


For BIR BCS/ Use Only Item:		Republic of the Philippines Department of Finance Bureau of Internal Revenue		
BIR Form No. <b>1702-EX</b> January 2018 (ENCS) v2 Page 1		<b>Annual Income Tax Return</b> 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 filled with the BIR and one held by the taxpayer.		
1 For <input checked="" type="radio"/> Calendar <input type="radio"/> Fiscal 2 Year Ended (MM/DD/YY) 12 / 20 22		5 Alphabetic Tax Code (ATC) IC 011 Exempt Corporation on Exempt Activities <input checked="" type="radio"/> IC 021 General Professional Partnership <input type="radio"/>		
<b>Background Information</b>				
6 Taxpayer Identification Number (TIN) 000 - 566 - 175 - 0000		7 RDO Code 002		
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) 01/01/1996		11 Contact Number 6040413		
12 Email Address metroviganwaterdistrict_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 12/31/2022		
<b>PART II - TOTAL TAX PAYABLE</b> (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 A. BARBA		Signature over Printed Name of Treasurer/Assistant Treasurer HEIDI A. PALACA		
Title of Signatory 146-516-119 TIN General Manager		Title of Signatory 146-516-089 TIN Head Cashier		
<b>Part III - Details of Payment</b>				
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)

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BIR-RDO2-VIGAN CITY, I.S.  
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BIR Form No. <b>1702-EX</b> January 2018 (ENCS) v2 Page 2		<b>Annual Income Tax Return</b> 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			
<b>Part IV - Computation of Tax</b>					
				(Do NOT enter Centavos; 49 centavos or less drop down; 50 or more round up)	
28 Sales/Receipts/Revenues/Fees				105,469,840.00	
29 Less: Sales Returns, Allowances and Discounts				0.00	
30 Net Sales/Receipts/Revenues/Fees (Item 28 less Item 29)				105,469,840.00	
31 Less: Cost of Sales/Services				0.00	
32 Gross Income from Operation (Item 30 Less Item 31)				105,469,840.00	
33 Add: Other Income				4,703,826.00	
34 Total Gross Income (Sum of Items 32 and 33)				110,173,666.00	
Less: Deductions Allowable under Existing Law					
<b>A. Itemized Deduction</b>					
35 Ordinary Allowable Itemized Deductions (From Part VI Schedule I Item 18)				109,016,754.00	
36 Special Allowable Itemized Deductions (From Part VI Schedule II Item 5)				0.00	
37 Total Itemized Deductions (Sum of Items 35 and 36)				109,016,754.00	
<b>B. Optional Standard Deduction (OSD)</b>					
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)				1,156,912.00	
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	
<b>Part V - Tax Relief Availment</b>					
52 Regular Income Tax Otherwise Due (Item 39 of Part IV x Applicable Income Tax Rate)				347,074.00	
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)				347,074.00	



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

(Do NOT enter Centavos; 49 centavos or less drop down; 50 or more round up)

Schedule 1 - Ordinary Allowable Itemized Deductions (attach additional sheet/s, if necessary)

1	Ammortizations	0.00
2	Bad Debts	3,283.00
3	Charitable and Contributions	0.00
4	Depletion	0.00
5	Depreciation	13,459,980.00
6	Entertainment, Amusement and Recreation	0.00
7	Fringe Benefits	0.00
8	Interest	0.00
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	30,078,273.00
14	SSS, GSIS, Philhealth, HDMF, and Other Contributions	2,775,417.00
15	Taxes and Licenses	2,297,060.00
16	Transportation and Travel	97,787.00
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	120,000.00
c	Security Services	597,224.00
d	ADVERTISING AND PROMOTION	5,000.00
e	COMMUNICATION, LIGHT AND WATER	38,763,911.00
f	DIRECTOR'S FEE	760,500.00
g	FUEL AND OIL	2,177,516.00
h	MISCELLANEOUS EXP	16,239.00
i	OTHERS (more...)	17,804,564.00
18	Total Ordinary Allowable Itemized Deductions (Sum of Items 1 to 17i) (To Part IV Item 35)	109,016,754.00

Schedule 2 - Special Allowable Itemized Deductions (attach additional sheet/s, if necessary)

	Description	Legal Basis	Amount
1			0.00
2			0.00
3			0.00
4	(more...)		0.00
5	Total Special Allowable Itemized Deductions (Sum of Items 1 to 4) (To Part IV Item 36)		0.00

Schedule 3 - Reconciliation of Net Income per Books Against Taxable Income (attach additional sheet/s, if necessary)

1	Net Income(loss) per Books	1,168,896.00
	Add: Non-Deductible Expenses/Other Income	
2		0.00
3	(more...)	0.00
4	Total (Sum of Items 1 to 3)	1,168,896.00
	Less: A) Non-Taxable Income and Income Subjected to Final Tax	
5	INTEREST INCOME	11,984.00
6	(more...)	0.00
	B) Special Deductions	
7		0.00
8	(more...)	0.00
9	Total (Sum of Items 5 to 8)	11,984.00
10	Net Taxable Income/(Loss) (Item 4 Less Item 9)	1,156,912.00





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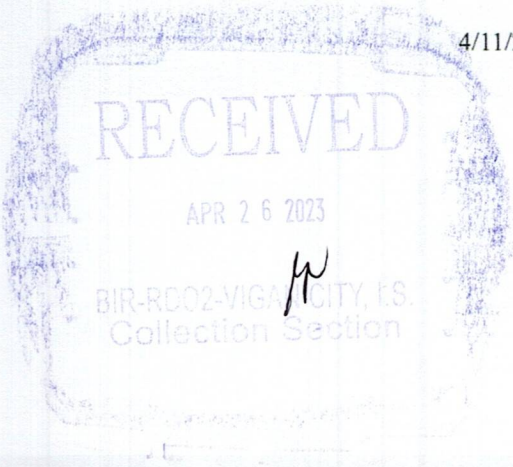


REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 000-566-175-000
Name	: METRO VIGAN WATER DISTRICT
RDO	: 002
Form Type	: 1702
Reference No.	: 122300053289559
Amount Payable (Over Remittance)	: 0.00
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2022
Date Filed	: 04/11/2023
Tax Type	: IT

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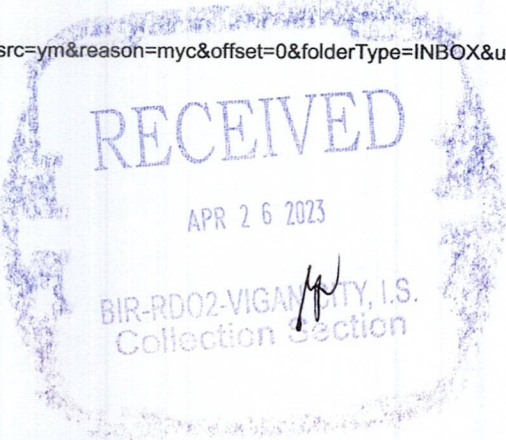
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# **METRO VIGAN WATER DISTRICT FINANCIAL STATEMENT**

**as of**

**December 31, 2022**



# **FINANCIAL STATEMENTS**

As of **December 31, 2021**

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**METRO VIGAN WATER DISTRICT**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2022**

	ASSETS	NOTE*	2022	2021
<b>Current Assets</b>				
Cash and Cash Equivalents		5	5,286,193.47	7,501,076.12
Receivables		6	5,973,291.18	5,676,533.41
Inventory		7	12,513,372.51	13,023,150.38
Deferred Tax Asset				
<b>Total Current Assets</b>			<u>23,772,857.16</u>	<u>26,200,759.91</u>
<b>Non-Current Assets</b>				
Investment Property			-	-
Property, Plant and Equipment		8	242,435,631.56	235,005,731.63
Other Assets		9	3,908,581.69	3,763,164.76
<b>Total Non-Current Assets</b>			<u>246,344,213.25</u>	<u>238,768,896.39</u>
<b>Total Assets</b>			<u>270,117,070.41</u>	<u>264,969,656.30</u>

**LIABILITIES**

<b>Current Liabilities</b>				
Finance Liabilities		10	9,762,889.16	3,548,251.64
Inter-Agency Payables		11	941,919.74	1,178,249.26
Other Payables			-	-
<b>Total Current Liabilities</b>			<u>10,704,808.90</u>	<u>4,726,500.90</u>
<b>Non-Current Liabilities</b>				
Guaranty/Security Deposits Payable		12	188,552.42	100,682.42
Customer's Deposits Payable		13	590,890.00	599,290.00
Trust Liabilities - Disallowances/Charges		14	1,924,151.41	1,281,455.14
Other Deferred Credits		15	470,707.14	351,719.40
Deferred Tax Liabilities				
<b>Total Non-Current Liabilities</b>			<u>3,174,300.97</u>	<u>2,333,146.96</u>
<b>Total Liabilities</b>			<u>13,879,109.87</u>	<u>7,059,647.86</u>

**EQUITY**

Government Equity			559,893.87	559,893.87
Contributed Capital			80,413,659.13	80,413,659.13
Retained Earnings/(Deficit)			175,264,407.54	176,936,455.44
<b>Total Equity</b>			<u>256,237,960.54</u>	<u>257,910,008.44</u>
<b>Total Liabilities and Equity</b>			<u>270,117,070.41</u>	<u>264,969,656.30</u>

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**METRO VIGAN WATER DISTRICT**  
**DETAILED STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2022**

ASSETS	2022	2021
<b>Current Assets</b>		
<b>Cash and Cash Equivalents</b>	<b>5,286,193.47</b>	<b>7,501,076.12</b>
Cash on Hand		
Cash Collecting Officer	385,381.92	119,064.84
Petty Cash	-	-
Checks and Other Cash Items	-	-
Cash in Bank-Local Currency		
Cash in Bank Local Currency-Current Account	265,184.45	273,393.10
Cash in Bank Local Currency-Savings Account	1,098,818.80	527,545.38
Cash Equivalents		
Time Deposits-Local Currency	3,536,808.30	6,581,072.80
<b>Receivables</b>	<b>5,973,291.18</b>	<b>5,676,533.41</b>
Receivable Accounts		
Accounts Receivables	5,238,066.67	4,936,735.92
Allowance for impairment - Accounts Receivable	(171,246.59)	(166,673.61)
Due from Officers and Employees	-	-
Receivables - Disallowances/Charges	906,471.10	906,471.10
<b>Inventory</b>	<b>12,513,372.51</b>	<b>13,023,150.38</b>
Inventory Held For Cosumption		
Office Supplies Inventory	252,198.73	261,258.70
Accountable Forms, Plates and Stickers	744,823.40	569,143.40
Chemical and Filtering Supplies Inventory	479,394.00	318,232.14
Construction Materials Inventory	-	-
Other Supplies and Materials Inventory	11,036,956.38	11,874,516.14
<b>Total Current Assets</b>	<b>23,772,857.16</b>	<b>26,200,759.91</b>
<b>Non-Current Assets</b>		
<b>Investment Property - Construction In Progress</b>	<b>-</b>	<b>-</b>
<b>Property, Plant and Equipment</b>	<b>242,435,631.56</b>	<b>235,005,731.63</b>
Land		
Land	52,371,713.55	45,742,913.55
Accumulated Depreciation - Land	-	-
Net Value - Land	52,371,713.55	45,742,913.55
Land Improvements		
Other Land Improvements	323,280.00	323,280.00
Accumulated Depreciation - Other Land Improvements	-	-
Net Value - Other Land Improvements	323,280.00	323,280.00
Water Supply Systems		
Water Supply Systems	215,372,664.39	214,658,136.95
Accumulated Depreciation -Water Supply System	(85,980,762.85)	(80,400,659.36)
Net Value - Water Supply System	129,391,901.54	134,257,477.59



<b>Buildings</b>		
Buildings	30,336,866.01	30,336,866.01
<i>Accumulated Depreciation - Buildings</i>	<u>(7,672,711.62)</u>	<u>(6,745,911.18)</u>
Net Value - Buildings	22,664,154.39	23,590,954.83
<b>Water Plant, Structure and Improvements</b>		
Water Plant, Structure and Improvements	10,309,386.03	8,159,783.95
<i>Accumulated Depreciation - Water Plant, Structure and Improver.</i>	<u>(2,398,112.49)</u>	<u>(2,162,405.07)</u>
Net Value - Water Plant, Structures and Improvements	7,911,273.54	5,997,378.88
<b>Office Equipment</b>		
Office Equipment	2,841,397.00	4,466,109.45
<i>Accumulated Depreciation - Office Equipment</i>	<u>(1,687,380.52)</u>	<u>(2,779,790.00)</u>
Net Value - Office Equipment	1,154,016.48	1,686,319.45
<b>Communication Equipment</b>		
Communication Equipment	-	44,490.00
<i>Accumulated Depreciation - Communication Equipment</i>	<u>-</u>	<u>(5,932.00)</u>
Net Value - Communication Equipment	-	38,558.00
<b>Kitchen Equipment</b>		
Kitchen Equipment	-	47,780.00
<i>Accumulated Depreciation - Kitchen Equipment</i>	<u>-</u>	<u>(12,183.29)</u>
Net Value - Kitchen Equipment	-	35,596.71
<b>Other Equipment</b>		
Other Equipment	49,529,701.87	46,346,664.29
<i>Accumulated Depreciation - Other Equipment</i>	<u>(32,334,335.98)</u>	<u>(29,764,813.16)</u>
Net Value - Other Equipment	17,195,365.89	16,581,851.13
<b>Motor Vehicles</b>		
Motor Vehicles	7,121,247.74	7,121,247.74
<i>Accumulated Depreciation -Motor Vehicles</i>	<u>(5,085,035.11)</u>	<u>(4,604,740.09)</u>
Net Value -Motor Vehicles	2,036,212.63	2,516,507.65
<b>Furniture and Fixtures</b>		
Furniture and Fixtures	269,356.00	601,096.25
<i>Accumulated Depreciation -Furniture and Fixtures</i>	<u>(142,282.14)</u>	<u>(396,666.84)</u>
Net Value -Furniture and Fixtures	127,073.86	204,429.41
<b>Construction In Progress</b>		
Infrastructure Assets	9,254,489.68	3,158,479.13
Buildings & Other Structures	<u>6,150.00</u>	<u>871,985.30</u>
	9,260,639.68	4,030,464.43
<b>Advances for Operating Expenses</b>	-	-
<b>Deferred Tax Asset</b>	-	-
<b>Withholding Tax at Source</b>	31,379.89	25,762.96
<b>Other Assets</b>	<u>3,877,201.80</u>	<u>3,737,401.80</u>
<b>Total Non-Current Assets</b>	<u>246,344,213.25</u>	<u>238,768,896.39</u>
<b>Total Assets</b>	<u>270,117,070.41</u>	<u>264,969,656.30</u>





## 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

Trust Liabilities - Disallowances/Charges

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

9,762,889.16

3,548,251.64

9,195,471.71

2,686,987.59

567,417.45

861,264.05

-

-

941,919.74

1,178,249.26

895,624.82

548,230.54

45,745.14

1,311.64

149.78

-

400.00

75.00

-

-

-

-

-

628,632.08

-

-

10,704,808.90

4,726,500.90

188,552.42

100,682.42

590,890.00

599,290.00

1,924,151.41

1,281,455.14

470,707.14

351,719.40

-

-

3,174,300.97

2,333,146.96

13,879,109.87

7,059,647.86

559,893.87

559,893.87

80,413,659.13

80,413,659.13

175,264,407.54

176,936,455.44

256,237,960.54

257,910,008.44

270,117,070.41

264,969,656.30





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

	NOTE*	2022	2021
<b>Income</b>			
Service and Business Income	16	110,185,650.44	100,539,008.10
Income from Grants and Donations in Kind		-	-
<b>Total Income</b>		<u><b>110,185,650.44</b></u>	<u><b>100,539,008.10</b></u>
<b>Current Operating Expense</b>			
Personnel Services	17	33,614,189.87	32,531,499.64
Maintenance and Other Operating Expense	18	75,402,564.04	66,912,741.21
Financial Expense	19	-	2,809.63
<b>Total Current Operating Expense</b>		<u><b>109,016,753.91</b></u>	<u><b>99,447,050.48</b></u>
<b>Surplus/(Deficit) from Current Operations</b>		<u><b>1,168,896.53</b></u>	<u><b>1,091,957.62</b></u>
Other Non-Operating Income		-	-
Gains		-	-
Losses		-	-
Discount and Rebates		-	-
<b>Surplus/(Deficit) before Tax</b>		<u><b>1,168,896.53</b></u>	<u><b>1,091,957.62</b></u>
Income Tax Expense/(Benefit)		-	-
<b>Surplus/(Deficit) after Tax</b>		<u><b>1,168,896.53</b></u>	<u><b>1,091,957.62</b></u>
Net Assistance/Subsidy/(Financial Assistance/Subsidy/Contribution)			
<b>Net Surplus/(Deficit) for the Period</b>		<u><b>1,168,896.53</b></u>	<u><b>1,091,957.62</b></u>





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

	2022	2021
<b>Income</b>		
<b>Service and Business Income</b>		
Sales Revenue	105,469,840.27	96,028,986.34
Fines and Penalties - Business Income	3,673,274.27	3,501,970.75
Sales of Unserviceable Property	-	-
Miscellaneous Income	656,360.00	652,330.00
Interest Income	11,984.12	38,136.76
Other Business Income	374,191.78	317,584.25
<b>Total Business Income</b>	<u>110,185,650.44</u>	<u>100,539,008.10</u>
<b>Grants &amp; Donation</b>		
Income from Grants and Donations in Kind	-	-
<b>Total Grants &amp; Donation</b>	<u>-</u>	<u>-</u>
<b>Total Income</b>	<u>110,185,650.44</u>	<u>100,539,008.10</u>
<b>Current Operating Expense</b>		
<b>Personnel Services</b>		
<b>Salaries and Wages</b>		
Salaries and Wages-Regular	18,926,631.71	17,904,214.97
<b>Total Salaries and Wages</b>	<u>18,926,631.71</u>	<u>17,904,214.97</u>
<b>Other Compensation</b>		
Personnel Economic Relief Allowance&Additional C	1,478,454.55	1,448,684.76
Representation Allowance (RA)	342,000.00	342,000.00
Transportation Allowance (TA)	342,000.00	342,000.00
Clothing/Uniform Allowance	366,000.00	354,000.00
Hazard Pay	-	1,645,100.00
Overtime time and Night Pay	1,644,724.29	1,402,204.83
Year End Bonus	1,585,971.00	1,474,445.00
Cash Gift	307,000.00	299,000.00
Mid-Year Bonus	1,558,248.00	1,456,194.00
Directors and Committee Members' Fees	760,500.00	672,750.00
Other Bonuses and Allowances (PEI,PBB, Mid-Year I	1,845,800.00	1,052,850.00
<b>Total Other Compensation</b>	<u>10,230,697.84</u>	<u>10,489,228.59</u>
<b>Personnel Benefit Contribution</b>		
Retirement and Life Insurance Premiums	2,271,723.99	2,143,965.54
Pag-IBIG Contributions	73,800.00	72,300.00
Philhealth Contributions	356,092.74	239,510.33
Employees Compensation Insurance Premium (ECC)	73,800.00	72,300.00
Provident/Welfare Fund Contributions	-	-
<b>Total Personnel Benefit Contribution</b>	<u>2,775,416.73</u>	<u>2,528,075.87</u>

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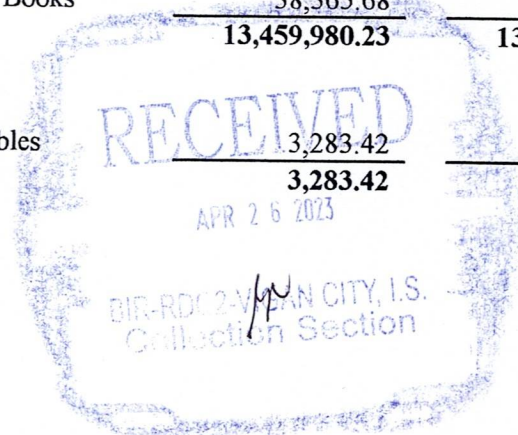


<b>Other Personnel Benefits</b>		
Retirement Gratuity	-	-
Terminal Leave Benefits	1,681,443.59	1,609,980.21
Other Personnel Benefits	-	-
<b>Total Other Personnel Benefits</b>	<b>1,681,443.59</b>	<b>1,609,980.21</b>
<b>Total Personnel Services</b>	<b>33,614,189.87</b>	<b>32,531,499.64</b>
<b>Maintenance and Other Operating Expenses</b>		
<b>Traveling Expense</b>		
Traveling Expenses - Local	97,786.65	25,172.65
<b>Total Traveling Expenses</b>	<b>97,786.65</b>	<b>25,172.65</b>
<b>Training and Scholarship Expense</b>		
Training Expenses	25,340.00	20,200.00
Scholarship Expenses	-	-
<b>Total Training and Scholarship Expenses</b>	<b>25,340.00</b>	<b>20,200.00</b>
<b>Supplies and Materials Expenses</b>		
Office Supplies Expenses	966,593.73	1,442,959.88
Accountable Forms Expense	583,200.00	-
Fuel, Oil and Lubricants Expenses	2,177,516.44	1,305,362.26
Other Supplies and Materials Expenses	-	-
<b>Total Supplies and Materials Expenses</b>	<b>3,727,310.17</b>	<b>2,748,322.14</b>
<b>Utility Expenses</b>		
Electricity Expenses	734,382.37	440,182.92
<b>Total Utility Expenses</b>	<b>734,382.37</b>	<b>440,182.92</b>
<b>Communication Expenses</b>		
Postage and Courier Services	9,637.00	11,601.00
Telephone Expenses	309,140.21	337,699.39
Internet Subscription Expenses	-	-
<b>Total Communication Expenses</b>	<b>318,777.21</b>	<b>349,300.39</b>
<b>Awards/Rewards and Prizes</b>		
Awards/Rewards Expenses	7,500.00	7,500.00
<b>Total Awards/Rewards Expenses</b>	<b>7,500.00</b>	<b>7,500.00</b>
<b>Generation, Transmission and Distribution Expenses</b>		
Generation, Transmission and Distribution Expenses	37,710,751.64	25,435,474.06
<b>Total Generation, Transmission and Distribution Expenses</b>	<b>37,710,751.64</b>	<b>25,435,474.06</b>
<b>Confidential, Intelligence and Other Extraordinary Expenses</b>		
Extraordinary and Miscellaneous Expenses	16,239.00	107,233.30
Miscellaneous Expenses	-	-
<b>Total Confidential, Intelligence and Other Extraordinary Expenses</b>	<b>16,239.00</b>	<b>107,233.30</b>

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<b>Professional Services</b>		
Legal Services	120,000.00	120,000.00
Auditing Services	-	22,220.00
<b>Total Professional Services</b>	<b>120,000.00</b>	<b>142,220.00</b>
<b>General Services</b>		
Security Services	597,223.92	466,479.60
Other General Services	1,590,837.50	1,706,573.75
<b>Total General Services</b>	<b>2,188,061.42</b>	<b>2,173,053.35</b>
<b>Repairs and Maintenance</b>		
Repairs and Maintenance - Infrastructure Assets	9,776,784.38	15,824,835.36
Repairs and Maintenance - Buildings and Other Struc	155,124.59	228,882.92
Repairs and Maintenance - Machinery and Equipment	1,769,495.80	1,379,042.46
Repairs and Maintenance - Transportation Equipment	909,920.71	665,745.20
Repairs and Maintenance - Furniture and Fixtures	93,467.20	51,580.00
<b>Total Repairs and Maintenance</b>	<b>12,704,792.68</b>	<b>18,150,085.94</b>
<b>Taxes, Insurance Premiums and Other Fees</b>		
Taxes, Duties and Licenses	2,297,059.98	2,118,881.78
Insurance Expense	-	-
<b>Total Taxes Insurance Premiums and Other Fees</b>	<b>2,297,059.98</b>	<b>2,118,881.78</b>
<b>Other Maintenance and Operating Expenses</b>		
Advertising, promotional and Marketing Expenses	5,000.00	-
Printing and Publication Expenses	-	-
Representation Expenses	228,098.70	168,028.65
Transportation and Delivery Expenses	-	14,000.00
Rent/Lease Expenses	60,000.00	60,000.00
Membership Dues and Contributions to Organization	-	-
Donations	-	-
Other Maintenance and Operating Expense	1,698,200.57	1,534,572.20
<b>Total Other Maintenance and Operating Expenses</b>	<b>1,991,299.27</b>	<b>1,776,600.85</b>
<b>Non-Cash Expenses</b>		
<b>Depreciation</b>		
Depreciation - Infrastructure Assets	7,455,999.42	7,048,207.61
Depreciation - Buildings and Other Structures	1,193,193.33	1,187,566.18
Depreciation - Machinery and Equipment	4,292,126.78	4,625,177.43
Depreciation - Transportation Equipment	480,295.02	511,578.24
Depreciation - Furniture, Fixtures and Books	38,365.68	44,026.37
<b>Total Depreciation</b>	<b>13,459,980.23</b>	<b>13,416,555.83</b>
<b>Impairment Loss</b>		
Impairment Loss - Loans and Receivables	3,283.42	1,958.00
<b>Total Loans and Receivables</b>	<b>3,283.42</b>	<b>1,958.00</b>





<b>Financial Expense</b>		
Documentary Stamps Expenses	-	-
Interest Expenses	-	-
Bank Charges	-	2,809.63
Commitment Fees	-	-
Other Financial Charges	-	-
<b>Total Financial Expenses</b>	<u>-</u>	<u>2,809.63</u>
<b>Total Maintenance and Other Operating Expenses</b>	<u>75,402,564.04</u>	<u>66,915,550.84</u>
<b>Total Current Operating Expense</b>	<u>109,016,753.91</u>	<u>99,447,050.48</u>
<b>Surplus/(Deficit) from Current Operations</b>	<u>1,168,896.53</u>	<u>1,091,957.62</u>
<b>Other Non-Operating Income</b>		
Gains	-	-
Losses	-	-
Discount and Rebates	-	-
<b>Surplus/(Deficit) before Tax</b>	<u>1,168,896.53</u>	<u>1,091,957.62</u>
Income Tax Expense/(Benefit)	-	-
<b>Surplus/(Deficit) after Tax</b>	<u>1,168,896.53</u>	<u>1,091,957.62</u>
Net Assistance/Subsidy/(Financial Assistance/Subsidy/Contribution)		
<b>Net Surplus/(Deficit) for the Period</b>	<u>1,168,896.53</u>	<u>1,091,957.62</u>





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

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash Inflow</b>		
Collection of Revenue	114,744,676.79	104,718,732.50
Deposit to Fund Reserves/Other Bank Accounts	1,970,641.80	340,915.30
Other Cash Inflow	697,400.78	830,761.19
<b>Total Cash Inflows</b>	<u>117,412,719.37</u>	<u>105,890,408.99</u>
Adjustments	-	-
<b>Total Adjusted Cash Inflows</b>	<u>117,412,719.37</u>	<u>105,890,408.99</u>
<b>Cash Outflows</b>		
Payment of Expenses	79,378,971.91	69,533,743.83
Purchase of Inventories	18,662,148.52	21,616,725.33
Remittances of Personnel Benefit Contributions and Mandatory Deductions	5,814,632.71	3,661,231.72
Fund Reserves	1,960,641.80	340,915.30
Other Cash Outflows	440,104.33	555,994.08
<b>Total Cash Outflows</b>	<u>106,256,499.27</u>	<u>95,708,610.26</u>
Adjustments	-	-
<b>Total Adjusted Cash Outflows</b>	<u>106,256,499.27</u>	<u>95,708,610.26</u>
<b>Net Cash Provided by/(Used in) Operating Activities</b>	<u>11,156,220.10</u>	<u>10,181,798.73</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Cash Inflows:</b>	-	-
<b>Total Cash Inflows</b>	-	-
<b>Cash Outflows:</b>		
Capital Expenditures	13,371,102.75	13,841,690.19
<b>Total Cash Outflows:</b>	<u>13,371,102.75</u>	<u>13,841,690.19</u>
<b>Net Cash Provided by/(Used in) Investing Activities</b>	<u>(13,371,102.75)</u>	<u>(13,841,690.19)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Cash Inflows:</b>	-	-
<b>Total Cash Inflows</b>	-	-
<b>Cash Outflows:</b>		
Cash Payment of Loans - LWUA	-	-
Cash Payment of Interest of Loans -LWUA	-	-
<b>Total Cash Outflows:</b>	-	-
<b>Net Cash Provided by/(Used in) Financing Activities</b>	-	-
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	-	-
<b>Effects of Exchange Rate Changes on Cash and Cash Equivalents</b>	-	-
<b>Cash and Cash Equivalents, January 1</b>	<u>7,501,076.12</u>	<u>11,160,967.58</u>
<b>Cash and Cash Equivalents, December 31</b>	<u>5,286,193.47</u>	<u>7,501,076.12</u>





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

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash Inflow</b>		
Collection of Revenue	<u>114,744,676.79</u>	<u>104,718,732.50</u>
Collection of Water Sales	104,749,592.70	96,253,214.88
Collection of Sewer Charges	152,754.00	173,518.00
Collection of Registration Fees	399,000.00	476,767.00
Collection of Service Fee	-	-
Collection of Other Business Income	258,050.00	177,080.00
Collection of Fines and Penalties	3,786,760.17	3,506,901.53
Collection of Customer's Deposit	-	-
Sale of Fittings and Pipes	5,386,535.80	4,093,114.33
Interest Income	11,984.12	38,136.76
Other Receipts	<u>2,668,042.58</u>	<u>1,171,676.49</u>
Refunds of Cash Advances/Payroll Fund	17,648.34	22,442.35
Deposit to Fund Reserves/Other Bank Accounts	1,970,641.80	340,915.30
Other Cash Inflows	679,752.44	808,318.84
<b>Total Cash Inflows</b>	<u>117,412,719.37</u>	<u>105,890,408.99</u>
Adjustments	-	-
<b>Total Adjusted Cash Inflows</b>	<u>117,412,719.37</u>	<u>105,890,408.99</u>
<b>Cash Outflows</b>		
Payment of Expenses	<u>79,378,971.91</u>	<u>69,533,743.83</u>
Payment of Salaries	15,905,916.57	15,888,714.92
Payment of Operating Expenses	58,307,477.77	48,306,872.22
Payment of Franchise Tax	1,649,707.69	1,451,542.18
Remittance to BIR-Withholding Taxes from Suppliers	3,515,869.88	3,886,614.51
Purchase of Inventories	<u>18,662,148.52</u>	<u>21,616,725.33</u>
Payment of Supplies and Materials	18,662,148.52	21,616,725.33
Remittances of Personnel Benefit Contributions and Mandatory Deductions	<u>5,814,632.71</u>	<u>3,661,231.72</u>
Employer Share for GSIS, PAG-IBIG, Philhealth, PFRP, MBLIC	5,814,632.71	3,661,231.72
Fund Reserves	<u>1,960,641.80</u>	<u>340,915.30</u>
Other Cash Outflows	<u>440,104.33</u>	<u>555,994.08</u>
<b>Total Cash Outflows</b>	<u>106,256,499.27</u>	<u>95,708,610.26</u>
Adjustments	-	-
<b>Total Adjusted Cash Outflows</b>	<u>106,256,499.27</u>	<u>95,708,610.26</u>
<b>Net Cash Provided by/(Used in) Operating Activities</b>	<u>11,156,220.10</u>	<u>10,181,798.73</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Cash Inflows:</b>		
<b>Total Cash Inflows</b>	-	-
<b>Cash Outflows:</b>		
Capital Expenditures	13,371,102.75	13,841,690.19
<b>Total Cash Outflows:</b>	<u>13,371,102.75</u>	<u>13,841,690.19</u>
<b>Net Cash Provided by/(Used in) Investing Activities</b>	<u>(13,371,102.75)</u>	<u>(13,841,690.19)</u>

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**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**

-	-
-	-
-	-
-	-
-	-
-	-
-	-
7,501,076.12	11,160,967.58
5,286,193.47	7,501,076.12



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

<b>Government Equity</b>	<b>Retained Earnings/ (Deficit)</b>	<b>Contributed Capital</b>	<b>TOTAL</b>
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**BALANCE AT DECEMBER 31, 2021**

<b>559,893.87</b>	<b>176,936,455.44</b>	<b>80,413,659.13</b>	<b>257,910,008.44</b>
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**CHANGES IN EQUITY FOR 2022**

Add/(Deduct):

2021 Bad Debt Adjustment	(1,289.56)		(1,289.56)
Reclassification of Prior Years' PPE to semi expendable assets	(68,342.16)		(68,342.16)
Refund of 2021 sold fittings.	(52.59)		(52.59)
Reclassification of Prior Years' PPE to semi expendable assets	(3,027,067.41)		(3,027,067.41)
To close Due to Employees Natal Gifts	346,000.00		346,000.00
Return of Disallowance	26,000.00		26,000.00
2021 COA audit fee.	(24,442.00)		(24,442.00)
Reclassification of Prior Years' PPE to semi expendable assets	(91,750.71)		(91,750.71)
Net Income for the Year 2022.	-	1,168,896.53	1,168,896.53

**BALANCE AT DECEMBER 31, 2022**

<b>559,893.87</b>	<b>175,264,407.54</b>	<b>80,413,659.13</b>	<b>256,237,960.54</b>
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# METRO VIGAN WATER DISTRICT

## Notes to Financial Statement For the year ended December 31, 2022

### 1. GENERAL INFORMATION/ENTITY PROFILE

The financial statement of Metro Vigan Water District was authorized for issue on January 31, 2023 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).

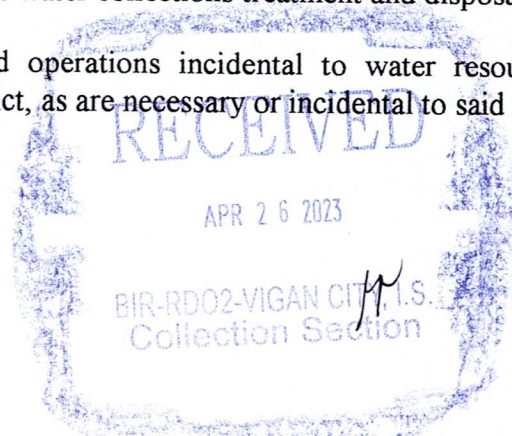
On February 15, 1978, the Conditional Certificate of Conformance 0053 was awarded to the District after it had complied with LWUA's minimum requirements for the certificate program. This certificate entitled the district to all the rights and privileges authorized under P.D. 198.

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

The MVWD is presently classified as "category B" water district serving 15,574 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.



For calendar year 2022, the District was composed of 63 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, 2022 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. Lucita V. Espejo	Member	Women
Mrs. Agustina Ines G. 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 50,000.00.

**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 42 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 the new capitalization threshold of P50,000.00 as per COA Circular No. 2022-004 dated May 31, 2022. The carrying amount of tangible items acquired prior to CY 2022 was charged to Retained Earnings.

#### 5. CASH AND CASH EQUIVALENTS

PARTICULARS	As of December 31, 2022	As of December 31, 2021
Cash Collecting Officer - Cashier	385,381.92	119,064.84
Cash in Bank Local Currency-Current Account - DBP	265,184.45	273,393.10
Cash in Bank Local Currency-Savings Account - DBP	680,966.73	439,967.00
Cash in Bank Local Currency-Savings Account - Government Agencies Payment	10,201.39	10,195.03
Cash in Bank Local Currency-Savings Account - LBP	282,988.79	43,190.31
Cash in Bank Local Currency-Savings Account - LBP (online)	114,648.23	34,193.04
Cash in Bank Local Currency-Savings Account - LBP (BIR EFPS)	10,013.66	-
Time Deposits - JSA Reserve Fund	2,760,581.69	2,758,855.47
Time Deposits - DBP	-	3,039,196.24
Time Deposits - DBP - Customer's Deposit	776,226.61	783,021.09
<b>Total Cash and Cash Equivalents</b>	<b><u>5,286,193.47</u></b>	<b><u>7,501,076.12</u></b>

#### 6. RECEIVABLES

##### 6.1 Loans and Receivables

ACCOUNTS	As of December 31, 2022	As of December 31, 2021
Accounts Receivables - Customer	5,097,467.10	4,767,185.78
Accounts Receivables - Fittings	91,705.59	105,071.66
Accounts Receivables - ECQ Balances	48,893.98	64,478.48
Allowance for Impairment - Accounts Receivables	(171,246.59)	(166,673.61)
Receivable - Disallowances/Charges	906,471.10	906,471.10
<b>Net Value - Accounts Receivable</b>	<b><u>5,973,291.18</u></b>	<b><u>5,676,533.41</u></b>



## 6.2 Aging/Analysis of Receivables

ACCOUNTS	Total	1 - 60 days	61 - 180 days	181 - one year	More than 1 year
Accounts Receivables - Customer	5,097,467.10	2,129,915.01	114,311.37	101,540.04	2,751,700.68
Accounts Receivables - Fittings	91,705.59	-	-	-	91,705.59
Accounts Receivables - ECQ Balance	48,893.98	-	-	-	48,893.98
Receivables - Disallowances	-	-	-	-	-
<b>TOTAL</b>	<b><u>5,238,066.67</u></b>	<b><u>2,129,915.01</u></b>	<b><u>114,311.37</u></b>	<b><u>101,540.04</u></b>	<b><u>2,892,300.25</u></b>

## 7. INVENTORIES

ACCOUNTS	As of December 31, 2022	As of December 31, 2021
Office Supplies Inventory	252,198.73	261,258.70
Accountable Forms, Plates and Stickers - Official Receipts	1,198.40	1,198.40
Accountable Forms, Plates and Stickers - Personalized Official Receipts	705,625.00	529,945.00
Accountable Forms, Plates and Stickers - Collector's Official Receipts	21,200.00	21,200.00
Accountable Forms, Plates and Stickers - Collector's Receipts	16,800.00	16,800.00
Fuel, Oil and Lubricants Inventory	-	-
Chemical and Filtering Supplies Inventory	479,394.00	318,232.14
Construction Materials Inventory	-	-
Other Inventories - Meters	607,466.61	756,681.56
Other Inventories - Service Connection Materials	765,305.49	1,299,998.43
Other Inventories - Trans. and Dist. Pipes and Fittings	4,314,895.90	4,321,719.31
Other Inventories - Hydrants	287,025.00	170,685.00
Other Inventories - Chlorinator Spareparts	296,910.72	465,659.70
Other Inventories - Sewer	133,380.00	155,610.00
Other Inventories - Spare Pumps	4,506,000.00	4,585,000.00
Other Inventories - Maintenance Supply	73,960.17	58,177.50
Other Inventories - Janitorial Supply	52,012.49	60,984.64
<b>TOTAL INVENTORIES</b>	<b><u>12,513,372.51</u></b>	<b><u>13,023,150.38</u></b>

## 8. PROPERTY, PLANT AND EQUIPMENT

As of December 31, 2022

	Land	Land Improvement	Water Supply System	Buildings-Administrative Structure and Improvements	Water Plant Structure and Improvement	Office Equipment	Communication Equipment
<b>Carrying Amount, January 1, 2022</b>	45,742,913.55	323,280.00	134,257,477.59	23,590,954.83	5,997,378.88	1,686,319.45	38,558.00
<b>Additions/Acquisitions</b>	6,628,800.00	-	4,726,371.22	-	2,259,691.08	418,436.00	-
<b>Total</b>	52,371,713.55	323,280.00	138,983,848.81	23,590,954.83	8,257,069.96	2,104,755.45	38,558.00
<b>Disposals/Reclassification/Return</b>			(4,011,843.78)	-	(110,089.00)	(2,043,148.45)	(44,490.00)
<b>Depreciation (As per statement of Financial Performance)</b>	-	-	(7,455,999.42)	(926,800.44)	(266,392.89)	(318,901.30)	(1,483.00)
<b>Accumulated Depreciation from Reclassified Assets</b>	-	-	1,875,895.93	-	30,685.47	1,411,310.78	7,415.00
<b>Carrying Amount, December 31, 2022 (As per Statement of Financial Position)</b>	52,371,713.55	323,280.00	129,391,901.54	22,664,154.39	7,911,273.54	1,154,016.48	-

<b>Gross Cost (Asset Account Balance per Statement of Financial Position)</b>	52,371,713.55	323,280.00	215,372,664.39	30,336,866.01	10,309,386.03	2,841,397.00	-
<b>Accumulated Depreciation</b>	-	-	(85,980,762.85)	(7,672,711.62)	(2,398,112.49)	(1,687,380.52)	-
<b>Accumulated Impairment Losses</b>	-	-	-	-	-	-	-
<b>Carrying Amount, December 31, 2022 (As per Statement of Financial Position)</b>	52,371,713.55	323,280.00	129,391,901.54	22,664,154.39	7,911,273.54	1,154,016.48	-

Kitchen Equipment	Other Equipment	Land Transportation Equipment	Furniture and Fixtures	Construction In Progress-Fence at Bayubay Sur/Norte, San Vicente	Construction In Progress-Infrastructure Assets-Sewerage	Construction In Progress-Building and Other Structures-Rest Room at Taguiporo	Total
35,596.71	16,581,851.13	2,516,507.65	204,429.41	-	3,158,479.13	871,985.30	235,005,731.63
-	4,987,400.00	-	-	-	10,501,849.05	573,878.50	30,096,425.85
35,596.71	21,569,251.13	2,516,507.65	204,429.41	-	13,660,328.18	1,445,863.80	265,102,157.48
(47,780.00)	(1,804,362.42)	-	(331,740.25)	-	(4,405,838.50)	(1,439,713.80)	(14,239,006.20)
(2,093.32)	(3,971,132.16)	(480,295.02)	(38,365.68)	-	-	-	(13,461,463.23)
14,276.61	1,401,609.34	-	292,750.38	-	-	-	5,033,943.51
-	17,195,365.89	2,036,212.63	127,073.86	-	9,254,489.68	6,150.00	242,435,631.56
-	49,529,701.87	7,121,247.74	269,356.00	-	9,254,489.68	6,150.00	377,736,252.27
-	(32,334,335.98)	(5,085,035.11)	(142,282.14)	-	-	-	(135,300,620.71)
-	-	-	-	-	-	-	-
-	17,195,365.89	2,036,212.63	127,073.86	-	9,254,489.68	6,150.00	242,435,631.56



As of December 31, 2021

	Land	Land Improvement	Water Supply System	Buildings-Administrative Structure and Improvements	Water Plant Structure and Improvement	Office Equipment	Communication Equipment
<b>Carrying Amount, January 1, 2021</b>	45,171,056.64	248,680.00	120,500,194.22	24,443,642.53	6,261,142.36	1,471,636.47	-
<b>Additions/Acquisitions</b>	571,856.91	74,600.00	3,298,569.41	71,115.00	-	664,304.00	44,490.00
<b>Total</b>	45,742,913.55	323,280.00	123,798,763.63	24,514,757.53	6,261,142.36	2,135,940.47	44,490.00
<b>Disposals/Reclassification/Return</b>	-	-	17,277,511.78	-	-	(149,711.00)	-
<b>Depreciation (As per statement of Financial Performance)</b>	-	-	(7,048,207.61)	(923,802.70)	(263,763.48)	(428,909.84)	(5,932.00)
<b>Accumulated Depreciation from Reclassified Assets</b>	-	-	229,409.79	-	-	128,999.82	-
<b>Carrying Amount, December 31, 2021 (As per Statement of Financial Position)</b>	45,742,913.55	323,280.00	134,257,477.59	23,590,954.83	5,997,378.88	1,686,319.45	38,558.00

<b>Gross Cost (Asset Account Balance per Statement of Financial Position)</b>	45,742,913.55	323,280.00	214,658,136.95	30,336,866.01	8,159,783.95	4,466,109.45	44,490.00
<b>Accumulated Depreciation</b>	-	-	(80,400,659.36)	(6,745,911.18)	(2,162,405.07)	(2,779,790.00)	(5,932.00)
<b>Accumulated Impairment Losses</b>	-	-	-	-	-	-	-
<b>Carrying Amount, December 31, 2021 (As per Statement of Financial Position)</b>	45,742,913.55	323,280.00	134,257,477.59	23,590,954.83	5,997,378.88	1,686,319.45	38,558.00

Kitchen Equipment	Other Equipment	Land Transportation Equipment	Furniture and Fixtures	Construction In Progress-Fence at Bayubay Sur/Norte, San Vicente	Construction In Progress-Infrastructure Assets-Sewerage	Construction In Progress-Building and Other Structures-Rest Room at Taguiporo	Total
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
16,380.00	7,940,100.95	334,342.00	189,281.00	-	-	655,120.58	13,860,159.85
44,606.67	21,433,159.06	3,054,410.35	248,455.78	-	13,433,059.85	871,985.30	241,906,964.55
-	(3,752,864.96)	(1,194,529.00)	-	-	(10,274,580.72)	-	1,905,826.10
(9,009.96)	(4,181,325.63)	(511,578.24)	(44,026.37)	-	-	-	(13,416,555.83)
-	3,082,882.66	1,168,204.54	-	-	-	-	4,609,496.81
35,596.71	16,581,851.13	2,516,507.65	204,429.41	-	3,158,479.13	871,985.30	235,005,731.63
47,780.00	46,346,664.29	7,121,247.74	601,096.25	-	3,158,479.13	871,985.30	361,878,832.62
(12,183.29)	(29,764,813.16)	(4,604,740.09)	(396,666.84)	-	-	-	(126,873,100.99)
-	-	-	-	-	-	-	-
35,596.71	16,581,851.13	2,516,507.65	204,429.41	-	3,158,479.13	871,985.30	235,005,731.63

## 9. OTHER ASSETS

### 12.1 Current and Non-Current Other Assets

ACCOUNTS	As of December 31, 2022	As of December 31, 2021
Advances for Operating Expenses	-	-
Withholding Tax at Source - Franchise Tax	31,379.89	25,762.96
Other Assets	3,877,201.80	3,737,401.80
<b>TOTAL OTHER ASSETS</b>	<b><u>3,908,581.69</u></b>	<b><u>3,763,164.76</u></b>

## 10. FINANCE LIABILITIES

### 10.1 Payables

ACCOUNTS	As of December 31, 2022	As of December 31, 2021
Accounts Payables - Suppliers	9,195,471.71	2,686,987.59
Due to Officers and Employees	567,417.45	861,264.05
<b>TOTAL FINANCIAL LIABILITIES</b>	<b><u>9,762,889.16</u></b>	<b><u>3,548,251.64</u></b>

## 11. INTER-AGENCY PAYABLES

ACCOUNTS	As of December 31, 2022	As of December 31, 2021
Due to BIR	895,624.82	548,230.54
Due to GSIS-Employee Premium Contribution	13,680.46	1,311.64
Due to GSIS-Salary Loan	4,312.46	-
Due to GSIS - Life Retirement Insurance Contributions	27,652.22	-
Due to GSIS - ECC Contributions	-	-
Due to GSIS - Educational Loan	-	-
Due to Pag-ibig-Employee Premium Contribution	149.78	-
Due to Pag-ibig-Multi-Purpose Loan	-	-
Due to Philhealth - Employee Contribution	400.00	75.00
Due to SSS	-	-
Others - COA	-	628,632.08
<b>TOTAL INTER-AGENCY PAYABLE</b>	<b><u>941,819.74</u></b>	<b><u>1,178,249.26</u></b>



**12. GUARANTY/SECURITY DEPOSITS PAYABLE**

Guaranty Deposits amounting P 188,552.42 represents suppliers retention money.

**13. CUSTOMER'S DEPOSIT**

Customer's Deposit amounting P 590,890.00 represents concessionaires' unrefunded bill deposit.

**14. TRUST LIABILITIES**

Trust Liabilities amounting P 1,924,151.41 represents MVWD's disallowance payment on installment.

**15. OTHER DEFERRED CREDITS**

ACCOUNTS	As of December 31, 2022	As of December 31, 2021
Unearned Income	371,307.14	283,819.40
Other Deferred Credits - Guarantee Deposit	99,400.00	67,900.00
<b>TOTAL DEFERRED CREDITS</b>	<b><u>470,707.14</u></b>	<b><u>351,719.40</u></b>

**16. SERVICE AND BUSINESS INCOME**

ACCOUNTS	As of December 31, 2022	As of December 31, 2021
Metered Sales	105,306,432.27	95,858,508.34
Other Sales or Service - Sewer	163,408.00	170,478.00
Penalty Charges	3,656,074.27	3,441,754.75
Penalty Charges - Illegal Connections	17,000.00	60,216.00
Fines and Penalties	200.00	-
Miscellaneous Service Revenue	399,450.00	487,650.00
Other Water Revenues	256,910.00	164,680.00
Other Income - Sale of Fittings and Pipes	374,191.78	317,584.25
Interest Income	11,984.12	38,136.76
<b>TOTAL SERVICE AND BUSINESS INCOME</b>	<b><u>110,185,650.44</u></b>	<b><u>100,539,008.10</u></b>

# 17. PERSONNEL SERVICES

ACCOUNTS	As of December 31, 2022	As of December 31, 2021
Salaries and Wages-Regular-Source of Supply Expense-Operation Supervision	2,608,716.00	2,549,052.00
Salaries and Wages-Regular-Source of Supply Exp.-Operation Labor	381,816.00	366,600.00
Salaries and Wages-Regular-Pumping Expense-Pumping Labor	2,106,366.20	1,907,054.00
Salaries and Wages-Regular-Transmission and Dist. Exp.-Maintenance Supervision	3,221,761.26	2,974,042.22
Salaries and Wages-Regular-Customer Account Expense-Supervision	-	-
Salaries and Wages-Regular-Customer Account Expense-Meter Reading	1,749,880.50	1,565,106.50
Salaries and Wages-Regular-Customer Account Expense-Customer Records and Collection	825,996.00	798,768.00
Salaries and Wages-Regular-Administrative and General	2,291,073.00	2,202,316.25
Salaries and Wages-Others-Office of the General Manager	2,003,150.41	1,956,468.00
Salaries and Wages - Others - Operation Division Staff	1,477,896.16	1,428,192.00
Salaries and Wages - Others - Finance & Commercial Staff	2,259,976.18	2,156,616.00
PERA-Source of Supply Exp.-Operation Supervision	72,000.00	72,000.00
PERA-Source of Supply Expense-Operation Labor	48,000.00	48,000.00
PERA-Pumping Expense-Pumping Labor	225,454.55	212,000.00
PERA-Transmission and Distribution Expense-Maint. Supervision	319,000.00	305,000.00
PERA-Customer Account Expense-Supervision	-	-
PERA-Customer Account Expense-Meter Reading	180,000.00	167,000.00
PERA-Customer Account Expense-Customer Records & Coll.	48,000.00	48,000.00
PERA-Administrative and General	257,000.00	261,684.76
PERA - Others - Office of the General Manager	72,000.00	72,000.00
PERA - Others - Operation Division Staff	161,000.00	167,000.00
PERA - Others - Finance & Commercial Division Staff	96,000.00	96,000.00
Representation Allowance (RA)	342,000.00	342,000.00
Transportation Allowance (TA)	342,000.00	342,000.00



Clothing/Uniform Allowance	366,000.00	354,000.00
Honoraria		
Hazard Pay-Source of Supply Exp.-Operation Supervision	-	89,000.00
Hazard Pay-Source of Supply Expense-Operation Labor	-	61,600.00
Hazard Pay-Pumping Expense-Pumping Labor	-	257,600.00
Hazard Pay-Transmission and Distribution Expense-Maint. Supervision	-	376,400.00
Hazard Pay-Customer Account Expense-Meter Reading	-	199,300.00
Hazard Pay-Customer Account Expense-Customer Records & Coll.	-	54,200.00
Hazard Pay-Administrative and General	-	266,300.00
Hazard Pay - Others - Office of the General Manager	-	79,200.00
Hazard Pay - Others - Operation Division Staff	-	178,400.00
Hazard Pay - Others - Finance & Commercial Division Staff	-	83,100.00
Overtime & Night Pay-Source of Supply Exp.-Operation Supervision	115,072.46	95,002.20
Overtime & Night Pay-Source of Supply Expense-Operation Labor	18,229.98	22,044.66
Overtime & Night Pay-Pumping Expense-Pumping Labor	215,503.27	176,636.27
Overtime & Night Pay-Transmission and Distribution Expense-Maint. Supervision	511,584.14	396,334.02
Overtime & Night Pay-Customer Account Expense-Supervision	-	-
Overtime & Night Pay-Customer Account Expense-Meter Reading	304,916.61	284,458.27
Overtime & Night Pay-Customer Account Expense-Customer Records & Coll.	31,852.52	23,228.80
Overtime & Night Pay-Administrative and General	141,569.54	145,361.52
Overtime & Night Pay - Others - Office of the General Manager	83,644.59	73,646.80
Overtime & Night Pay - Others - Operation Division Staff	162,043.42	137,201.35
Overtime & Night Pay - Others - Finance & Commercial Division Staff	60,307.76	48,290.94
Year End Bonus-Source of Supply Exp.-Operation Supervision	217,393.00	212,421.00
Year End Bonus-Source of Supply Expense-Operation Labor	31,818.00	30,550.00
Year End Bonus-Pumping Expense-Pumping Labor	168,882.00	161,963.00
Year End Bonus-Transmission and Distribution Expense-Maint. Supervision	280,327.00	252,698.00
Year End Bonus-Customer Account Expense-Supervision	-	131,186.00
Year End Bonus-Customer Account Expense-Meter Reading	153,663.00	66,564.00

Year End Bonus-Customer Account Expense-Customer Records * Coll.	68,833.00	171,090.00
Year End Bonus - Administrative and General	174,382.00	163,039.00
Year End Bonus - Others - Office of the General Manager	166,997.00	105,216.00
Year End Bonus - Others - Operation Division Staff	127,451.00	179,718.00
Year End Bonus - Others - Finance & Commercial Division Staff	196,225.00	15,000.00
Cash Gift - Source of Supply Exp.-Operation Supervision	15,000.00	10,000.00
Cash Gift - Source of Supply Expense-Operation Labor	10,000.00	45,000.00
Cash Gift - Pumping Expense-Pumping Labor	46,500.00	65,000.00
Cash Gift - Transmission and Distribution Expense-Maint. Supervision	70,000.00	35,000.00
Cash Gift - Customer Account Expense-Supervision	-	10,000.00
Cash Gift - Customer Account Expense-Meter Reading	40,500.00	52,000.00
Cash Gift - Customer Account Expense-Customer Records * Coll.	10,000.00	15,000.00
Cash Gift - Administrative and General	45,000.00	32,000.00
Cash Gift - Others - Office of the General Manager	15,000.00	20,000.00
Cash Gift - Others - Operation Division Staff	35,000.00	-
Cash Gift - Others - Finance & Commercial Division Staff	20,000.00	-
Mid-Year Bonus- Source of Supply Exp.-Operation Supervision	217,393.00	212,421.00
Mid-Year Bonus - Source of Supply Exp.-Operation Labor	31,818.00	30,550.00
Mid-Year Bonus - Pumping Exp.-Pumping Labor	168,882.00	161,963.00
Mid-Year Bonus - Trans.& Distribution Exp-Maintenance	263,450.00	252,698.00
Mid-Year Bonus - Cust.Acct.Exp.-Meter Reading	136,786.00	112,935.00
Mid-Year Bonus - Cust.Acct.Exp.-Customer Records & Coll.	68,833.00	66,564.00
Mid-Year Bonus - Administrative and General Services	193,842.00	171,090.00
Mid-Year Bonus - Others-Office of the Manager	166,997.00	163,039.00
Mid-Year Bonus - Others-Operation Div. Staff	124,564.00	105,216.00
Mid-Year Bonus - Others-Finance & Commercial Div. Staff	185,683.00	179,718.00
Director's and Committee Member's Fee	760,500.00	672,750.00
Other Bonuses & Allow.-Source of Supply Exp.-Operation Supervision	78,000.00	48,000.00
Other Bonuses and Allow.-Source of Supply Expense-Operation Labor	52,000.00	48,350.00



Other Bonuses and Allows.-Pumping Expense-Pumping Labor	275,500.00	145,000.00
Other Bonuses and Allows.-Transmission and Distribution Expense-Maint. Supervision	394,000.00	237,700.00
Other Bonuses and Allows-Customer Account Expense-Supervision	-	-
Other Bonuses and Allows.-Customer Account Expense-Meter Reading	254,100.00	120,600.00
Other Bonuses and Allows.-Customer Account Expense-Customer Records & Coll.	61,600.00	41,600.00
Other Bonuses and Allows.-Administrative and General	339,000.00	177,000.00
Other Bonuses and Allows. - Others - Office of the General Manager	87,600.00	57,600.00
Other Bonuses and Allows. - Others - Operation Division Staff	182,000.00	114,000.00
Other Bonuses and Allows. - Others - Finance & Commercial Division Staff	122,000.00	63,000.00
Retirement and Life Insurance Premiums	2,271,723.99	2,143,965.54
Pag-IBIG Contributions	73,800.00	72,300.00
Philhealth Contributions	356,092.74	239,510.33
Employees Compensation Insurance Premium (ECC)	73,800.00	72,300.00
Terminal Leave Benefits - Retirement	-	42,322.39
Vacation and Sick Leave - Monetization	1,681,443.59	1,567,657.82
Other Personnel Benefit Contributions (MBLIC)	-	-
<b>TOTAL PERSONAL SERVICES</b>	<b><u>33,614,189.87</u></b>	<b><u>32,531,499.64</u></b>

#### 18. MAINTENANCE AND OTHER OPERATING EXPENSES

ACCOUNTS	As of December 31, 2022	As of December 31, 2021
Travel Expense	97,786.65	25,172.65
Training Expenses	25,340.00	20,200.00
Scholarship Grants/Expenses	-	-
Office Supplies Expense	966,593.73	1,442,959.88
Accountable Forms Expenses	583,200.00	-

Fuel, Oil and Lubricants Expense	2,177,516.44	1,305,362.26
Other Supplies and Materials Expenses	-	-
Electricity Expense-Administrative	734,382.37	440,182.92
Postage and Courier Services	9,637.00	11,601.00
Telephone Expense-Landline	128,401.39	172,451.99
Telephone Expense-Mobile	180,738.82	165,247.40
Internet Expense	-	-
Awards/Rewards Expenses	7,500.00	7,500.00
Generation, Transmission & Dist. Expense-Fuel for Power Production	1,615,718.00	1,774,228.80
Generation, Transmission & Dist. Expense-Pumping Operations	4,551,795.00	4,490,541.25
Generation, Transmission & Dist. Expense-Power/Fuel Purchased for Pumping	28,939,861.94	17,046,039.00
Generation, Transmission & Dist. Expense-Chemicals, Filtering and Laboratory Supplies Expense	2,603,376.70	2,124,665.01
Generation, Transmission & Dist. Expense-Transmission and Distribution Engineering Expense	-	107,233.30
Extraordinary and Miscellaneous Expenses	16,239.00	-
Legal Services	120,000.00	120,000.00
Auditing Services	-	22,220.00
Security Services	597,223.92	466,479.60
General Services	1,590,837.50	1,705,573.75
Computer Data Processing Services	-	1,000.00
Other Professional Services	-	-
Maintenance-Springs and Tunnels	429,675.00	596,025.00
Maintenance-Supply Mains	-	-
Maintenance-Reservoirs and Tanks	112,234.60	51,260.00
Maintenance-Transmission and Distribution Maintenance	6,375,749.96	9,876,342.67
Maintenance-Services	2,438,872.00	4,420,206.98
Maintenance-Hydrants	211,773.75	72,948.91
Maintenance-Other Plants	208,479.07	808,051.80
Maintenance of Pumping Plant-Structures and Improvements	135,629.59	194,122.92
Maintenance Of Gen. Admin.-Structures and Improvements	19,495.00	34,760.00



Repair & Maintenance-Other Machine & Equipt.-Power Production Equipment	387,277.06	555,698.62
Repair & Maintenance-Other Machine & Equipt.-Pumping Equipment	299,726.35	82,447.00
Repair & Maintenance-Other Machine & Equipt.-Water Treatment Equipment	292,349.45	383,492.84
Repair & Maintenance-Other Machine & Equipt.-Tools, Shop and Garage Equipment	334,578.65	168,783.50
Repairs and Maintenance-Office Equipment	453,239.29	149,593.50
Repairs and Maintenance-Kitchen Equipment	2,325.00	39,027.00
Repairs and Maintenance-Land Transport Equipment	909,920.71	665,745.20
Repair and Maintenance - Furnitures and Fixtures	93,467.20	51,580.00
Taxes, Duties and Licenses	-	559,209.54
Franchise and Regulatory Requirements Expense	2,297,059.98	1,559,672.24
Transfer Taxes	-	-
Insurance Expense	-	-
Advertising, Promotional and Marketing Expenses	5,000.00	-
Printing Expense	-	-
Representation Expenses	228,098.70	168,028.65
Freight and Handling	-	14,000.00
Rent/Lease Expense	60,000.00	60,000.00
Membership Dues and Contributions to Organizations	-	-
Donations	-	-
Other Maintenance and Operating Expense	1,698,200.57	1,534,572.20
Depreciation-Wells	979,913.96	538,206.16
Depreciation-Reservoirs	189,447.00	189,447.00
Depreciation-Transmission and Distribution Mains.	4,850,035.19	4,806,723.81
Depreciation - Meters	453,006.18	490,280.13
Depreciation-Hydrants	29,292.79	61,073.66
Depreciation-Other PPE	954,304.30	962,476.85
Depreciation - Other Source of Supply Plant	6,750.00	6,750.00
Depreciation-Pumping Plant-Structures and Improvements	259,642.89	257,013.48
Depreciation-Office Building	926,800.44	923,802.70

Depreciation-Power Production Equipment	1,075,745.88	870,068.61
Depreciation-Pumping Equipment	2,489,499.38	2,914,893.26
Depreciation-Water Treatment Equipment	239,834.04	214,095.93
Depreciation-Tools, Shop and Garage Equipment	166,052.86	182,267.83
Depreciation-Office Equipments	100,877.04	128,000.51
Depreciation-IT Equipment	218,024.26	300,909.33
Depreciation Expense - Communication Equipment	-	5,932.00
Depreciation Expense - Kitchen Equipment	2,093.32	9,009.96
Depreciation-Land Transport Equipment	480,295.02	511,578.24
Depreciation-Furnitures and Fixtures	38,365.68	44,026.37
Uncollectible Accounts (Bad Debts)	3,283.42	1,958.00
<b>TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES</b>	<b><u>75,402,564.04</u></b>	<b><u>66,912,741.21</u></b>

#### 19. FINANCIAL EXPENSES

ACCOUNTS	As of December 31, 2022	As of December 31, 2021
Interest Expenses	-	-
Bank Charges	-	2,809.63
Other Financial Expenses	-	-
<b>TOTAL FINANCIAL EXPENSE</b>	<b><u>-</u></b>	<b><u>2,809.63</u></b>

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

PARTICULARS	As of December 31, 2022	As of December 31, 2021
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<b>Cash Inflows</b>		
Collection of Water Sales	104,749,592.70	96,253,214.88
Collection of Sewer Charges	152,754.00	173,518.00
Collection of Registration Fees	399,000.00	476,767.00
Collection of Service Fee	-	-
Collection of Other Business Income	258,050.00	177,080.00
Collection of Fines and Penalties	3,786,760.17	3,506,901.53
Collection of Customer's Deposit	-	-
Refunds of Cash Advances/Payroll Fund	17,648.34	22,442.35
Sale of Fittings and Pipes	5,386,535.80	4,093,114.33
Interest Income	11,984.12	38,136.76
Deposit to Fund Reserves/Other Bank Accounts	1,970,641.80	340,915.30
Other Cash Inflows	<u>679,752.44</u>	<u>808,318.84</u>
<b>Total Cash Inflows</b>	<b><u>117,412,719.37</u></b>	<b><u>105,890,408.99</u></b>
<b>Cash Outflows:</b>		
Payment of Salaries	15,905,916.57	15,888,714.92
Employer share for GSIS, PAG-IBIG, Philhealth, PFRP, MBLIC	5,814,632.71	3,661,231.72
Purchase of Supplies and Materials	18,662,148.52	21,616,725.33
Payment of Operating Expenses	58,307,477.77	48,306,872.22
Payment of Franchise Tax	1,649,707.69	1,451,542.18
Fund Reserves	1,960,641.80	340,915.30
Remittance to BIR-Withholding Taxes from Suppliers	3,515,869.88	3,886,614.51
Other Cash Outflow:	<u>440,104.33</u>	<u>555,994.08</u>
<b>Total Cash Outflows</b>	<b><u>106,256,499.27</u></b>	<b><u>95,708,610.26</u></b>
<b>TOTAL CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>11,156,220.10</u></b>	<b><u>10,181,798.73</u></b>
Cash Flows from Investing Activities		

Cash Inflows:	-	-
<b>Total Cash Inflows</b>	-	-
Cash Outflows:		
Capital Expenditures	<u>13,371,102.75</u>	<u>13,841,690.19</u>
<b>Total Cash Outflows</b>	<u>13,371,102.75</u>	<u>13,841,690.19</u>
<b>TOTAL CASH USED BY INVESTING ACTIVITIES</b>	<u>(13,371,102.75)</u>	<u>(13,841,690.19)</u>
Cash Flows from Financing Activities		
Cash Inflows	-	-
<b>Total Cash Inflows</b>	-	-
Cash Outflows:		
Cash Payment of Loans - LWUA	-	-
Cash Payment of Interest of Loans - LWUA	-	-
<b>Total Cash Outflows</b>	-	-
<b>TOTAL CASH USED BY FINANCING ACTIVITIES</b>	-	-
Cash Provided by Operating, Investing and Financing Activities	(2,214,882.65)	(3,659,891.46)
Add: Cash and Cash Equivalents, Beginning	<u>7,501,076.12</u>	<u>11,160,967.58</u>
<b>CASH AND CASH EQUIVALENTS, Ending</b>	<u>5,286,193.47</u>	<u>7,501,076.12</u>



**METRO VIGAN WATER DISTRICT**  
P. Burgos St., Solid West, Vigan City, Ilocos Sur  
**PRE-CLOSING TRIAL BALANCE**  
As of December 31, 2022

ACCOUNT TITLE	Beginning Balance		Transaction Entries		Ending Balance	
	Debit	Credit	Debit	Credit	Debit	Credit
Cash Collecting Officer-Cashier	119,064.84		114,496,437.82	114,230,120.74	385,381.92	
Petty Cash / Working Fund	-		20,000.00	20,000.00	-	
Payroll Fund	-		-	-	-	
Current Account	273,393.10		119,616,894.47	119,625,103.12	265,184.45	
Savings Account	527,545.38		1,291,289.79	720,016.37	1,098,818.80	
Time Deposits	6,581,072.80		1,611,268.96	4,655,533.46	3,536,808.30	
Accounts Receivables - Customer	4,936,735.92		133,319,008.63	133,017,677.88	5,238,066.67	
Allowance for Impairment - Accounts Receivables		166,673.61	-	4,572.98		171,246.59
Receivables - Disallowances	-		-	-	-	
Due from Officers and Employees	-		112.49	112.49	-	
Receivables - Disallowances	906,471.10		-	-	906,471.10	
Office Supplies Inventory	261,258.70		565,843.51	574,903.48	252,198.73	
Accountable Forms, Plates and Stickers Inventory	569,143.40		758,880.00	583,200.00	744,823.40	
Fuel, Oil and Lubricants Inventory	-		-	-	-	
Chemical and Filtering Supplies Inventory	318,232.14		2,834,100.00	2,672,938.14	479,394.00	
Construction Materials Inventory	-		178,500.00	178,500.00	-	
Other Supplies and Materials Inventory - Meter	11,874,516.14		22,681,636.84	23,519,196.60	11,036,956.38	
Semi-Expendable Office Equipment			110,704.00	110,704.00	-	
Semi-Expendable Information & Comm. Technology Equipmt			199,894.00	199,894.00	-	
Semi-Expendable Other Machinery and Equipment			227,521.65	227,521.65	-	
Semi-Expendable Furniture and Fixtures			71,368.00	71,368.00	-	
Construction in Progress - Fence at Bayubay Sur/Norte, San Vicente	-		-	-	-	
Land	45,742,913.55		6,628,800.00	-	52,371,713.55	
Land Improvements	323,280.00		-	-	323,280.00	
Water Supply Systems	214,658,136.95		4,726,371.22	4,011,843.78	215,372,664.39	
Accumulated Depreciation - Wells		80,400,659.36	1,875,895.93	7,455,999.42		85,980,762.85
Administrative Structure and Improvements	30,336,866.01		-	-	30,336,866.01	
Accumulated Depreciation - Office Building		6,745,911.18	-	926,800.44		7,672,711.62
Source of Supply Plant, Structures and Improvements	8,159,783.95		2,259,691.08	110,089.00	10,309,386.03	
Accumulated Depreciation-Source of Supply Plant, Structures & Improven		2,162,405.07	30,685.47	266,392.89		2,398,112.49
Office Equipments	4,466,109.45		418,436.00	2,043,148.45	2,841,397.00	
Accumulated Depreciation - Office Equipments		2,779,790.00	1,411,310.78	318,901.30		1,687,380.52
Communication Equipment	44,490.00		-	44,490.00	-	
Accumulated Depreciation-Communication Equipment		5,932.00	7,415.00	1,483.00		-
Kitchen Equipment	47,780.00		-	47,780.00	-	
Accumulated Depreciation-Kitchen Equipment		12,183.29	14,276.61	2,093.32		-
Other Equipment	46,346,664.29		4,987,400.00	1,804,362.42	49,529,701.87	
Accumulated Depreciation - Other Equipment		29,764,813.16	1,401,609.34	3,971,132.16		32,334,335.98
Land Transport Equipment	7,121,247.74		-	-	7,121,247.74	
Accumulated Depreciation - Land Transport Equipment		4,604,740.09	-	480,295.02		5,085,035.11
Furnitures and Fixtures	601,096.25		-	331,740.25	269,356.00	



Accumulated Depreciation - Furniture and Fixtures			396,666.84	292,750.38	38,365.68		142,282.14
Construction in Progress - Infrastructure Assets	3,158,479.13			10,501,839.05	4,405,838.50	9,254,489.68	
Construction in Progress - Buildings & Other Structures	871,985.30			573,878.50	1,439,713.80	6,150.00	
Deferred Tax Asset	-			-	-	-	
Advances for Operating Expenses	-			-	-	-	
Advances for Payroll	-			-	-	-	
Advances to Officers and Employees	-			12,985,144.95	12,985,144.95	-	
Advances to Contractors	-			107,770.00	107,770.00	-	
Withholding Tax at Source - Franchise Tax	-			-	-	-	
Other Assets	25,762.96			101,724.77	96,107.84	31,379.89	
	3,737,401.80			170,400.00	30,600.00	3,877,201.80	
Accounts Payables - Suppliers			2,686,987.59	12,471,000.10	18,979,484.22		9,195,471.71
Due to Officers and Employees			861,264.05	427,591.60	133,745.00		567,417.45
Due to BIR			548,230.54	3,541,690.21	3,889,084.49		895,624.82
Due to GSIS			1,311.64	5,380,988.88	5,425,422.38		45,745.14
Due to Pag-ibig			-	416,849.14	416,998.92		149.78
Due to Philhealth			75.00	828,060.48	828,385.48		400.00
Due to SSS			-	195,570.00	195,570.00		-
Others			628,632.08	653,074.08	24,442.00		-
Due to Other Funds			-	2,370,608.78	2,370,608.78		-
Trust Liabilities			1,281,455.14	-	642,696.27		1,924,151.41
Security Deposit Payable			100,682.42	65,540.00	153,410.00		188,552.42
Customer's Deposits Payable			599,290.00	8,400.00	-		590,890.00
Other Deferred Credits			351,719.40	5,026,472.96	5,145,460.70		470,707.14
Deferred Tax Liabilities (Taxes Deducted fr. Water Payment)			-	-	-		-
Other Payables			-	5,420,710.64	5,420,710.64		-
Government Equity			559,893.87	-	-		559,893.87
Contributed Capital			80,413,659.13	-	-		80,413,659.13
Retained Earnings/(Deficit)			176,936,455.44	3,212,944.43	372,000.00		174,095,511.01
Sales Revenue			-	27,728,182.06	133,198,022.33		105,469,840.27
Interest Income			-	726.84	12,710.96		11,984.12
Fines and Penalties - Business Income			-	13,685.90	3,686,960.17		3,673,274.27
Other Business Income			-	-	374,191.78		374,191.78
Income From Grants			-	-	-		-
Miscellaneous Service Revenue			-	-	-		-
Miscellaneous Income			-	1,050.00	657,410.00		656,360.00
Salaries and Wages-Regular-Source of Supply Exp.-Operation Supervision	-			18,926,631.71	-	18,926,631.71	
PERA-Source of Supply Exp-Operation Supervision	-			1,478,454.55	-	1,478,454.55	
Representation Allowance	-			342,000.00	-	342,000.00	
Transportation Allowance	-			342,000.00	-	342,000.00	
Clothing/Uniform Allowance	-			366,000.00	-	366,000.00	
Honoraria	-			-	-	-	
Hazard Pay	-			-	-	-	
Overtime & Night Pay - Source of Supply Exp. - Operation Supervision	-			1,644,724.29	-	1,644,724.29	
Year End Bonus - Source of Supply Exp. - Operation Supervision	-			1,585,971.00	-	1,585,971.00	
Cash Gift - Source of Supply Exp. - Operation Supervision	-			307,000.00	-	307,000.00	
Mid-Year Bonus	-			1,558,248.00	-	1,558,248.00	
Director's and Committee Member's Fee	-			760,500.00	-	760,500.00	
Other Bonuses & Allow. - Source of Supply Exp. - Operation Supervision	-			1,864,800.00	19,000.00	1,845,800.00	







**METRO VIGAN WATER DISTRICT**  
P. Burgos St., Solid West, Vigan City, Ilocos Sur  
**POST-CLOSING TRIAL BALANCE**  
As of December 31, 2022

ACCOUNT TITLE	Beginning Balance		Transaction Entries		Ending Balance	
	Debit	Credit	Debit	Credit	Debit	Credit
Cash Collecting Officer-Cashier	119,064.84		114,496,437.82	114,230,120.74	385,381.92	
Petty Cash / Working Fund	-		20,000.00	20,000.00	-	
Payroll Fund	-		-	-	-	
Current Account	273,393.10		119,616,894.47	119,625,103.12	265,184.45	
Savings Account	527,545.38		1,291,289.79	720,016.37	1,098,818.80	
Time Deposits	6,581,072.80		1,611,268.96	4,655,533.46	3,536,808.30	
Accounts Receivables - Customer	4,936,735.92		133,319,008.63	133,017,677.88	5,238,066.67	
Allowance for Impairment - Accounts Receivables		166,673.61	-	4,572.98		171,246.59
Due from Officers and Employees	-		112.49	112.49	-	
Receivables - Disallowances	906,471.10		-	-	906,471.10	
Office Supplies Inventory	261,258.70		565,843.51	574,903.48	252,198.73	
Accountable Forms, Plates and Stickers Inventory	569,143.40		758,880.00	583,200.00	744,823.40	
Fuel, Oil and Lubricants Inventory	-		-	-	-	
Chemical and Filtering Supplies Inventory	318,232.14		2,834,100.00	2,672,938.14	479,394.00	
Construction Materials Inventory	-		178,500.00	178,500.00	-	
Other Supplies and Materials Inventory - Meter	11,874,516.14		22,681,636.84	23,519,196.60	11,036,956.38	
Semi-Expendable Office Equipment			110,704.00	110,704.00	-	
Semi-Expendable Information & Comm. Technology Equipmt			199,894.00	199,894.00	-	
Semi-Expendable Other Machinery and Equipment			227,521.65	227,521.65	-	
Semi-Expendable Furniture and Fixtures			71,368.00	71,368.00	-	
Land	45,742,913.55		6,628,800.00	-	52,371,713.55	
Land Improvements	323,280.00		-	-	323,280.00	
Water Supply Systems	214,638,136.95		4,726,371.22	4,011,843.78	215,372,664.39	
Accumulated Depreciation - Wells		80,400,659.36	1,875,895.93	7,455,999.42		83,980,762.85
Administrative Structure and Improvements	30,336,866.01		-	-	30,336,866.01	
Accumulated Depreciation - Office Building		6,745,911.18	-	926,800.44		7,672,711.62
Source of Supply Plant, Structures and Improvements	8,159,783.95		2,259,691.08	110,089.00	10,309,386.03	
Accumulated Depreciation-Source of Supply Plant, Structures & Improven		2,162,405.07	30,685.47	266,392.89		2,398,112.49
Office Equipments	4,466,109.45		418,436.00	2,043,148.45	2,841,397.00	
Accumulated Depreciation - Office Equipments		2,779,790.00	1,411,310.78	318,901.30		1,687,380.52
Communication Equipment	44,490.00		-	44,490.00	-	
Accumulated Depreciation-Communication Equipment		5,932.00	7,415.00	1,483.00		-
Kitchen Equipment	47,780.00		-	47,780.00	-	
Accumulated Depreciation-Kitchen Equipment		12,183.29	14,276.61	2,093.32		-
Other Equipment	46,346,664.29		4,987,400.00	1,804,362.42	49,529,701.87	
Accumulated Depreciation - Other Equipment		29,764,813.16	1,401,609.34	3,971,132.16		32,334,335.98
Land Transport Equipment	7,121,247.74		-	-	7,121,247.74	
Accumulated Depreciation - Land Transport Equipment		4,604,740.09	-	480,295.02		5,085,035.11
Furnitures and Fixtures	601,096.25		-	331,740.25	269,356.00	



Accumulated Depreciation - Furniture and Fixtures			396,666.84	292,750.38	38,365.68		142,282.14
Construction in Progress - Infrastructure Assets		3,158,479.13		10,501,849.05	4,405,838.50	9,254,489.68	
Construction in Progress - Buildings & Other Structures		871,985.30		573,878.50	1,439,713.80	6,150.00	
Deferred Tax Asset		-		-	-	-	
Advances for Operating Expenses		-		-	-	-	
Advances for Payroll		-		12,985,144.95	12,985,144.95	-	
Advances to Officers and Employees		-		107,770.00	107,770.00	-	
Advances to Contractors				-	-	-	
Withholding Tax at Source - Franchise Tax		25,762.96		101,724.77	96,107.84	31,379.89	
Other Assets		3,737,401.80		170,400.00	30,600.00	3,877,201.80	
Accounts Payables - Suppliers			2,686,987.59	12,471,000.10	18,979,484.22		9,195,471.71
Due to Officers and Employees			861,264.05	427,591.60	133,745.00		567,417.45
Due to BIR			548,230.54	3,541,690.21	3,889,084.49		895,624.82
Due to GSIS			1,311.64	5,380,988.88	5,425,422.38		45,745.14
Due to Pag-ibig			-	416,849.14	416,998.92		149.78
Due to Philhealth			75.00	828,060.48	828,385.48		400.00
Due to SSS			-	195,570.00	195,570.00		-
Others			628,632.08	653,074.08	24,442.00		-
Due to Other Funds			-	2,370,608.78	2,370,608.78		-
Trust Liabilities			1,281,455.14	-	642,696.27		1,924,151.41
Security Deposit Payable			100,682.42	65,540.00	153,410.00		188,552.42
Customer's Deposits Payable			599,290.00	8,400.00	-		590,890.00
Other Deferred Credits			351,719.40	5,026,472.96	5,145,460.70		470,707.14
Deferred Tax Liabilities (Taxes Deducted fr Water Payment)			-	-	-		-
Other Payables			-	5,420,710.64	5,420,710.64		-
Government Equity			559,893.87	-	-		559,893.87
Contributed Capital			80,413,659.13	-	-		80,413,659.13
Retained Earnings/(Deficit)			176,936,455.44	4,884,992.33	3,212,944.43		175,264,407.54
Sales Revenue			-	133,198,022.33	133,198,022.33		-
Interest Income			-	12,710.96	12,710.96		-
Fines and Penalties - Business Income			-	3,686,960.17	3,686,960.17		-
Other Business Income			-	374,191.78	374,191.78		-
Income From Grants			-	-	-		-
Miscellaneous Service Revenue			-	-	-		-
Miscellaneous Income			-	657,410.00	657,410.00		-
Salaries and Wages-Regular-Source of Supply Exp.-Operation Supervision		-	-	18,926,631.71	18,926,631.71		-
PERA-Source of Supply Exp-Operation Supervision		-	-	1,478,454.55	1,478,454.55		-
Representation Allowance		-	-	342,000.00	342,000.00		-
Transportation Allowance		-	-	342,000.00	342,000.00		-
Clothing/Uniform Allowance		-	-	366,000.00	366,000.00		-
Overtime & Night Pay - Source of Supply Exp. - Operation Supervision		-	-	1,644,724.29	1,644,724.29		-
Year End Bonus - Source of Supply Exp. - Operation Supervision		-	-	1,585,971.00	1,585,971.00		-
Cash Gift - Source of Supply Exp. - Operation Supervision		-	-	307,000.00	307,000.00		-
Mid-Year Bonus		-	-	1,558,248.00	1,558,248.00		-
Director's and Committee Member's Fee		-	-	760,500.00	760,500.00		-
Other Bonuses & Allow. - Source of Supply Exp. - Operation Supervision		-	-	1,864,800.00	1,864,800.00		-









Republic of the Philippines  
**METRO VIGAN WATER DISTRICT**

P. Burgos St., Barangay IV, Vigan City 2700 Ilocos Sur

Telephone Nos. 077-6740870, 6741321, 6040413

E-mail: [metrovganwaterdistrict@yahoo.com](mailto:metrovganwaterdistrict@yahoo.com)

Website: [www.metrovganwd.gov.ph](http://www.metrovganwd.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, 2022, including the additional components attached thereto in accordance with the prescribed financial reporting framework indicated therein. The responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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

  
**LEONARDO B. OSALVO**

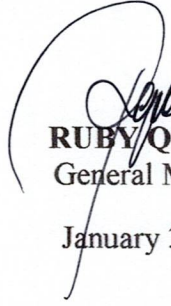
Chairman of the Board

January 31, 2023

  
**VINCENT EDUARD C. ARRANZ**

Department Manager – Finance and Commercial

January 31, 2023

  
**RUBY Q. BARBA**

General Manager

January 31, 2023