709,651.76	873,905.08
	<b>₱ 37,841,779.39</b>	<b>₱ 33,859,022.68</b>

Furthermore, Current Water Accounts are classified according to zone as follows:

<b>Account Number</b>	<b>2019</b>		<b>2018</b>	
111-1 (Zone 1-5)	₱	(3,338,518.73)	₱	3,312,724.02
111-2 (Zone 6-10)		8,426,154.96		6,398,025.85
111-3 (Zone 11-15)		12,832,698.88		7,960,450.26
111-4 (Zone 16-20)		17,789,947.78		14,022,465.21
Total	₱	35,710,282.89	₱	31,693,665.34
Less: Allowance for Impairment		(468,610.39)		(458,583.16)
<b>Net Realizable Value</b>	₱	<b>35,241,672.50</b>	₱	<b>31,235,082.18</b>

Water billings that remain unpaid after the due date shall be levied an additional charge of six percent (6%) of the current billed amount. The add-on amount is recorded in the books as *Receivable from Penalty Charges* and included in the current section of accounts receivables.

*Receivable from Installation and Sale of P.E. Tubes* also forms part of the current account receivables. This line item account consists of installation fee for new service connections and proceeds from the sale of P.E. Tubes to concessionaires.

On the other note, the **noncurrent portion of Accounts Receivable** pertains only to the identified inactive water accounts from the prior years until 2018.

The **Receivable from Disallowances/ Charges Account** is exclusively attributable to the amount of individual disallowance of BCWD Officers and Employees. As presented in the following table, this account is further classified into current and noncurrent, the former being collectible within one year.

	<b>2019</b>		<b>2018</b>	
Current				
Receivable from Present Employees	₱	1,174,501.65	₱	358,110.41
Receivable from Board of Directors		105,333.12		72,000.00
Total Current	₱	1,279,834.77	₱	430,110.41
Noncurrent		2,709,315.57		1,348,411.45
	₱	<b>3,989,150.34</b>	₱	<b>1,778,521.86</b>

The **Due from Officers and Employees Account** refers to various cash advances necessary in the performance of official duties other than those related to official travels of employees and directors such as purchase of items to be used during programs and events, purchase of clothing and textile for the official office and field uniforms, excess over telephone allowance allowed per director or employee and the like. This account also includes unliquidated cash advanced for Confidential Fund.

The **Other Receivable Account** is used to recognize amount due from debtors and other entities not falling under any of the specific receivable account. This account consists of the following:

	<b>2019</b>	<b>2018</b>
RD Policarpio	₱ 3,298,111.93	₱ 3,024,996.48
Taguibo Aquatech Solution Corp. (TASC)	1,105,423.54	547,229.52
Sarangani Mixer	291,778.29	291,778.29
FF Cruz Construction	118,492.00	118,492.00
Receivable from various concessionaires	89,972.17	14,676.60
Receivable from Water Districts	41,924.10	41,924.10
Receivable from Former BCWD Employees	9,095.42	9,095.42
Others	296,323.10	230,829.09
<b>Total</b>	<b>₱ 5,251,120.55</b>	<b>₱ 4,279,021.50</b>
<b>Less: Allowance for Impairment</b>	<b>(149,296.89)</b>	<b>(149,248.36)</b>
<b>Net Realizable</b>	<b>₱ 5,101,823.66</b>	<b>₱ 4,129,773.14</b>

The percentage of provision for **allowance for impairment of accounts** are as follows:

<b>Age of Accounts</b>	<b>Percentage of Provision</b>
1 to 180 days	0%
181 to 365 dyas	1%
366 to 730 days	2%
731 to 1,095 days	3%
More than 1,095 days	4%

## 5.0 INVENTORIES

This account refers to purchased materials and supplies that are available to be used for the District's operations and consists of the following:

	2019	2018
<b>Current</b>		
Inventory Held for Distribution		
Other Supplies and Materials for Distribution		
Meters	₱ 7,635,792.00	₱ 8,372,699.00
Service Connection Materials	14,094,219.88	6,896,129.10
Trans/ Dist. Pipes and Fittings	12,185,273.64	10,732,745.20
Tota Other Supplies and Materials for Distribution	₱ 33,915,285.52	₱ 26,001,573.30
Total Inventory Held for Distribution	₱ 33,915,285.52	₱ 26,001,573.30
Inventory Held for Manufacturing		
Work-in-Process Inventory	₱ 458,881.34	₱ 126,681.44
Inventory Held for Consumption		
Office Supplies Inventory	₱ 882,875.49	₱ 768,280.95
Fuel, Oil and Lubricants Inventory	44,710.81	32,077.10
Chemicals and Filtering Supplies Inventory	745,666.64	786,035.70
Construction Materials Inventory	1,818,988.73	669,990.95
Other Supplies and Materials Inventory		
Maintenance Supplies	203,474.64	152,439.69
Total Inventory Held for Consumption	₱ 3,695,716.31	₱ 2,408,824.39
	₱ <b>38,069,883.17</b>	₱ <b>28,537,079.13</b>

*Meters, Service Connection Materials and Transmission/ Distribution Pipes and Fittings* are issued to end-users either for installation of new service connection or for use in the operations and are recognized under the **Other Supplies and Materials for Distribution Account**.

**Work-in Process Inventory Account** pertains to the cost of nipples and meters which further undergo the process of fabrication. Upon completion, the account is transferred to either Other Supplies and Materials for Distribution- Service Connection Materials or Meters Account.

Purchased office supplies such as bond papers, inks and small tangible items in stock are recognized under **Office Supplies Inventory Account**. **Fuel, Oil and Lubricants Inventory Account** is used to recognize the cost of fuel, lubricants and other oil products including the fuel utilized in running the Pumping Station. Cost of chemical, water treatment, filtering supplies and the like which are to be consumed during water laboratory test analyses are recognized under **Chemical and Filtering Supplies Inventory**. **Construction Materials Inventory Account** is used to recognize cost of construction materials purchased for stock and are issued for the construction, repair and other projects for enhancement of the District's facilities. Maintenance Supplies classified under **Other Supplies and Materials Inventory Account** is used to recognize purchased office supplies which are not identified under Office Supplies Inventory and is primarily consumed for maintaining office sanitation.

## 6.0 INVESTMENTS

This account consists of:

	2019	2018
Sinking Fund	₱ 87,689,376.00	₱ 76,217,797.47
Other Investments	723,549.58	723,549.58
	<b>₱ 88,412,925.58</b>	<b>₱ 76,941,347.05</b>

The **Sinking Fund Account** represents 3% of the monthly revenue collection which is set aside as restricted fund as part of the loan agreement between Development Bank of the Philippines (DBP) and the District. The fund shall be used as buffer fund for loan amortization, development and NRW reduction projects/contingency.

The **Other Investment Account** pertains to consumption deposits from concessionaires and is contained in a special savings deposit with the Development Bank of the Philippines (DBP). It also covers interest earned from the amount of fund transfers carried out in February and March 2009 for the payment of five (5) units mechanical micro filter under Board of Director's Resolution No. 008-2009 and 013-2009 dated February 18, 2009 and March 18, 2009 respectively. The management then decided not to make any deposit to this special savings deposit account. Generally, all collections from customer's deposit are to be deposited together with other collections to the general fund.

But since withdrawal of funds due to garnishment order in 2017, no replenishment of the BCWD Sinking Fund Bank Account and Special Savings Deposit Account has been made. As of the closing date, both Sinking Fund and Other Investments are in the form of Manager's Checks restricted for its original purpose and kept separately and secured in the District's vault.

## 7.0 PROPERTY, PLANT AND EQUIPMENT

This account consists of:

	Beginning Balance	Additions	Disposal/ Transfer	Adjustments	Ending Balance
Land	₱ 6,628,476.57	₱ -	₱ -	₱ -	6,628,476.57
Land Improvements, Reforestation Projects	150,565.33	-	-	-	150,565.33
Plant- Utility Plant in Service	1,106,985,829.99	2,564,037.18	(84,348.08)	(456,958.03)	1,109,008,561.06
Water Plant, Structures and Improvements	113,623,959.46	710,217.29	-	-	114,334,176.75
Office Equipment	7,165,302.01	608,534.00	-	-	7,773,836.01
Information and Communication Technology Equipment	17,844,684.95	1,108,196.00	-	-	18,952,880.95
Construction and Heavy Equipment	10,956,250.00	-	-	-	10,956,250.00
Other Equipment	172,895,751.82	7,544,550.35	(143,000.00)	-	180,297,302.17
Motor Vehicles	17,675,081.64	-	-	-	17,675,081.64
Furniture and Fixtures	615,473.40	-	-	-	615,473.40
Books	75,769.76	-	-	-	75,769.76
Construction in Progress- Buildings and Other Structures	23,279,878.35	21,714,101.36	(2,045,485.47)	(755,947.81)	42,192,546.43
<b>Total Cost</b>	<b>₱ 1,477,897,023.28</b>	<b>₱ 34,249,636.18</b>	<b>₱ (2,272,833.55)</b>	<b>₱ (1,212,905.84)</b>	<b>₱ 1,508,660,920.07</b>
Less: Accumulated Depreciation	(512,334,410.88)	(61,229,386.85)	21,024.38	-	(573,542,773.35)
<b>Net Value</b>	<b>₱ 965,562,612.40</b>	<b>₱ (26,979,750.67)</b>	<b>₱ (2,251,809.17)</b>	<b>₱ (1,212,905.84)</b>	<b>₱ 935,118,146.72</b>

Among the completed projects transferred from **Construction in Progress Account** to **Plant- UPIS** and **Water Plant, Structure and Improvements Accounts** are Installation of Water Supply System at Sitio Mahayahay, Replacement of 25mm PE Service Line to GI Pipe for all road crossing, Rehabilitation & Elevation of Cluster Stand, 2016 projects requested expansion of lines, Construction of Hazardous Waste Storage Facility – Extension and Construction of Generator Set House. The transfer amounts to ₱2,045,485.47.

Major acquisitions of new PPE items during 2019 are one (1) unit Portable Air Compressor and two (2) units handheld pneumatic breaker amounting to ₱1,785,840.75 and one (1) unit Atomic Absorption Spectrophotometer for Flame and Graphite Furnace Equipment amounting to ₱3,800,000.00. Both items are recorded in the **Other Equipment Account**.

Some of these *properties were held as collateral* for the loan refinancing availed from the DBP amounting to ₱550,000,000.00 and ₱350,000,000.00. These include the Admin Building and Lot, PRV and Pumping Station No.1. The Phase II project in the total amount of ₱947,601,138.01 also forms part of the said properties under collateral. This was previously included in Construction in Progress Account and was only reclassified as completed project in the calendar year 2011. Components of this project include, among others, the transmission and distribution pipelines, civil work structure, installation of valves, service vehicles used in the project, and electro-mechanical equipment. The Phase II project was temporarily turned over to the District in June 2007, but was commissioned for operation in June 2005. However, to date, there has been no final acceptance executed because of the on-going case filed against R.D. Policarpio & Co., Inc.

By virtue of the Contractual Joint Venture Agreement for the development of raw water source and the supply of treated bulk water, a deed of usufruct over the Existing Water Treatment Facilities, Pipelines and Anticala Property including the land over which the facility is constructed and used for the operation and maintenance

of BCWD has been provided in the CJVA to allow and permit Taguibo Aquatech Solutions Corporation (TASC) in fulfilling the implementation of bulk water supply project. The following table shows the list of property, plant and equipment under usufructuary rights with TASC.

Description	Date of Purchase			Estimated Useful	Cost	Accumulated Depreciation	Carrying Amount	Remarks
	Month	Date	Year					
Lot Brgy Taguibo (Pressure reducing valve site)	12	31	2008		₱ 198,529.00	₱	198,529.00	Gaudencio/Quirina Calo Lot-Taguibo
Infiltration Gallery	9	30	2011	24	60,245,255.68	17,621,737.55	42,623,518.13	Serviceable
Capsulized manhole	12	31	2015	15	130,892.00	31,414.08	99,477.92	Serviceable
Fabrication of manhole cover	12	31	2015	15	212,544.00	51,010.56	161,533.44	Serviceable
Remedial Works at infiltration Gallery (RWIG)	9	30	2011	24	7,244,091.67	2,118,897.26	5,125,194.41	Serviceable
Fabrication & Installation of steel Collar Cover & Accessories	6	30	2013		669,461.60	602,515.44	66,946.16	Serviceable
Tunneling Works	9	30	2011	24	45,780,867.64	13,940,274.06	31,840,593.58	Serviceable
Magnetic flowmeter- PRV	12	31	2013	10	1,559,574.00	561,446.64	998,127.36	Serviceable, PRV
Ultrasonic Flowmeter	12	31	2013	10	941,217.00	338,838.48	602,378.52	Serviceable, PRV
Butterfly Valve (Flanged Type 900mm)	12	31	2015	5	500,000.00	360,000.00	140,000.00	Serviceable, PRV
Butterfly Valve (Flanged Type 800mm)	12	31	2015	5	430,000.00	309,600.00	120,400.00	Serviceable, PRV
Transmission Lines (Pipelines)			2011	25	45,761,021.00			
Culvert Crossing			2011	25	2,808,995.00			
Pipe Crossing			2011	25	1,123,598.00			
Bermad Pressure Regulating Valve	9	30	2011	25	3,285,300.98	960,950.31	2,324,350.67	Serviceable
Microfiltershed Construction	12	30	2010	20	18,195,158.61	7,369,038.78	10,826,119.83	Serviceable at PRV
Microfiltershed variation	12	30	2010	20	6,060,919.18	2,454,672.56	3,606,246.62	Serviceable at PRV
Chlorination House	9	30	2011		8,024,818.44	3,165,790.47	4,859,027.97	Serviceable at PRV
Rehab backwash Pipeline	4	30	2014	20	362,500.00	123,250.00	239,250.00	Serviceable at PRV
PRV	9	30	2011	20	26,405,109.02	9,657,668.73	16,747,440.29	Serviceable, Taguibo- PRV
PRV Guard House	9	30	2011	20	91,707.63	43,400.76	48,306.87	Serviceable, Taguibo- PRV
					₱ 230,031,560.45	₱ 59,710,505.68	₱ 120,627,440.77	

The **Construction in Progress- Buildings and Other Structures** covers on-going projects aimed to improve the services of the District. This Account consists of the following:

	2019	2018
1,000 cu. meter Reservoir with Electro Mechanical Works @ Bit-os	₱ 8,366,133.03	₱ 163,043.50
2016 projects requested expansion of lines for HH 60 or less	-	237,586.37
Additional Budget for the Provision/ Installation of Water Supply System at Sitio Mahayahay	-	145,402.70
Construction and Renovation of 3-storey Bldg	217,790.86	5,894.30
Construction of Hazardous Waste Storage Facility - Extension	-	461,119.70
Construction of Materials Recovery Facility	-	127,627.59
Construction of Metershop for PS 1 Warehouse	18,353.08	-
Construction of PS 1 Warehouse	-	3,353.08
Construction of Warehouse Rack	676,774.50	-
Expansion of Lines - Libertad	1,391,097.42	1,265,831.18
Main Bypass Line Project (MBPL)	9,278,049.87	6,165,607.21
NRW	10,011,659.73	8,434,810.68
Perimeter Fence at Bonbon	1,031,455.95	-
Perimeter Fence for Ground Reservoir (bit-os)	3,346,090.17	586,767.15
Pianing Expansion	174,484.95	-
Rehab & Elevate Cluster Stand	-	1,138,868.81
Replacement of 25mm PE Service Line to GI Hose all road crossing-Labor & Materials	-	33,813.00
Replacement of Lines Ampayon to Antongalon, 200mmØPE to 250mmØ UPVC	4,514,398.79	4,490,449.31
RRHH 60 OR LESS - 2018 Projects	57,666.00	-
RRHH 60 OR LESS - 2019 Projects	1,099,123.87	-
Suatan Brgy. Ambago-UOL	-	19,703.77
Water Supply Line 225mm uPVC at Brgy. Bit-os	2,009,468.21	-
	₱ 42,192,546.43	₱ 23,279,878.35

## 8.0 INTANGIBLE ASSETS

This account consists of:

	Beginning Balance	Additions	Disposal/ Transfer	Adjustments	Ending Balance
Computer Software	₱ 558,559.28	₱ -	₱ -	₱ -	558,559.28
Accumulated Amortization	(410,686.80)	(53,153.84)	-	-	(463,840.64)
<b>Net Value</b>	<b>₱ 147,872.48</b>	<b>₱ (53,153.84)</b>	<b>₱ -</b>	<b>₱ -</b>	<b>94,718.64</b>

**Intangible assets** refer to acquired software licenses and other intangible computer based assets. For the calendar year 2019, no additional acquisition is recorded in this account.

## 9.0 OTHER ASSETS

This account consists of:

	2019	2018
<b>Current</b>		
Advances		
Advances for Payroll	₱ -	₱ -
Advances to Officers and Employees	-	30,195.89
Prepayments		
Advances to Contractors	49,250.00	1,213,962.00
Prepaid Insurance	163,107.00	152,662.57
Withholding Tax at Source	241,744.50	215,519.45
Other Prepayments	1,014,619.84	886,619.05
Deposits		
Guaranty Deposits	1,289,096.09	1,289,096.09
<b>Total Other Current Assets</b>	<b>₱ 2,757,817.43</b>	<b>₱ 3,788,055.05</b>
<b>Noncurrent</b>		
Other Noncurrent Assets		
Deferred Charges/ Losses	₱ 17,656,391.39	₱ 17,495,151.88
Other Assets	477,927.62	594,388.77
<b>Total Other Noncurrent Assets</b>	<b>₱ 18,134,319.01</b>	<b>₱ 18,089,540.65</b>
	<b>₱ 20,892,136.44</b>	<b>₱ 21,877,595.70</b>

The **Advances to Officers and Employees Account** pertains to cash advances granted to officers and employees to defray expenses during official travels. Also forms part of this account is the excess of cash advances which is subject to payroll deduction in the succeeding payroll period.

The **Advances to Contractors Account** refers to advances made by contractors to mobilize the implementation of on-going projects/ construction. The balance amounting to ₱49,250.00 pertains to Engr. Ramon dela Torre's mobilization fee for his Technical Consultant Services in the Preparation of Detailed Engineering Design for the Construction of Main By-pass Pipeline - Phase 2 (MBPP) Water System.

The **Prepaid Insurance Account** pertains to Insurance premiums of vehicles, buildings and other properties. This also includes fidelity bond of accountable officers and employees who are designated as special disbursing officers and custodians of BCWD resources. This is aggregately amortized per month to recognize actual Insurance expense incurred.

The **Withholding Tax at Source Account** pertains to the recognize amount of creditable withholding tax deducted by the District from concessionaires' payment of water bills upon receipt of BIR Form No. 2307.

The **Guaranty Deposits Account** does not have any transaction during 2019. This account includes the following:

	<b>2019</b>	<b>2018</b>
ANECO Consumption Deposits	₱ 695,640.23	₱ 695,640.23
Chlorine Tank Deposits	430,500.00	430,500.00
Special Deposit - Expropriation Case (Magsaysay)	52,690.81	52,690.81
DPWH Guaranty Deposit	50,664.54	50,664.54
Communication Line Deposits	42,950.51	42,950.51
Oxygen/Acetylene Tank Deposits	16,000.00	16,000.00
Mabuhay Vinyl- Plastic drum Deposits	650.00	650.00
	<b>₱ 1,289,096.09</b>	<b>₱ 1,289,096.09</b>

The **Deferred Charges/ Losses Subsidiary Account** refers to the following accounts:

	<b>2019</b>	<b>2018</b>
Pre-Termination Fee	₱ 17,143,088.76	₱ 17,143,088.76
Garnishment made by RD Policarpio, Inc.	474,022.75	312,783.24
City Hall- Borrowed Items (2014)	31,739.28	31,739.28
KAJIMA IRA Housing Project (2002)	7,540.60	7,540.60
	<b>₱ 17,656,391.39</b>	<b>₱ 17,495,151.88</b>

The *Pre-termination Fee* was charged by LWUA for the early termination of Loan Account No. LA 3-757 and 4-2531 with LWUA through refinancing by the Development Bank of the Philippines (DBP). An appeal had already filed by the District for the cancellation of this fee and awaiting for final decision from the Office of the Government Corporate Counsel (OGCC).

With the implementation of the writ of execution in favor of R.D. Policarpio & Co., Inc. (RDCPI), an ample amount of cash in bank has been hastily garnished by RDCPI in two occurring periods, in July 2017 and October 2019. The identified debits made by DBP in the accounts of BCWD or the garnished amounts are temporarily debited to Deferred Charges/Losses Account.

The table below shows the list of *garnished amounts* per bank account as of December 31, 2019.

<b>Account Name</b>	<b>Account Number</b>	<b>Amount</b>
DBP BCWD/ LWUA Current Account	DBP CA 0805-019619-030	₱ 18,346.36
DBP LWUA Joint Savings Account No. 2	DBP SA 0805-019505-530	47,927.46
DBP BCWD Savings Account No. 1	DBP SA 0805-019620-530	1,458.62
DBP BCWD Savings Account No. 2	DBP SA 0805-019621-530	854.98
DBP BCWD Savings Account No. 3	DBP SA 0805-019620-531	199,162.84
DBP Bills Payment	DBP SA 0805-019621-531	123,222.06
BCWD Sinking Fund	DBP SA 0805-26855-530	30,547.87
BCWD Trust Fund	DBP SA 0805-037519-530	26,633.97
BCWD Environmental Monitoring Fund	DBP CA 0805-019502-080	25,868.59
		<b>₱ 474,022.75</b>

The **Other Reserve Fund Account** consists of:

	<b>2019</b>	<b>2018</b>
COA Disallowance in Trust Fund	₱ 267,401.40	₱ 294,090.77
Environmental Monitoring Fund	109,313.00	200,298.00
Environmental Guarantee Fund	101,213.22	100,000.00
	<b>₱ 477,927.62</b>	<b>₱ 594,388.77</b>

The *COA Disallowance in Trust Fund* comprises of partial payments made by resigned/ retired employees for their individual disallowances.

The *Environmental Guarantee Fund* was established in March 2010 per Board Resolution No. 024, Series of 2010, as fund source for the indemnification and/ or restoration of affected parties, communities and ecosystems.

In compliance with DENR Administrative Order No. 2000-05, Series of 1994, *Environmental Monitoring Fund* was established as Environmental Revolving Fund to support the activities of the Multi-Partite Monitoring Team and environmental information programs.

Bank Accounts related to these funds are also affected by the garnishment orders. As of the closing date, no replenishments are made, and they take the form of Manager's Checks restricted for their purpose. Presently, they are kept separately inside the District's vault.

## 10.0 FINANCIAL LIABILITIES

This account is consisting of:

	2019	2018
<b>Current</b>		
Payables		
Accounts Payable	₱ 29,775,767.79	₱ 19,409,789.38
Due to officers and Employees	5,366,094.41	4,479,963.45
Loans Payable		
Loans Payable- Domestic	49,292,633.00	43,704,768.55
Other Financial Liabilities		
Other Financial Liabilities	955,752.30	1,169,241.63
<b>Total Current Financial Liabilities</b>	<b>₱ 85,390,247.50</b>	<b>₱ 68,763,763.01</b>
<b>Noncurrent</b>		
Loans Payable		
Loans Payable- Domestic	₱ 504,610,758.95	₱ 547,555,943.96
<b>Total Noncurrent Financial Liabilities</b>	<b>₱ 504,610,758.95</b>	<b>₱ 547,555,943.96</b>
	<b>₱ 590,001,006.45</b>	<b>₱ 616,319,706.97</b>

The **Accounts Payable Account** represents unpaid obligations resulting from procurement of various goods and services used in the operations of the District.

	2019	2018
Suppliers/ Contractors	₱ 16,023,872.33	₱ 8,005,440.99
Bulk Water Supplier	12,603,716.34	10,771,809.28
Project Inspector/ Consultant	116,566.09	74,275.37
Telephone and Communication Provider	65,789.13	22,092.45
Collecting Agents	33,845.00	14,980.00
Others	931,978.90	521,191.29
	<b>₱ 29,775,767.79</b>	<b>₱ 19,409,789.38</b>

A number of procurement of goods and services with confirmed Purchase and Job Orders were not recognized in the books since neither delivery nor acceptance of the items happened during 2019.

A list of these possible obligations is showed below.

<b>Purchase Order</b>					
<b>No.</b>	<b>Date</b>	<b>Date Conformed</b>	<b>Supplier</b>		<b>Amount</b>
18-10-725	4/10/2018	10/10/2018	Mystic Water Phil., Inc	₱	599,000.00
19-01-071	01/30/2019	4/2/2019	Karl-Gelson Industrial Sales		214,880.00
19-07-476	7/22/2019	7/23/2019	Krypton In't Resources Sales & Services		36,600.00
19-08-531	8/19/2019	8/22/2019	Jump Engineering Services		174,000.00
19-09-609	9/18/2019	9/25/2019	Aptex Textile Printing Corp.		173,400.00
19-09-615	9/18/2019	9/20/2019	Philippine Valve Mfg. Co.		89,550.00
19-09-621	9/19/2019	9/20/2019	Yu Yek Dy Hardware		10,000.00
19-09-630	9/25/2019	9/26/2019	Cebu Overseas Hardware Co., Inc.		14,142.00
19-10-744	10/22/2019	10/23/2019	Yana Chemodities		26,435.00
19-10-745	10/22/2019	10/24/2019	Harnwell Chemical Corporation		4,789.00
19-10-777	10/25/2019	10/29/2019	Recon Trading		92,784.00
19-10-791	10/31/2019	5/11/2019	Uptown Industrial Sales Inc.		14,605.00
19-11-839	11/20/2019	No date	RNR-Tech Enterprises		92,211.88
19-11-840	11/20/2019	11/21/2019	Columbia Computer Center, Inc.		252,000.00
19-11-853	11/26/2019	11/27/2019	Copylandia Office Systems Corporation		27,510.00
19-11-860	11/27/2019	4/12/2019	Atoy Enterprise		11,912.00
19-11-864	11/28/2019	4/12/2019	FANM Enterprise		127,800.00
19-12-877	5/12/2019	No date	XD Ever Transformer Service Corporation		3,361,185.00
19-12-885	11/12/2019	12/16/2019	Inkbox Ink Refilling Station & Computer Services		31,000.00
19-12-895	12/16/2019	No date	VC Garcia Industrial Corp.		980,000.00
19-12-896	12/16/2019	12/19/2019	Columbia Computer Center, Inc.		9,800.00
19-12-900	12/17/2019	12/20/2019	Datalan Communication Services		34,990.00
19-12-902	12/18/2019	12/20/2019	Aptex Textile Printing Corp.		1,200.00
19-12-905	12/19/2019	12/26/2019	Yu Yek Dy Hardware		1,509.00
19-12-907	12/19/2019	12/26/2019	Life Auto Supply & Hardware, Inc.		180.00
19-12-910	12/20/2019	12/26/2019	Yu Yek Dy Hardware		4,400.00
19-12-911	12/20/2019	12/26/2019	Yu Yek Dy Hardware		21,800.00
19-12-917	12/23/2019	12/26/2019	Butuan Metro Hardware, Inc.		4,746.00
19-12-918	12/23/2019	12/26/2019	Dyteban Hardware and Auto Supply		10,929.00
19-12-919	12/23/2019	12/26/2019	Yu Yek Dy Hardware		23,321.50
19-12-920	12/23/2019	No date	Butuan Metro Hardware, Inc.		1,035.00
19-12-922	12/26/2019	No date	Timbercity Jeti Gas Station		1,008.20
19-12-923	12/26/2019	No date	Timbercity Jeti Gas Station		936.80
19-12-924	12/26/2019	No date	Columbia Computer Center, Inc.		10,200.00
19-12-925	12/26/2019	No date	K & G Construction & Supply		2,200.00
19-12-926	12/26/2019	No date	Butuan Metro Hardware, Inc.		26,102.80
19-12-927	12/26/2019	No date	Dyteban Hardware and Auto Supply		707.00
19-12-928	12/26/2019	No date	Yu Yek Dy Hardware		6,796.00
19-12-931	12/27/2019	No date	Envirokonsult Equip. & Services, Inc.		488,584.00
19-12-932	12/27/2019	No date	Mabuhay Vinyl Corporation		142,935.00
19-12-933	12/27/2019	No date	Life Auto Supply & Hardware, Inc.		9,500.00
19-12-934	12/27/2019	No date	HED Development Corp.		35,100.00
					₱ 7,171,784.18

<b>Job Order</b>					
<b>No.</b>	<b>Date</b>	<b>Date Conformed</b>	<b>Contractor</b>		<b>Amount</b>
17-04-171	4/20/2017	4/25/2019	JMN Multimedia Sales and Services	₱	48,000.00
17-07-306	7/19/2019	7/25/2017	Ayco Surveying Office		20,000.00
19-05-113	5/23/2019	5/30/2019	JMN Multimedia Sales and Services		2,500.00
19-07-148	5/7/2019	10/7/2019	Hi-trade Airconditioning & Refrigeration		56,120.00
19-07-165	7/26/2019	7/30/2019	ASC Management Consulting Services		2,631.58
19-08-184	8/30/2019	3/9/2019	Comfac Corporation		234,143.00
19-10-227	10/25/2019	10/30/2019	JMN Multimedia Sales and Services		6,000.00
19-10-229	10/29/2019	11/30/2019	F.A.S.T. Cooperative Laboratory		40,824.00
19-11-247	11/20/2019	11/22/2019	MQ Glass Supply		4,600.00
19-12-258	12/16/2019	12/19/2019	Lifeworks Printhub		12,000.00
					₱ 426,818.58
					₱ 7,598,602.76

The **Due to Officers and Employees Account** refers to various payroll accounts including payroll for Collective Negotiation Agreement (C.N.A.) Incentives granted to BCWD Employees for the year 2019 pursuant to DBM Budget Circular No. 2019-5 dated November 7, 2019 and confirmed under Board Resolution No. 014-2020 dated February 3, 2020.

	<b>2019</b>	<b>2018</b>
Collective Negotiation Agreement Incentives	₱ 3,652,083.33	₱ 3,652,083.33
Personnel Services	1,359,257.15	530,806.60
RATA	126,000.00	126,000.00
Tax Adjustment	84,615.72	10,619.42
Excess of Liquidated Expenses over CA	68,364.61	78,347.74
Working Fund	11,506.60	35,467.15
Petty Cash Fund	7,799.00	26,341.60
Others	56,468.00	20,297.61
	<b>₱ 5,366,094.41</b>	<b>₱ 4,479,963.45</b>

The **Loans Payable- Domestic Account** further consist of the following:

	<b>2019</b>	<b>2018</b>
Development Bank of the Philippines (DBP)		
Current	₱ 49,292,633.00	₱ 43,704,768.55
Noncurrent	481,975,997.34	570,190,705.57
Total Loans Payable to DBP	₱ 531,268,630.34	₱ 613,895,474.12
Local Water Utilities Administration (LWUA)	22,634,761.61	22,634,761.61
	<b>₱ 553,903,391.95</b>	<b>₱ 636,530,235.73</b>

Details of loans are shown in the table below.

Loan Account Number	Type/Kind of Loan	Current Portion	Long Term	Total Amount	Amortization Period	Ave. Monthly Amortization
<b>LWUA</b>						
4-2531	Open Account Bill	*paid thru dbp refinancing	19,284,761.61	19,284,761.61	-	-
RWIG	Supplemental Works - RWIG		3,350,000.00	3,350,000.00	-	-
<b>TOTAL LWUA</b>			<b>22,634,761.61</b>	<b>22,634,761.61</b>		
<b>DBP</b>						
3965-004-004-7	P 550M	49,292,633.00	285,901,584.28	335,194,217.28	November 2010 - November 2025	5,541,503.37
3965-004-007-6	P 350M	0.00	196,074,413.06	196,074,413.06	October 2012 - October 2027	3,456,246.94
<b>TOTAL DBP</b>		<b>49,292,633.00</b>	<b>481,975,997.34</b>	<b>531,268,630.34</b>		<b>8,997,750.31</b>
<b>TOTAL LOANS PAYABLE</b>		<b>49,292,633.00</b>	<b>504,610,758.95</b>	<b>553,903,391.95</b>		<b>8,997,750.31</b>

**Loans Payable to DBP** is classified into current and noncurrent. Current loans payable is the amount due for payment within one year after the reporting period while noncurrent portion is due to be settled on a long-term basis.

The LWUA Loan Account Nos. 3-324, 3-265 and 3-521 were paid in full in November of 2013. Upon full payment of Loans Payable to LWUA through DBP Loan Buy-out, LWUA imposed a pre-termination fee of ₱17,143,088.76 which was not included in the Loan Buy-out Computation resulting to unsettled principal loan balance of LWUA Loan Account No. 4-2531 and Supplemental Works- RWIG amounting to ₱22,634,751.61. However, there was no provision of pre-termination fee on the Terms of Loan Agreement applicable on the loan balance.

Request for a reduction in interest rate on loans to DBP was finally approved and implemented last December 2013. From a rate of 10% for the ₱550,000,000.00 and 9.5% for the ₱350,000,000.00 loan and other loans, it was reduced to 7.5% per annum. Subsequently, starting June 2015, the interest rate was once more reduced to 5.5% after DBP granted another request from the District. The 5.5% interest rate is still being applied up to the present.

The **Other Financial Liabilities Account** pertains to accrued light and power representing power consumption for the period due for payment on the following month.

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## 11.0 INTER-AGENCY PAYABLES

This account consists of:

	<b>2019</b>	<b>2018</b>
Due to BIR	₱ 2,350,805.20	₱ 5,832,183.13
Due to GSIS	1,075,155.06	1,027,926.55
Due to Pag-IBIG	187,405.99	197,171.46
Due to PhilHealth	106,862.08	102,825.58
Due to LGUs	2,489.85	16,067.93
Due to SSS	45,793.69	(12,160.64)
	<b>₱ 3,768,511.87</b>	<b>₱ 7,164,014.01</b>

This account is used to recognize withholding of taxes, premium payments and other payables of officers and employees to the other government institutions.

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## 12.0. TRUST LIABILITIES

This account consists of:

	2019	2018
<b>Current</b>		
Trust Liabilities		
Provident Members	₱ 1,337,475.68	₱ 1,029,467.82
Service Fee of Collecting Agents	63,049.00	-
Water Supply System for Rural Barangays (WSSRB)	34,127,468.73	-
Total Trust Liabilities	₱ 35,527,993.41	₱ 1,029,467.82
Guaranty/ Security Deposits Payable	9,074,016.46	7,577,691.52
Customers' Deposits Payable	21,530,606.47	19,779,899.16
<b>Total Current Trust Liabilities</b>	<b>₱ 66,132,616.34</b>	<b>₱ 28,387,058.50</b>
<b>Noncurrent</b>		
Trust Liabilities		
Collection for Disallowances	₱ 579,267.23	₱ 466,466.00
Water Supply System for Rural Barangays (WSSRB)	25,078,401.14	-
Total Trust Liabilities	₱ 25,657,668.37	₱ 466,466.00
<b>Total Noncurrent Trust Liabilities</b>	<b>₱ 25,657,668.37</b>	<b>₱ 466,466.00</b>
	<b>₱ 91,790,284.71</b>	<b>₱ 28,853,524.50</b>

The **Trust Liabilities- Provident Members Account** refers to BCWD's provident fund contribution and loan withholding.

Starting November 18, 2019, Authorized Collecting Agents impose ₱10.00 for every transaction made upon the payment of water bills. This is remitted to the District together with the payment of water services made by the concessionaires. Receipt of the amount is recorded by the District as **Trust Liabilities- Service Fee of Collecting Agents**, and upon payment to the Collecting Agents, the same account is debited in the books.

The **Trust Liabilities- Collection for Disallowances Account** refers to receipt of cash from retired, terminated or separated officer or employee of BCWD as advance payment of individual disallowances still pending finality and execution. This serves as a temporary account and will be reclassified upon acknowledgement of notice of finality and order of execution.

Pursuant to COA Circular No. 94-013 dated December 13, 1994, the receipt of funds from the Local Government of Butuan City for the implementation of "**Water Supply System for Butuan City Rural Barangays**" is credited to **Trust Liability Account**. This account is further classified into current and noncurrent since the project is expected to be implemented in a two-year span of time.

The **Guaranty/ Security Deposits Payable Account** pertains to retention on contract, performance bond and bid security which are payable upon demand by the contractors as soon as the specified period expires after taking into consideration all the conditions and requirements for the release of the said claims are being met.

The **Customers' Deposits Payable Account** refers to deposits made by customers upon application for service connections as embodied in the District's policies.

### 13.0 DEFERED CREDITS/ UNEARNED INCOME

This account consists of:

	2019	2018
<b>Current</b>		
Unearned Revenue/ Income		
Other Unearned Revenue/ Income	₱ 453,904.43	₱ -
<b>Total Current Deferred Credits/ Unearned Income</b>	<b>₱ 453,904.43</b>	<b>₱ -</b>
<b>Noncurrent</b>		
Deferred Credits		
Other Deferred Credits	₱ 3,036,369.70	₱ 3,125,569.15
Unearned Revenue/ Income		
Other Unearned Revenue/ Income- Penalty Charges	871,792.87	871,792.87
<b>Total Noncurrent Deferred Credits/ Unearned Income</b>	<b>₱ 3,908,162.57</b>	<b>₱ 3,997,362.02</b>
	<b>₱ 4,362,067.00</b>	<b>₱ 3,997,362.02</b>

The **Current** Liability under **Other Unearned Revenue/ Income Account** is the total amount of negative balances of Accounts Receivable- Water due to overpayment of water bills by the concessionaires. The overpayment is considered as advance payment of the concessionaire thus payment is applied on the next billing thereafter. The **Noncurrent Other Unearned Revenue/ Income** is used to recognize other deferred income/ revenue received not falling under any of the specific unearned revenue accounts such as penalties from suppliers who did not meet the specified date of delivery.

The **Other Deferred Credits Account** comprises of the following:

	2019	2018
Bidding Fees	1,608,191.12	1,565,321.02
NGP- DENR PENRO	780,000.00	1,027,500.00
Adopt- A- Forest Program	₱ 590,592.90	₱ 538,092.90
Bidding Expenses c/o Prosperidad Water District	62,917.50	-
KAJIMA	27,693.48	27,693.48
Payroll Refundable to J. Fernandez	6,844.52	6,844.52
Hyfro Phil Asia Inc.-reclassification	6,511.20	6,511.20
BCWD vs Danilo Furia Case	6,413.04	6,413.04
Uptown Industrial Sales	5,200.00	5,200.00
VC Garcia Industrial	5,200.00	5,200.00
Sponsorship - Surigao Metro Water District	5,000.00	5,000.00
Disposal (Aqua Steel)	500.00	500.00
BAC Minutes (furnished copy to Goodyear Steel Pipe)	400.00	400.00
Cash Overage	12.95	-
Ramonito Cañeda	(1,322.51)	(1,322.51)
Twin Peak Hydro Resources Corporation	(67,784.50)	(67,784.50)
	<b>₱ 3,036,369.70</b>	<b>₱ 3,125,569.15</b>

## 14.0 PROVISIONS

This account consists of Leave Benefits Payable which is used to recognize accrual of money value of earned leave credits of government personnel. Balance of Leave Benefits Payable as of December 31, 2019 and 2018 are ₱6,197,693.74 and ₱5,826,147.23, respectively.

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## 15.0 OTHER PAYABLES

The **Other Payables Account** is used to recognize other liabilities not falling under any of the specific payable accounts such as payable to medical and legal retainer, cash bond refundable to collecting agents and the like. The carrying amount of Other Payable as of December 31, 2019 and 2018 are ₱1,386,118.06 and ₱486,407.31, respectively

	<b>2019</b>	<b>2018</b>
Cash Bond of Collecting Agents	300,000.00	250,000.00
BCWD Sinking Fund	919,827.00	-
Lumina Casa	67,886.80	-
EMF Replenishment	63,885.01	96,445.00
BCWD Personnel Mutual Fund	₱ 23,251.49	₱ 23,251.49
Medical Retainer Fee	7,000.00	7,000.00
Legal Retainer Fee	-	109,010.00
Others	4,267.76	700.82
	<b>₱ 1,386,118.06</b>	<b>₱ 486,407.31</b>

On the other hand, the District has deferred the recognition of liability in the amount of ₱1,773,807.86 to COA Region XIII for the audit services rendered by the Audit team as of December 31, 2019. Although COA has recommended to recognize such liability, Management has held it in abeyance pending inquiries and validation of procedures on the application of fees and charges.

## 16.0 GOVERNMENT EQUITY

This account consists of:

	2019	2018
Government Equity	₱ 2,367,355.65	₱ 2,367,355.65
Contributed Capital	15,546,853.94	15,546,853.94
	<b>₱ 17,914,209.59</b>	<b>₱ 17,914,209.59</b>

The **Government Equity Account** refers to assets turned over by the National and Local Government during the inception and initial operations of the District. Also included, is the donated lot by the City Government with TCT No. 6033 amounting to ₱97,660.00. Another inclusion in this account is the donated lot, with market value of ₱100,000, by E.B. Villarosa for Reservoir Site in Emenville Subdivision with a land area of 400 sq. m.

## 17.0 RETAINED EARNINGS

This account consists of:

	2019	2018
Balance at January 1	₱ 489,162,299.62	₱ 546,810,302.27
Adjustments:		
Change in Accounting Policy	-	(748,850.28)
Prior Period Errors	12,213,794.60	(78,107,974.17)
Other Adjustments	6,861,809.20	6,648,052.93
Restated Balance at January 1	₱ 508,237,903.42	₱ 474,601,530.75
Comprehensive Income for the year	4,649,863.94	14,560,768.87
	<b>₱ 512,887,767.36</b>	<b>₱ 489,162,299.62</b>

The **Changes in Accounting Policy** represents the difference between the net amount of direct adjustments to Retained Earnings (Deficit) Account due to changes in accounting policy as presented in the Restated Statement of Changes in Equity, Retained Earnings/ (Deficit) for CY 2018 and the amount in the Statement of Changes in Equity, Retained Earnings/ (Deficit) as of December 31, 2018.

The **Prior Period Adjustments/ Unrecorded Income and Expenses** represents the difference between the amount of Retained Earnings/ (Deficit) for the period reflected in the Restated Statement of Comprehensive Income for CY 2018 and the amount in the Statement of Comprehensive Income as of December 31, 2018.

The **Other Adjustments** represents difference between the net of amount of direct adjustments to Retained Earnings/ (Deficit) account due to Other Adjustments or adjustments pertaining to year/s prior to CY 2018 as reflected in the Restated Statement of Changes in Equity for CY 2018 and the amount in the Statement of Changes in Equity (Retained Earnings/ (Deficit) as of December 31, 2018.

Adjustments to Retained Earnings during the year 2019 pertain to:

	Change in Accounting Policy	Prior Period Adjustments	Other Adjustments	TOTAL ADJUSTMENTS
Liquidation of cash advance made in prior year/s	₱ -	₱ (1,000,000.00)	₱ -	₱ (1,000,000.00)
Collection of refund from payment of disbursements not realized in prior year/s	-	4,500.00	-	4,500.00
Net Unrecognized Income over Expense in Prior/ years	-	1,439,097.32	1,962,030.20	3,401,127.52
Adjustments	-	11,770,197.28	4,899,779.00	16,669,976.28
	₱ -	₱ 12,213,794.60	₱ 6,861,809.20	₱ 19,075,603.80

## 18.0 NET INCOME

This represents the District's result of operation for the year 2019 after accumulating a total revenue of ₱401,975,103.27 less total expenses amounting to ₱397,325,239.33.

	2019	2018
<b>Income</b>		
Service and Business Income	₱ 394,561,341.90	₱ 370,762,156.57
Gains	-	32,099.36
Other Non-operating Income	7,413,761.37	6,469,660.88
<b>Total Income</b>	₱ 401,975,103.27	₱ 377,263,916.81
<b>Expenses</b>		
Personnel Services	₱ 79,542,350.68	₱ 71,889,483.18
Maintenance and Other Operating Expenses	225,305,128.09	187,916,828.35
Financial Expenses	30,967,796.86	41,950,530.35
Non-Cash Expenses	61,509,963.70	60,946,306.06
<b>Total Expenses</b>	₱ 397,325,239.33	₱ 362,703,147.94
	₱ 4,649,863.94	₱ 14,560,768.87

The **Service and Business Income Account** is used to recognize the income from water sales and other income in/ from the regular course of business.

The **Other Gains Account** is used to recognize gains which are not classified under any of the specific gain accounts such as payment from employees for the lost tools and assigned to them.

The **Other Non-operating Income Account** is used to recognize income from sales of P.E. Tubes, new service connections, laboratory and water quality monitoring services including bacteriological, physical and chemical test, certifications and those that are not classified under specific income accounts.

The **Personnel Services Expenses Account** refers to all salaries and wages as well as other compensations and benefits granted to BCWD officers and employees.

The **Maintenance and Other Operating Expenses Account** refers to all cost incurred throughout the course of rendering services to the concessionaires.

The **Financial Expenses Account** refers to the bank charges, interest expense and gross receipt tax amortization paid to DBP for loan payment.

The **Noncash Expenses Account** refers to expenses recognized but does not require outflow of cash such as depreciation and amortization expenses, impairment loss and discounts.

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## 19.0 STATEMENT OF CASH FLOWS

	2019	2018
<b>Cash and Cash Equivalents, January 1</b>	₱ 47,382,266.08	₱ 266,205,946.67
Net Cash Provided by/ (Used in)		
Operating Activities	₱ 138,397,374.07	₱ 39,045,827.60
Investing Activities	(19,304,289.75)	(85,547,704.53)
Financing Activities	(79,010,673.67)	(172,321,803.66)
<b>Increase/ (Decrease) in Cash and Cash Equivalents</b>	₱ 40,082,410.65	₱ (218,823,680.59)
<b>Cash and Cash Equivalents, December 31</b>	₱ 87,464,676.73	₱ 47,382,266.08

This explains the changes in cash and cash equivalents of the District during 2019. These changes are further classified into *operating, investing and financing activities* which resulted to an accumulated increase in cash and cash equivalents of ₱40,082,410.65 for the said present year.

Collection for Installation Fee was previously recognized in the 2018 Statement of Cash Flows under Operating Activities- Collection of Service and Business Income; however, it has been presently recognized under Collection for Other Receivables in the year 2019. Receipt of Installment Sales Receivable- sale of P.E. Tubes is now recognized under Operating Activities- Collection for Other Receivables, of which it was previously recognized under Collection of Loans and Receivables. Reversal of cash for stale checks that should have been used for payment of various expenses was recognized under Operating Activities- Adjustments, but it was recognized previously under Other Receipts. Reimbursements of maintenance and operating expenses incurred by various employees were previously classified either Operating Activities- Payment of Personnel Services or Payment of expenses pertaining to/ incurred in prior years. These are now recognized under Payment of Maintenance and Other Operating Expense. Purchase of Other Supplies and Materials Inventory- Meters, Service Connection and Transmission/ Distribution Pipes and Fittings was previously included under Operating Activities- Purchase of Inventory Held for Consumption, it has been currently recognized under Purchase of Inventory Held for Distribution. Approved refund of payment of water services and penalty charges was previously recognized under Operating Activities- Adjustments, but reclassified under Other Disbursements in the present year. Payment of bank charges was previously recognized under Operating Activities- Payment of Financial Expense, but it has been included under Payment of Financing Activities- Interest on Loans and Other Financial Charges for the year 2019.

## **20.0 BCWD versus R.D. Policarpio & Co., Inc. (RDCPI)**

Following the enforcement of the Writ of Execution duly issued by the Construction Industry Arbitration Commission (CIAC) on May 22, 2017, a petition was filed by BCWD for the issuance of Temporary Restraining Order and/or Preliminary Prohibitory Injunction to the Court of Appeals Manila per CA-G.R. SP No. 152457. Such appeal was made to assail the propriety of the issuance of writ of execution in favor of R.D. Policarpio & Co., Inc.

On January 8, 2020, a notice of judgment was issued by the Court of Appeals ruling that the writ of prohibition has been granted on the implementation of the writ of execution issued by CIAC and declaring the same to be null and void for having been issued without jurisdiction.