

TALAVERA WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 Agency Background

The financial statement of Talavera Water District was authorized for issue on February 12, 2019 as shown in the Statement of Management Responsibility for Financial Statements signed by Engr. Leandro Jun C Lacsamana, the General Manager.

On 23 June 1987, the Local Water Utilities Administration (LWUA) with Conditional Certificate of Conformance No 293 organized Talavera Water District (TWD). With its newly acquired legal personality, TWD succeeded in acquiring the management of the existing water system and the technical and financial assistance from LWUA for upgrading of the said system. Rehabilitation of the existing water supply system was started in August 1987, and it was commissioned in early 1988.

Talavera Water District was formed for the purpose of (a) acquiring, installing, improving, maintaining and operating water supply and distribution systems for domestic, industrial, municipal, and agricultural uses for residents and lands within the boundaries of Talavera, (b) providing, maintaining and operating water waste collection, treatment and disposal facilities, and (c) conducting such other functions and operations incidental to water resource development, utilization and disposal as are necessary or incidental to said purpose. The Entity's registered office is located in 042 Diaz St Pag-asa Dist Talavera Nueva Ecija.

1.2 Mission and Vision

PANANAW

Sariling Atin,

Para sa Atin

na makatutugon sa pangangailangang

Pantubig,

Pangkalusugan,

at

Kalinisan

MISYON

Makapaghatid ng

Malinis,

Maasahan

at Sapat

na Serbisyo ng Tubig

1.3 Board of Directors

Position	Name	Sector Represented
Chairman	Daniel M Ferrer	Business
Vice Chairman	Jamie Carlo C San Pedro	Professional
Secretary	Kevin Roy P Corpuz	Education
Member	Divinia S Lacanilao	Women
Member	Carlito M Dela Cruz Jr	Civic

1.4 Pumping Stations

Location	Implementation Year
Pag-asa	1989
Dinarayat	1996
San Pascual	1998
Bacal I	2005
Bacal III	2010
Sto Niño	2012
Bugtong na Buli	2013
Mamandil	2014
Basang Hamog	2015
Cabubulaonan	2016
Valle	2017
San Miguel na Munti	2018
Esguerra	2019

1.5 Personnel Services

The District comprises of thirty-two (32) regular employees and fifty-four (54) contract of service as of December 31, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The accompanying financial statements of Talavera Water district have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), where practicable, as well as government accounting standards and other pertinent rules and regulations. The financial statements are presented in Philippine Peso, which is the Corporation's functional currency.

The Talavera Water District presentation and classification of accounts in the Statements of Comprehensive Income, Statements of financial Position, Statements of Changes in Equity, Statements of Cash Flows and the notes are prepared as at the beginning of the earliest comparative period when Talavera Water District applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.

2.2 Statement of Compliance

The financial statements were prepared in compliance with Philippine Financial Reporting Standards (PFRS), which includes statements named PFRS, Philippine Accounting Standards (PAS), Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) issued by the Financial Reporting Standards Council and Revised Chart of Accounts (RCA) for Government Corporations prescribed in COA Circular Nos. 2015-010 and 2016-006. The format of the Comparative FS and Annexes as required under COA Circular No. 2017-004 dated December 13, 2017.

2.3 Summary of Significant Accounting Policy

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 accrual method of accounting is adopted in recognizing the earnings and expenses. Under this method, all expenses shall be recognized when incurred and reported in the financial statements in the period to which they relate.

2.3.1 Current versus Noncurrent Classification

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

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when it is:

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

The District classifies all other liabilities as noncurrent.

2.3.2 Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible by the District. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The District uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs

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

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

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

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

2.3.3 Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash in bank earns interest at the prevailing bank deposit rates. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition and that are subject to an insignificant risk of change in value.

2.3.4 Financial Instruments

Date of recognition

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

Initial recognition of financial instruments

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

The District classifies its financial instruments in the following categories: financial assets and financial liabilities at FVPL, loans and receivables, held-to-maturity (HTM) investments, Available for sale (AFS) financial assets and other financial liabilities. The classification depends on the purpose for which the investments were acquired and whether these are quoted in an active market. Management determines the classification at initial recognition and, where allowed and appropriate, re-evaluates this classification at every reporting date.

As at December 31, 2019, the District does not have financial assets and financial liabilities at FVPL, HTM investments, and AFS financial assets.

2.3.5 Loans and Receivables

Loans and receivables are financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. These are not entered into with the intention of immediate or short-term resale and are not designated as AFS financial assets or financial assets at FVPL. These are included in current assets if maturity is within twelve months from the reporting date. Otherwise, these are classified as noncurrent assets.

After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest rate method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortization is included in “Interest income” in profit or loss. The losses arising from impairment of such loans and receivables are recognized as “Provision for probable losses and doubtful accounts” in profit or loss.

As at December 31, 2019, this category includes cash and cash equivalents and receivables.

2.3.6 Other Financial Liabilities

Issued financial instruments or their components, which are not designated as at FVPL are classified as other financial liabilities where the substance of the contractual arrangement results in the District having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset.

After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

This accounting policy applies to the District’s long-term debt, accounts and other payables except statutory liabilities.

2.3.7 Derecognition of Financial Assets and Financial Liabilities

Financial Assets

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

- the right to receive cash flows from the asset has expired;
- the District retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the District has transferred its right to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained the risks and rewards of the asset but has transferred the control of the asset.

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

measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the District could be required to repay.

Financial Liabilities

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

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

2.3.8 Impairment of Financial Assets

The District assesses at each reporting date whether there is objective evidence that a financial asset or 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 (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Objective evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic condition that correlate with default.

Loans and Receivables

For loans and receivables carried at amortized cost, the 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 assessed for impairment. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated. 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 for 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 assets carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred). The carrying amount of the asset is reduced through use of an allowance account and the amount of loss is charged to profit or loss. Interest income continues to be recognized based on the original effective interest rate of the asset. Receivables, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery.

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 reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Receivables are stated at face value, less allowance for uncollectible accounts. Ageing of receivables from water sales is conducted periodically to identify those requiring sufficient level of allowance and determine proper level thereof. Other receivables are service connection fees, charges and materials not paid resulting from emergency repair and connection and other than those receivables from water sales.

2.3.9 Offsetting Financial Instruments

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

Classification of Financial Instruments between Debt and Equity

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

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

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

2.3.10 Inventories

This account pertains to unissued materials and supplies which are kept in stock and held for future use. Inventory is measured at cost upon initial recognition. The inventories on hand are stated at cost based on a moving average method. A physical count is undertaken twice a year. These are group into inventory held for sale, inventory held for consumption and semi-expendable inventory. Inventories are recognized as an expense when deployed for the utilization or consumption in the ordinary course of operations of the Water District.

2.3.11 Prepaid Expenses

Prepayments are prepaid insurances and other expenses applicable to future period. Prepaid expenses are individually measured at transaction costs and are subsequently amortized as they are used in operations or as they expire with the passage of time.

The District prepaid expenses obtained from insurances and subscriptions wherein amortized monthly.

2.3.12 Property, Plant and Equipment

Recognition

An item is recognized as property, plant, and equipment (PPE) if it meets the characteristics and recognition criteria as a PPE. Items recognized as Property, Plant and Equipment were record at cost. The characteristics of PPE are as follows:

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

An item of PPE is recognized as an asset if:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity;
- the cost or fair value of the item can be measured reliably; and
- the cost is at least P15,000.00.

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

Expenditures incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to operations in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of the related property, plant and equipment.

Depreciation is a method of allocating the cost of a tangible asset over its estimated useful life. 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.

Property, Plant and Equipment	Estimated Useful Life (in years)
Other Land Improvements	10
Infrastructure Assets	20-50
Buildings and Other Structures	20-50
Machinery and Equipment	5-15
Transportation Equipment	5-15
Furniture and Fixtures	2-15

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.

A straight-line method is being adopted in determining the periodic depreciation which commence on the month subsequent to acquisition. A residual value equivalent to ten percent (10%) of the purchase cost is being set up. For newly acquired PPE, computation of depreciation starts on the following month after the purchase, regardless of the date of purchase. Land is stated at cost less any impairment in value. Property under construction was stated at cost and depreciation was taken-up when the relevant assets were completed and put into operational use.

The estimated life of each public infrastructure asset is 20-50 years. Tangible items below the capitalization threshold of P15,000 accounted as semi-expendable property. Tangible items recognized as expenses upon issue to the end-user. Inventory Custodian Slip (ICS) issued to end-user to establish accountability over the semi-expendable property.

When assets are sold and retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of income and expenses.

Fully depreciated assets are retained in the account until they are no longer in use and no further charge for depreciation is made in respect of those assets.

Construction in progress is stated at cost. While the construction is in progress, project costs are accrued based on the contractors' accomplishment reports and billings. These represent costs incurred for technical services and capital works program contracted by the system to facilitate the implementation of the project. While the construction of the project is in progress, no provision for depreciation is recognized.

Construction in progress is transferred to the related Property, Plant and Equipment account when the construction or installation and related activities necessary to prepare the property, plant and equipment for their intended use have been completed, and the property, plant and equipment are ready for service.

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

2.3.13 Intangible Assets

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

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

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

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

2.3.14 Impairment of Non-financial Assets

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

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

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

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

2.3.15 Revenue Recognition

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

Income from Waterworks System

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

Fines and Penalties not related to taxes

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

The District charges fines and penalties to customers when there is a delay in the payment of water bill. On the other hand, fines and penalties are payment from tampering or illegal connections and one percent (1%) penalty charge upon non-payment of due amount after due date.

Other Business Income

Other business income comprises of fees and cost of materials that are charges to concessionaires upon new application, reconnection and emergency repairs. This was computed, based on Board Resolution No. 015-2017 dated 27 March 2017, regarding Modification of board Resolution No. 13-2000.

Interest Income

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

2.3.16 Cost of Services and Operating Expenses

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

2.3.17 Tax

Current Tax

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

Deferred Tax

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

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

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

2.3.18 Provisions and Contingencies

Provisions

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

Contingencies

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

Employee Benefits

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

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

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

The PERA were paid when basic pay is also paid under DBM Budget Circular No. 2009-003 dated August 18, 2009.

The officials/employees who in the actual performance of their respective functions are entitled to receive RATA. Transportation allowances are not granted to officials who are assigned or who are presently using government motor transportation.

The appropriations for each agency for uniform or clothing allowance of employees are not more than P 6,000 each per annum, subject to the rules and regulations issued by the DBM.

Longevity pay or length of service incentive shall be given to an employee who has rendered at least ten and five years of continuous satisfactory service to a particular position and which shall consist of step increments in accordance with the provision of Joint CSC DBM Circular No. 1, s.1990 dated March 29, 1990.

Overtime works are not resorted to in the performance of regular/routine work and activities except in cases when unforeseen events and emergency situations happened.

Year End Bonus and Cash Gift are provided under the guidelines set by the DBM for the year. The accumulated earned leaves of regular employees with corresponding equal amount of deposit to personnel bank account.

3. CHANGES IN ACCOUNTING POLICY

Adoption of Philippine Financial Reporting Standards (PFRS)

These financial statements, for the year ended December 31, 2019, the District has prepared in accordance with PFRS. For periods up to and including the year ended December 31, 2019, the District prepared its financial statements in accordance with generally accepted accounting principle in the Philippines and New Government Accounting System (NGAS).

Accordingly, the District has prepared financial statements that comply with PFRS applicable as at December 31, 2019, together with the comparative period data for the year ended December 31, 2018. The financial statements are prepared as at the beginning of the earliest comparative period when Talavera Water District applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.

PAS 1, Presentation of Financial Statements, provides framework of financial statements presentation. It requires more specific statement of financial position line items as applicable to the entity. The standard requires presentation of comparative financial statements and information.

PAS 2, Inventories, Inventories are valued at the lower of cost or net realizable value (NRV). Cost is determined using the moving average method. Per COA Circular No. 2015-010 dated December 1, 2015 (adoption of the Revised Chart of Accounts for GCs), property, plant and equipment with cost below ₱15,000.00 are reclassified as Semi Expendable Inventory.

PAS 7, Statement of Cash Flows, prescribes the provision of information about historical changes in cash equivalents of an entity by means of a cash flow statement which classifies cash flow during the period from operating, investing and financing.

PAS 10, Events after the Reporting Period, prescribes the accounting policies and disclosures related to adjusting and non-adjusting subsequent events. Additional disclosures required by the standard were included in the financial statements, principally the date of authorization for release of the financial statements.

PAS 16, Property, Plant and Equipment, provides additional guidelines and clarification on recognition and measurement of items of property, plant and equipment. It also provides that each part of an item, property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

PAS 18, Revenue, prescribes the accounting treatment for revenue arising from certain types of transaction and events and the criteria to recognize revenue.

PAS 19, Employees Benefits, the objective of this standard is to prescribe the accounting and disclosure of employee benefits (that is all forms of consideration given by an entity in exchange for service rendered by employees). This standard requires an entity to recognize a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and an expense when the entity consumes the economic benefit arising from service provided by an employee in exchange for employee benefits.

PAS 36, Impairment of Assets, provides that an asset is impaired when its carrying amount exceeds its recoverable amount. Indications of impairments are the following: obsolescence or physical damage; asset is held for disposal and there is evidence that the economic performance of an asset is, or will be, worse than expected.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES and ASSUMPTIONS

The preparation of the District's financial statements in compliance with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported and disclosure in the financial statements and the related notes. Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances. Actual results could differ from those estimates, and such, will be adjusted accordingly.

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

Judgments

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

Determination of impairment of non-financial asset

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

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

In 2019, the District has not identified any impairment indicator, thus, no impairment was recognized.

The carrying values of the District's property, plant and equipment amounted to ₱139,762,427.73 at December 31, 2019, respectively (see Note 10).

Estimates and Assumptions

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

Determination of impairment of receivables

The District reviews its receivables at each reporting date to assess whether provision for doubtful accounts should be recorded in profit or loss. The District maintains an allowance for impairment - accounts receivable based on the results of the individual and collective impairment assessments under PAS 39. Allowance for impairment - accounts receivable is maintained at a level considered adequate to provide for potentially uncollectible receivables. The level of allowance is based on past collection experience and other factors that may affect collectability. These factors include, but not limited to, age and status of receivables, the concessionaire's payment behaviour and known market factors. An evaluation of receivables, designed to identify potential charges to the allowance is performed on a continuous basis throughout the year.

The aging of the account shall start on the date the receivables falls due. The determination of bad debts based on board resolution shall be derived from computation on percentages and aging of accounts receivable as follows:

<u>AGE OF ACCOUNTS</u>	<u>PERCENTAGE</u>
1-180	0%
181-1 year	1%
1-2 years	2%
2-3 years	3%
3-4 years	4%
More than 4 years	5%

The District's Allowance for impairment of its Accounts Receivable amounted to ₱78,952.38 as of December 31, 2019, respectively (see Note 6). This was determined as the likely amount that will not be collected from delinquent customers.

Determination of estimated useful lives of property, plant and equipment

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

5. CASH AND CASH EQUIVALENTS

Particulars	2019	2018
Cash on Hand	42,389.69	900.00
Cash in Bank –Local Currency, Current Account	8,935,164.92	9,761,880.05
Cash in Bank –Local Currency, Savings Account	3,311,247.15	1,273,417.53
TOTAL	12,288,801.76	11,036,197.58

All collection of the water district is promptly deposited in the depository banks. The cash on hand at the end of the year are those collections that remain as deposit in transit, crediting to the bank accounts at the beginning of the succeeding year.

Petty Cash Fund worth P 20,000 was disbursed to the accountable petty cash custodian at the beginning of the year. The PCF are sufficient for the recurring petty operating expenses of the agency and not use for payment of regular expenses, such as rentals, subscriptions, electricity bills and the like. Payments out of PCF, which shall be made through a Petty Cash Voucher, are only allowed only for amounts not exceeding P 1,000 for each transaction. As soon as the disbursement reaches 75 percent (75%) or as needed, the PCF replenished and equal to the total amount of expenditures made there from. Splitting of transactions to avoid exceeding the ceiling are not allowed. At the end of the transaction year, the unused PCF was collected by the Cashier and made a receipt as proof of refund.

6. RECEIVABLES

Particulars	2019	2018
Current Assets		
Accounts Receivable	7,366,469.18	7,006,928.58
<i>Allowance for Impairment – Accounts Receivable</i>	(369.27)	(523.46)
Net Value –Accounts Receivable	7,366,099.91	7,006,405.12
Other Receivables	873,428.94	294,965.72
Receivables – Disallowances/Charges	15,934.56	15,934.56
TOTAL	8,255,463.41	7,317,305.40
Non-Current Assets		
Accounts Receivable	1,812,901.96	1,784,681.20
<i>Allowance for Impairment – Accounts Receivable</i>	(78,583.11)	(80,802.69)
TOTAL	1,734,318.85	1,703,878.51

Accounts receivable includes all amounts arising from services rendered to the customers for water sales. Paragraph 57 of the PAS 1 states that an asset shall be classified as current when it is expected to be realized within twelve months after balance sheet date.

Other receivables pertain to the amount collectible from concessionaires other than water sales. This is the balance collected on service connection fees, charges and materials not paid resulting from emergency repair or requested instalment payment of said repair and connection.

Included in the receivable account are all the disallowances or charges collectible to the responsible employees.

7. INVENTORIES

This account pertains to unissued materials and supplies which are kept in stock and held for future use.

2019

Cost	Semi-Expendable Machinery and Equipment Inventory			Total
	Inventory Held for Consumption	Inventory Held for Sale	Inventory	
Balance, Jan. 1, 2019	₱4,019,192.47	₱783,684.04	₱22,706.00	₱4,825,582.51
Additions/Acquisitions during the year	12,834,219.25	5,455,556.00	0.00	18,289,775.25
Expensed during the year except write-down	(12,331,552.06)	(5,194,267.21)	(22,706.00)	(17,548,525.27)
Write-down during the year	0.00	0.00	0.00	0.00
Reversal of Write-down during the year	0.00	0.00	0.00	0.00
Balance, Dec. 31, 2019	₱4,521,859.66	₱1,044,972.83	₱0.00	₱5,566,832.49

2018

Cost	Semi-Expendable Machinery and Equipment Inventory			Total
	Inventory Held for Consumption	Inventory Held for Sale	Inventory	
Balance, Jan. 1, 2018	₱1,262,894.48	₱1,439,867.36	₱23,356.00	₱2,726,117.84
Additions/Acquisitions during the year	12,325,875.44	4,041,487.50	0.00	16,367,362.94
Expensed during the year except write-down	(9,569,577.45)	(4,697,670.82)	(650.00)	(14,267,898.27)
Write-down during the year	0.00	0.00	0.00	0.00

2018

	Inventory Held for Consumption	Inventory Held for Sale	Semi- Expendable Machinery and Equipment Inventory	Total
Reversal of Write-down during the year	0.00	0.00	0.00	0.00
Balance, Dec. 31, 2018	₱4,019,192.47	₱783,684.04	₱22,706.00	₱4,825,582.51

8. PREPAYMENTS

Particulars	2019	2018
Prepaid Insurance	323,034.46	179,089.93
Other Prepayments	33,567.45	25,041.27
TOTAL	356,601.91	204,131.20

This account comprises all insurance premiums of service vehicles and buildings and its content that are paid in advance to GSIS.

Other prepaid expenses include yearly subscription of newspaper, domain hosting and prepaid toll fees. The monthly prepaid amount was debited to expenses and posted through JEV.

9. PROPERTY, PLANT AND EQUIPMENT

This account includes properties that are relatively permanent in character, and used in the normal utility operations with an expected useful life of more than one year and with a capitalization threshold of P15,000.00 and above.

2019

	Land	Other Land Improvements	Buildings and Other Structures	Transportation Equipment	Furniture, Fixtures and Books	Machinery and Equipment	Plant-UP/IS	Total
Balance at beginning of year	6,989,861.97	3,817,347.47	9,880,971.60	4,572,176.50	248,636.09	36,641,441.67	114,587,194.25	176,737,629.55
Additions	2,837,192.43	0.00	259,732.43	32,000.00	0.00	3,931,566.00	12,423,052.92	19,483,543.78
Disposals	0.00	0.00	0.00	(140,800.00)	0.00	(1,618,873.00)	0.00	(1,759,673.00)

Cost

	Land	Other Land Improvements	Buildings and Other Structures	Transportation Equipment	Furniture, Fixtures and Books	Machinery and Equipment	Plant-UPIS	Total
Balance,								
Dec. 31, 2019	9,827,054.40	3,817,347.47	10,140,704.03	4,463,376.50	248,636.09	38,954,134.67	127,010,247.17	194,461,500.33
<i>Accumulated depreciation and amortization</i>								
Balance at beginning of year	0.00	1,688,125.16	3,386,288.25	2,441,710.90	221,699.24	15,759,509.98	23,973,820.13	47,471,153.66
Depreciation and amortization	0.00	251,117.76	384,385.17	428,881.10	2,073.24	3,490,723.27	3,797,596.99	8,354,777.53
Impairment Loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	(118,877.34)	0.00	(1,007,981.25)	0.00	(1,126,858.59)
Other Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance,								
Dec. 31, 2019	0.00	1,939,242.92	3,770,673.42	2,751,714.66	223,772.48	18,242,252.00	27,771,417.12	54,699,072.60
Net book value	₱9,827,054.40	1,878,104.55	₱6,370,030.61	₱1,711,661.84	₱24,863.61	₱20,711,882.67	₱99,238,830.05	₱139,762,427.73

2018

	Land	Other Land Improvements	Buildings and Other Structures	Transportation Equipment	Furniture, Fixtures and Books	Machinery and Equipment	Plant-UPIS	Total
Balance,								
Dec. 31, 2018	6,989,861.97	3,817,347.47	9,880,971.60	4,572,176.50	248,636.09	36,641,441.67	114,587,194.25	176,737,629.55
<i>Accumulated depreciation and amortization</i>								
Balance at beginning of year	0.00	1,477,657.52	3,020,163.21	2,016,498.46	208,498.40	12,290,001.40	20,681,509.68	39,694,328.67
Depreciation and amortization	0.00	210,467.64	366,125.04	425,212.44	13,200.84	3,809,458.78	3,292,310.45	8,116,775.19
Impairment Loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Disposals	0.00	0.00	0.00	0.00	0.00	(339,950.20)	0.00	(339,950.20)
Other Adjustments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance,								
Dec. 31, 2018	0.00	1,688,125.16	3,386,288.25	2,441,710.90	221,699.24	15,759,509.98	23,973,820.13	47,471,153.66

	Land	Other Land Improvements	Buildings and Other Structures	Transportation Equipment	Furniture, Fixtures and Books	Machinery and Equipment	Plant-UPIS	Total
Net book value	₱6,989,861.97	2,129,222.31	₱6,494,683.35	₱2,130,465.60	₱26,936.85	₱20,881,931.69	₱90,613,374.12	₱129,266,475.89

10. OTHER ASSETS

Particulars	2019	2018
Other Assets	773,274.54	606,744.54
TOTAL	773,274.54	606,744.54

This is composed of all the unserviceable properties of the District that subject for disposal and not accumulates depreciation.

11. PAYABLE ACCOUNTS

Particulars	2019	2018
Accounts Payable	4,733,799.50	1,108,926.78
TOTAL	4,733,799.50	1,108,926.78

This account represents obligation of the agency to pay off a short-term debt to its creditors.

12. INTER-AGENCY PAYABLES

Particulars	2019	2018
Due to BIR	728,264.61	635,735.90
Due to GSIS	243,927.72	241,254.56
Due to PhilHealth	17,737.97	15,833.40
Due to PAG-IBIG	35,542.36	25,267.30
Due to Other GOCCs (Landbank)	4.84	5.02
TOTAL	1,025,477.50	918,096.18

This account includes those current trust liabilities held by the district in behalf of other government agencies. Such dues would be remitted in accordance with the prescribed period set by those agencies.

13. TRUST LIABILITIES

Particulars	2019	2018
Customer Guarantee Deposit Payable	274,816.44	274,816.44
TOTAL	274,816.44	274,816.44

The remaining balances on customer guarantee deposit are those inactive concessionaires with no receivables on their accounts. These liabilities were account as current because anytime it is due once claim by the concessionaires.

14. DEFERED CREDITS/ UNEARNED INCOME

Particulars	2019	2018
Unearned Revenue/Income Investment Property (Meter Rental)	1,044,943.90	665,882.66
Other Unearned Revenue/ income (Meter Maintenance)	147,623.31	171,690.05
TOTAL	1,192,567.21	837,572.71

In accordance to Philippine Accounting Standards (PAS) 1 which states that an entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting. The payment for the meter maintenance and meter rental recognized in the statement of comprehensive income only when earned or when the services are rendered.

15. PROVISIONS

Particulars	2019	2018
Leave Benefits Payable	9,009,090.14	7,617,395.82
Other Provisions (Warranty Bond)	21,687.00	0.00
TOTAL	9,030,777.14	7,617,395.82

Leave benefits payables incorporate all accumulated earn leaves of all regular employees of the district. Regular employees who have accumulated 15 days of vacation leave credits are allowed to monetize a minimum of ten (10) days; Provided that an at least five (5) days is retained after monetization and provided further that a maximum of 30 days may be monetized in a given year for a justifiable reasons.

The Management required warranty securities in the procurement of goods and construction projects from suppliers pursuant to Section 62.1, Rule XIX of the IRR of RA 9184 so that manufacturing defects, if any, shall be corrected by the supplier concerned.

16. SERVICE AND BUSINESS INCOME

Particulars	2019	2018
Waterworks Systems Fees	68,168,958.70	63,166,988.93
Other Business Income	10,557,885.81	9,716,235.20
Fines and Penalties –Business Income	253,104.77	247,351.82
TOTAL	78,979,949.28	73,130,575.95

Water consumption for the month of December 2019 was recognized on the statement of comprehensive income in the amount of P 2,838,829.49 as these were already considered earned and the services were already rendered.

17. OTHER NON-OPERATING INCOME

Particulars	2019	2018
Interest Income	14,741.67	12,906.69
TOTAL	14,741.67	12,906.69

These are the interest income from all current, checking and special savings accounts registered under the name of Talavera Water District.

18. PERSONNEL SERVICES

This account consists of the following:

Particulars	2019	2018
Salaries and Wages	15,740,523.80	13,096,418.03
Other Compensation	3,788,072.13	3,491,474.47
Personnel Benefit Contributions	1,188,039.86	1,072,067.80
Other Personnel Benefits	783,970.21	622,203.06
TOTAL	21,500,606.00	18,282,163.36

Salaries of regular employees were based on 4th Tranche Schedule of Salary Standardization Law of executive Order 201 dated 19 February 2016. Personnel Services includes honoraria, other benefits, bonuses and employer shares.

19. MAINTENANCE AND OTHER OPERATING EXPENSES

This account consists of the following:

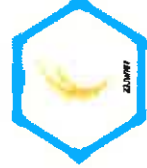
Particulars	2019	2018
Travelling Expenses	151,791.55	73,879.00
Training and Scholarship Expenses	295,746.00	73,800.00
Supplies and Materials Expenses	9,399,833.34	7,426,163.62
Utility Expenses	741,830.94	838,080.98
Communication Expenses	245,027.18	237,477.59
Survey, Research, Exploration and Development	0.00	173,471.00
Professional Services	507,300.00	518,653.40
Generation, Transmission and Dist Expenses	13,555,458.07	13,911,501.26
Repairs and Maintenance	2,316,526.20	1,763,173.72
Taxes, Insurance Premiums and Other Fees	1,684,639.50	1,600,965.35
Other Maintenance and Operating Expenses	349,364.84	205,801.33
TOTAL	29,247,517.62	26,822,967.25

20. NON-CASH EXPENSES

This account consists of the following:

Particulars	2019	2018
Depreciation Expense	8,609,050.53	7,526,329.19
Senior Citizen Discount	43,498.14	41,878.93
TOTAL	8,652,548.67	7,568,208.12

Annual depreciation of Property, Plant and Equipment (PPE) is computed using the straight-line method.



DETAILED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	12,288,801.76	11,036,197.58
Cash on Hand	42,389.69	900.00
Cash Collecting Officers	42,389.69	900.00
Petty Cash		
Cash in Bank-Local Currency, Current Account	8,935,164.92	9,761,880.05
General Fund	1,996,550.53	4,486,803.87
Personnel Account	6,938,614.39	5,275,076.18
Cash in Bank -Local Currency, Savings Account	3,311,247.15	1,273,417.53
Reserves Account	3,311,247.15	1,273,417.53
Receivables	8,255,463.41	7,317,305.40
Accounts Receivable	7,366,469.18	7,006,928.58
Allowance for Impairment-Accounts Receivable	(369.27)	(523.46)
Other Receivables	889,363.50	310,900.28
Other Receivables	873,428.94	294,965.72
Receivables -Disallowances/Charges	15,934.56	15,934.56
Inventories	5,566,832.49	4,825,582.51
Inventory Held for Sale	1,044,972.83	783,684.04
Merchandise Inventory	1,044,972.83	783,684.04
Inventory Held for Consumption	4,521,859.66	4,019,192.47
Office Supplies Inventory		
Accountable Forms, Plates and Stickers Inventory	312,656.71	400,056.71
Non-Accountable Forms Inventory	1,835.27	70,475.35
Medical, Dental and Laboratory Supplies Inventory	18,700.00	
Chemical and Filtering Supplies Inventory	1,167,600.00	1,313,860.30
Construction Materials Inventory	3,021,067.68	2,234,800.11
Semi-Expendable Inventory	-	22,706.00
Semi-Expendable Other Machinery and Equipment Inventory	-	22,706.00
OTHER CURRENT ASSETS		
Advances	0.00	0.00
Advances for Payroll	0.00	0.00
Advances to Special Disbursing Officer (Change Fund)	0.00	0.00
Prepayments	356,601.91	204,131.20
Prepaid Insurance	323,034.46	179,089.93
Other Prepayments	33,567.45	25,041.27
Other Deposits	67,000.00	81,181.70
TOTAL CURRENT ASSETS	26,534,699.57	23,464,398.39
NON-CURRENT ASSETS		
Receivable Accounts	1,734,318.85	1,703,878.51
Accounts Receivable	1,812,901.96	1,784,681.20
Allowance for Impairment-Accounts Receivable	(78,583.11)	(80,802.69)
Property Plant and Equipment	139,762,427.73	129,266,475.89
Land	9,827,054.40	6,989,861.97
Land	9,827,054.40	6,989,861.97

Land Improvements		
Other Land Improvement	3,817,347.47	3,817,347.47
<i>Accumulated Depreciation</i> -Other Land Improvement	1,939,242.92	1,688,125.16
Net Value -Other Land Improvements	1,878,104.55	2,129,222.31
Infrastructure Assets		
Plant -Utility Plant in Service (UPIS) -Wells	17,263,632.45	15,069,154.77
<i>Accumulated Depreciation</i> -Plant-Utility Plant in Service (UPIS) -Well:	2,687,003.82	2,190,564.74
Net Value- Plant -Utility Plant in Service (UPIS) -Wells	14,576,628.63	12,878,590.03
Plant -Utility Plant in Service (UPIS) -Reservoirs and Tanks	10,831,660.84	10,831,660.84
<i>Accumulated Depreciation</i> -Plant-Utility Plant in Service (UPIS) -Reser	2,609,603.57	2,284,653.65
Net Value -Plant -Utility Plant in Service (UPIS) -Reservoirs and Tank	8,222,057.27	8,547,007.19
Plant -Utility Plant in Service (UPIS) -Transmission and Distribution M	96,102,183.57	86,533,852.33
<i>Accumulated Depreciation</i> -Plant-Utility Plant in Service (UPIS) -Tran	21,026,980.48	18,386,205.07
Net Value -Plant -Utility Plant in Service (UPIS) -Transmission and Di	75,075,203.09	68,147,647.26
Plant -Utility Plant in Service (UPIS) -Service Connection	406,205.87	406,205.87
<i>Accumulated Depreciation</i> -Plant-Utility Plant in Service (UPIS) -Serv	365,585.27	365,585.27
Net Value -Plant -Utility Plant in Service (UPIS) -Service Connection	40,620.60	40,620.60
Plant -Utility Plant in Service (UPIS) -Meters	2,345,824.00	1,685,580.00
<i>Accumulated Depreciation</i> -Plant-Utility Plant in Service (UPIS) -Mete	1,056,281.58	728,337.00
Net Value -Plant -Utility Plant in Service (UPIS) -Meters	1,289,542.42	957,243.00
Plant -Utility Plant in Service (UPIS) -Hydrants	60,740.44	60,740.44
<i>Accumulated Depreciation</i> -Plant-Utility Plant in Service (UPIS) -Hydr	25,962.40	18,474.40
Net Value -Plant -Utility Plant in Service (UPIS) -Hydrants	34,778.04	42,266.04
Buildings and Other Structures		
Buildings	4,952,233.93	4,907,233.93
<i>Accumulated Depreciation</i> -Buildings	2,210,827.39	2,011,787.14
Net Value -Buildings	2,741,406.54	2,895,446.79
Water Plant, Structure and Improvements	5,188,470.10	4,973,737.67
<i>Accumulated Depreciation</i> -Water Plant, Structure and Improvements	1,559,846.03	1,374,501.11
Net Value -Water Plant, Structure and Improvements	3,628,624.07	3,599,236.56
Machinery and Equipment		
Office Equipment	4,436,734.33	4,252,966.33
<i>Accumulated Depreciation</i> -Office Equipment	3,090,194.29	2,519,063.41
Net Value -Office Equipment	1,346,540.04	1,733,902.92
Information and Communication Technology Equipment	6,836,845.60	5,672,997.60
<i>Accumulated Depreciation</i> -Information and Communication Technol	3,251,688.02	2,254,254.73
Net Value -Information and Communication Technology Equipment	3,585,157.58	3,418,742.87
Construction and Heavy Equipment	1,886,480.00	1,886,480.00
<i>Accumulated Depreciation</i> -Construction and Heavy Equipment	545,731.83	303,184.35
Net Value -Construction and Heavy Equipment	1,340,748.17	1,583,295.65
Other Machinery and Equipment (Power Production)	16,866,615.52	15,889,563.52
<i>Accumulated Depreciation</i> -Other Machinery and Equipment (Power l	7,780,176.11	7,184,817.45
Net Value -Other Machinery and Equipment (Power Production)	9,086,439.41	8,704,746.07
Other Machinery and Equipment (Pumping)	5,670,205.00	5,709,305.00
<i>Accumulated Depreciation</i> -Other Machinery and Equipment (Pumpin	1,855,653.52	1,890,009.79
Net Value -Other Machinery and Equipment (Pumping)	3,814,551.48	3,819,295.21
Other Machinery and Equipment (Water Treatment)	815,600.00	765,600.00
<i>Accumulated Depreciation</i> -Other Machinery and Equipment (Water T	264,320.25	191,291.25
Net Value -Other Machinery and Equipment (Water Treatment)	551,279.75	574,308.75

Other Machinery and Equipment (Tools)	2,393,154.22	2,126,656.22
<i>Accumulated Depreciation -Other Machinery and Equipment (Tools)</i>	1,442,120.48	1,123,878.50
Net Value -Other Machinery and Equipment (Tools)	951,033.74	1,002,777.72
Technical and Scientific Equipment	48,500.00	48,500.00
<i>Accumulated Depreciation -Technical and Scientific Equipment</i>	12,367.50	3,637.50
Net Value -Technical and Scientific Equipment	36,132.50	44,862.50
Transportation Equipment		
Motor Vehicles	3,643,476.50	3,611,476.50
<i>Accumulated Depreciation -Motor Vehicles</i>	2,373,115.86	2,060,793.66
Net Value -Motor Vehicles	1,270,360.64	1,550,682.84
Other Transportation Equipment	819,900.00	960,700.00
<i>Accumulated Depreciation -Other Transportation Equipment</i>	378,598.80	380,917.24
Net Value -Other Transportation Equipment	441,301.20	579,782.76
Furniture, Fixtures and Books		
Furniture and Fixtures	248,636.09	248,636.09
<i>Accumulated Depreciation -Furniture and Fixtures</i>	223,772.48	221,699.24
Net Value -Furniture and Fixtures	24,863.61	26,936.85
Construction in Progress	3,440,212.00	1,962,452.18
Construction in Progress -Land Improvements	-	-
Construction in Progress -Buildings and Other Structures	(0.00)	(0.00)
Construction in Progress -Infrastructure Assets	3,440,212.00	1,962,452.18
Intangible Assets		
Computer Software	6,577,551.30	472,808.00
<i>Accumulated Amortization -Computer Software</i>	(0.00)	(0.00)
Net Value -Computer Software	6,577,551.30	472,808.00
Other Assets		
Other Assets	773,274.54	606,744.54
Total Non-Current Assets	152,287,784.42	134,012,359.12
TOTAL ASSETS	178,822,483.99	157,476,757.51

LIABILITIES

CURRENT LIABILITIES		
Financial Liabilities		
Accounts Payable	4,733,799.50	1,108,926.78
Inter-Agency Payables		
Due to BIR	1,025,477.50	918,096.18
Due to GSIS	728,264.61	635,735.90
Due to PhilHealth	243,927.72	241,254.56
Due to Pag-Ibig	17,737.97	15,833.40
Due to Government Corporations (Landbank)	35,542.36	25,267.30
	4.84	5.02
Deferred Credits/ Unearned Income	743,696.24	669,191.91
Unearned Revenue/Income Investment Property	657,662.92	621,051.86
Other Unearned Revenue/ Income	86,033.32	48,140.05
Trust Liabilities		
Customer Guarantee Deposit Payable	274,816.44	274,816.44
Total Current Liabilities	6,777,789.68	2,971,031.31
Non-Current Liabilities		
Loans Payable Domestic	-	-
Deferred Credits/ Unearned Income	448,870.97	168,380.80
Unearned Revenue/Income Investment Property (Meter Rental)	387,280.98	44,830.80
Other Unearned Revenue/ Income (Meter Maintenance)	61,589.99	123,550.00

Provisions	9,030,777.14	7,617,395.82
Leave Benefits Payable	9,009,090.14	7,617,395.82
Other Provisions (Warranty Bond)	21,687.00	
Total Non- Current Liabilities	9,479,648.11	7,785,776.62

TOTAL LIABILITIES	16,257,437.79	10,756,807.93
--------------------------	---------------	---------------

EQUITY

Government Equity	3,016,538.54	3,016,538.54
Government Equity	3,016,538.54	3,016,538.54

Retained Earnings/(Deficit)	159,548,507.66	143,703,411.04
Retained Earnings/(Deficit)	159,548,507.66	143,703,411.04

TOTAL EQUITY	162,565,046.20	146,719,949.58
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TOTAL LIABILITIES AND EQUITY	178,822,483.99	157,476,757.51
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Prepared and Certified Correct by:

ROWENA N DELA CRUZ
Financial Planning Specialist

Noted by:

ENGR LEANDRO JUN C LACSAMANA
General Manager

50299990 Other Maintenance and Operating Expenses
Total Other Maintenance and Operating Expenses

86,822.50
349,364.84 **205,801.33**

TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES

29,247,517.62 **26,822,967.25**

Financial Expenses

50301020 Interest Expenses

Total Financial Expenses

Non-Cash Expenses

Depreciation

50501020 Other Land Improvements
50501030-11-04 Plant -UPIS-Wells
50501030-11-08 Plant -UPIS-Reservoirs and Tanks
50501030-11-09 Plant -UPIS-Transmission and Distribution Mains
50501030-11-12 Plant -UPIS-Hydrants
50501030-11-14 Plant -UPIS-Meters
50501040-01 Office Buildings
50501040-07 Water Plant Structures and Improvements
50501050-02 Office Equipment
50501050-03 Information and Communication Technology Equip
50501050-08 Construction and Heavy Equipment
50501050-14 OME-Technical and Scientific Equipment
50501050-99-01 OME-Power Production
50501050-99-02 OME-Pumping Equipment
50501050-99-03 OME-Water Treatment Equipment
50501050-99-04 OME-Tools
50501060-01 Motor Vehicles
50501060-99 Other Transportation Equipment
5050170 Furniture and Fixtures

251,117.76
496,439.08
324,949.92
2,640,775.41
7,488.00
327,944.58
199,040.25
185,344.92
571,130.88
962,333.29
242,547.48
8,730.00
1,083,158.66
485,824.98
73,029.00
318,241.98
312,322.20
116,558.90
2,073.24
8,609,050.53 **7,526,329.19**

Losses

50504040 Loss on Sale of Property Plant and Equipment
50504990 Other Losses

Total Losses

Discount and Rebates

50505010 Senior Citizen Discount

Total Discounts and Rebates

TOTAL NON-CASH EXPENSES

TOTAL EXPENSES

COMPREHENSIVE INCOME/(LOSS)

-
-
-
11,988.00 **11,988.00**

43,498.14
43,498.14 **41,878.93**

8,652,548.67 **7,580,196.12**

59,400,672.29 **52,685,326.73**

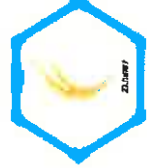
19,594,018.66 **20,458,155.91**

Prepared and Certified Correct by:

Noted by:

ROWENA N DELA CRUZ
Financial Planning Specialist

ENGR LEANDRO JUN C LACSAMANA
General Manager



DETAILED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
INCOME		
Service and Business Income		
40202090 Waterworks System Fees	68,168,958.70	63,166,988.93
40202990 Other Business Income	10,557,885.81	9,716,235.20
40202230 Fines and Penalties -Business Income	253,104.77	247,351.82
40202210 Interest Income	14,741.67	12,906.69
Total Service and Business Income	78,994,690.95	73,143,482.64
Other Non-Operating Income		
40601020 Sale of Unserviceable Property	-	-
Total Other Non-Operating Income	-	-
TOTAL INCOME	78,994,690.95	73,143,482.64
EXPENSES		
Personnel Services		
<i>Salaries and Wages</i>		
50101010 Salaries and Wages -Regular	8,486,037.01	7,600,030.25
50216010 Labor and Wages	7,254,486.79	5,496,387.78
Total Salaries and Wages	15,740,523.80	13,096,418.03
Other Compensation		
50102010 Personnel Economic Relief Allowance (PERA)	741,048.13	677,544.95
50102020 Representation Allowance (RA)	102,000.00	102,000.00
50102030 Transportation Allowance (TA)	102,000.00	102,000.00
50102040 Clothing/Uniform Allowance	168,000.00	174,000.00
50102990 Other Bonuses and Allowances	564,000.00	694,499.61
50102100 Honoraria	314,640.00	229,500.00
50102120 Longevity Pay	35,000.00	45,000.00
50102130 Overtime and Night Pay	207,790.00	69,419.71
50102150 Cash Gift	160,000.00	145,000.00
50102140 Year End Bonus	1,393,594.00	1,252,510.20
Total Other Compensation	3,788,072.13	3,491,474.47
Personnel Benefit Contributions		
50103010 Retirement and Life Insurance Premiums	1,012,694.05	911,210.12
50103020 Pag-IBIG Contributions	37,200.00	33,731.81
50103030 Phil-Health Contributions	101,445.81	93,425.87
50103040 Employees Compensation Insurance Premiums	36,700.00	33,700.00
Total Personnel Benefit Contributions	1,188,039.86	1,072,067.80
Other Personnel Benefits		
50104030 Terminal Leave Benefits	783,970.21	622,203.06
Total Other Personnel Benefits	783,970.21	622,203.06
TOTAL PERSONNEL SERVICES	21,500,606.00	18,282,163.36
Maintenance and Other Operating Expenses		
Traveling Expenses		
50201010 Travelling Expenses -Local	151,791.55	73,879.00
Total Traveling Expenses	151,791.55	73,879.00
Training and Scholarship Expenses		
50202010 Training Expenses	295,746.00	73,800.00
Total Training Expenses	295,746.00	73,800.00
Supplies and Materials Expenses		
50203010 Office Supplies Expenses	261,773.00	181,415.29
50203020 Accountable Forms Expenses	93,400.00	66,083.29
50203030 Non-Accountable Forms Expenses	68,640.07	33,078.46
50203990 Other Supplies and Materials Expenses	3,946,808.47	2,748,643.18
50203130 Chemical and Filtering Supplies Expenses	2,548,813.30	2,102,759.70
50203210 Semi-Expendable Machinery and Equipment Expenses	2,442,498.50	2,273,434.70
50203220 Semi-Expendable Furniture, Fixtures and Books Expenses	37,900.00	20,749.00

Total Supplies and Materials Expenses		9,399,833.34	7,426,163.62
Utility Expenses			
50203090 Fuel, Oil and Lubricants Expenses -Office		487,600.42	524,669.75
50204020 Electricity expenses -Office		254,230.52	313,411.23
Total Utility Expenses		741,830.94	838,080.98
Communication Expenses			
50205010 Postage and Courier Services		1,574.00	4,068.00
50205020-01 Telephone expenses -Mobile		123,187.71	126,941.13
50205020-02 Telephone expenses -Landline		62,025.47	52,708.46
50205030 Internet Subscription Expenses		58,240.00	53,760.00
Total Communication Expenses		245,027.18	237,477.59
Awards/Rewards, Prizes and Indemnities			
50206010 Awards/ Rewards Expenses		-	-
Total Awards/Rewards, Prizes and Indemnities			
Survey, Research, Exploration and Development Expenses			
50207010 Survey Expenses		-	173,471.00
Total Survey, Research, Exploration and Development Expenses			173,471.00
Generation, Transmission and Distribution Expenses			
50209010-01 Generation, Transmission and Distribution Expenses -Electri		12,977,992.51	13,049,184.24
50209010-02 Generation, Transmission and Distribution Expenses -Fuel		577,465.56	862,317.02
Total Generation, Transmission and Distribution Expenses		13,555,458.07	13,911,501.26
Confidential, Intelligence and Extraordinary Expenses			
50210010 Confidential Expenses		-	-
50210020 Intelligence Expenses		-	-
50210030-01 Extraordinary Expenses		-	-
50210030-02 Miscellaneous Expenses		-	-
Total Confidential, Intelligence and Extraordinary Expenses			
Professional Services			
50211010 Legal Services		1,800.00	7,600.00
50211020 Auditing Services		-	219,780.40
50211990 Other Professional Services		505,500.00	291,273.00
Total Professional Services		507,300.00	518,653.40
Repairs and Maintenance			
50213020 Repairs and Maintenance -Land Improvements		5,725.75	-
50213060-01 Repairs and Maintenance -Transportation Equipment		178,359.94	143,855.39
<i>Buildings and Other Structures</i>			
50213040-01 Repairs and Maintenance -Office Buildings		138,986.65	24,700.00
50213040-02 Repairs and Maintenance -Water Plant Structures and Improv		132,631.34	48,926.47
<i>Infrastructure Assets -UPIS</i>			
50213030-11-09 Repairs and Maintenance -Transmission and Distribution Main		1,400,936.64	1,099,092.56
50213030-11-11 Repairs and Maintenance -Service Connection		18,296.69	18,294.24
50213030-11-12 Repairs and Maintenance -Meters		18,159.64	14,214.59
<i>Machinery and Equipment</i>			
50213050-02 Repairs and Maintenance -Office Equipment		77,210.30	65,100.00
50213050-03 Repairs and Maintenance -Information and Communication T		31,685.50	32,570.00
50213050-99-01 Repairs and Maintenance -OME-Power Production		141,249.69	263,703.47
50213050-99-02 Repairs and Maintenance -OME-Pumping		98,320.00	24,485.00
50213050-99-03 Repairs and Maintenance -OME-Water Treatment		12,147.56	9,325.00
50213050-99-04 Repairs and Maintenance -OME-Tools		60,947.50	18,407.00
<i>Semi-Expendable Equipment</i>			
50213210-02 Repairs and Maintenance -Office Equipment		1,350.00	-
50213210-03 Repairs and Maintenance -Information and Communication T		519.00	500.00
Total Repairs and Maintenance		2,316,526.20	1,763,173.72
Taxes, Insurance Premiums and Other Fees			
50215010 Taxes, Duties and Licenses		1,445,440.97	1,355,609.73
50215030 Insurance Expenses		239,198.53	245,355.62
Total Taxes, Insurance Premiums and Other Fees		1,684,639.50	1,600,965.35
Other Maintenance and Operating Expenses			
50299010 Advertising, Promotional and Marketing Expenses		-	1,619.98
50299030 Representation Expenses		231,648.21	173,511.16
50299060 Membership Dues and Contributions to Organizations		9,490.00	5,289.50
50299070 Subscription Expenses		21,404.13	25,380.69



Republic of the Philippines

TALAVERA WATER DISTRICT

042 Diaz Street, Pag-asa District, Talavera, Nueva Ecija 3114

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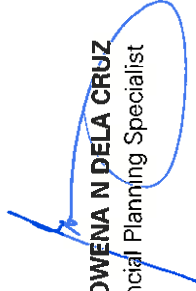


CONDENSED STATEMENT OF COMPREHENSIVE INCOME

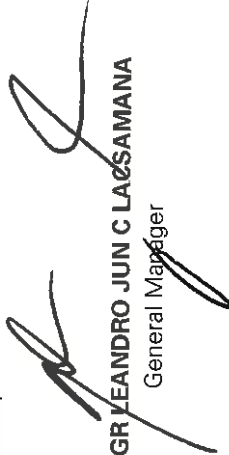
For the Year Ended December 31, 2019

	<u>NOTE</u>	<u>2019</u>	<u>2018</u>
Income			
Service and Business Income	16	78,979,949.28	73,130,575.95
Other Non-Operating Income	17	14,741.67	12,906.69
Total Income		<u>78,994,690.95</u>	<u>73,143,482.64</u>
Expenses			
Personnel Services	18	21,500,606.00	18,282,163.36
Maintenance and Other Operating Expenses	19	29,247,517.62	26,822,967.25
Financial Expenses		-	-
Non-Cash Expenses	20	8,609,050.53	7,538,317.19
Discount and Rebates	20	43,498.14	41,878.93
Total Expenses		<u>59,400,672.29</u>	<u>52,685,326.73</u>
Comprehensive Income/(Loss)		<u>19,594,018.66</u>	<u>20,458,155.91</u>

Prepared and Certified Correct by:


ROWENA N DELA CRUZ
 Financial Planning Specialist

Noted by:


ENGR YEANDRO JUN C LACSAMANA
 General Manager

DETAILED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH INFLOWS		
Collection of Income/Revenue	74,060,743.89	69,101,220.78
Collection of service and business income		
Water Works System Fees	64,888,039.28	59,588,184.14
Other Business Income	9,146,362.94	9,500,129.95
Collection of other non-operating income	26,341.67	12,906.69
Collection of Receivables	549,796.48	513,070.43
Collection of other receivables	549,796.48	508,170.43
Collection of receivable from audit disallowances and/or charges	-	4,900.00
Trust Receipts	900,554.00	475,238.00
Receipt of customers' deposits	21,687.00	8,736.00
Collection of Deferred Credits/Unearned Income	878,867.00	466,502.00
Other Receipts	3,935,981.29	3,679,384.41
Receipt of unused petty cash fund	11,512.00	9,771.40
Receipt of refund of overpayment of personnel services	3,420.00	9,720.00
Receipt of refund of overpayment of maintenance and other operating expenses	125.77	93,847.85
Receipt of refund of cash advances (Change Fund)	10,410.86	3,000.00
Refund of guaranty deposits as payment for water bill	-	34,092.64
Receipt for payment of maintenance and other operating expenses	146,084.70	-
Transfer of funds from TWD Current Account to TWD Reserves Account	2,036,021.40	1,869,712.52
Transfer of funds from TWD Current Account to TWD Personnel Account	1,728,406.56	1,659,240.00
TOTAL CASH INFLOWS	79,447,075.66	73,768,913.62
CASH OUTFLOWS		
Payment of Expenses		
Payment of personnel services	12,404,872.88	11,337,372.77
Payment of maintenance and other operating expenses	15,235,738.54	13,128,659.92
Purchase of inventories	5,627,949.50	5,181,196.90
Advances for payroll	8,597,120.61	6,435,355.45
Advances for special purpose/time-bound undertakings (Change Fund)	3,000.00	3,000.00
Prepayments	260,602.66	290,063.07
Refund of Guaranty Deposits	-	-
Payments of Accounts Payable	2,653,413.77	2,841,840.57
Remittance of taxes withheld	3,445,052.53	4,012,374.64
Remittance to GISIS/PAG-IBIG/PhilHealth	3,782,497.92	3,527,031.97
Remittance of other payables	208,524.55	256,528.78
Transfer of funds from TWD Current Account to TWD Reserves Account	2,036,021.40	1,869,712.52
Transfer of funds from TWD Current Account to TWD Personnel Account	1,728,406.56	1,659,240.00
TOTAL CASH OUTFLOWS	55,993,200.92	50,542,366.59
Net Cash Provided by/(Used in) Operating Activities	23,463,874.74	23,226,547.03
CASH FLOWS FROM INVESTING ACTIVITIES		
CASH INFLOWS		
Proceeds from Sale/Disposal of Property, Plant and Equipment	-	54,000.00
TOTAL CASH INFLOWS	-	54,000.00
CASH OUTFLOWS		
Purchase/Construction of Property, Plant and Equipment		
Purchase of land	2,387,476.59	2,600,000.00
Purchase of machinery and equipment	8,431,886.41	6,838,629.66
Purchase of transportation equipment	-	140,000.00
Purchase of furniture, fixtures and books	-	-



Republic of the Philippines

TALAVERA WATER DISTRICT

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CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	<u>NOTE</u>	<u>2019</u>	<u>2018</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	12,288,801.76	11,036,197.58
Receivables	6	8,255,463.41	7,317,305.40
Inventories	7	5,566,832.49	4,825,582.51
Other Current Assets	8	423,601.91	285,312.90
Total Current Assets		<u>26,534,699.57</u>	<u>23,464,398.39</u>
Non-Current Assets			
Receivables	5	1,734,318.85	1,703,878.51
Property Plant and Equipment	9	139,762,427.73	129,266,475.89
Construction in Progress		3,440,212.00	1,962,452.18
Other Assets	10	7,350,825.84	1,079,552.54
Total Non-Current Assets		<u>152,287,784.42</u>	<u>134,012,359.12</u>
TOTAL ASSETS		<u>178,822,483.99</u>	<u>157,476,757.51</u>
LIABILITIES			
Current Liabilities			
Financial Liabilities	11	4,733,799.50	1,108,926.78
Inter-Agency Payables	12	1,025,477.50	918,096.18
Trust Liabilities	13	274,816.44	274,816.44
Deferred Credits/ Unearned Income	14	743,696.24	669,191.91
Total Current Liabilities		<u>6,777,789.68</u>	<u>2,971,031.31</u>
Non-Current Liabilities			
Financial Liabilities	11	-	-
Deferred Credits/ Unearned Income	14	448,870.97	168,380.80
Provisions	15	9,030,777.14	7,617,395.82
Total Non-Current Liabilities		<u>9,479,648.11</u>	<u>7,785,776.62</u>
TOTAL LIABILITIES		<u>16,257,437.79</u>	<u>10,756,807.93</u>
EQUITY			
Government Equity		3,016,538.54	3,016,538.54
Retained Earnings/(Deficit)		159,548,507.66	143,703,411.04
Total Equity		<u>162,565,046.20</u>	<u>146,719,949.58</u>
TOTAL LIABILITIES AND EQUITY		<u>178,822,483.99</u>	<u>157,476,757.51</u>

Prepared and Certified Correct by:

ROWENA N DELA CRUZ
 Financial Planning Specialist

Noted by:

EMGR LEANDRO JUN C LACSAMANA
 General Manager



Construction of infrastructure assets and other structures

TOTAL CASH OUTFLOWS

Net Cash Provided By/(Used In) Investing Activities

11,414,907.56	14,706,194.32
22,234,270.56	24,284,823.98
1,229,604.18	(1,004,276.95)

CASH FLOWS FROM FINANCING ACTIVITIES

CASH INFLOWS

Proceeds from Domestic and Foreign Loans

TOTAL CASH INFLOWS

CASH OUTFLOWS

Payment of Long-Term Liabilities

TOTAL CASH OUTFLOWS

Net Cash Provided By/(Used In) Financing Activities

INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS

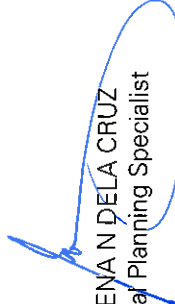
CASH AND CASH EQUIVALENTS, JANUARY 1

CASH AND CASH EQUIVALENTS, DECEMBER 31

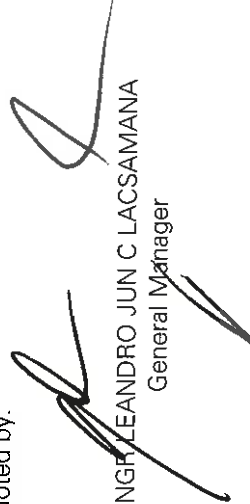
1,229,604.18	(1,004,276.95)
1,229,604.18	(1,004,276.95)
11,059,197.58	12,040,474.53
12,288,801.76	11,036,197.58

Prepared and Certified Correct by:

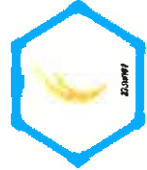
ROWENA N DELA CRUZ
Financial Planning Specialist



Noted by:



ENGR. LEANDRO JUN C LACSAMANA
General Manager



Republic of the Philippines

TALavera WATER DISTRICT

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 +6344 9406703 ✉ pacd@talaverawd.com ✉ ogm@talaverawd.com



Management System
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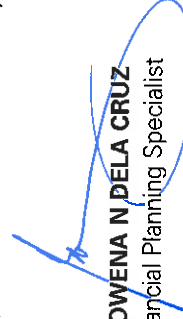
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 ID 91068606



**CONDENSED STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
CASH INFLOWS		
Collection of Income/Revenue	74,060,743.89	69,101,220.78
Collection of Receivables	549,796.48	513,070.43
Trust Receipts	21,687.00	8,736.00
Collection of Deferred Credits/Unearned Income	878,867.00	466,502.00
Other Receipts	171,553.33	150,431.89
Transfer of funds	3,764,427.96	3,528,952.52
TOTAL CASH INFLOWS	79,447,075.66	73,768,913.62
CASH OUTFLOWS		
Payment of Expenses	27,640,611.42	24,466,032.69
Purchase of Inventories	5,627,949.50	5,181,196.90
Grant of Cash Advances	8,600,120.61	6,438,355.45
Prepayments	260,602.66	290,053.07
Payments of Accounts Payable	2,653,413.77	2,841,840.57
Remittance of Personnel Benefit Contributions and Mandatory Deductions	7,227,550.45	7,539,406.61
Remittance of other payables	208,524.55	256,528.78
Transfer of funds	3,764,427.96	3,528,952.52
TOTAL CASH OUTFLOWS	55,983,200.92	50,542,366.59
Net Cash Provided by/(Used in) Operating Activities	23,463,874.74	23,226,547.03
CASH FLOWS FROM INVESTING ACTIVITIES		
CASH INFLOWS		
Proceeds from Sale/Disposal of Property, Plant and Equipment	-	54,000.00
TOTAL CASH INFLOWS	-	54,000.00
CASH OUTFLOWS		
Purchase/Construction of Property, Plant and Equipment	22,234,270.56	24,284,823.98
TOTAL CASH OUTFLOWS	22,234,270.56	24,284,823.98
Net Cash Provided By/(Used in) Investing Activities	1,229,604.18	(1,004,276.95)
CASH FLOWS FROM FINANCING ACTIVITIES		
CASH INFLOWS		
Proceeds from Domestic and Foreign Loans	-	-
TOTAL CASH INFLOWS	-	-
CASH OUTFLOWS		
Payment of Long-Term Liabilities	-	-
TOTAL CASH OUTFLOWS	-	-
Net Cash Provided By/(Used in) Financing Activities	1,229,604.18	(1,004,276.95)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,229,604.18	(1,004,276.95)
CASH AND CASH EQUIVALENTS, JANUARY 1	11,059,197.58	12,040,474.53
CASH AND CASH EQUIVALENTS, DECEMBER 31	12,288,801.76	11,036,197.58

Prepared and Certified Correct by:


ROWENA N DELA CRUZ
 Financial Planning Specialist

Noted by:

ENGR LEANDRO JUN C LACSAMANA
 General Manager



STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

Cumulative Adjustment	Cumulative Changes in Fair Value of Investments	Revaluation Surplus	Retained Earnings/ (Deficit)	Contributed Capital	Share Capital	Share Premium	Members' Equity	TOTAL
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								126,967,968.79	126,967,968.79
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BALANCE AT JANUARY 1, 2018

ADJUSTMENTS:

Changes in Accounting Policy (TWD-AOM No. 2018-02)
Changes in Accounting Policy (TWD-AOM No. 2018-03)
Comprehensive Income for the year
Other Adjustments

BALANCE AT DECEMBER 31, 2018

								146,719,949.58	146,719,949.58
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BALANCE AT DECEMBER 31, 2019

Add/(Deduct):
Changes in Accounting Policy (TWD-AOM No. 2019-05)
Changes in Accounting Policy (TWD-AOM No. 2019-04)
Comprehensive Income for the year
Other Adjustments

								162,565,046.20	162,565,046.20
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Prepared and Certified Correct by:

ROWENA N DELA CRUZ
Financial Planning Specialist

Noted by:

ENGR LEANDRO JUN C LACSAMANA
General Manager

