



VICTORIAS CITY WATER DISTRICT

QUIRINO STREET, VICTORIAS CITY, NEGROS OCCIDENTAL

TIN 001-005-020-0000

Tel. Nos. (034)399-2865/ 717-6152 Telefax (034)399-3554

email address: victoriacitywd@yahoo.com.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of the **VICTORIAS CITY WATER DISTRICT** is responsible for the preparation of the financial statements as of December 31, 2022 and December 31, 2023, including the additional components attached thereto in accordance with the prescribed financial reporting framework indicated therein. The responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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

The Commission on Audit has audited the financial statements of the **VICTORIAS CITY WATER DISTRICT** in accordance with International Standards of Supreme Audit Institutions and has expressed its opinion on the fairness of presentation upon completion of such audit, in its report to the Board of Directors.


JOSE MA. VALENTIN S. GARCIA

Chairman of the Board

February 12, 2024

Date Signed


LEONIE ANN P. BUTALON

Division Manager – Administrative Division

February 12, 2024

Date Signed


ABRAHAM S. DE DIOS, JR.

General Manager C

February 12, 2024

Date Signed



VICTORIAS CITY WATER DISTRICT

QUIRINO STREET, VICTORIAS CITY, NEGROS OCCIDENTAL

TIN 001-005-020-0000

Tel. Nos. (034)399-2865/ 717-6152 Telefax (034)399-3554

email address: victoriacitywd@yahoo.com.ph

STATEMENT OF CASH FLOWS For the Year Ended December 31, 2023 (With Comparative Figures for year 2022 and 2021)

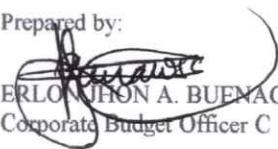
	2023	2022	2021
Cash Flows from Operating Activities			
Cash Inflows:			
Collection of Receivables	P 65,844,660.63	P 60,213,941.28	P 60,050,244.21
Collection of Other Service Income	841,239.00	1,211,818.70	1,086,839.70
Collection of Miscellaneous Income	463,530.18	518,167.81	238,385.95
Receipt of Guaranty/Security Deposits	10,000.00	104,500.00	75,500.00
Receipt of interests from deposits	17,153.25	16,658.24	17,878.66
Receipt of Grants	-	657,493.80	-
Receipt of refund of cash advances	151,928.75	91,682.35	33,575.99
Return of Petty Cash Fund at year end	27.70	6,330.00	25.00
Refund of Separated Employees for SSS loans paid by VCWD	25,925.63	-	-
Refund of rental deposit	-	-	13,000.00
Restoration of cash for cancelled/lost/stale checks/ADA	-	412,901.25	5,043.75
Total Cash Inflows	P 67,354,465.14	P 63,233,493.43	P 61,520,493.26
Cash Outflows:			
Payment of personnel services	P 1,187,629.45	P 1,078,799.33	P 1,088,434.81
Payment of maintenance and other operating expenses	22,899,086.73	23,583,802.14	18,353,721.85
Payment of expenses pertaining to/incurred in the prior years	-	11,727.25	-
Payment of financial expenses	2,670.00	100.00	270.00
Purchase of inventory held for consumption	3,140,502.81	3,144,976.15	2,869,925.24
Advances for payroll	20,077,161.13	17,954,198.93	17,816,015.20
Advances to officers and employees	716,404.00	793,122.68	282,310.53
Payment of guaranty, security and other deposits	5,599.00	-	-
Payment of retention fees	497,666.05	-	-
Refund of payment received due to cancellation of Certificate issued	1,000.00	-	-
Remittance of taxes withheld	1,403,216.43	1,864,321.94	1,598,380.45
Remittance to GSIS/Pag-IBIG/PhilHealth	6,294,728.05	5,909,275.58	5,692,562.27
Remittance of other payables	1,802,299.88	1,710,133.35	1,499,541.36
Tax Refund to employees/supplier	-	-	18,485.76
Refund of guaranty/security deposits	-	80,000.00	61,000.00
Return of Unused Petty Cash Fund	27.70	6,330.00	25.00
Total Cash Outflows	P 58,027,991.23	P 56,136,787.35	P 49,280,672.47
Total Cash Provided (used) by Operating Activities	P 9,326,473.91	P 7,096,706.08	P 12,239,820.79
Cash Flows from Investing Activities			
Cash Inflows:			
Proceeds from the Sale of:			
Power Supply Systems, Office Equipment, Furniture & Fixtures, Information & Communication Technology Equipment, Communication Equipment, Other Equipment, Motor Vehicle, Plant-Utility Plant in Service (UPIS) & Other Assets	-	-	255,000.00
Total Cash Inflows	P -	P -	P 255,000.00

	2023	2022	2021
Cash Outflows:			
Purchase/construction of:			
Land	P -	P -	P 99,661.45
Infrastructure Assets	952,603.18	459,081.97	1,268,650.15
Construction of buildings and other structures	122,025.00	-	-
Machinery and Equipment	184,832.63	143,872.76	55,854.75
Transportation Equipment	-	1,982,767.85	-
Furniture, Fixtures and Books	-	-	116,604.74
Construction in progress	2,070,500.65	6,697,274.80	4,590,376.88
Payment for rehabilitation of property, plant and equipment (capitalized repair)	-	89,666.80	-
Payment for property, plant and equipment obligated in prior year	384,180.29	47,519.20	1,167,194.64
Payment of Software Upgrade	25,687.50	-	-
Total Cash Outflows	P 3,739,829.25	P 9,420,183.38	P 7,298,342.61
Total Cash Provided (used) by Investing Activities	P (3,739,829.25)	P (9,420,183.38)	P (7,043,342.61)
Cash Flows from Financing Activities			
Cash Inflows:			
Proceeds from Borrowings	-	-	-
Total Cash Inflows	-	-	-
Cash Outflows:			
Cash payment of interest on loans	P 750,469.00	P 777,226.00	P 801,982.00
Payments of domestic loans	357,587.00	330,830.00	306,074.00
Total Cash Outflow	P 1,108,056.00	P 1,108,056.00	P 1,108,056.00
Total Cash Provided (used) by Financing Activities	P (1,108,056.00)	P (1,108,056.00)	P (1,108,056.00)
Cash Provided (used) by Operating, Investing & Financing Activities	P 4,478,588.66	P (3,431,533.30)	P 4,088,422.18
Add: Cash and Cash Equivalents - Beginning	37,219,215.34	40,650,748.64	36,562,326.46
Cash and Cash Equivalents - Ending	P 41,697,804.00	P 37,219,215.34	P 40,650,748.64


Breakdown of Cash and cash equivalents at the end of the period:

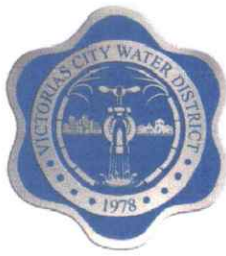
Cash-Collecting Officer	P 192,571.28	P 128,741.79	P 41,984.08
Checks & Other Cash Items	2,000.00	2,000.00	2,000.00
Cash in Bank - Local Currency, Current Account	38,917,950.81	36,014,504.58	39,456,948.14
Cash in Bank-Local Currency, Savings Account	2,162,680.19	618,807.69	201,220.45
Cash in Bank-Local Currency, Current Account (Grant)	47,156.49	455,161.28	948,595.97
Cash in Bank-Local Currency, Savings Account - GCASH	365,443.24	-	-
Cash in Bank-Local Currency, Savings Account - SM BP	10,001.99	-	-
Total	P 41,697,804.00	P 37,219,215.34	P 40,650,748.64

Prepared by:


ERLON JHON A. BUENACOSA
Corporate Budget Officer C

Reviewed by:


LEONIE ANN P. BUTALON
Division Manager C



VICTORIAS CITY WATER DISTRICT

QUIRINO STREET, VICTORIAS CITY, NEGROS OCCIDENTAL

TIN 001-005-020-0000

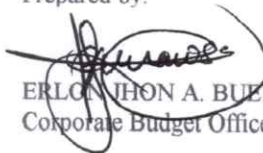
Tel. Nos. (034)399-2865/ 717-6152 Telefax (034)399-3554

email address: victoriacitywd@yahoo.com.ph

Statement of Changes in Equity
For the Year Ended December 31, 2023
(With Comparative Figures for year 2022 and 2021)

	Note	2023	2022	2021
Balance, beginning of period		P 100,319,795.33	P 99,642,177.63	P 95,781,801.44
Net Adjustments	23	25,925.63	(9,929.14)	(402,960.65)
Net Income for the year		<u>6,877,331.52</u>	<u>687,546.84</u>	<u>4,263,336.84</u>
Balance, end of period		<u>P 107,223,052.48</u>	<u>P 100,319,795.33</u>	<u>P 99,642,177.63</u>

Prepared by:


ERLON JOHN A. BUENACOSA
Corporate Budget Officer C

Reviewed by:


LEONIE ANN P. BUTALON
Division Manager C



VICTORIAS CITY WATER DISTRICT

QUIRINO STREET, VICTORIAS CITY, NEGROS OCCIDENTAL

TIN 001-005-020-0000

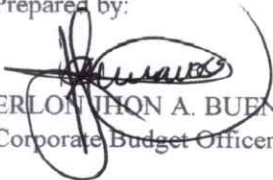
Tel. Nos. (034)399-2865/ 717-6152 Telefax (034)399-3554

email address: victoriacitywd@yahoo.com.ph

**Condensed Statement of Comprehensive Income
For the Year Ended December 31, 2023
(With Comparative Figures for year 2022 and 2021)**

	<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
REVENUE				
Service and Business Income	16	P 67,053,006.46	P 60,578,532.02	P 58,940,287.26
Shares, Grants and Donations	17	3,027,690.02	657,493.80	1,162,438.62
Other Non-Operating Income	18	239,748.37	183,522.00	111,084.70
TOTAL REVENUE		<u>P 70,320,444.85</u>	<u>P 61,419,547.82</u>	<u>P 60,213,810.58</u>
EXPENSES				
Personnel Services	19	P 23,949,154.47	P 21,690,054.46	P 21,081,362.66
Maintenance and Other Operating Expenses	20	32,547,272.35	32,237,811.85	26,531,267.24
Financial Expenses	21	753,399.00	777,326.00	802,252.00
Non-Cash Expenses	22	6,193,287.51	6,026,808.67	7,535,591.84
TOTAL EXPENSES		<u>P 63,443,113.33</u>	<u>P 60,732,000.98</u>	<u>P 55,950,473.74</u>
NET INCOME/(LOSS)		<u>P 6,877,331.52</u>	<u>P 687,546.84</u>	<u>P 4,263,336.84</u>

Prepared by:


ERLON JOHN A. BUENACOSA
Corporate Budget Officer C

Reviewed by:


LEONIE ANN P. BUTALON
Division Manager C



VICTORIAS CITY WATER DISTRICT

QUIRINO STREET, VICTORIAS CITY, NEGROS OCCIDENTAL

TIN 001-005-020-0000

Tel. Nos. (034)399-2865/ 717-6152 Telefax (034)399-3554

email address: victoriacitywd@yahoo.com.ph

Notes to Financial Statements

CY 2023

(With Comparative Figures for year 2022)

NOTE 1. AGENCY PROFILE

The Victorias City Water District (VCWD) was formed on September 12, 1978 through Resolution No. 265. This was passed by the Sangguniang Bayan to cover the entire City of Victorias. The resolution was filed with LWUA on September 20, 1978 and a Conditional Certificate of Conformance (CCC) No. 070 was subsequently issued to the VCWD on December 4, 1978. With its creation, the VCWD took over the ownership and management of the waterworks system from the municipal government in accordance with Presidential Decree No. 198, otherwise known as the Provincial Water Utilities Act of 1973.

The VCWD is an autonomous quasi-public corporation which is politically free from the local government. As constituted, the water district is subject to the provisions of PD No. 198 and to the rules and regulations of LWUA. The water district can promulgate its own operational laws through its five-member Board of Directors.

The VCWD was formed for the purpose of acquiring, installing, improving, maintaining, and operating the water supply system as well as any future wastewater collection, treatment, and disposal facilities of the district. To realize these objectives, the VCWD can avail itself of financial and technical assistance from LWUA. PD No. 198 provides, however, that the water district operate eventually on a financially self-sufficient basis.

The VCWD celebrated its 45th year Anniversary last September 2023 and an updated design of logo was introduced and unveiled during the celebration.

NOTE 2. BASIS OF PREPARATION

These Financial Statements have been prepared in accordance with Philippine Financial Reporting Standards and the Revised Chart of Accounts for Government Corporations classified as Government Business Enterprise (GBE's) pursuant to COA Circular No. 2015-010 dated December 1, 2015.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Recognition of Income and accounting for Expenses

The District adopts the concept of accrual method of accounting, wherein revenues are recorded in period in which the services is given and expenses are recorded when the benefits are received.

- b. Property, Plant and Equipment of the District are stated at cost less accumulated depreciation.

Depreciation is computed using the straight-line method over the estimated life of the assets less 10% residual value.

- c. The moving average method is used in costing the ending and issued items of inventories.
- d. Provision for Impairment Loss (Accounts Receivable)

The District provides a 3% Allowance for Impairment based on the Accounts Receivable balance at the end of the year.

- e. All cash on hand and cash in bank which are not restricted or intended for a specific purpose are considered cash and cash equivalents. It also includes highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.
- f. Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at cost, less impairment.
- g. Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the amortization schedule as stipulated in the loan contract.

- h. Gifts and Donations

The District recognizes assets and revenue from gifts and when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Goods in-kind are recognized as assets when the goods are received, or there is a binding arrangement to receive the goods. If goods in-kind are received without conditions attached, revenue is recognized immediately. If conditions are attached, a liability is recognized, which is reduced and revenue recognized as the conditions are satisfied.

On initial recognition, gifts and donations including goods in-kind are measured at their fair value as at the date of acquisition, which are ascertained by reference to an active market, or by appraisal.

NOTE 4. CASH AND CASH EQUIVALENTS

	2023	2022
Cash on Hand		
Cash-Collecting Officer	192,571.28	128,741.79
Checks & Other Cash Items	2,000.00	2,000.00
	<u>194,571.28</u>	<u>130,741.79</u>
 Cash in Bank - Local Currency		
Cash in Bank - Local Currency, Current Account		
LBP-LCCA 2572-1000-33	38,917,950.81	36,014,504.58
LBP-LCCA 2572-1023-62 (Grant)	47,156.49	455,161.28
Cash in Bank-Local Currency, Savings Account		
LBP-LCSA 2571-0940-21 (EPCF, WeAccess)	2,162,680.19	618,807.69
LBP-LCSA 2571-0973-90 (GCASH)	365,443.24	.00
LBP-LCSA 2571-0974-03 (SM-BP)	10,001.99	.00
	<u>41,503,232.72</u>	<u>37,088,473.55</u>
 Total Cash and Cash Equivalents	 <u>41,697,804.00</u>	 <u>37,219,215.34</u>

Cash-Collecting Officer represents undeposited collections at the end of the year. The amount of P2,000.00 lodged under Checks and Other Cash Items is the change fund issued to the bill collector/teller, which was purposely set up to facilitate easy provision of cash change to customers especially during due dates.

Cash in bank - Current Account number 2572-1023-62 was opened to accommodate receipts of grants from LWUA intended for special projects. Considering the need to accommodate on-line processing and collection of payments from other government agencies, a savings account (2571-0940-21) enrolled with Land Bank's We Access on-line facility was also arranged. Savings Account 2571-0973-90 and 2571-0974-03 were opened to accommodate online and bayad center payments from consumers thru GCASH and SM Bills Payment Center, respectively.

NOTE 5. RECEIVABLES

Loans and Receivable Accounts

Accounts Receivable	9,628,370.20	8,672,305.22
Allowance for Impairment	(288,851.11)	(260,169.16)
	<u>9,339,519.09</u>	<u>8,412,136.06</u>

Inter-agency Receivables	2023	2022
Due from National Government Agencies		
Negros Occ. 1st District Eng'g. Office Restoration Bond (National Highway Km. 35+300)- DV#06-10-0529	2,544.00	2,544.00
Negros Occ. 1st District Eng'g Office- Restoration Bond (RB) (Bacolod North Road, Victorias City) - DV#07-07-0404	6,270.00	6,270.00
Negros Occ. 1st District Eng'g Office-RB (Nat. Highway cor. Tirad Pass St., Victorias City) DV#10-01-0015	3,442.80	3,442.80
	12,256.80	12,256.80
Due from Local Government Units		
City of Victorias-RB (DV#406 dated 07- 24-07) Jover St.	2,000.00	2,000.00
City of Victorias-RB (DV#09-07-0488 dated 07- 06-09) Quezon St., Gonzaga St. & Casañares St.	4,565.00	4,565.00
City of Victorias-RB (DV#09-11-0839 dated 11- 17-09) Cor. Mc Arthur-Tirad Pass St, Cor. Mc Arthur-Osorio St., Corner Mc Arthur-Montinola St. and along Roxas Avenue	6,180.00	6,180.00
City of Victorias-RB (DV#10-02-0140 dated 02-25-10) Tirad Pass St. & Da-an Banwa going to Toreno Heights	4,599.00	4,599.00
City of Victorias-GB (DV#10-07-0455 dated 07-15-10) beside Roxas Ave., going to Brgy. Hall of Brgy. 5	3,116.50	3,116.50
City of Victorias-GB (DV#10-09-0604 dated 09-07-10) corner road going Villa Miranda and Purok Cubay	8,231.00	8,231.00
City of Victorias-GB (DV#10-10-0705 dated 10-22-10) Bandong Subd., Phase II, right at the old railroad going to Terraville Subd.	3,271.00	3,271.00
City of Victorias-GB (DV#12-07-0382 dated 07-03-12) Gonzaga street near of Miraflor	3,495.00	3,495.00
	35,457.50	35,457.50

	2023	2022
Due from Government Corporations		
Manapla Water District (1 pc. UPVC pipe 6"– MSIJ Dec. 31, 2003 - SRS#929)	2,011.00	2,011.00
Manapla Water District (1 pc. Coupling 6" Column - SRS#416 dated July 31, 2006)	1,100.00	1,100.00
Manapla Water District (1 pc. Coupling 6" Column - SRS#294 dated May 19, 2006)	1,100.00	1,100.00
Cadiz City Water District (300m P.E. Tubing ½ iso & 20 pcs. Adaptor ½ iso (Brass) - RIS# 676)	5,820.00	5,820.00
Talisay Water District (100 pcs. Elbow ½ GI – RIS# 907)	2,642.00	.00
	12,673.00	10,031.00

Other Receivables

Susan Trade-Deposit for 1 oxygen tank (CV#015 dated 01-11-99)	1,000.00	1,000.00
NONECO-Guarantee deposit (3 units 25KVA transformer PS#5) DV#160 dated 03-15-07	37,263.70	37,263.70
NONECO-Guarantee deposit (3 units 25KVA transformer at Terraville Pump Station) DV#743 dated 12-29-17	84,734.91	84,734.91
Various consumers at Villa Victorias - Balance on application and installation fee	23,000.00	29,350.00
NONECO-Guarantee deposit (3 units 25KVA transformer at Toreno Pump Station) DV#622 dated 09-24-19	119,211.67	119,211.67
Nestor P. Sanding (Stolen FM Transceiver 45- 60 watts (Kenwood) w/ power supply)	6,985.07	6,985.07
Various consumers who availed the Easy Pay Promo – Balance on application and installation fee	803,550.00	478,900.00
Jangas Medical Supplies Trading – Deposit for Acetylene/Oxygen Tank	4,000.00	.00
Innovate Communications, Inc.	1,599.00	.00
	1,081,344.35	757,445.35

Total Receivables

10,481,250.74 9,227,326.71

Accounts receivable of P 9,628,370.20 for year 2023 represents receivables from consumers at the end of the period derived from water bills and estimated to be collected within 19 days after billing date. Allowance for doubtful accounts is set at 3%.

Due from National Government Agencies and Due from Local Government Units comprises various guarantee deposits and restoration bonds made with the DPWH and City of Victorias respectively in the performance of the water district's various excavation works including several road widening, expansion and mainline repairs at National Highways and roads.

Due from Government Corporations of P 12,673.00 represents materials borrowed by other water districts in times of emergencies to ensure uninterrupted water supply to their respective service area.

Other Receivables include deposit for acetylene/oxygen tanks to Susan Trade and Jangas Medical Supplies Trading, both provider of oxygen and acetylene within Victorias City. Said oxygen tank is still currently being used. Guarantee deposits to NONECO for Kadalag-an, Terraville and Toreno Pumping Stations amounting to P37,263.70, P84,734.91 and P119,211.67 respectively are still effective pending usage of three units 25 KVA transformers for each station. Receivable from Mr. Nestor Sanding represents the cost of the stolen handset radio, net of depreciation, which was under his accountability at that time. Balance from various consumers amounting to P 23,000.00 and P 803,550.00 is set to be paid every month in addition to their monthly water bill. These consumers has availed the VCWD new connection promo wherein they are allowed to pay their application and installation fee in a staggered basis. One month deposit for internet subscription to Innove Communications, Inc. is also included in this account.

NOTE 6. INVENTORIES

	2023	2022
Inventory Held for Consumption		
Office Supplies Inventory	298,016.89	382,288.17
Accountable Forms, Plates and Stickers Inventory	57,348.59	50,272.99
Chemical and Filtering Supplies Inventory	40,740.00	40,740.00
Construction Materials Inventory	1,510,881.87	1,966,354.50
	<u>1,906,987.35</u>	<u>2,439,655.66</u>

Office Supplies Inventory covers items/supplies intended for office use. Accountable Forms are pre-numbered ORs, water bill receipts and checkbooks. Chemical and Filtering Supplies are chlorine in liquid form. Construction Materials Inventory are materials intended for maintenance use, mainline and pipeline repairs, repair of pumping stations and production wells.

NOTE 7. OTHER ASSETS

7.1 Current

Deposits

Guaranty Deposits	<u>263,549.00</u>	<u>263,442.14</u>
-------------------	--------------------------	--------------------------

Guarantee Deposit refers to a separate fund allocated for the payment of customer's deposit. The account was recorded in the books in January 1999. Balance of this account includes interest income earned from the bank.

NOTE 8. INVESTMENTS

	2023	2022
Sinking Fund	<u>1,746,063.69</u>	<u>1,745,355.73</u>

Sinking Fund of P 1,746,063.69 is a joint savings account of LWUA and VCWD that started in year 2000. In availing for loans with LWUA, VCWD is required to set aside 3% of total billings/ water sales for the whole year. Balance of this account includes interest income earned from the bank.

NOTE 9. PROPERTY, PLANT AND EQUIPMENT

Land	3,097,803.93	3,097,803.93
Infrastructure Asset		
Power Supply Systems	7,058,362.15	6,909,899.90
Less: Accumulated Depreciation	4,743,437.17	4,408,321.46
	<u>2,314,924.98</u>	<u>2,501,578.44</u>
Plant-Utility Plant in Service (UPIS)	83,152,952.87	79,101,730.65
Less: Accumulated Depreciation	39,153,211.24	34,443,357.13
	<u>43,999,741.63</u>	<u>44,658,373.52</u>
Buildings and Other Structures		
Buildings	5,895,303.22	5,275,853.22
Less: Accumulated Depreciation	2,309,217.30	2,043,210.07
	<u>3,586,085.92</u>	<u>3,232,643.15</u>
Machinery and Equipment		
Office Equipment	915,998.99	900,048.99
Less: Accumulated Depreciation	737,442.57	659,348.61
	<u>178,556.42</u>	<u>240,700.38</u>
Information and Communication Technology Equipment	1,885,037.94	1,705,146.48
Less: Accumulated Depreciation	1,340,209.75	1,153,121.18
	<u>544,828.19</u>	<u>552,025.30</u>
Communication Equipment	80,490.00	80,490.00
Less: Accumulated Depreciation	61,100.99	53,540.99
	<u>19,389.01</u>	<u>26,949.01</u>

	2023	2022
Other Equipment	5,583,824.27	1,603,824.27
Less: Accumulated Depreciation	1,068,807.30	839,187.48
	<u>4,515,016.97</u>	<u>764,636.79</u>
Transportation Equipment		
Motor Vehicles	6,837,969.84	6,837,969.84
Less: Accumulated Depreciation	3,476,956.93	3,245,505.01
	<u>3,361,012.91</u>	<u>3,592,464.83</u>
Furniture, Fixture and Books		
Furniture and Fixtures	432,957.50	432,957.50
Less: Accumulated Depreciation	234,006.56	158,774.24
	<u>198,950.94</u>	<u>274,183.26</u>
Construction in Progress		
Construction in Progress - Infrastructure Assets	47,055.00	1,990,000.00
Construction in Progress - Buildings & Other Structures	4,000.00	4,000.00
	<u>51,055.00</u>	<u>1,994,000.00</u>
Total Property Plant and Equipment	<u>61,867,365.90</u>	<u>60,935,358.61</u>

Land includes the acquisition of rights and possible ownership of lot nos. 139-A-6 & 139-A-2 amounting to P30,000.00 and P390,000.00 respectively. An ongoing effort is being made by the management to secure the land titles so that VCWD can rightfully claim ownership despite certain issues on the transfer of title when the said lots were acquired. It also includes the value of donated lots from National Housing Authority including the necessary expenses incurred during transfer of title.

Construction in Progress - Infrastructure Assets amounting to P 47,055.00 represents the cost incurred in the Sand Filtration Project while Construction in Progress - Buildings & Other Structures amounting to P4,000.00 pertains to the cost of design of office building façade.

NOTE 10. INTANGIBLE ASSETS

Intangible Assets		
Computer Software	242,144.00	214,744.00
Less: Accumulated Amortization	189,534.12	144,952.20
	<u>52,609.88</u>	<u>69,791.80</u>

	2023	2022
Websites	23,500.00	23,500.00
Less: Accumulated Amortization	21,150.00	21,150.00
	<u>2,350.00</u>	<u>2,350.00</u>
Total	<u>54,959.88</u>	<u>72,141.80</u>

Intangible assets account is composed of VCWD website and computerized system of VCWD billing and collection process.

NOTE 11. FINANCIAL LIABILITIES

11.1 Current

Payables

Accounts Payable

ASKPS Construction Supply & Hardware

Marketing

Derio Vulcanizing Shop

Gendiesel Philippines Inc.

CG Integra Corporation

Arizona Integrated Technology Inc.

PJD Construction and Supply

7,812.72	7,812.72
119,800.00	.00
.00	89,384.80
.00	408,281.25
398,000.00	199,000.00
.00	437,403.87
<u>525,612.72</u>	<u>1,141,882.64</u>

Bills / Bonds / Loans Payable

Loans Payable - Domestic (Current Portion)

LWUA (Acct.#4-2664A)

LWUA (Acct.#4-2664B)

340,594.00	315,273.00
45,917.00	42,314.00
<u>386,511.00</u>	<u>357,587.00</u>

Total

<u>912,123.72</u>	<u>1,499,469.64</u>
-------------------	---------------------

11.2 Non-Current

Bills / Bonds / Loans Payable

Loans Payable - Domestic (Non-Current Portion)

LWUA (Acct.#4-2664A)

LWUA (Acct.#4-2664B)

7,925,058.71	8,265,652.71
1,107,575.71	1,153,492.71

Total

<u>9,032,634.42</u>	<u>9,419,145.42</u>
---------------------	---------------------

Total Financial Liabilities

<u>9,944,758.14</u>	<u>10,918,615.06</u>
---------------------	----------------------

Accounts payable balance to various suppliers either represents the 10% warranty/retention or unpaid accounts for delivered materials or rendered services.

Loans payable are detailed as follows:

Loan Account No.	Purpose	Loan Availments	Terms of Payment/ Maturity Date	Interest Rate
LWUA (Acct.#4-2664A) with pertinent adjustment due to project realignment	Water Supply Improvement Project	P9,392,956.71	240 months/ December 2037	7.75%
LWUA (Acct.#4-2664B) with pertinent adjustment due to project realignment	Water Supply Improvement Project	1,303,850.71	240 months/ December 2037	8.20%

NOTE 12. INTER-AGENCY PAYABLES

	2023	2022
Due to BIR	275,776.58	131,664.92
Due to GSIS	.00	2,347.59
Due to Pag-IBIG	121,909.77	93,466.50
Due to PhilHealth	39,192.64	37,820.88
Total Inter-agency Payables	436,878.99	265,299.89

Inter-agency payables to BIR, GSIS, Pag-IBIG, and PhilHealth were remitted on January 2024.

NOTE 13. TRUST LIABILITIES

Guaranty/Security Deposits Payable

Guaranty Deposit (<i>Supreme ABF Construction & Const. Supply</i>)	10,000.00	10,000.00
Guaranty Deposit (<i>Jimmy T. Lee/Lecoste Realty Services</i>)	10,000.00	10,000.00
Performance Bond (<i>Intellicare/Asalus Corporation</i>)	26,849.20	26,849.20
Bid Security (<i>ISP VIS-MIN Enterprises</i>)	49,000.00	49,000.00
Guaranty Deposit (<i>Bernardo B. Duran/ESJ Sons & Const.</i>)	10,000.00	.00

	2023	2022
Guaranty Deposit (<i>Wilkinson Y. Ong</i>)	10,000.00	10,000.00
	115,849.20	105,849.20
Customers' Deposits Payable		
Water Container Deposits	33,460.00	33,460.00
Customers' Deposit	237,900.95	237,900.95
	271,360.95	271,360.95
Total Trust Liabilities	387,210.15	377,210.15

Guaranty Deposits are required to consumers in availing temporary water connection specifically during construction period of infrastructure projects while Performance Bond and Bid Security are required to supplier during procurement of supplies and services.

Water Container Deposits are deposits required from customers who opted to use the available containers upon availing purified water from the Water Refilling Station. Charge for every container is fixed at P150.00 for slim and P160.00 for round. The policy was implemented in year 2009 only. Amount is refundable to customers upon return of the container.

Customer's Deposit represents P5.00 monthly water meter deposit collected in the form of an additional bill to the customer, being made until such time that the total cost of water meter issued to that customer is fully collected. The policy was implemented before year 1995 but was eventually stopped upon the recommendation of LWUA.

NOTE 14. DEFERRED CREDITS/UNEARNED INCOME

Unearned Revenue/Income

Other Unearned Revenue/Income	26,080.80	21,575.56
-------------------------------	------------------	------------------

This account represents advance payment made by consumers.

NOTE 15. RETAINED EARNINGS / (DEFICIT)

Retained Earnings / (Deficit)

Retained Earnings / (Deficit)	107,223,052.48	100,319,795.33
-------------------------------	-----------------------	-----------------------

NOTE 16. SERVICE AND BUSINESS INCOME

Service Income

Other Service Income	2,378,518.91	625,829.40
----------------------	--------------	------------

Business Income

Waterworks System Fees	62,116,011.31	57,634,205.61
Interest Income	17,968.07	17,472.72
Fines and Penalties-Business Income	2,540,508.17	2,301,024.29
	64,674,487.55	59,952,702.62

Total Service and Business Income	67,053,006.46	60,578,532.02
--	----------------------	----------------------

Service Income represents income derived from application & installation fees, reconnection fees, meter testing fees, and change of name fees. Business Income is derived from regular water bills, interest income on bank accounts and deposits and late payment fees.

NOTE 17. SHARES, GRANTS AND DONATIONS

Grants and Donations	2023	2022
Income from Grants and Donations in Cash	.00	657,493.80
Income from Grants and Donations in Kind	3,027,690.02	.00
Total Shares, Grants and Donations	3,027,690.02	657,493.80

Income from Grants and Donations in Kind amounting to P 3,027,690.02 pertains to the cost of Water Lines Facilities at Villa Cristina Subdivision Phase 1 and Phase 2 which was donated by Active Construction, Inc. (ACI) to VCWD for the purpose of providing water supply in the said area.

NOTE 18. OTHER NON-OPERATING INCOME

Reversal of Impairment Loss		
Reversal of Impairment Loss	.00	11,521.85
Miscellaneous Income		
Miscellaneous Income	239,748.37	172,000.15
Total Other Non-Operating Income	239,748.37	183,522.00

Miscellaneous income is obtained from hydro-testing fees, water pilferage fees, and payments for the replacement of damaged water meters.

NOTE 19. PERSONNEL SERVICES

19.1 Salaries and Wages

Salaries and Wages - Regular	11,040,814.00	10,642,252.65
Salaries and Wages - Casual/Contractual	1,582,194.04	1,404,653.00
	12,623,008.04	12,046,905.65

19.2 Other Compensation

Personnel Economic Relief Allowance (PERA)	851,000.00	874,000.00
Representation Allowance (RA)	282,000.00	242,000.00
Transportation Allowance (TA)	180,000.00	140,000.00
Clothing/Uniform Allowance	216,000.00	216,000.00
Productivity Incentive Allowance	72,000.00	72,000.00
Longevity Pay	172,971.34	66,490.00
Overtime and Night Pay	389,518.73	489,386.17
Year End Bonus	2,085,296.10	1,966,288.40

	2023	2022
Cash Gift	181,500.00	184,000.00
Other Bonuses and Allowances	3,818,612.78	2,426,890.91
	<u>8,248,898.95</u>	<u>6,677,055.48</u>
 19.3 Personnel Benefit Contributions		
Retirement and Life Insurance Premiums	1,481,583.99	1,411,801.46
Pag-IBIG Contributions	246,990.34	235,048.19
PhilHealth Contributions	237,248.88	225,655.60
Employees Compensations Insurance	42,600.00	43,700.00
	<u>2,008,423.21</u>	<u>1,916,205.25</u>
 19.4 Other Personnel Benefits		
Retirement Gratuity	384,430.00	195,180.00
Terminal Leave Benefits	556,252.27	682,858.08
Other Personnel Benefits	128,142.00	171,850.00
	<u>1,068,824.27</u>	<u>1,049,888.08</u>
 Total Personnel Services	 <u>23,949,154.47</u>	 <u>21,690,054.46</u>

Salaries and wages account is composed of salaries of regular and casual employees including job - order personnel.

Other employees' compensation account pertains to benefits and mandatory allowances regularly received by VCWD employees. Other bonuses and allowances refer to monthly rice allowance of P1,500.00 and educational assistance of P1,000.00 for each employee hired before year 1999. It also includes the giving of performance-based bonus (PBB), Service Recognition Incentive (SRI), Productivity Enhancement Incentive (PEI) and Collective Negotiation Agreement (CNA) Incentive to regular employees, performance based incentives (PBI) to the board of directors and 5% premium and gratuity pay to job order personnel.

Personnel Benefit Contributions are premiums to GSIS, Pag-ibig and Philhealth paid by the employer.

Other Personnel Benefits include monetization of unused leave credits, retirement benefit of employee upon retirement and PRAISE program expenses.

NOTE 20. MAINTENANCE AND OTHER OPERATING EXPENSES

20.1 Traveling Expenses

Traveling Expenses - Local	<u>335,312.92</u>	<u>307,962.27</u>
----------------------------	--------------------------	--------------------------

20.2 Training and Scholarship Expenses

Training Expenses	<u>705,842.95</u>	<u>696,837.80</u>
-------------------	--------------------------	--------------------------

20.3 Supplies and Materials Expenses	2023	2022
Office Supplies Expense	279,520.23	291,689.66
Accountable Forms Expenses	83,924.40	73,473.77
Medical, Dental and Laboratory Supplies Expenses	161,392.80	117,704.50
Fuel, Oil and Lubricants Expenses	1,842,957.81	1,166,218.31
Chemical and Filtering Supplies Expenses	1,176,750.00	731,000.00
Semi-Expendable Machinery and Equipment Expenses	165,979.30	210,815.84
Semi-Expendable Furniture, Fixtures and Books Expenses	10,950.00	.00
	3,721,474.54	2,590,902.08
20.4 Utility Expenses		
Water Expenses	23,963.85	.00
Electricity Expenses	14,935,185.61	16,482,458.43
	14,959,149.46	16,482,458.43
20.5 Communication Expenses		
Postage and Courier Services	4,467.04	4,238.00
Telephone Expenses		
Telephone Expenses – Mobile	150,899.42	145,200.00
Telephone Expenses – Landline	17,755.60	16,377.60
Internet Subscription Expenses	59,056.48	53,578.92
Cable, Satellite, Telegraph and Radio Expenses	8,400.00	7,800.00
	240,578.54	227,194.52
20.6 Confidential, Intelligence and Extraordinary Expenses		
Extraordinary and Miscellaneous Expenses	292,294.00	346,212.25
20.7 Professional Services		
Legal Services	93,822.23	69,850.00
Auditing Services	.00	160,310.15
	93,822.23	230,160.15
20.8 General Services		
Security Services	1,026,359.64	948,170.80
20.9 Repairs and Maintenance		
Repairs and Maintenance - Infrastructure Assets		
Power Supply Systems	49,012.00	174,469.92
Plant-Utility Plant in Service (UPIS)	6,807,879.78	6,300,583.25
Repairs and Maintenance - Buildings and Other Structures	57,504.95	54,906.50

	2023	2022
Repairs and Maintenance - Machinery and Equipment		
Office Equipment	74,172.00	4,414.00
Information and Communication Technology Equipment	84,987.00	20,202.82
Communication Equipment	12,500.00	170.00
Other Equipment	15,032.00	35,690.75
Repairs and Maintenance – Transportation Equipment	346,565.00	270,767.00
Repairs and Maintenance - Furniture and Fixtures	820.00	70.00
	7,448,472.73	6,861,274.24
20.10 Taxes, Insurance, Premiums and Other Fees		
Taxes, Duties and Licenses	1,385,018.36	1,317,718.52
Fidelity Bond Premiums	12,750.00	12,750.00
Insurance Expenses	300,413.53	272,999.09
	1,698,181.89	1,603,467.61
20.11 Other Maintenance and Operating Expenses		
Advertising, Promotional and Marketing Expenses	358,848.05	399,901.15
Printing and Publication Expenses	2,790.00	2,520.00
Representation Expenses	1,092,234.40	969,070.31
Rent/Lease Expense	81,000.00	60,000.00
Membership Dues and Contributions to Organizations	35,326.00	9,700.00
Subscription Expenses	.00	16,380.24
Donations	14,225.00	36,320.00
Directors and Committee Members' Fees	441,360.00	449,280.00
	2,025,783.45	1,943,171.70
Total Maintenance and Other Operating Expenses	32,547,272.35	32,237,811.85

Travelling expenses refer to travel-related expenses such as per diems and transportation fare of travelling personnel. It also includes tricycle fare of meter readers in times when service vehicle becomes unavailable.

Training expenses include seminars & convention fees, registration fees and other related expenses such as per diem, transportation allowance, representation and accommodation expenses.

Supplies and materials expenses account is directly related to the inventories of consumable materials and supplies essential to water district operations. These include office supplies, accountable forms, laboratory supplies, diesel and gasoline, chlorine in liquid form and various construction materials. It also includes semi-expendable machineries and equipment and furniture and fixtures.

Water expenses pertain to usage of water while electricity expenses are electric consumptions at the office buildings and pumping stations.

Communication Expenses are expenses incurred in sending of official documents, telephone bills, payment of BOD and employees' cell card allowance, internet and cable subscriptions.

Extraordinary and Miscellaneous Expenses is composed of reimbursable expenses of the General Manager, risk disaster management programs expenses and some COVID related expenses.

Legal Services cover notarial fees and legal fees paid to Office of the Government Corporate Counsel (OGCC). Audit fees billed by Commission on Audit (COA) are charged as Auditing Services.

Security services expense represents payment for security services for the whole year.

Repairs and Maintenance - Infrastructure Assets refers to expenses related to electrification of pumping stations, transformer, generators, other PPEs and pipelines. It includes salaries paid to job order personnel responsible for the maintenance of said infrastructure assets. Repairs and Maintenance - Buildings & Other Structures represent maintenance expenses like repainting, lawn mowing, repair of ceilings and comfort rooms. Repairs and Maintenance - Machinery and Equipment are costs related to repair of printer, air-conditioning units, computers, cellphone, handset, other machineries & equipment & tools. Repairs and Maintenance - Transportation Equipment covers repairs of service vehicles while Repairs and Maintenance - Furniture & Fixtures refers to repairs of cabinets, chairs & tables.

Tax remittances & BIR registration fees are booked under taxes, duties and licenses. Charges under Fidelity Bond Premiums are cash bonds for accountable officers like cashiers, tellers and storekeeper. Insurance for vehicles, pumping stations and office buildings are grouped under Insurance Expenses account.

Advertising, Promotional and Marketing Expenses refer to purchase of calendars and other items intended as giveaways to customers at the end of the year, advertising sponsorships and souvenir programs. Printing and Publication Expenses cover risographing of forms for office use. Expenses for snacks & meals during board of directors meeting, BAC meeting, quarterly meetings, year-end general assembly are taken up under Representation Expenses. It also includes expenses during company representations in various government programs and activities such as Women's Month,

VAWC campaign and CSC and VCWD anniversary. Rental of office building lot are taken up under Rent/Lease Expense. Membership dues to ANOWD, PAWD, VAWD and other associations are grouped under Membership Dues and Contributions to Organizations. Subscription Expenses cover newspaper and software subscription while per diems during board meetings form part of the Directors and Committee Members' Fees account.

NOTE 21. FINANCIAL EXPENSES

Financial Expenses	2023	2022
Interest Expenses	750,469.00	777,226.00
Bank Charges	2,930.00	100.00
	<u>753,399.00</u>	<u>777,326.00</u>

Interest Expense refers to interest paid on loans to LWUA while expenses paid in depositing check payments and requesting bank statements print out are booked under Bank Charges.

NOTE 22. NON-CASH EXPENSES

Depreciation		
Depreciation - Infrastructure Assets		
Power Supply Systems	335,115.71	337,000.92
Plant-Utility Plant in Service (UPIS)	4,709,854.11	4,588,417.92
Depreciation - Buildings and Other Structures	266,007.23	251,458.56
Depreciation - Machinery and Equipment		
Office Equipment	78,093.96	93,050.94
Information and Communication Technology Equipment	187,088.57	171,915.60
Communication Equipment	7,560.00	7,560.00
Other Equipment	229,619.82	241,493.95
Depreciation - Transportation Equipment	231,451.92	222,024.42
Depreciation - Furniture, Fixtures and Books	75,232.32	75,232.44
	<u>6,120,023.64</u>	<u>5,988,154.75</u>
Amortization		
Amortization - Intangible Assets	44,581.92	38,653.92
Impairment Loss		
Impairment Loss-Loans and Receivables	<u>28,681.95</u>	<u>.00</u>
Total Non-Cash expenses	<u>6,193,287.51</u>	<u>6,026,808.67</u>

Impairment Loss pertains to the additional recognition of Allowance for Impairment on Accounts Receivable at the end of the year.

NOTE 23. ADJUSTMENTS

	2023	2022
Prior Years' Adjustments		
Adjustment of Other Receivables	.00	37,410.00
Reversal of Cancelled Check	.00	4,620.00
Adjustment of inventory's weighted average cost	.00	641.14
Correction of erroneous entry in prior year	.00	(8,000.00)
Recognize disposal of various construction materials in prior year	.00	(44,600.28)
Refund of Separated Employees for SSS loans paid by VCWD	25,925.63	.00
Net Adjustments	<u>25,925.63</u>	<u>(9,929.14)</u>

Refund of Separated Employees amounting to P 25,925.63 refers to the amount paid by VCWD to SSS on behalf of its employees after transition of VCWD from a private entity to a Government Owned and Controlled Corporation.