



For BIR BCS/ Use Only Item:		Republic of the Philippines Department of Finance Bureau of Internal Revenue		
BIR Form No. 1702-EX January 2018 (ENCS) v2 Page 1		Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer EXEMPT under the Tax Code, as Amended, [Sec. 30 and those exempted in Sec. 27(C)] and Other Special Laws, with NO Other Taxable Income Enter all required information in CAPITAL LETTERS. Mark applicable boxes with an "X". Two copies MUST be filed with the BIR and one held by the taxpayer.		
1 For <input checked="" type="radio"/> Calendar <input type="radio"/> Fiscal 3 Amended Return? <input type="radio"/> Yes <input checked="" type="radio"/> No 4 Short Period Return <input type="radio"/> Yes <input checked="" type="radio"/> No 5 Alphabetic Tax Code (ATC) IC 011 Exempt Corporation on Exempt Activities <input checked="" type="radio"/> IC 021 General Professional Partnership <input type="radio"/>		7 RDO Code 002		
6 Taxpayer Identification Number (TIN) 000 - 566 - 175 - 0000				
8 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS) METRO VIGAN WATER DISTRICT				
9 Registered Address (Indicate complete address. If the registered address is different from the current address, go to the RDO to update registered address by using BIR Form No. 1905) PANTAY DAYA, VIGAN CITY, ILOCOS SUR				
10 Date of Incorporation/Organization (MM/DD/YYYY) 01/01/1997 11 Contact Number 6740893				
12 Email Address metrovigantwaterdistrict_bir@yahoo.com				
13 Method of Deductions <input checked="" type="radio"/> Itemized Deductions [Section 34 (A-J), NIRC] <input type="radio"/> Optional Standard Deduction (OSD) - 40% of Gross Income [applicable only to General Profession Partnership (GPP) per RA No. 10963]				
14 Legal Basis of Tax Relief / Exemption (Specify) RA NO. 10026 15 Investment Promotion Agency (IPA) / Government Agency (specify) LWUA				
16 Registered Activity / Program (Registration Number) CCC 053 17 Effectivity Date of Tax Relief / Exemption (MM/DD/YYYY) From 08/13/1996 To 12/31/2020				
PART II - TOTAL TAX PAYABLE (DO NOT ENTER CENTAVOS; 49 centavos or less drop down; 50 or more round up)				
18 Tax Due (From Part IV Item 41) 0.00				
19 Less: Total Tax Credits/Payments (From Part IV Item 50) 0.00				
20 Total (Overpayment) (Item 18 Less Item 19) (From Part IV Item 51) 0.00				
21 Add: Penalty - Compromise 0.00				
22 TOTAL AMOUNT PAYABLE / (Overpayment) (Sum of Items 20 & 21) 0.00				
If overpayment, mark one (1) box only. (Once the choice is made, the same is irrevocable) <input type="radio"/> To be refunded <input type="radio"/> To be issued a Tax Credit Certificate (TCC) <input type="radio"/> To be carried over as a tax credit for next year/quarter				
We declare under the penalties of perjury that this return and all its attachments, have been made in good faith, verified by us, and to the best of our knowledge and belief, are true and correct, pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. (If signed by an Authorized Representative, indicate TIN and attach authorization letter)				
Signature over Printed Name of President/Principal Officer/Authorized Representative RUBEN Q. BARBA		Signature over Printed Name of Treasurer/Assistant Treasurer HEIDI A. PALACA		
Title of Signatory General Manager 0 TIN 146-513-113		Title of Signatory Head Cashier 0 TIN 146-516-003		
Part III - Details of Payment				
Particulars	Drawee Bank/ Agency	Number	Date (MM/DD/YYYY)	Amount
24 Cash/Bank Debit Memo				
25 Check				
26 Tax Debit Memo				
27 Others (Specify Below)				
Machine Validation / Revenue Official Receipt Details [if not filed with an Authorized Agent Bank (AAB)]				Stamp of Receiving Office/AAB and Date of Receipt (RO's Signature/Bank Teller's Initial)

04/28/2021

BIR, RR1-RD02-VIGAN CITY, I.S.
COLLECTION SECTION

BIR Form No. 1702-EX January 2018 (ENCs) v2 Page 2		Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer EXEMPT under the Tax Code, as Amended, [Sec. 30 and those exempted in Sec. 27(C)] and Other Special Laws, with NO Other Taxable Income		 1702-EX 01/18ENCs v2 P2	
TIN 000 566 175 0000		Registered Name METRO VIGAN WATER DISTRICT			
Part IV - Computation of Tax (Do NOT enter Centavos; 49 centavos or less drop down; 50 or more round up)					
28 Sales/Receipts/Revenues/Fees		95,788,412.00			
29 Less: Sales Returns, Allowances and Discounts		0.00			
30 Net Sales/Receipts/Revenues/Fees (Item 28 less Item 29)		95,788,412.00			
31 Less: Cost of Sales/Services		0.00			
32 Gross Income from Operation (Item 30 Less Item 31)		95,788,412.00			
33 Add: Other Income		2,949,178.00			
34 Total Gross Income (Sum of Items 32 and 33)		98,737,590.00			
Less: Deductions Allowable under Existing Law					
A. Itemized Deduction					
35 Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)		87,148,907.00			
36 Special Allowable Itemized Deductions (From Part VI Schedule II Item 5)		0.00			
37 Total Itemized Deductions (Sum of Items 35 and 36)		87,148,907.00			
B. Optional Standard Deduction (OSD)					
38 OSD (40% of Item 34)(applicable to GPP per RA No. 10963)		0.00			
39 Net Taxable Income / (Loss) (If Itemized: Item 34 Less Item 37; If OSD: Item 34 Less Item 38)		11,588,683.00			
40 Tax Rate		0 %			
41 Tax Due (Item 39 x Item 40) (To Part II Item 18)		0.00			
Less: Tax Credits / Payments (attach proof)					
42 Prior Year's Excess Credits		0.00			
43 Income Tax Payment from Previous Quarter/s		0.00			
44 Creditable Tax Withheld from Previous Quarter/s per BIR Form No. 2307		0.00			
45 Creditable Tax Withheld per BIR Form No. 2307 for the 4th Quarter		0.00			
46 Foreign Tax Credits, if applicable		0.00			
47 Tax Paid in Return Previously Filed, if this is an Amended Return		0.00			
Other Tax Credits / Payments (specify)					
48		0.00			
49		0.00			
50 Total Tax Credits / Payments (Sum of Items 42 to 49) (To Part II Item 19)		0.00			
51 Total (Overpayment) (Item 41 Less Item 50) (To Part II Item 20)		0.00			
Part V - Tax Relief Availment					
52 Regular Income Tax Otherwise Due (Item 39 of Part IV x Applicable Income Tax Rate)		0.00			
53 Special Allowable Itemized Deductions (Item 36 of Part IV x Applicable Income Tax Rate)		0.00			
54 Total Tax Relief Availment (Sum of Items 52 and 53)		0.00			

BIR Form No. 1702-EX January 2018 (ENCS) v2 Page 3	Annual Income Tax Return Corporation, Partnership and Other Non-Individual Taxpayer EXEMPT under the Tax Code, as Amended, [Sec. 30 and those exempted in Sec. 27(C)] and Other Special Laws, with NO Other Taxable Income	 1702-EX 01/18ENCS v2 P3																																																						
Tax Identification Number (TIN) 000 566 175 0000	Registered Name METRO VIGAN WATER DISTRICT																																																							
Part VI - Schedules																																																								
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Schedule 1 - Ordinary Allowable Itemized Deductions (attach additional sheet/s, if necessary)																																																								
<table style="width: 100%;"><tr><td style="width: 70%;">1 Ammortizations</td><td style="width: 30%; text-align: right;">0.00</td></tr><tr><td>2 Bad Debts</td><td style="text-align: right;">23,109.00</td></tr><tr><td>3 Charitable and Contributions</td><td style="text-align: right;">0.00</td></tr><tr><td>4 Depletion</td><td style="text-align: right;">0.00</td></tr><tr><td>5 Depreciation</td><td style="text-align: right;">12,948,846.00</td></tr><tr><td>6 Entertainment, Amusement and Recreation</td><td style="text-align: right;">0.00</td></tr><tr><td>7 Fringe Benefits</td><td style="text-align: right;">0.00</td></tr><tr><td>8 Interest</td><td style="text-align: right;">4,867.00</td></tr><tr><td>9 Losses</td><td style="text-align: right;">0.00</td></tr><tr><td>10 Pension Trusts</td><td style="text-align: right;">0.00</td></tr><tr><td>11 Rental</td><td style="text-align: right;">60,000.00</td></tr><tr><td>12 Research and Development</td><td style="text-align: right;">0.00</td></tr><tr><td>13 Salaries, Wages, and Allowances</td><td style="text-align: right;">27,641,843.00</td></tr><tr><td>14 SSS, GSIS, Philhealth, HDMF, and Other Contributions</td><td style="text-align: right;">2,450,640.00</td></tr><tr><td>15 Taxes and Licenses</td><td style="text-align: right;">2,073,364.00</td></tr><tr><td>16 Transportation and Travel</td><td style="text-align: right;">21,900.00</td></tr><tr><td>17 Others (Deductions Subject to Withholding Tax and Other Expenses) [Specify below; Add additional sheet(s) if necessary]</td><td></td></tr><tr><td> a Janitorial and Messengerial Services</td><td style="text-align: right;">0.00</td></tr><tr><td> b Professional Fees</td><td style="text-align: right;">726,412.00</td></tr><tr><td> c Security Services</td><td style="text-align: right;">526,112.00</td></tr><tr><td> d TRAINING AND SCHOLARSHIP EXPENSE</td><td style="text-align: right;">1,000.00</td></tr><tr><td> e SUPPLIES AND MATERIALS EXPENSE</td><td style="text-align: right;">2,285,620.00</td></tr><tr><td> f UTILITIES EXPENSE</td><td style="text-align: right;">443,194.00</td></tr><tr><td> g COMMUNICATION EXPENSE</td><td style="text-align: right;">278,416.00</td></tr><tr><td> h AWARDS OR REWARDS AND PRIZES</td><td style="text-align: right;">2,500.00</td></tr><tr><td> i OTHERS</td><td style="text-align: right;">37,661,084.00</td></tr><tr><td>18 Total Ordinary Allowable Itemized Deductions (Sum of Items 1 to 17) (To Part IV Item 35)</td><td style="text-align: right;">87,148,907.00</td></tr></table>			1 Ammortizations	0.00	2 Bad Debts	23,109.00	3 Charitable and Contributions	0.00	4 Depletion	0.00	5 Depreciation	12,948,846.00	6 Entertainment, Amusement and Recreation	0.00	7 Fringe Benefits	0.00	8 Interest	4,867.00	9 Losses	0.00	10 Pension Trusts	0.00	11 Rental	60,000.00	12 Research and Development	0.00	13 Salaries, Wages, and Allowances	27,641,843.00	14 SSS, GSIS, Philhealth, HDMF, and Other Contributions	2,450,640.00	15 Taxes and Licenses	2,073,364.00	16 Transportation and Travel	21,900.00	17 Others (Deductions Subject to Withholding Tax and Other Expenses) [Specify below; Add additional sheet(s) if necessary]		a Janitorial and Messengerial Services	0.00	b Professional Fees	726,412.00	c Security Services	526,112.00	d TRAINING AND SCHOLARSHIP EXPENSE	1,000.00	e SUPPLIES AND MATERIALS EXPENSE	2,285,620.00	f UTILITIES EXPENSE	443,194.00	g COMMUNICATION EXPENSE	278,416.00	h AWARDS OR REWARDS AND PRIZES	2,500.00	i OTHERS	37,661,084.00	18 Total Ordinary Allowable Itemized Deductions (Sum of Items 1 to 17) (To Part IV Item 35)	87,148,907.00
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Schedule 2 - Special Allowable Itemized Deductions (attach additional sheet/s, if necessary)																																																								
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Schedule 3 - Reconciliation of Net Income per Books Against Taxable Income (attach additional sheet/s, if necessary)																																																								
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Schedule 1 - Ordinary Allowable Itemized Deductions (Attach additional sheet/s, if necessary)	
17. Others	
17.1	GENERATION, TRANSMISSION AND DIST. EXPENS. 22,112,596.00
17.2	OTHER GENERAL SERVICES 1,459,724.00
17.3	REPAIRS AND MAINTENANCE 12,593,787.00
17.4	OTHER MAINTENANCE AND OPE. EXP 1,494,977.00
Subtotal: 37,661,084.00	

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 000-566-175-000
Name	: METRO VIGAN WATER DISTRICT
RDO	: 002
Form Type	: 1702
Reference No.	: 122100041249346
Amount Payable (Over Remittance)	: 0.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2020
Date Filed	: 04/14/2021
Tax Type	: IT

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Inbox Contacts Notepad Calendar Switch to the newest Yahoo Mail


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Drafts 5
Sent
Archive
Spam
Trash
Folders Edit Show

Compose

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BIR Email Notification (eFiling of Tax Return) Yahoo Mail/Inbox

 **no-reply@bir.gov.ph** <no-reply@bir.gov.ph> 14 Apr at 3:13 pm
To: metroviganwaterdistrict_bir@yahoo.com Print Raw message

Good Day METRO VIGAN WATER DISTRICT,
Thank you for filing your Return through eFPS.

This email indicates that the eFiled Return has been submitted to BIR, see below the summary details of your tax filing transaction for your reference. To ensure that the said transaction was successfully submitted, please inquire your eReturn Details through the eFPS Tax Inquiry.

From,
Bureau of Internal Revenue

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 000-566-175-000
Name	: METRO VIGAN WATER DISTRICT
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Tax Type	: IT

PLEASE DO NOT REPLY TO THIS E-MAIL
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Republic of the Philippines
METRO VIGAN WATER DISTRICT

P. Burgos St., Solid West, Vigan City 2700 Ilocos Sur

Telephone Nos. 077-6740870, 6741321, 6740893

E-mail: metrovganwaterdistrict@yahoo.com

Website: www.metrovganwd.gov.ph

Date: January 29, 2021

Management Representation Letter

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MICHAEL R. BACANI

Regional Director

Commission on Audit Regional Office No. I

City of San Fernando, La Union

Subject: Metro Vigan Water District

04/28/2021
BIR, RR1-RD02-VIGAN CITY, I.S.
COLLECTION SECTION

This representation letter is provided in connection with your audit of the financial statements of the Metro Vigan Water District for the year ended December 31, 2020 for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with Philippine Financial Reporting Standards (PFRS).

Statement of Management's Responsibility for the Financial Statements

We affirm that the financial statements for the Metro Vigan Water District are management's responsibility; that these were prepared in accordance with the PFRS, that all relevant information was provided the Commission on Audit Team, that access to relevant information and records were made available and that all transactions were recorded and reflected in the financial statements; and that all instances of non-compliance of which we are aware of are disclosed to the COA audit team.

Specific Affirmations pertaining to the Financial Statements Provided to the Commission on Audit

We affirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated September 21, 2020, for the preparation of the financial statements in accordance with the PFRS:

1. In particular, the financial statements are free from material misstatements including omissions and errors, and are fairly presented.
2. Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.
3. Related party relationships and transactions, if any, have been appropriately accounted for and disclosed in accordance with the requirements of the PFRS.
4. All events subsequent to the date of the financial statements and for which PFRS require adjustment or disclosure have been adjusted or disclosed.
5. All matters related to claims, litigations, assessments and dispute have been disclosed to COA by our Legal Office and external legal counsel.
6. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
7. The selection and application of accounting policies are appropriate.
8. The following have been recognized, measured, presented or disclosed in accordance with the PFRS:
 - a. Plans or intentions that may affect the carrying value or classification of assets and liabilities;
 - b. Liabilities, both actual and contingent;
 - c. Title to, or control over, assets, the liens or encumbrances on assets, and assets pledged as collateral; and
 - d. Aspects of laws, regulations and contractual agreements that may affect the financial statements, including non-compliance.

In preparing the financial statements, management is also responsible for assessing the Metro Vigan Water District ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Metro Vigan Water District or to cease operations, or has no realistic alternative but to do so.

B. Internal Control

1. We have assessed the effectiveness of the Metro Vigan Water District internal control in achieving the following objectives:

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COLLECTION SECTION

- a. Reliability of financial reporting;
 - b. Compliance with applicable laws and regulations;
 - c. Safeguarding of assets; and
 - d. Achievement of agency objectives.
2. We have disclosed to you all significant deficiencies in the design or operation of internal control that could adversely affect the entity's ability to meet the internal control objectives and identified those we believe to be material weaknesses.
3. There have been no changes to internal control subsequent to December 31, 2020, or other factors that might significantly affect it.

C. Compliance

1. The activities and financial transactions are in compliance with the relevant government rules and regulations.
2. We have provided you with interpretation of compliance requirements that may have varying interpretations.
3. All contracts, agreements and other correspondence have been made available.
4. We have disclosed all contracts and agreements with service organizations, including any communications with those organizations related to instances of non-compliance.
5. The Metro Vigan Water District has been operated effectively, throughout the period covered by the audit.

D. Information Required

1. We have provided you with:
 - a. Access to all information deemed relevant to the preparation of the financial statements such as records, documentation and other matters;
 - b. Additional information requested for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity determined necessary to obtain audit evidence.
2. All transactions have been recorded in the accounting records and are reflected in the financial statements.


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3. We have disclosed to you the specific results of our assessment of the risk indicating that the financial statements may be materially misstated as a result of fraud.
4. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves: management; employees who have significant roles in internal control; or others where the fraud could have a material effect on the financial statements.
5. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
6. We have disclosed to you the identity of related parties and all the related party relationships and transactions of which we are aware.

Signed:


VINCENT EDUARD ARRANZ
Department Manager – Finance and Commercial

January 29, 2021


RUBY O. BARBA
General Manager

January 29, 2021

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04/28/2021

**BIR, RR1-RDO2-VIGAN CITY, I.S.
COLLECTION SECTION**



Republic of the Philippines
METRO VIGAN WATER DISTRICT

P. Burgos St., Solid West, Vigan City 2700 Ilocos Sur

Telephone Nos. 077-6740870, 6741321, 6740893

E-mail: metroviganwaterdistrict@yahoo.com

Website: www.metroviganwd.gov.ph

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The Management of the Metro Vigan Water District is responsible for the preparation of the financial statements as at December 31, 2020, 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 Metro Vigan Water District in accordance with the 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.

LEONARDO B. OSALVO

Chairman of the Board

January 29, 2021

VINCENT EDUARD C. ARRANZ
Department Manager – Finance and Commercial

January 29, 2021

RUBY Q. BARBA
General Manager

January 29, 2021

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METRO VIGAN WATER DISTRICT FINANCIAL STATEMENT

as of

December 31, 2020

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FINANCIAL STATEMENTS

As of December 31, 2020

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METRO VIGAN WATER DISTRICT
CONDENSED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020

	ASSETS	NOTE*	2020	2019
Current Assets				
Cash and Cash Equivalents		5	11,160,967.58	20,521,499.48
Receivables		6	6,272,492.30	5,033,657.17
Inventory		7	13,352,059.44	11,204,152.76
Deferred Tax Asset				
Total Current Assets			<u>30,785,519.32</u>	<u>36,759,309.41</u>
Non-Current Assets				
Investment Property			-	-
Property, Plant and Equipment		8	228,046,804.70	209,816,031.79
Other Assets		9	2,957,404.57	2,956,793.96
Total Non-Current Assets			<u>231,004,209.27</u>	<u>212,772,825.75</u>
Total Assets			<u>261,789,728.59</u>	<u>249,532,135.16</u>
LIABILITIES				
Current Liabilities				
Finance Liabilities		10	2,251,935.70	2,245,695.86
Inter-Agency Payables		11	1,114,481.47	1,172,156.84
Other Payables			-	20,000.00
Total Current Liabilities			<u>3,366,417.17</u>	<u>3,437,852.70</u>
Guaranty/Security Deposits Payable		12	66,900.00	85,393.00
Customer's Deposits Payable		13	602,440.00	603,784.00
Other Deferred Credits		14	935,920.61	453,771.95
Deferred Tax Liabilities				
Total Non-Current Liabilities			<u>1,605,260.61</u>	<u>1,142,948.95</u>
Total Liabilities			<u>4,971,677.78</u>	<u>4,580,801.65</u>
EQUITY				
Government Equity			559,893.87	559,893.87
Contributed Capital			80,413,659.13	80,413,659.13
Retained Earnings/(Deficit)			175,844,497.81	163,977,780.51
Total Equity			<u>256,818,050.81</u>	<u>244,951,333.51</u>
Total Liabilities and Equity			<u>261,789,728.59</u>	<u>249,532,135.16</u>

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BIR, RR1-RD02-VIGAN CITY, I.S.
COLLECTION SECTION

METRO VIGAN WATER DISTRICT
DETAILED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020

ASSETS	2020	2019
Current Assets		
Cash and Cash Equivalents	11,160,967.58	20,521,499.48
Cash on Hand		
Cash Collecting Officer	279,810.60	128,877.00
Petty Cash	-	-
Checks and Other Cash Items	-	-
Cash in Bank-Local Currency		
Cash in Bank Local Currency-Current Account	1,099,931.66	140,150.66
Cash in Bank Local Currency-Savings Account	128,510.36	469,825.48
Cash Equivalents		
Time Deposits-Local Currency	9,652,714.96	19,782,646.34
Receivables	6,272,492.30	5,033,657.17
Receivable Accounts		
Accounts Receivables	5,487,016.81	4,225,072.76
Allowance for impairment - Accounts Receivable	(164,715.61)	(141,606.69)
Due from Officers and Employees	-	-
Receivables - Disallowances/Charges	950,191.10	950,191.10
Inventory	13,352,059.44	11,204,152.76
Inventory Held For Consumption		
Office Supplies Inventory	268,503.16	531,444.71
Accountable Forms, Plates and Stickers	408,703.40	-
Fuel, Oil and Lubricants Inventory	-	-
Chemical and Filtering Supplies Inventory	637,888.55	432,944.94
Construction Materials Inventory	-	1,250.00
Other Supplies and Materials Inventory	12,036,964.33	10,238,513.11
Total Current Assets	30,785,519.32	36,759,309.41
Non-Current Assets		
Investment Property - Construction In Progress	-	-
Property, Plant and Equipment	228,046,804.70	209,816,031.79
Land		
Land	45,171,056.64	34,921,427.54
Accumulated Depreciation - Land	-	-
Net Value - Land	45,171,056.64	34,921,427.54
Land Improvements		
Other Land Improvements	248,680.00	248,680.00
Accumulated Depreciation - Other Land Improvements	-	-
Net Value - Other Land Improvements	248,680.00	248,680.00
Water Supply Systems		
Water Supply Systems	194,082,055.76	188,371,584.66
Accumulated Depreciation -Water Supply System	(73,581,861.54)	(66,804,741.05)

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Net Value - Water Supply System	120,500,194.22	121,566,843.61
Buildings		
Buildings	30,265,751.01	21,991,744.53
Accumulated Depreciation - Buildings	(5,822,108.48)	(5,141,276.64)
Net Value - Buildings	24,443,642.53	16,850,467.89
Water Plant, Structure and Improvements		
Water Plant, Structure and Improvements	8,159,783.95	7,555,552.95
Accumulated Depreciation - Water Plant, Structure and Improvements	(1,898,641.59)	(1,638,234.95)
Net Value - Water Plant, Structures and Improvements	6,261,142.36	5,917,318.00
Office Equipment		
Office Equipment	3,951,516.45	3,698,394.45
Accumulated Depreciation - Office Equipment	(2,479,879.98)	(2,101,272.86)
Net Value - Office Equipment	1,471,636.47	1,597,121.59
Kitchen Equipment		
Kitchen Equipment	31,400.00	-
Accumulated Depreciation - Kitchen Equipment	(3,173.33)	-
Net Value - Communication Equipment	28,226.67	-
Other Equipment		
Other Equipment	42,159,428.30	38,245,571.30
Accumulated Depreciation - Other Equipment	(28,666,370.19)	(24,357,145.47)
Net Value - Other Equipment	13,493,058.11	13,888,425.83
Motor Vehicles		
Motor Vehicles	7,981,434.74	7,981,434.74
Accumulated Depreciation - Motor Vehicles	(5,261,366.39)	(4,750,437.04)
Net Value - Motor Vehicles	2,720,068.35	3,230,997.70
Furniture and Fixtures		
Furniture and Fixtures	411,815.25	374,815.25
Accumulated Depreciation - Furniture and Fixtures	(352,640.47)	(324,087.72)
Net Value - Furniture and Fixtures	59,174.78	50,727.53
Construction In Progress		
Infrastructure Assets	13,433,059.85	9,055,284.02
Buildings & Other Structures	216,864.72	2,488,738.08
	13,649,924.57	11,544,022.10
Advances for Operating Expenses	-	71.50
Deferred Tax Asset	-	-
Withholding Tax at Source	21,705.60	23,423.49
Other Assets	2,935,698.97	2,933,298.97
Total Non-Current Assets	<u>231,004,209.27</u>	<u>212,772,825.75</u>
Total Assets	<u>261,789,728.59</u>	<u>249,532,135.16</u>

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COLLECTION SECTION

LIABILITIES

Current Liabilities

Finance Liabilities

Payables

Accounts Payables

Due to Officers and Employees

Loans Payables

Term Loan Liability

Inter-Agency Payables

Inter Agency-Payables

Due to BIR

Due to GSIS

Due to Pag-IBIG

Due to PhilHealth

Due to SSS

Due to Other Funds (MVWD PF and PFRP)

Others - COA

Other Payables

Total Current Liabilities

Non-Current Liabilities

Guaranty/Security Deposits Payable

Customer's Deposits Payable

Other Deferred Credits

Deferred Tax Liabilities

Total Non-Current Liabilities

Total Liabilities

EQUITY

Government Equity

Contributed Capital

Retained Earnings/(Deficit)

Total Equity

Total Liabilities and Equity

	<u>2,251,935.70</u>	<u>2,245,695.86</u>
	1,498,391.30	1,737,414.15
	753,544.40	508,281.71
	-	-
	<u>1,114,481.47</u>	<u>1,172,156.84</u>
	502,572.62	510,293.38
	5,276.77	3,136.50
	-	-
	-	15,400.00
	220.00	360.00
	-	-
	606,412.08	642,966.96
	-	20,000.00
	<u>3,366,417.17</u>	<u>3,437,852.70</u>
	66,900.00	85,393.00
	602,440.00	603,784.00
	935,920.61	453,771.95
	-	-
	<u>1,605,260.61</u>	<u>1,142,948.95</u>
	<u>4,971,677.78</u>	<u>4,580,801.65</u>

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COLLECTION SECTION

**METRO VIGAN WATER DISTRICT
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020**

	NOTE	2020	2019
Income			
Service and Business Income	16	99,015,624.70	99,341,019.39
Income from Grants and Donations in Kind		-	-
Total Income		<u>99,015,624.70</u>	<u>99,341,019.39</u>
Current Operating Expense			
Personnel Services	17	30,092,482.98	27,949,785.33
Maintenance and Other Operating Expense	18	57,051,557.27	54,933,692.30
Financial Expense	19	4,867.15	160.00
Total Current Operating Expense		<u>87,148,907.40</u>	<u>82,883,637.63</u>
Surplus/(Deficit) from Current Operations		<u>11,866,717.30</u>	<u>16,457,381.76</u>
Other Non-Operating Income		-	-
Gains		-	-
Losses		-	-
Discount and Rebates		-	-
Surplus/(Deficit) before Tax		<u>11,866,717.30</u>	<u>16,457,381.76</u>
Income Tax Expense/(Benefit)		-	-
Surplus/(Deficit) after Tax		<u>11,866,717.30</u>	<u>16,457,381.76</u>
Net Assistance/Subsidy/(Financial Assistance/Subsidy/Contribution)			
Net Surplus/(Deficit) for the Period		<u>11,866,717.30</u>	<u>16,457,381.76</u>

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COLLECTION SECTION 5

**METRO VIGAN WATER DISTRICT
DETAILED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	2019
Income		
Service and Business Income		
Sales Revenue	95,788,412.25	94,930,857.76
Fines and Penalties - Business Income	2,070,762.34	3,011,858.81
Sales of Unserviceable Property	-	-
Miscellaneous Income	589,600.00	754,100.00
Interest Income	278,034.18	328,578.26
Other Business Income	288,815.93	315,624.56
Total Business Income	<u>99,015,624.70</u>	<u>99,341,019.39</u>
 Grants & Donation		
Income from Grants and Donations in Kind	-	-
Total Grants & Donation	<u>-</u>	<u>-</u>
 Total Income	<u>99,015,624.70</u>	<u>99,341,019.39</u>

Current Operating Expense

Personnel Services

Salaries and Wages

Salaries and Wages-Regular	17,198,246.96	16,235,826.82
Total Salaries and Wages	<u>17,198,246.96</u>	<u>16,235,826.82</u>

Other Compensation

Personnel Economic Relief Allowance&Additional C	1,457,053.02	1,422,090.91
Representation Allowance (RA)	342,000.00	342,000.00
Transportation Allowance (TA)	342,000.00	342,000.00
Clothing/Uniform Allowance	366,000.00	360,000.00
Directors and Committee Members' Fees	731,250.00	760,500.00
Overtime time and Night Pay	1,228,105.36	1,059,094.89
Year End Bonus	1,420,137.00	1,353,553.00
Cash Gift	300,000.00	298,000.00
Other Bonuses and Allowances (PEI,PBB,Mid-Year I	2,939,541.21	2,474,268.00
Total Other Compensation	<u>9,126,086.59</u>	<u>8,411,506.80</u>

Personnel Benefit Contribution

Retirement and Life Insurance Premiums	2,074,339.34	1,953,410.05
Pag-IBIG Contributions	72,800.00	71,100.00
Philhealth Contributions	230,400.52	185,620.54
Employees Compensation Insurance Premium (ECC)	73,100.00	72,400.00

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Provident/Welfare Fund Contributions		
Total Personnel Benefit Contribution	2,450,639.86	2,282,530.59
Other Personnel Benefits		
Retirement Gratuity	-	-
Terminal Leave Benefits	1,317,509.57	1,019,921.12
Other Personnel Benefits	-	-
Total Other Personnel Benefits	1,317,509.57	1,019,921.12
Total Personnel Services	30,092,482.98	27,949,785.33
Maintenance and Other Operating Expenses		
Traveling Expense		
Traveling Expenses - Local	21,900.00	372,021.94
Total Traveling Expenses	21,900.00	372,021.94
Training and Scholarship Expense		
Training Expenses	1,000.00	183,480.00
Scholarship Expenses	-	-
Total Training and Scholarship Expenses	1,000.00	183,480.00
Supplies and Materials Expenses		
Office Supplies Expenses	1,337,457.73	1,230,211.97
Fuel, Oil and Lubricants Expenses	948,162.64	1,182,952.52
Other Supplies and Materials Expenses	-	968.00
Total Supplies and Materials Expenses	2,285,620.37	2,414,132.49
Utility Expenses		
Electricity Expenses	443,193.84	474,629.03
Total Utility Expenses	443,193.84	474,629.03
Communication Expenses		
Postage and Courier Services	8,039.00	10,614.00
Telephone Expenses	270,377.62	288,680.09
Internet Subscription Expenses	-	-
Total Communication Expenses	278,416.62	299,294.09
Awards/Rewards and Prizes		
Awards/Rewards Expenses	2,500.00	12,500.00
Total Awards/Rewards Expenses	2,500.00	12,500.00
Generation, Transmission and Distribution Expenses		
Generation, Transmission and Distribution Expenses	22,112,595.93	20,492,601.08
Total Generation, Transmission and Distribution Expenses	22,112,595.93	20,492,601.08
Confidential, Intelligence and Other Extraordinary Expenses		
Extraordinary and Miscellaneous Expenses	-	18,269.65
Miscellaneous Expenses	-	-
Total Confidential, Intelligence and Other Extraordinary Expenses	-	18,269.65

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Professional Services		
Legal Services	120,000.00	120,000.00
Auditing Services	606,412.08	-
Total Professional Services	<u>726,412.08</u>	<u>120,000.00</u>
General Services		
Security Services	526,111.68	444,000.00
Other General Services	1,459,723.75	1,343,701.49
Total General Services	<u>1,985,835.43</u>	<u>1,787,701.49</u>
Repairs and Maintenance		
Repairs and Maintenance - Infrastructure Assets	10,878,719.32	9,746,228.87
Repairs and Maintenance - Buildings and Other Struc	284,582.50	114,124.59
Repairs and Maintenance - Machinery and Equipment	879,955.26	565,147.08
Repairs and Maintenance - Transportation Equipment	502,142.30	418,245.75
Repairs and Maintenance - Furniture and Fixtures	48,388.00	121,178.80
Total Repairs and Maintenance	<u>12,593,787.38</u>	<u>10,964,925.09</u>
Taxes, Insurance Premiums and Other Fees		
Taxes, Duties and Licenses	2,046,322.15	2,103,654.55
Insurance Expense	27,041.76	39,684.09
Total Taxes Insurance Premiums and Other Fees	<u>2,073,363.91</u>	<u>2,143,338.64</u>
Other Maintenance and Operating Expenses		
Advertising, promotional and Marketing Expenses		
Printing and Publication Expenses		
Representation Expenses	197,369.00	219,337.74
Transportation and Delivery Expenses		
Rent/Lease Expenses	60,000.00	60,000.00
Membership Dues and Contributions to Organization	3,500.00	12,265.00
Donations		
Other Maintenance and Operating Expense	1,294,107.55	1,513,096.97
Total Other Maintenance and Operating Expenses	<u>1,554,976.55</u>	<u>1,804,699.71</u>
Non-Cash Expenses		
Depreciation		
Depreciation - Infrastructure Assets	6,777,120.49	6,969,471.31
Depreciation - Buildings and Other Structures	941,238.48	914,754.52
Depreciation - Machinery and Equipment	4,691,005.17	5,374,671.59
Depreciation - Transportation Equipment	510,929.35	553,760.57
Depreciation - Furniture, Fixtures and Books	28,552.75	33,441.10
Total Depreciation	<u>12,948,846.24</u>	<u>13,846,099.09</u>
Impairment Loss		
Impairment Loss - Loans and Receivables	23,108.92	-
Total Loans and Receivables	<u>23,108.92</u>	<u>-</u>

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Financial Expense		
Documentary Stamps Expenses	-	60.00
Interest Expenses	-	-
Bank Charges	4,867.15	100.00
Commitment Fees	-	-
Other Financial Charges	-	-
Total Financial Expenses	<u>4,867.15</u>	<u>160.00</u>
Total Maintenance and Other Operating Expenses	<u>57,056,424.42</u>	<u>54,933,852.30</u>
Total Current Operating Expense	<u>87,148,907.40</u>	<u>82,883,637.63</u>
Surplus/(Deficit) from Current Operations	<u>11,866,717.30</u>	<u>16,457,381.76</u>
Other Non-Operating Income		
Gains	-	-
Losses	-	-
Discount and Rebates	-	-
Surplus/(Deficit) before Tax	<u>11,866,717.30</u>	<u>16,457,381.76</u>
Income Tax Expense/(Benefit)	-	-
Surplus/(Deficit) after Tax	<u>11,866,717.30</u>	<u>16,457,381.76</u>
Net Assistance/Subsidy/(Financial Assistance/Subsidy/Contribution)		
Net Surplus/(Deficit) for the Period	<u>11,866,717.30</u>	<u>16,457,381.76</u>

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**METRO VIGAN WATER DISTRICT
CONDENSED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Inflow		
Collection of Revenue	100,853,087.76	103,353,685.77
Deposit to Fund Reserves/Other Bank Accounts	1,308,914.60	9,472,467.05
Other Cash Inflow	528,482.03	420,137.81
Total Cash Inflows	<u>102,690,484.39</u>	<u>113,246,290.63</u>
Adjustments	-	-
Total Adjusted Cash Inflows	<u>102,690,484.39</u>	<u>113,246,290.63</u>
Cash Outflows		
Payment of Expenses	63,155,289.40	58,360,996.91
Purchase of Inventories	19,942,798.66	19,933,263.17
Remittances of Personnel Benefit Contributions and Mandatory Deductions	3,648,683.45	3,293,531.12
Fund Reserves	1,308,914.60	9,472,467.05
Other Cash Outflows	595,380.86	583,995.31
Total Cash Outflows	<u>88,651,066.97</u>	<u>91,644,253.56</u>
Adjustments	-	-
Total Adjusted Cash Outflows	<u>88,651,066.97</u>	<u>91,644,253.56</u>
Net Cash Provided by/(Used in) Operating Activities	<u>14,039,417.42</u>	<u>21,602,037.07</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Inflows:	-	-
Total Cash Inflows	-	-
Cash Outflows:	-	-
Capital Expenditures	23,399,949.32	18,021,731.94
Total Cash Outflows:	<u>23,399,949.32</u>	<u>18,021,731.94</u>
Net Cash Provided by/(Used in) Investing Activities	<u>(23,399,949.32)</u>	<u>(18,021,731.94)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Inflows:	-	-
Total Cash Inflows	-	-
Cash Outflows:	-	-
Cash Payment of Loans - LWUA	-	-
Cash Payment of Interest of Loans -LWUA	-	-
Total Cash Outflows:	-	-
Net Cash Provided by/(Used in) Financing Activities	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	-	-
Effects of Exchange Rate Changes on Cash and Cash Equivalents	-	-
Cash and Cash Equivalents, January 1	<u>20,521,499.48</u>	<u>16,941,194.35</u>
Cash and Cash Equivalents, December 31	<u>11,160,967.58</u>	<u>20,521,499.48</u>

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**METRO VIGAN WATER DISTRICT
DETAILED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Inflow		
Collection of Revenue	<u>100,853,087.76</u>	<u>103,353,685.77</u>
Collection of Water Sales	93,363,460.45	94,870,888.55
Collection of Sewer Charges	147,378.00	162,148.00
Collection of Registration Fees	452,500.00	567,000.00
Collection of Service Fee	-	-
Collection of Other Business Income	137,100.00	187,450.00
Collection of Fines and Penalties	2,938,917.58	3,011,428.31
Collection of Customer's Deposit	-	-
Sale of Fittings and Pipes	3,535,697.55	4,226,192.25
Interest Income	278,034.18	328,578.66
Other Receipts	<u>1,837,396.63</u>	<u>9,892,604.86</u>
Refunds of Cash Advances/Payroll Fund	14,797.52	56,241.24
Deposit to Fund Reserves/Other Bank Accounts	1,308,914.60	9,472,467.05
Other Cash Inflows	513,684.51	363,896.57
Total Cash Inflows	<u>102,690,484.39</u>	<u>113,246,290.63</u>
Adjustments	-	-
Total Adjusted Cash Inflows	<u>102,690,484.39</u>	<u>113,246,290.63</u>
Cash Outflows		
Payment of Expenses	<u>63,155,289.40</u>	<u>58,360,996.91</u>
Payment of Salaries	15,654,303.31	14,756,678.65
Payment of Operating Expenses	42,063,645.01	39,073,651.43
Payment of Franchise Tax	1,426,702.97	1,504,378.49
Remittance to BIR-Withholding Taxes from Suppliers	4,010,638.11	3,026,288.34
Purchase of Inventories	<u>19,942,798.66</u>	<u>19,933,263.17</u>
Payment of Supplies and Materials	19,942,798.66	19,933,263.17
Remittances of Personnel Benefit Contributions and Mandatory Deductions	<u>3,648,683.45</u>	<u>3,293,531.12</u>
Employer Share for GSIS, PAG-IBIG, Philhealth, PFRP, MBLIC	3,648,683.45	3,293,531.12
Fund Reserves	<u>1,308,914.60</u>	<u>9,472,467.05</u>
Other Cash Outflows	<u>595,380.86</u>	<u>583,995.31</u>
Total Cash Outflows	<u>88,651,066.97</u>	<u>91,644,253.56</u>
Adjustments	-	-
Total Adjusted Cash Outflows	<u>88,651,066.97</u>	<u>91,644,253.56</u>
Net Cash Provided by/(Used in) Operating Activities	<u>14,039,417.42</u>	<u>21,602,037.07</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Inflows:		
Total Cash Inflows	<u>-</u>	<u>-</u>
Cash Outflows:		
Capital Expenditures	23,399,949.32	18,021,731.94
Total Cash Outflows:	<u>23,399,949.32</u>	<u>18,021,731.94</u>
Net Cash Provided by/(Used in) Investing Activities	<u>(23,399,949.32)</u>	<u>(18,021,731.94)</u>

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BIR, RR1-RDO2-VIGAN CITY, I.S.
COLLECTION SECTION

CASH FLOWS FROM FINANCING ACTIVITIES**Cash Inflows:****Total Cash Inflows****Cash Outflows:**

Cash Payment of Loans - LWUA

Cash Payment of Interest of Loans -LWUA

Total Cash Outflows:**Net Cash Provided by/(Used in) Financing Activities****Net Increase/(Decrease) in Cash and Cash Equivalents****Effects of Exchange Rate Changes on Cash and Cash Equivalents****Cash and Cash Equivalents, January 1****Cash and Cash Equivalents, December 31**

-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
20,521,499.48	16,941,194.35
11,160,967.58	20,521,499.48

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BIR, RR1-RD02-VIGAN CITY, I.S.
COLLECTION SECTION

METRO VIGAN WATER DISTRICT
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

	Government Equity	Retained Earnings/ (Deficit)	Contributed Capital	TOTAL
BALANCE AT DECEMBER 31, 2020	559,893.87	163,977,780.51	80,413,659.13	244,951,333.51
CHANGES IN EQUITY FOR 2020				
Add/(Deduct):				
Net Income for the Year 2020.	-	11,866,717.30	-	11,866,717.30
BALANCE AT DECEMBER 31, 2020	559,893.87	175,844,497.81	80,413,659.13	256,818,050.81

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 COLLECTION SECTION

METRO VIGAN WATER DISTRICT

Notes to Financial Statement For the year ended December 31, 2020

1. GENERAL INFORMATION/ENTITY PROFILE

The financial statement of Metro Vigan Water District was authorized for issue on January 29, 2021 as shown in the Statement of Management Responsibility for Financial Statements signed by , the Board of Directors.

The Metro Vigan Water District was originally established in 1914 and known as the Singson Waterworks and Sewerage System. The Municipal Government of Vigan then operated and managed the waterworks. On October 29, 1975, the *Sangguniang Bayan* of Vigan passed Resolution No. 31, forming the Vigan-Bantay Water District (VBWD). Following its formation, the Vigan-Bantay Water District (VBWD) acquired ownership and management of the entire system in accordance with Presidential Decree (P.D.) No. 198 known as the Provincial Water Utilities Act of 1973. By virtue of Resolution No. 31-A of the Municipal Government of Vigan, all the facilities of the defunct Singson Waterworks and Sewerage System were turned over to the District. With the extension of service to the municipalities of Caoayan, San Vicente and Sta. Catalina, it was renamed to Vigan Metro Water District (VMWD)

Like any other Water Districts, the VMWD was established for the purpose of acquiring, installing, improving, maintaining and operating the water supply, including the waste water collection, treatment and disposal facilities. To be able to perform these functions, the VMWD obtained technical and financial assistance from the Local Water Utilities Administration (LWUA).

On February 15, 1978, the Conditional Certificate of Conformance 0053 was awarded to the District after it had complied with LWUA's minimum requirements for the certificate program. This certificate entitled the district to all the rights and privileges authorized under P.D. 198.

The VMWD was later renamed as Metro Vigan Water District (MVWD).

The MVWD is presently classified as "category B" water district serving 14,009 water and 203 sewer concessionaires.

As mandated by P.D. 198, otherwise known as the Local Water Utilities Act, all Water Districts has the following purposes:

1. To acquire, install, improve, maintain and operate water supply and distribution system for domestic use;
2. To provide, maintain, and operate waste water collections treatment and disposal facilities, and
3. To conduct such other functions and operations incidental to water resource development, utilization and disposal within the district, as are necessary or incidental to said program.

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For calendar year 2020, the District was composed of 59 regular employees.

The Board is the policy-making body of the District which is composed of five (5) members appointed by the Governor as provided in P.D. 198.

The following are the members of the Board as of December 31, 2019 with the respective sectors they represent, namely:

<u>Name</u>	<u>Position</u>	<u>Sector</u>
Mr. Leonardo B. Osalvo	Chairman	Civic
Mr. Napoleon Q. Arce	Vice-Chairman	Business
Ms. Norma B. Andallo	Secretary	Education
Mrs. Guadalupe Verzosa	Member	Women
Engr. Nestor B. Pajaro	Member	Professional

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been in compliance with the Philippine Financial Reporting Standards (PFRS) prescribed by the Commission on Audit in compliance to the requirement of the Commission on Audit which prescribes the accounting system and disclosures related to adjusting and non-adjusting subsequent events.

The accounting policies have been consistently applied throughout the year presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The Statement of Cash Flows is prepared using the direct method.

The consolidated financial statements are presented in peso (P), which is also the country's functional currency.

Amounts are rounded off to the nearest thousand, unless otherwise stated.

The preparation of financial statements in compliance with the adopted PPSAS requires the use of certain accounting estimates. It also requires the entity to exercise judgment in applying the entity's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effects are disclosed in note 3.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of accounting

The financial statements are prepared on an accrual basis in accordance with the PPSAS.

3.2 Financial Instruments

a. Financial assets

i. Initial recognition and measurement

Financial assets within the scope of PPSAS 29-Financial Instruments:

Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables or available-for-sale financial assets, as appropriate. The District determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the District commits to purchase or-sell the asset.

Metro Vigan Water District's financial assets cash and cash equivalents; trade and other trade receivables; loans and other loans receivables; quoted and unquoted financial instruments; and derivative financial instruments.

ii. Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

1. Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading and financial assets designated upon initial recognition at fair value through surplus or deficit. Financial assets are PPSAS classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through surplus or deficit are carried in the Statement of Financial Position at fair value with changes in fair value recognized in surplus or deficit.

2. Loans and receivables

Loans and 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 amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

3. Held to Maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Metro Vigan Water District has the positive intention and ability to hold it to maturity.

After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

iii. Impairment of financial assets

The Metro Vigan Water District assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include the following indicators:

- I. The debtors or a group of debtors are experiencing significant financial difficulty
2. Default or delinquency in interest or principal payments
3. The probability that debtors will enter bankruptcy or other financial reorganization
4. Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

5. Basis for Uncollectible Accounts:

Overdue	Percentage
1 - 60 days	1%
61 - 180 days	2%
181 - one year	3%
More than 1 year	5%

iv. Financial assets carried at amortized cost.

For financial assets carried at amortized cost, Metro Vigan Water District first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the District determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the Loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or transferred to the District. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in surplus or deficit.

b. Financial liabilities

i. Initial recognition and measurement

Financial liabilities within the scope of PPSAS 29 are classified as financial liabilities at fair value through surplus or deficit, or loans and borrowings, as appropriate. The entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

The District's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification.

1. Financial liabilities at fair value through surplus or deficit.

Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through surplus or deficit.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

Gains or losses on liabilities held for trading are recognized in surplus or deficit.

2. Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

iii. Derecognition

A financial liability is derecognized when the obligation under the liability expires or is discharged or cancelled.

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

c. Offsetting of financial instruments

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

d. Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask for short positions), without any deduction for transaction costs.

e. Derivative financial instruments

i. Initial recognition and subsequent measurement

The District uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to surplus or deficit. The District does not apply hedge accounting.

3.3 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash in bank, deposits on call and 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. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

3.4 Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory are received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- a. Raw materials: purchase cost using the weighted average cost method
- b. Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

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

3.5 *Investment Property*

Investment property is measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment property are measured using the cost model and are depreciated over their estimated useful life of [number] years.

Investment property are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit or service potential is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use.

The District uses the cost model for the measurement of investment property after initial recognition.

3.6 *Property, Plant and Equipment*

a . Recognition

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

The characteristics of PPE are as follows:

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

An item of PPE is recognized as an asset if:

1. it is probable that future economic benefits or service potential associated with the item will flow to the entity;
11. the cost or fair value of the item can be measured reliably; and
111. the cost is at least P 15,000.00.

b . Measurement at recognition

An item recognized as property, plant, and equipment is measured at cost.

A PPE acquired through non-exchange transaction is measured at its fair value as at the date of acquisition.

The cost of the PPE is the cash price equivalent or, for PPE acquired through non-exchange transaction, its cost is its fair value as at recognition date.

Cost includes the following

- i. Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- ii. Expenditure that is directly attributable to the acquisition of the items; and
- iii. Initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

c. Measurement after recognition

After recognition, all PPE are stated at cost less accumulated depreciation and impairment losses.

When significant parts of PPE are required to be replaced at intervals, the District recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major repair/replacement is done, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized as expense in surplus or deficit as incurred.

d. Depreciation

Each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognized as expense unless it is included in the cost of another asset.

i. Initial recognition of depreciation

Depreciation of an asset begins when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

For simplicity and to avoid proportionate computation, the depreciation is for one month if the PPE is available for use on or before the 15th of the month. However, if the PPE is available for use after the 15th of the month, depreciation is for the succeeding month.

ii. Depreciation method

The straight line method of depreciation is adopted unless another method is more appropriate for Entity operation.

iii. Estimated useful life

The District uses the life span of PPE prescribed by COA in determining the specific estimated useful life for each asset based on its experience.

iv. Residual value

The District uses a residual value equivalent to at least five percent (5%) of the cost of the PPE.

e. Impairment

An asset's carrying amount is written down to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

f. Derecognition

The District derecognizes items of PPE and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

3.7 Leases

a. Metro Vigan Water District as a lessee

i. Finance lease

Finance leases are leases that transfer substantially all the risks and rewards incidental to ownership of the leased item to the District.

Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The District also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured at the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the District will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

ii. Operating lease

Operating leases are leases that do not transfer substantially all the risks and rewards incidental to ownership of the leased item to the [Name of the Entity]. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

b. Metro Vigan Water District as a lessor

i. Finance lease

The District recognizes lease payments receivable under a finance lease as assets in the statement of financial position. The assets are presented as receivable at an amount equal to the net investment in the lease.

The finance revenue is recognized based on a pattern reflecting a constant periodic rate of return on the net investment in the finance lease.

ii. Operating lease

Leases in which the District does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term. Rent received from an operating lease is recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

The depreciation policies for PPE are applied to similar assets leased by the entity.

3.8 Intangible Assets

a. Recognition and measurement

Intangible assets are recognized when the items are identifiable non-monetary assets without physical substance; it is probable that the expected future economic benefits or service potential that are attributable to the assets will flow to the entity; and the cost or fair value of the assets can be measured reliably.

Intangible assets acquired separately are initially recognized at cost.

If payment for an intangible asset is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognized as interest expense over the period of credit unless it is capitalized in accordance with the capitalization treatment permitted in PPSAS 5, Borrowing Costs.

b. Subsequent expenditure on an acquired in-process research and development project

Subsequent expenditure on an in-process research or development project acquired separately and recognized as an intangible asset is:

- i. recognized as an expense when incurred if it is research expenditure;
- ii. recognized as an expense when incurred if it is a development expenditure that does not satisfy the criteria for recognition as an intangible asset; and
- iii. added to the carrying amount of the acquired in-process research or development project if it is a development expenditure that satisfies the recognition criteria for intangible assets.

c. Intangible assets acquired through non-exchange transactions

The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date these are acquired.

d. Internally generated intangible assets

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

e. Recognition of an expense

Expenditure on an intangible item is recognized expense when it is incurred unless it forms part of the cost of an intangible asset that meets the recognition criteria of an intangible asset.

f. Subsequent measurement

The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with a finite life are amortized over their useful lives.

The straight line method is adopted in the amortization of the expected pattern of consumption of the expected future economic benefits or service potential.

An intangible asset with indefinite useful life is not to be amortized.

Intangible assets with indefinite useful lives or an intangible asset not yet available for use are assessed for impairment annually and whenever there is an indication that the assets may be impaired.

The amortization period and the amortization method, for an intangible asset with a finite useful life, are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of PPSAS future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on an intangible asset with a finite life is recognized in surplus or deficit as the expense category that is consistent with the nature of the intangible asset.

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

g. Research and development costs

Metro Vigan Water District recognizes as expenses the research costs incurred. Development costs on an individual project are recognized as intangible assets when the District can demonstrate:

- i. the technical feasibility of completing the asset so that the asset will be available for use or sale
- ii. its intention to complete and its ability to use or sell the asset
- iii. how the asset will generate future economic benefits or service potential
- iv. the availability of resources to complete the asset
- v. the ability to measure reliably the expenditure during development.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Amortization of the asset begins when development is complete and the asset is available for use.

It is amortized over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

3.9 Provisions, Contingent Liabilities and Contingent Assets

a. Provisions

Provisions are recognized when the District has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the District expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Provisions are reviewed at each reporting date, and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provisions are reversed.

b. Contingent liabilities

The District does not recognize a contingent liability, but discloses details of any contingencies in the notes to financial statements, unless the

possibility of an outflow of resources embodying economic benefits or service potential is remote.

c. Contingent assets

The District does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent in the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the District in the notes to financial statements.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

3.10 *Changes in Accounting Policies and Estimates*

The District recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

The District recognizes the effects of changes in accounting estimates prospectively through surplus or deficit.

The District corrects material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by:

- a. Restating the comparative amounts for prior period(s) presented in which the error occurred; or
- b. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

3.11 *Foreign Currency Transactions*

Transactions in foreign currencies are initially recognized by applying the spot exchange rate between the functional currency and the foreign currency at the transaction date.

At each reporting date:

- a. Foreign currency monetary items are translated using the closing rate;

- b. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- c. Nonmonetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising (a) on the settlement of monetary items, or (b) on translating monetary items at rates different from those at which they are translated on initial recognition during the period or in previous financial statements, are recognized in surplus or deficit in the period in which they arise, except as those arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation.

3.12 Revenue from Non-exchange Transactions

a. Recognition and measurement of assets from non-exchange transactions

An inflow of resources from a non-exchange transaction, other than services in-kind, that meets the definition of an asset are recognized as an asset if the following criteria are met:

- i. It is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and
- ii. The fair value of the asset can be measured reliably.

An asset acquired through a non-exchange transaction is initially measured at its fair value as at the date of acquisition.

b. Recognition of revenue from non-exchange transactions

An inflow of resources from a non-exchange transaction recognized as an asset is recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.

As Metro Vigan Water District satisfies a present obligation recognized as a liability in respect of an inflow of resources from a non-exchange transaction recognized as an asset, it reduces the carrying amount of the liability recognized and recognizes an amount of revenue equal to that reduction.

c. Measurement of revenue from non-exchange transactions

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognized by the entity, unless a corresponding liability is recognized.

d. Measurement of liabilities on initial recognition from non-exchange transactions

The amount recognized as a liability in a non-exchange transaction is the best estimate of the amount required to settle the present obligation at the reporting date.

e. Taxes

Taxes and the related fines and penalties are recognized when collected or PAG2 of when these are measurable and legally collectible. The related refunds, PPSAS 23 including those that are measurable and legally collectible, are deducted from the recognized tax revenue.

f. Fees and fines not related to taxes

The District recognizes revenue from fees and fines, except those related to taxes, when earned and the asset recognition criteria are met.

Deferred income is recognized instead of revenue if there is a related condition attached that would give rise to a liability to repay the amount.

Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

g. Gifts and donations

The District recognizes assets and revenue from gifts and donations 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. An appraisal of the value of an asset is normally undertaken by a member of the valuation profession who holds a recognized and relevant professional qualification. For many assets, the fair values are ascertained by reference to quoted prices in an active and liquid market.

h. Transfers

The District recognizes an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset, except those arising from services in-kind.

i. Services in-kind

Services in-kind are not recognized as asset and revenue considering the complexity of the determination of and recognition of asset and revenue and the eventual recognition of expenses.

j. Transfers from other government entities

Revenue from non-exchange transactions with other government entities and the related assets are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the [Name of Entity] and can be measured reliably.

3.13 Revenue from Exchange Transactions

a. Measurement of revenue

Revenue is measured at the fair value of the consideration received or receivable.

b. Rendering of services

The District recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labor hours incurred to date as a percentage of total estimated labor hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

c. Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the District.

d. Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

e. Dividends

Dividends or similar distributions are recognized when the District's right to receive payments is established.

f. Rental income

Rental income arising from operating leases on investment property is PPSAS 9.34 accounted for on a straight-line basis over the lease terms and included in revenue.

g. Royalties

Royalties are recognized as they are earned in accordance with the substance of the relevant agreement.

3.14 *Impairment of Non-Financial Assets*

a. Impairment of cash-generating assets

At each reporting date, the District assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the District estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset or the cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the District estimates the asset's or cash-generating unit's recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in surplus or deficit.

b. Impairment of non-cash-generating assets

The District assesses at each reporting date whether there is an indication that a non-cash-generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the District estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash-generating asset's fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount. The District classifies assets as cash-generating assets when those assets are held with the primary objective generating a commercial return. Therefore, non-cash-generating assets would be those assets from which the District does not intend (as its primary objective) to realize a commercial return.

3.15 *Related Parties*

The District regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the District, or vice versa.

Members of key management are regarded as related parties and comprise the members of the Planning and Management Committee of the District such as:

[position and designation of Planning and Management Committee] of the [Name of the Entity] and its controlled entities.

3.16 Service Concession Arrangements

The District analyzes all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the District recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise - any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the District also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

3.18 Borrowing Costs

For loans borrowed directly by District the allowed alternative treatment is used.

3.19 Employee Benefits

The employees of District are members of the Government Service Insurance System (GSIS), which provides life and retirement insurance coverage.

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

3.20 Measurement Uncertainty

The preparation of financial statements in conformity with PPSAS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenue and expenses during the period.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

4. CHANGES IN ACCOUNTING POLICIES

Metro Vigan Water District adopted no new accounting policies:

5. CASH AND CASH EQUIVALENTS

PARTICULARS	As of December 31, 2020	As of December 31, 2019
Cash Collecting Officer - Cashier	279,810.60	128,877.00
Cash in Bank Local Currency-Current Account	1,099,931.66	140,150.66
Cash in Bank Local Currency-Savings Account	103,839.78	294,656.66
Cash in Bank Local Currency-Savings Account - Government Agencies Payment	10,173.01	10,156.28
Cash in Bank Local Currency-Savings Account – LBP	14,497.57	165,012.54
Time Deposits – JSA Reserve Fund	6,110,223.09	2,754,377.95
Time Deposits - DBP	785,873.01	16,246,661.33
Time Deposits - DBP - Customer's Deposit	2,756,618.86	781,607.06
Total Cash and Cash Equivalents	<u>11,160,967.58</u>	<u>20,521,499.48</u>

6. RECEIVABLES

6.1 Loans and Receivables

ACCOUNTS	As of December 31, 2020	As of December 31, 2019
Accounts Receivables - Customer	5,257,974.47	4,123,143.31
Accounts Receivables - Fittings	105,846.33	101,929.45
Accounts Receivables - ECQ Balances	123,196.01	-
Allowance for Impairment - Accounts Receivables	(164,715.61)	(141,606.69)
Receivable – Disallowances/Charges	950,191.10	950,191.10
Net Value - Accounts Receivable	<u>6,272,492.30</u>	<u>5,033,657.17</u>

6.2 Aging/Analysis of Receivables

ACCOUNTS	Total	1 - 60 days	61 - 180 days	181 - one year	More than 1 year
Accounts Receivables - Customer	5,256,573.47	2,368,639.57	365,261.37	121,665.80	2,401,006.73
Accounts Receivables - Fittings	126,555.85	-	-	-	126,555.85
Accounts Receivables - ECQ Balan	123,196.01	-	-	123,196.01	-
Receivables - Disallowances	950,191.10	950,191.10	-	-	-
TOTAL	<u>6,456,516.43</u>	<u>3,318,830.67</u>	<u>365,261.37</u>	<u>244,861.81</u>	<u>2,527,562.58</u>

7. INVENTORIES

ACCOUNTS	As of December 31, 2019	As of December 31, 2018
Office Supplies Inventory	531,444.71	298,692.47
Fuel, Oil and Lubricants Inventory	-	-
Chemical and Filtering Supplies Inventory	432,944.94	556,853.25
Construction Materials Inventory	1,250.00	14,500.00
Other Inventories - Meters	458,192.79	763,630.13
Other Inventories - Service Connection Materials	1,106,497.24	1,192,369.64
Other Inventories - Trans. and Dist. Pipes and Fittings	5,133,882.56	3,751,177.41
Other Inventories - Hydrants	192,032.00	126,462.00
Other Inventories - Chlorinator Spareparts	476,770.00	142,350.00
Other Inventories - Sewer	44,460.00	66,690.00
Other Inventories - Spare Pumps	2,735,000.00	-
Other Inventories - Maintenance Supply	56,306.07	50,990.33
Other Inventories - Janitorial Supply	35,372.45	15,904.85
TOTAL INVENTORIES	<u>11,204,152.76</u>	<u>6,979,620.08</u>

ACCOUNTS	As of December 31, 2020	As of December 31, 2019
Office Supplies Inventory	268,503.16	531,444.71

Accountable Forms, Plates and Stickers - Official Receipts	1,198.40	-
Accountable Forms, Plates and Stickers - Personalized Official Receipts	369,505.00	-
Accountable Forms, Plates and Stickers - Collector's Official Receipts	21,200.00	-
Accountable Forms, Plates and Stickers - Collector's Receipts	16,800.00	-
Fuel, Oil and Lubricants Inventory	-	-
Chemical and Filtering Supplies Inventory	637,888.55	432,944.94
Construction Materials Inventory	-	1,250.00
Other Inventories - Meters	503,533.33	458,192.79
Other Inventories - Service Connection Materials	1,030,809.05	1,106,497.24
Other Inventories - Trans. and Dist. Pipes and Fittings	4,360,301.05	5,133,882.56
Other Inventories - Hydrants	273,269.00	192,032.00
Other Inventories - Chlorinator Spareparts	537,155.99	476,770.00
Other Inventories - Sewer	177,840.00	44,460.00
Other Inventories - Spare Pumps	5,004,000.00	2,735,000.00
Other Inventories - Maintenance Supply	83,595.17	56,306.07
Other Inventories - Janitorial Supply	66,460.74	35,372.45
TOTAL INVENTORIES	<u>13,352,059.44</u>	<u>11,204,152.76</u>

8. PROPERTY, PLANT AND EQUIPMENT

As of December 31, 2020

	Land	Land Improvement	Water Supply System	Buildings- Administrative Structure and Improvements	Water Plant Structure and Improvement	Office Equipment
Carrying Amount, January 1, 2020	34,921,427.54	248,680.00	121,566,843.61	16,850,003.27	5,917,318.00	1,597,121.59
Additions/Acquisitions	10,249,629.10	-	5,710,471.10	8,274,471.10	604,231.00	253,122.00
Total	45,171,056.64	248,680.00	127,277,314.71	25,124,474.37	6,521,549.00	1,850,243.59
Disposals/Reclassification		-	-	-	-	-
Depreciation (As per statement of Financial Performance)	-	-	6,777,120.49	680,831.84	260,406.64	378,607.12
Impairment Loss (As per Statement of Financial Performance)	-	-	-	-	-	-
Carrying Amount, December 31, 2020 (As per Statement of Financial Position)	45,171,056.64	248,680.00	120,500,194.22	24,443,642.53	6,261,142.36	1,471,636.47

Gross Cost (Asset Account Balance per Statement of Financial Position)	45,171,056.64	248,680.00	194,082,055.76	30,265,751.01	8,159,783.95	3,951,516.45
Accumulated Depreciation	-	-	73,581,861.54	5,822,108.48	1,898,641.59	2,479,879.98
Accumulated Impairment Losses	-	-	-	-	-	-
Carrying Amount, December 31, 2020 (As per Statement of Financial Position)	45,171,056.64	248,680.00	120,500,194.22	24,443,642.53	6,261,142.36	1,471,636.47

Kitchen Equipment	Other Equipment	Land Transportation Equipment	Furniture and Fixtures	CIP - Infrastructure Asset	CIP - Building and Other Structures	Total
-	13,888,425.83	3,230,997.70	50,727.53	9,055,284.02	2,488,738.08	209,815,567.17
31,400.00	3,913,857.00	-	37,000.00	9,944,212.19	7,768,232.73	46,786,626.22
31,400.00	17,802,282.83	3,230,997.70	87,727.53	18,999,496.21	10,256,970.81	256,602,193.39
-	-	-	-	5,566,436.36	10,040,106.09	15,606,542.45
3,173.33	4,309,224.72	510,929.35	28,552.75	-	-	12,948,846.24
-	-	-	-	-	-	-
28,226.67	13,493,058.11	2,720,068.35	59,174.78	13,433,059.85	216,864.72	228,046,804.70

31,400.00	42,159,428.30	7,981,434.74	411,815.25	13,433,059.85	216,864.72	346,112,846.67
3,173.33	28,666,370.19	5,261,366.39	352,640.47			118,066,041.97
-	-	-	-			-
28,226.67	13,493,058.11	2,720,068.35	59,174.78	13,433,059.85	216,864.72	228,046,804.70

As of December 31, 2019

	Land	Land Improvement	Water Supply System	Buildings-Administrative Structure and Improvements	Water Plant Structure and Improvement	Office Equipment
Carrying Amount, January 1, 2019	25,917,226.02	248,680.00	127,334,724.38	17,524,119.33	6,120,631.08	1,980,189.40
Additions/Acquisitions	9,004,201.52	-	1,720,580.77	-	37,790.00	60,706.65
Total	34,921,427.54	248,680.00	129,055,305.15	17,524,119.33	6,158,421.08	2,040,896.05
Disposals/Reclassification	-	-	518,990.23	-	-	19,474.17
Depreciation (As per statement of Financial Performance)	-	-	6,969,471.31	673,651.44	241,103.08	424,300.29
Impairment Loss (As per Statement of Financial Performance)	-	-	-	-	-	-
Carrying Amount, December 31, 2019 (As per Statement of Financial Position)	34,921,427.54	248,680.00	121,566,843.61	16,850,467.89	5,917,318.00	1,597,121.59

Gross Cost (Asset Account Balance per Statement of Financial Position)	34,921,427.54	248,680.00	188,371,584.66	21,991,744.53	7,555,552.95	3,698,394.45
Accumulated Depreciation	-	-	66,804,741.05	5,141,276.64	1,638,234.95	2,101,272.86
Accumulated Impairment Losses	-	-	-	-	-	-
Carrying Amount, December 31, 2019 (As per Statement of Financial Position)	34,921,427.54	248,680.00	121,566,843.61	16,850,467.89	5,917,318.00	1,597,121.59

Communication Equipment	Other Equipment	Land Transportation Equipment	Furniture and Fixtures	CIP - Infrastructure Assets	CIP - Buildings & Other Structures	Total
-	18,461,547.79	3,815,390.96	88,696.39	560,841.05	21,197.50	202,073,243.90
-	2,356,600.00	-	-	8,722,183.17	2,467,540.58	24,369,602.69
-	20,818,147.79	3,815,390.96	88,696.39	9,283,024.22	2,488,738.08	226,442,846.59
-	1,979,350.66	30,632.69	4,527.76	-	-	2,552,975.51
-	4,950,371.30	553,760.57	33,441.10	227,740.20	-	14,073,839.29
-	-	-	-	-	-	-
-	13,888,425.83	3,230,997.70	50,727.53	9,055,284.02	2,488,738.08	209,816,031.79
-	38,245,571.30	7,981,434.74	374,815.25	9,055,284.02	2,488,738.08	314,933,227.52
-	24,357,145.47	4,750,437.04	324,087.72	-	-	105,117,195.73
-	-	-	-	-	-	-
-	13,888,425.83	3,230,997.70	50,727.53	9,055,284.02	2,488,738.08	209,816,031.79

9. OTHER ASSETS

12.1 Current and Non-Current Other Assets

ACCOUNTS	As of December 31, 2020	As of December 31, 2019
Advances for Operating Expenses	-	71.50
Withholding Tax at Source - Franchise Tax	21,705.60	23,423.49
Other Assets	2,935,698.97	2,933,298.97
TOTAL OTHER ASSETS	<u>2,957,404.57</u>	<u>2,956,793.96</u>

10. FINANCIAL LIABILITIES

10.1 Payables

ACCOUNTS	As of December 31, 2020	As of December 31, 2019
Accounts Payables - Suppliers	1,498,391.30	1,737,414.15
Due to Officers and Employees	753,544.40	508,281.71
TOTAL FINANCIAL LIABILITIES	<u>2,251,935.70</u>	<u>2,245,695.86</u>

11. INTER-AGENCY PAYABLES

ACCOUNTS	As of December 31, 2020	As of December 31, 2019
Due to BIR	502,572.62	510,293.38
Due to GSIS-Employee Premium Contribution	1,699.34	-
Due to GSIS-Salary Loan	1,311.64	3,135.50
Due to GSIS - Emergency Loan	-	-
Due to GSIS - Life Retirement Insurance Contributions	2,265.79	1.00
Due to GSIS - ECC Contributions	-	-
Due to GSIS - Educational Loan	-	-
Due to Pag-ibig-Multi-Purpose Loan	-	-

Due to Philhealth - Employee Contribution	-	15,400.00
Due to SSS	220.00	360.00
Others - COA	606,412.08	642,966.96
TOTAL INTER-AGENCY PAYABLE	<u>1,114,481.47</u>	<u>1,172,156.84</u>

12. GUARANTY DEPOSITS PAYABLE

Guaranty Deposits amounting P 66,900.00 represents suppliers retention money.

13. CUSTOMER'S DEPOSIT

Customer's Deposit amounting P 602,440.00 represents concessionaires' unrefunded bill deposit.

14. OTHER DEFERED CREDITS

ACCOUNTS	As of December 31, 2020	As of December 31, 2019
Unearned Income	246,637.47	211,118.20
Guarantee Deposit	65,000.00	30,000.00
Disallowance Payment	624,283.14	212,653.75
TOTAL INTER-AGENCY PAYABLE	<u>935,920.61</u>	<u>453,771.95</u>

15. SERVICE AND BUSINESS INCOME

ACCOUNTS	As of December 31, 2020	As of December 31, 2019
Metered Sales	95,621,805.25	94,762,003.76
Other Sales or Service - Sewer	166,607.00	168,854.00
Penalty Charges	2,063,720.88	2,981,358.81
Penalty Charges - Illegal Connections	6,441.46	30,000.00
Fines and Penalties	600.00	-
Miscellaneous Service Revenue	452,500.00	567,150.00
Other Water Revenues	137,100.00	187,450.00
Other Income - Sale of Fittings and Pipes	400,800.00	315,624.56
Interest Income	264,000.00	328,578.26
TOTAL OTHER PAYABLES	<u>99,113,574.59</u>	<u>99,341,019.39</u>

16. PERSONNEL SERVICES

ACCOUNTS	As of December 31, 2020	As of December 31, 2019
Salaries and Wages-Regular-Source of Supply Expense-Operation Supervision	2,734,350.00	2,620,917.38
Salaries and Wages-Regular-Source of Supply Exp.-Operation Labor	351,384.00	336,168.00
Salaries and Wages-Regular-Pumping Expense-Pumping Labor	1,829,540.00	1,777,536.00
Salaries and Wages-Regular-Transmission and Dist. Exp.-Maintenance Supervision	2,545,210.02	2,268,456.38
Salaries and Wages-Regular-Customer Account Expense-Supervision	-	-
Salaries and Wages-Regular-Customer Account Expense-Meter Reading	1,421,265.05	1,300,146.00
Salaries and Wages-Regular-Customer Account Expense-Customer Records and Collection	771,552.00	744,324.00
Salaries and Wages-Regular-Administrative and General	2,174,921.89	2,035,860.30

Salaries and Wages-Others-Office of the General Manager	1,908,972.00	1,861,488.00
Salaries and Wages - Others - Operation Division Staff	1,376,028.00	1,277,510.76
Salaries and Wages - Others - Finance & Commercial Staff	2,085,024.00	2,013,420.00
PERA-Source of Supply Exp.-Operation Supervision	92,000.00	90,000.00
PERA-Source of Supply Expense-Operation Labor	48,000.00	48,000.00
PERA-Pumping Expense-Pumping Labor	212,000.00	216,000.00
PERA-Transmission and Distribution Expense-Maint. Supervision	291,636.36	274,000.00
PERA-Customer Account Expense-Supervision	-	-
PERA-Customer Account Expense-Meter Reading	157,416.66	150,000.00
PERA-Customer Account Expense-Customer Records & Coll.	48,000.00	48,000.00
PERA-Administrative and General	272,000.00	265,090.91
PERA - Others - Office of the General Manager	72,000.00	72,000.00
PERA - Others - Operation Division Staff	168,000.00	163,000.00
PERA - Others - Finance & Commercial Division Staff	96,000.00	96,000.00
ADCOM-Source of Supply Exp.-Operation Supervision	-	-
ADCOM-Source of Supply Expense-Operation Labor	-	-
ADCOM-Pumping Expense-Pumping Labor	-	-
ADCOM-Transmission and Distribution Expense-Maint. Supervision	-	-
ADCOM-Customer Account Expense-Supervision	-	-
ADCOM-Customer Account Expense-Meter Reading	-	-
ADCOM-Customer Account Expense-Customer Records & Coll.	-	-
ADCOM-Administrative and General	-	-
ADCOM - Others - Office of the General Manager	-	-
ADCOM - Others - Operation Division Staff	-	-
ADCOM - Others - Finance & Commercial Division Staff	-	-
Representation Allowance (RA)	342,000.00	342,000.00
Transportation Allowance (TA)	342,000.00	342,000.00
Clothing/Uniform Allowance	366,000.00	360,000.00
Honoraria		

	731,250.00	760,500.00
Overtime & Night Pay-Source of Supply Exp.-Operation Supervision	142,500.59	178,201.32
Overtime & Night Pay-Source of Supply Expense-Operation Labor	26,121.66	19,099.20
Overtime & Night Pay-Pumping Expense-Pumping Labor	156,381.38	114,205.18
Overtime & Night Pay-Transmission and Distribution Expense-Maint. Supervision	251,664.31	213,958.12
Overtime & Night Pay-Customer Account Expense-Supervision	-	-
Overtime & Night Pay-Customer Account Expense-Meter Reading	261,312.90	208,434.82
Overtime & Night Pay-Customer Account Expense-Customer Records & Coll.	17,818.62	9,285.11
Overtime & Night Pay-Administrative and General	143,414.88	81,038.85
Overtime & Night Pay - Others - Office of the General Manager	86,725.92	70,014.45
Overtime & Night Pay - Others - Operation Division Staff	122,256.87	146,460.67
Overtime & Night Pay - Others - Finance & Commercial Division Staff	19,908.23	18,397.17
Year End Bonus-Source of Supply Exp.-Operation Supervision	207,450.00	225,416.00
Year End Bonus-Source of Supply Expense-Operation Labor	29,282.00	28,014.00
Year End Bonus-Pumping Expense-Pumping Labor	155,049.00	148,128.00
Year End Bonus-Transmission and Distribution Expense-Maint. Supervision	231,339.00	184,397.00
Year End Bonus-Customer Account Expense-Supervision	-	-
Year End Bonus-Customer Account Expense-Meter Reading	108,081.00	104,156.00
Year End Bonus-Customer Account Expense-Customer Records * Coll.	64,296.00	62,027.00
Year End Bonus - Administrative and General	177,138.00	168,785.00
Year End Bonus - Others - Office of the General Manager	159,081.00	155,124.00
Year End Bonus - Others - Operation Division Staff	114,669.00	109,721.00
Year End Bonus - Others - Finance & Commercial Division Staff	173,752.00	167,785.00
Cash Gift - Source of Supply Exp.-Operation Supervision	15,000.00	20,000.00
Cash Gift - Source of Supply Expense-Operation Labor	10,000.00	10,000.00
Cash Gift - Pumping Expense-Pumping Labor	45,000.00	45,000.00
Cash Gift - Transmission and Distribution Expense-Maint. Supervision	65,000.00	57,000.00
Cash Gift - Customer Account Expense-Supervision	-	-
Cash Gift - Customer Account Expense-Meter Reading	30,000.00	31,000.00

Cash Gift - Customer Account Expense-Customer Records * Coll.	10,000.00	10,000.00
Cash Gift - Administrative and General	55,000.00	55,000.00
Cash Gift - Others - Office of the General Manager	15,000.00	15,000.00
Cash Gift - Others - Operation Division Staff	35,000.00	35,000.00
Cash Gift - Others - Finance & Commercial Division Staff	20,000.00	20,000.00
Other Bonuses & Allow.-Source of Supply Exp.-Operation Supervision	356,945.00	282,828.00
Other Bonuses and Allow.-Source of Supply Expense-Operation Labor	68,282.00	60,014.00
Other Bonuses and Allow.-Pumping Expense-Pumping Labor	327,549.00	316,748.00
Other Bonuses and Allow.-Transmission and Distribution Expense-Maint. Supervision	498,298.54	404,903.00
Other Bonuses and Allow.-Customer Account Expense-Supervision	-	-
Other Bonuses and Allow.-Customer Account Expense-Meter Reading	292,023.67	246,262.00
Other Bonuses and Allow.-Customer Account Expense-Customer Records & Coll.	132,396.00	125,533.00
Other Bonuses and Allow.-Administrative and General	452,945.00	350,844.00
Other Bonuses and Allow. - Others - Office of the General Manager	244,181.00	233,630.00
Other Bonuses and Allow. - Others - Operation Division Staff	295,169.00	221,721.00
Other Bonuses and Allow. - Others - Finance & Commercial Division Staff	271,752.00	231,785.00
Retirement and Life Insurance Premiums	2,074,339.34	1,953,410.05
Pag-IBIG Contributions	72,800.00	71,100.00
Philhealth Contributions	230,400.52	185,620.54
Employees Compensation Insurance Premium (ECC)	73,100.00	72,400.00
Terminal Leave Benefits - Retirement	100,611.93	9,280.35
Vacation and Sick Leave - Monetization	1,216,897.64	1,010,640.77
Other Personnel Benefit Contributions (MBLIC)	-	-
TOTAL PERSONAL SERVICES	<u>30,092,482.98</u>	<u>27,949,785.33</u>

17. MAINTENANCE AND OTHER OPERATING EXPENSES

ACCOUNTS	As of December 31, 2020	As of December 31, 2019
Travel Expense	21,900.00	372,021.94
Training Expenses	1,000.00	183,480.00
Scholarship Grants/Expenses	-	-
Office Supplies Expense	1,337,457.73	1,230,211.97
Fuel, Oil and Lubricants Expense	948,162.64	1,143,834.13
Other Supplies and Materials Expenses	-	40,086.39
Electricity Expense-Administrative	443,193.84	474,629.03
Postage and Courier Services	8,039.00	10,614.00
Telephone Expense-Landline	135,997.68	141,848.67
Telephone Expense-Mobile	134,379.94	146,831.42
Internet Expense	-	-
Awards/Rewards Expenses	2,500.00	12,500.00
Generation, Transmission & Dist. Expense-Fuel for Power Production	470,969.34	625,759.29
Generation, Transmission & Dist. Expense-Pumping Operations	3,551,580.00	2,018,487.50
Generation, Transmission & Dist. Expense-Power/Fuel Purchased for Pumping	15,946,341.20	16,221,041.04
Generation, Transmission & Dist. Expense-Chemicals, Filtering and Laboratory Supplies Expense	2,143,705.39	1,627,313.25
Generation, Transmission & Dist. Expense-Transmission and Distribution Engineering Expense	-	-
Extraordinary and Miscellaneous Expenses	-	18,269.65
Legal Services	120,000.00	120,000.00
Auditing Services	606,412.08	-
Security Services	526,111.68	444,000.00
General Services	1,414,123.75	1,325,901.49
Computer Data Processing Services	33,000.00	17,000.00
Other Professional Services	12,600.00	800.00

Maintenance-Springs and Tunnels	636,840.00	262,888.75
Maintenance-Supply Mains	-	1,000.00
Maintenance-Reservoirs and Tanks	37,010.00	-
Maintenance-Transmission and Distribution Maintenance	6,420,498.40	4,378,445.31
Maintenance-Services	3,598,631.41	4,721,631.43
Maintenance-Hydrants	27,317.50	200.00
Maintenance-Other Plants	158,422.01	382,063.38
Maintenance of Pumping Plant-Structures and Improvements	140,999.48	73,181.96
Maintenance Of Gen. Admin.-Structures and Improvements	143,583.02	40,942.63
Repair & Maintenance-Other Machine & Equipt.-Power Production Equipment	158,009.00	180,480.00
Repair & Maintenance-Other Machine & Equipt.-Pumping Equipment	28,265.00	26,585.00
Repair & Maintenance-Other Machine & Equipt.-Water Treatment Equipment	317,280.23	114,614.27
Repair & Maintenance-Other Machine & Equipt.-Tools, Shop and Garage Equipment	161,806.55	72,679.70
Repairs and Maintenance-Office Equipment	191,494.48	170,788.11
Repairs and Maintenance-Kitchen Equipment	23,100.00	-
Repairs and Maintenance-Land Transport Equipment	502,142.30	418,245.75
Repair and Maintenance - Furnitures and Fixtures	48,388.00	121,178.80
Taxes, Duties and Licenses	32,733.18	30,491.33
Franchise and Regulatory Requirements Expense	2,013,588.97	2,073,163.22
Transfer Taxes	-	-
Insurance Expense	27,041.76	39,684.09
Advertising, Promotional and Marketing Expenses	-	-
Printing Expense	-	-
Representation Expenses	197,369.00	219,337.74
Freight and Handling	-	-
Rent/Lease Expense	60,000.00	60,000.00
Membership Dues and Contributions to Organizations	3,500.00	12,265.00
Donations	-	-
Other Maintenance and Operating Expense		

	1,294,107.55	1,513,096.97
Depreciation-Wells	593,977.70	636,559.81
Depreciation-Reservoirs	189,447.00	189,447.00
Depreciation-Transmission and Distribution Mains.	4,691,941.76	4,867,096.00
Depreciation - Meters	478,379.88	454,045.29
Depreciation-Hydrants	61,635.95	60,083.98
Depreciation-Other PPE	761,738.20	762,239.23
Depreciation - Other Source of Supply Plant	6,750.00	6,750.00
Depreciation-Pumping Plant-Structures and Improvements	253,656.64	234,353.08
Depreciation-Office Building	680,831.84	673,651.44
Depreciation-Power Production Equipment	936,384.51	954,923.43
Depreciation-Pumping Equipment	2,980,382.58	3,478,201.36
Depreciation-Water Treatment Equipment	231,915.40	302,500.32
Depreciation-Tools, Shop and Garage Equipment	160,542.23	214,746.19
Depreciation-Office Equipments	76,405.69	87,573.52
Depreciation-IT Equipment	302,201.43	336,726.77
Depreciation Expense - Kitchen Equipment	3,173.33	-
Depreciation-Land Transport Equipment	510,929.35	553,760.57
Depreciation-Furnitures and Fixtures	28,552.75	33,441.10
Uncollectible Accounts (Bad Debts)	23,108.92	-
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>57,051,557.27</u>	<u>54,933,692.30</u>

18. FINANCIAL EXPENSES

ACCOUNTS	As of December 31, 2020	As of December 31, 2019
Interest Expenses	-	-
Bank Charges	4,867.15	100.00
Other Financial Expenses	-	60.00
TOTAL FINANCIAL EXPENSE	<u>4,867.15</u>	<u>160.00</u>

19. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)

PARTICULARS	As of December 31, 2020	As of December 31, 2019
Cash Inflows		
Collection of Water Sales	93,363,460.45	94,870,888.55
Collection of Sewer Charges	147,378.00	162,148.00
Collection of Registration Fees	452,500.00	567,000.00
Collection of Service Fee	-	-
Collection of Other Business Income	137,100.00	187,450.00
Collection of Fines and Penalties	2,938,917.58	3,011,428.31
Collection of Customer's Deposit	-	-
Refunds of Cash Advances/Payroll Fund	14,797.52	56,241.24
Sale of Fittings and Pipes	3,535,697.55	4,226,192.25
Interest Income	278,034.18	328,578.66
Deposit to Fund Reserves/Other Bank Accounts	1,308,914.60	9,472,467.05
Other Cash Inflows	<u>513,684.51</u>	<u>363,896.57</u>
Total Cash Inflows	<u>102,690,484.39</u>	<u>113,246,290.63</u>
Cash Outflows:		
Payment of Salaries	15,654,303.31	14,756,678.65
Employer share for GSIS, PAG-IBIG, Philhealth, PFRP, MBLIC	3,648,683.45	3,293,531.12
Purchase of Supplies and Materials	19,942,798.66	19,933,263.17
Payment of Operating Expenses	42,063,645.01	39,073,651.43
Payment of Franchise Tax	1,426,702.97	1,504,378.49
Fund Reserves	1,308,914.60	9,472,467.05

Remittance to BIR-Withholding Taxes from Suppliers	4,010,638.11	3,026,288.34
Other Cash Outflow:	595,380.86	583,995.31
Total Cash Outflows	88,651,066.97	91,644,253.56
TOTAL CASH PROVIDED BY OPERATING ACTIVITIES	14,039,417.42	21,602,037.07
Cash Flows from Investing Activities		
Cash Inflows:	-	-
Total Cash Inflows	-	-
Cash Outflows:		
Capital Expenditures	23,399,949.32	18,021,731.94
Total Cash Outflows	23,399,949.32	18,021,731.94
TOTAL CASH USED BY INVESTING ACTIVITIES	(23,399,949.32)	(18,021,731.94)
	-	-
Cash Flows from Financing Activities		
Cash Inflows	-	-
Total Cash Inflows	-	-
Cash Outflows:		
Cash Payment of Loans - LWUA	-	-
Cash Payment of Interest of Loans - LWUA	-	-
Total Cash Outflows	-	-
TOTAL CASH USED BY FINANCING ACTIVITIES	-	-
Cash Provided by Operating, Investing and Financing Activities	(9,360,531.90)	3,580,305.13
Add: Cash and Cash Equivalents, Beginning	20,521,499.48	16,941,194.35
CASH AND CASH EQUIVALENTS, Ending	11,160,967.58	20,521,499.48

METRO VIGAN WATER DISTRICT
P. Burgos St., Solid West, Vigan City, Ilocos Sur
PRE-CLOSING TRIAL BALANCE
As of December 31, 2020

Account No	ACCOUNT TITLE	Beginning Balance		Transaction Entries		Beginning Balance	
		Debit	Credit	Debit	Credit	Debit	Credit
1-01-01-010	Cash Collecting Officer-Cashier	128,877.00		100,505,401.95	100,354,468.35	279,810.60	
1-01-01-020	Petty Cash / Working Fund	-		20,000.00	20,000.00	-	
1-01-01-050	Payroll Fund	-		-	-	-	
1-01-02-020	Current Account - DBP	140,150.66		112,997,111.21	112,037,330.21	1,099,931.66	
1-01-02-030	Savings Account - DBP	469,825.48		898,684.88	1,240,000.00	128,510.36	
1-01-05-020	Time Deposits - DBP	19,782,646.34		1,274,935.77	11,404,867.15	9,652,714.96	
1-03-01-010	Accounts Receivables - Customer	4,225,072.76		102,824,125.48	101,562,181.43	5,487,016.81	
1-03-01-011	Allowance for Impairment - Accounts Receivables		141,606.69	141,606.69	164,715.61		164,715.61
1-03-05-010	Receivables - Disallowances	950,191.10		-	-	950,191.10	
1-03-05-020	Due from Officers and Employees	-		293.49	293.49	-	
1-04-04-010	Office Supplies Inventory	531,444.71		606,717.84	869,659.39	268,503.16	
1-04-04-020	Accountable Forms, Plates and Stickers Inventory			763,998.40	355,295.00	408,703.40	
1-04-04-080	Fuel, Oil and Lubricants Inventory	-		-	-	-	
1-04-04-120	Chemical and Filtering Supplies Inventory	432,944.94		2,359,250.00	2,154,306.39	637,888.55	
1-04-04-130	Construction Materials Inventory	1,250.00		104,300.00	105,550.00	-	
1-04-04-990	Other Supplies and Materials Inventory - Meter	10,238,513.11		21,177,841.05	19,379,389.83	12,036,964.33	
1-05-99-010	Construction in Progress - Fence at Baybay Sur/Norte, San Vicente	-		-	-	-	
1-06-01-010	Land	34,921,427.54		10,249,629.10	-	45,171,056.64	
1-06-02-990	Land Improvements	248,680.00		-	-	248,680.00	
1-06-03-040	Water Supply Systems	188,371,584.66		5,710,471.10	-	194,082,055.76	
1-06-03-041	Accumulated Depreciation - Wells		66,804,741.05	-	6,777,120.49		73,581,861.54
1-06-04-010	Administrative Structure and Improvements	21,991,744.53		8,274,006.48	-	30,265,751.01	
1-06-04-011	Accumulated Depreciation - Office Building		5,141,276.64	-	680,831.84		5,822,108.48
1-06-04-070	Source of Supply Plant, Structures and Improvements	7,555,552.95		604,231.00	-	8,159,783.95	
1-06-04-071	Accumulated Depreciation-Source of Supply Plant, Structures & Improvements		1,638,234.95	-	260,406.64		1,898,641.59
1-06-05-020	Office Equipments	3,698,394.45		-	-	-	
1-06-05-021	Accumulated Depreciation - Office Equipments		2,101,272.86	253,122.00	-	3,951,516.45	
1-06-05-160	Kitchen Equipment	-		-	378,607.12		2,479,879.98
1-06-05-161	Accumulated Depreciation-Kitchen Equipment		-	31,400.00	-	31,400.00	
1-06-05-990	Other Equipment	38,245,571.30		-	3,173.33		3,173.33
1-06-05-991	Accumulated Depreciation - Other Equipment		24,357,145.47	3,913,857.00	-	42,159,428.30	
1-06-06-010	Land Transport Equipment	7,981,434.74		-	4,309,224.72		28,666,370.19
1-06-06-011	Accumulated Depreciation - Land Transport Equipment		4,750,437.04	-	-	7,981,434.74	
1-06-07-010	Furnitures and Fixtures	374,815.25		-	510,929.35		5,261,366.39
1-06-07-011	Accumulated Depreciation - Furniture and Fixtures		324,087.72	37,000.00	-	411,815.25	
1-06-98-020	Construction in Progress - Infrastructure Assets	9,055,284.02		-	28,552.75		352,640.47
1-06-98-030	Construction in Progress - Buildings & Other Structures	2,488,738.08		9,944,212.19	5,566,436.36	13,433,059.85	
1-12-01-010	Deferred Tax Asset	-		7,768,232.73	10,040,106.09	216,864.72	
				-	-	-	

METRO VIGAN WATER DISTRICT
P. Burgos St., Solid West, Vigan City, Ilocos Sur
POST-CLOSING TRIAL BALANCE

As of December 31, 2020

Account No	ACCOUNT TITLE	Beginning Balance		Transaction Entries		Beginning Balance	
		Debit	Credit	Debit	Credit	Debit	Credit
1-01-01-010	Cash Collecting Officer-Cashier	128,877.00		100,505,401.95	100,354,468.35	279,810.60	
1-01-01-020	Petty Cash / Working Fund	-		20,000.00	20,000.00	-	
1-01-01-050	Payroll Fund	-		-	-	-	
1-01-02-020	Current Account - DBP	140,150.66		112,997,111.21	112,037,330.21	-	
1-01-02-030	Savings Account - DBP	469,825.48		898,684.88	1,240,000.00	1,099,931.66	
1-01-05-020	Time Deposits - DBP	19,782,646.34		1,274,935.77	11,404,867.15	128,510.36	
1-03-01-010	Accounts Receivables - Customer	4,225,072.76		102,824,125.48	101,562,181.43	9,652,714.96	
1-03-01-011	Allowance for Impairment - Accounts Receivables			141,606.69	164,715.61	5,487,016.81	
1-03-05-010	Receivables - Disallowances			-	-	-	
1-03-05-020	Due from Officers and Employees	950,191.10		293.49	293.49	950,191.10	
1-04-04-010	Office Supplies Inventory	531,444.71		606,717.84	869,659.39	268,503.16	
1-04-04-020	Accountable Forms, Plates and Stickers Inventory			763,998.40	355,295.00	408,703.40	
1-04-04-080	Fuel, Oil and Lubricants Inventory	-		-	-	-	
1-04-04-120	Chemical and Filtering Supplies Inventory	432,944.94		2,359,250.00	2,154,306.39	637,888.55	
1-04-04-130	Construction Materials Inventory	1,250.00		104,300.00	105,550.00	-	
1-04-04-990	Other Supplies and Materials Inventory - Meter	10,238,513.11		21,177,841.05	19,379,389.83	12,036,964.33	
1-06-01-010	Land	34,921,427.54		10,249,629.10	-	45,171,056.64	
1-06-02-990	Land Improvements	248,680.00		-	-	248,680.00	
1-06-03-040	Water Supply Systems	188,371,584.66		5,710,471.10	-	194,082,055.76	
1-06-03-041	Accumulated Depreciation - Wells		66,804,741.05	-	6,777,120.49	-	73,581,861.54
1-06-04-010	Administrative Structure and Improvements	21,991,744.53		8,274,006.48	-	30,265,751.01	
1-06-04-011	Accumulated Depreciation - Office Building		5,141,276.64	-	680,831.84	-	5,822,108.48
1-06-04-070	Source of Supply Plant, Structures and Improvements	7,555,552.95		604,231.00	-	8,159,783.95	
1-06-04-071	Accumulated Depreciation-Source of Supply Plant, Structures & Improvements		1,638,234.95	-	260,406.64	-	1,898,641.59
1-06-05-020	Office Equipments	3,698,394.45		253,122.00	-	3,951,516.45	
1-06-05-021	Accumulated Depreciation - Office Equipments		2,101,272.86	-	378,607.12	-	2,479,879.98
1-06-05-160	Kitchen Equipment	-		31,400.00	-	31,400.00	
1-06-05-161	Accumulated Depreciation-Kitchen Equipment		-	-	3,173.33	-	3,173.33
1-06-05-990	Other Equipment	38,245,571.30		3,913,857.00	-	42,159,428.30	
1-06-05-991	Accumulated Depreciation - Other Equipment		24,357,145.47	-	4,309,224.72	-	28,666,370.19
1-06-06-010	Land Transport Equipment	7,981,434.74		-	-	7,981,434.74	
1-06-06-011	Accumulated Depreciation - Land Transport Equipment		4,750,437.04	-	510,929.35	-	5,261,366.39
1-06-07-010	Furnitures and Fixtures	374,815.25		37,000.00	-	411,815.25	
1-06-07-011	Accumulated Depreciation - Furniture and Fixtures		324,087.72	-	28,552.75	-	352,640.47
1-06-98-020	Construction in Progress - Infrastructure Assets	9,055,284.02		9,944,212.19	5,566,436.36	13,433,059.85	
1-06-98-030	Construction in Progress - Buildings & Other Structures	2,488,738.08		7,768,232.73	10,040,106.09	216,864.72	
1-12-01-010	Deferred Tax Asset	-		-	-	-	
1-99-01-010	Advances for Operating Expenses	71.50		30,368.31	30,439.81	-	

5-02-01-010	Travel Expense	-	-	25,696.00	25,696.00	-	-
5-02-02-010	Training Expenses	-	-	1,000.00	1,000.00	-	-
5-02-03-010	Office Supplies Expense	-	-	1,337,457.73	1,337,457.73	-	-
5-02-03-090	Fuel, Oil and Lubricants Expense	-	-	948,162.64	948,162.64	-	-
5-02-03-990	Other Supplies and Materials Expenses	-	-	-	-	-	-
5-02-04-020	Electricity Expense - Administrative	-	-	443,193.84	443,193.84	-	-
5-02-05-010	Postage and Courier Services	-	-	8,039.00	8,039.00	-	-
5-02-05-020	Telephone Expenses	-	-	270,390.62	270,390.62	-	-
5-02-05-030	Internet Expense	-	-	-	-	-	-
5-02-06-010	Awards/Rewards Expenses	-	-	2,500.00	2,500.00	-	-
5-02-09-010	Generation, Transmission & Dist. Exp. - Fuel for Power Production	-	-	22,112,595.93	22,112,595.93	-	-
5-02-10-030	Extraordinary and Miscellaneous Expenses	-	-	-	-	-	-
5-02-10-040	Miscellaneous Expenses	-	-	-	-	-	-
5-02-11-010	Legal Services	-	-	120,000.00	120,000.00	-	-
5-02-11-020	Auditing Services	-	-	606,412.08	606,412.08	-	-
5-02-12-030	Security Services	-	-	526,111.68	526,111.68	-	-
5-02-12-990	General Services	-	-	1,459,723.75	1,459,723.75	-	-
5-02-13-030	Repairs and Maintenance - Infrastructure Assets	-	-	10,878,719.32	10,878,719.32	-	-
5-02-13-040	Repairs and Maintenance - Buildings and Other Structures	-	-	284,582.50	284,582.50	-	-
5-02-13-050	Repairs and Maintenance - Machinery and Equipment	-	-	879,955.26	879,955.26	-	-
5-02-13-060	Repairs and Maintenance - Transportation Equipment	-	-	502,142.30	502,142.30	-	-
5-02-13-070	Repair and Maintenance - Furniture and Fixtures	-	-	48,388.00	48,388.00	-	-
5-02-15-010	Taxes, Duties and Licenses	-	-	2,046,322.15	2,046,322.15	-	-
5-02-15-030	Insurance Expense	-	-	27,041.76	27,041.76	-	-
5-02-99-010-0	Advertising, Promotional and Marketing Expenses	-	-	-	-	-	-
5-02-99-030	Representation Expense	-	-	197,369.00	197,369.00	-	-
5-02-99-040	Freight and Handling	-	-	-	-	-	-
5-02-99-050	Rent/Lease Expense	-	-	60,000.00	60,000.00	-	-
5-02-99-060	Membership Dues and Contributions to Organizations	-	-	3,500.00	3,500.00	-	-
5-02-99-140	Documentary Stamps Expenses	-	-	-	-	-	-
5-02-99-990	Other Maintenance and Operating Expense	-	-	1,294,107.55	1,294,107.55	-	-
5-03-01-040	Bank Charges	-	-	4,867.15	4,867.15	-	-
5-05-01-030	Depreciation - Infrastructure Assets	-	-	6,777,120.49	6,777,120.49	-	-
5-05-01-040	Depreciation - Buildings and Other Structures	-	-	941,238.48	941,238.48	-	-
5-05-01-050	Depreciation - Machinery and Equipment	-	-	4,691,005.17	4,691,005.17	-	-
5-05-01-060	Depreciation - Transportation Equipment	-	-	510,929.35	510,929.35	-	-
5-05-01-070	Depreciation-Furniture and Fixtures	-	-	28,552.75	28,552.75	-	-
5-05-03-020	Impairment Loss - Loans and Receivables	-	-	23,108.92	23,108.92	-	-
TOTAL:		354,790,937.58	354,790,937.58	620,468,946.02	620,468,946.02	380,020,486.17	380,020,486.17