



**Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City**

ANNUAL AUDIT REPORT

on the

BULAN WATER DISTRICT

Bulan, Sorsogon

For the Year Ended December 31, 2021

EXECUTIVE SUMMARY

A. Introduction

The Bulan Water District (BWD) was formed on May 9, 1975 by virtue of Sangguniang Bayan Resolution No. 23, series of 1975. It derives its authority and powers as a water district from Presidential Decree (PD) No. 198, otherwise known as the Provincial Water Utilities Act of 1973, as amended by PD No. 768, PD No. 1479 and Republic Act (RA) No. 9286. Its Conditional Certificate of Conformance (CCC) No. 22 was issued on April 20, 1976 by the Local Water Utilities Administration (LWUA) after complying with the legal requirements, thus, qualifying the Water District (WD) to LWUA's technical and financial assistance for expansion of water facilities.

An audit of the financial transactions and operations of the WD was conducted for calendar year (CY) 2021. The audit had the objective of ascertaining the fairness of presentation of the financial statements (FS) presented by the WD for the purpose of expressing an opinion thereon. It was also conducted to ascertain the validity, propriety and compliance of its financial transactions and operations with prescribed laws, rules and regulations.

To attain the audit objectives, the audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the FS are free from material misstatement. Due to the voluminous transactions of the WD, the audit was conducted on a test basis, applying the audit procedures and techniques such as vouching, inspections and interviews.

In CY 2021, the WD conducted service connection and reconnection to concessionaires, raising 874 additional service connections from 5,624 to 6,498 or an increase of 15.54 per cent as of December 31, 2021.

B. Financial Highlights

The following are the comparative financial highlights of the financial position and results of operations for CYs 2021 and 2020:

I. Comparative Financial Position:

Particulars	2021	2020	Increase/ (Decrease)
Assets	₱108,564,543.55	₱88,283,227.56	₱20,281,315.99
Liabilities	79,960,314.33	63,018,065.70	16,942,248.63
Equity	28,604,229.22	25,265,161.86	3,339,067.36

II. Sources and Application of Funds:

Income	2021	2020	Increase/ (Decrease)
Waterworks Systems Fees	₱26,947,055.10	₱21,984,212.65	₱ 4,962,842.45
Interest Income	18,051.41	30,488.35	(12,436.94)
Fine and Penalties-Business Income	1,022,756.11	774,063.55	248,692.56
Other Business Income	2,696,199.27	607,291.63	2,088,907.64
Total Income	₱30,684,061.89	₱23,396,056.18	₱ 7,288,005.71

Expenses	2021	2020	Increase/ (Decrease)
Personnel Services	₱ 13,023,273.87	₱ 11,998,217.94	₱ 1,025,055.93
Maintenance and Other Operating Expenses	9,296,588.09	5,159,743.32	4,136,844.77
Financial Expenses	2,793,541.52	1,574,814.20	1,218,727.32
Non-Cash Expenses	2,291,786.46	2,187,985.76	103,800.70
Total Expenses	27,405,189.94	20,920,761.22	6,484,428.72
Net Income	₱ 3,278,871.95	₱ 2,475,294.96	₱ 803,576.99

C. Independent Auditor's Report on the Financial Statements

The Auditor rendered a qualified opinion on the fairness of the presentation of the financial statements due to the following:

- a) The validity, accuracy, and existence of the Property Plant and Equipment (PPE) accounts totaling ₱131,397,102.84 and Accumulated Depreciation of ₱36,721,627.53, or a net book value of ₱94,675,475.31 as of December 31, 2021, are doubtful due to: a) lack of PPE Ledger Cards (PPELC) and Property Cards (PC) for each item of PPE; b) lots acquired amounting to ₱4,907,896.19 not supported with Transfer Certificates of Title (TCT) registered in the name of the Water District (WD) and one unrecorded donated land; c) unreconciled General Ledger (GL) and Lapsing Schedules due to erroneous Accumulated Depreciation and Depreciation Expense provisions; d) inclusion of semi-expendable items totaling ₱530,790.37 below the capitalization threshold of ₱15,000.00; e) fully-depreciated properties totaling ₱1,118,448.43 remain not inspected and assessed for proper disposition; and f) inadequate disclosure in the Notes to the Financial Statements (FS), thereby affecting the reliability and fairness of FS presentation as of year-end; and
- b) The Allowance for Impairment AR account amounting to ₱484,151.65 as of December 31, 2021 is inaccurate and unreliable due to the different aging method in time periods and percentages adopted by the WD and inclusion of

government accounts and prior years' impairment losses in the computations, contrary to prescribed accounting policies on impairments.

D. Summary of Significant Audit Observations and Recommendations

1. The WD's average level of Non-Revenue Water (NRW) for CY 2021 was 44.18 per cent, or an excess of 24.18 percent from the acceptable NRW standard of 20 per cent which is equivalent to an unaccounted revenue of ₱9,469,163.47 or 430 percent of the total estimated foregone revenue of ₱11,670,781.24.

We recommended and Management agreed to:

- a) Consider, other than merely expanding water networks, water losses derived from meter inaccuracies, various mode of theft of water usages and provision of flow meters to measure operational consumptions and water supplied to various link agencies free of charge and other unbilled authorized consumption such as the WD's operational purposes and hydrant usages, among others, in the prevention/reduction of NRW.
- b) Prioritize the replacement/rehabilitation/repair of existing aged pipelines and provide active leakage control measures such as immediate on-site inspection of reported leaks and wasted waters, use of leakage and water waste detecting meters and documentation of pipe lay-out and provision for updated WD's water system masterplan to provide speedy leak awareness and prevention to achieve an NRW that is compliant with the minimum standard set by LWUA or even lower.

E. Summary of Total Suspensions, Disallowances and Charges as of Year-End

There are no outstanding balances of Notices of Suspension/Disallowances/Charges as of December 31, 2021.

F. Status of Implementation of Prior Years' Audit Recommendations

Out of 14 prior years' audit recommendations, five were fully implemented, five were partially implemented, and four were not implemented during the year.

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Part I

AUDITED FINANCIAL STATEMENTS



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

INDEPENDENT AUDITOR'S REPORT

THE BOARD OF DIRECTORS

Bulan Water District
Bulan, Sorsogon

Qualified Opinion

We have audited the financial statements of Bulan Water District, Bulan, Sorsogon, which comprise the Statement of Financial Position as at December 31, 2021, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a Summary of Significant Accounting Policies.

In our opinion, except for the effects of the matters described in the *Bases of Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Bulan Water District as at December 31, 2021, and its comprehensive income and its cash flows for the year then ended in accordance with the with the Philippine Financial Reporting Standards (PFRS).

Bases for Qualified Opinion

The Auditor rendered a qualified opinion on the fairness of the presentation of the financial statements due to the following:

- a) The validity, accuracy, and existence of the Property Plant and Equipment (PPE) accounts totaling ₱131,397,102.84 and Accumulated Depreciation of ₱36,721,627.53, or a net book value of ₱94,675,475.31 as of December 31, 2021, are doubtful due to: a) lack of PPE Ledger Cards (PPELC) and Property Cards (PC) for each item of PPE; b) lots acquired amounting to ₱4,907,896.19 not supported with Transfer Certificates of Title (TCT) registered in the name of the Water District (WD) and one unrecorded donated land; c) unreconciled General Ledger (GL) and Lapsing Schedules due to erroneous Accumulated Depreciation and Depreciation Expense provisions; d) inclusion of semi-expendable items totaling ₱530,790.37 below the capitalization threshold of ₱15,000.00; e) fully-depreciated properties totaling ₱1,118,448.43 remain not inspected and assessed for proper disposition; and f) inadequate disclosure in the Notes to the Financial Statements (FS), thereby affecting the reliability and fairness of FS presentation as of year-end; and
- b) The Allowance for Impairment AR account amounting to ₱484,151.65 as of December 31, 2021 is inaccurate and unreliable due to the different aging method in time periods and percentages adopted by the WD and inclusion of government accounts and prior years'

impairment losses in the computations, contrary to prescribed accounting policies on impairments.

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the agency in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Except for the matters described in the *Bases for Qualified Opinion* section, we have determined that there are no other key audit matters to communicate in our report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with PFRS, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the WD's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

COMMISSION ON AUDIT

By:



EDNA A. BELMONTE
State Auditor IV
Supervising Auditor

August 19, 2022



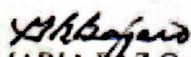
Republic of the Philippines
BULAN WATER DISTRICT
De Vera St., Zone-4, Bulan, Sorsogon
Tel No. (056) 555-2605; Email- bulanwaterdistrict@gmail.com

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

The Management of the **Bulan Water District** is responsible for the preparation of the financial statements as at **December 31, 2021**, 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 statement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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

The Commission on Audit has audited the financial statements of the **Bulan Water District** in accordance with the Philippine Public Sector Standards on Auditing and has expressed its opinion on the fairness of presentation upon completion of such audit, in its report to the Board of Directors.


DR. MARIA PAZ G. BAJARO
Chairman of the Board

February 7, 2022
Date Signed


MARY JOYCE B. PENOS
Senior Corporate Accountant B

February 7, 2022
Date Signed


ENGR. REY DENNIS L. GILBAS
General Manager

February 7, 2022
Date Signed

BULAN WATER DISTRICT

Bulan, Sorsogon

Statement of Financial Position

As at December 31, 2021

(With Comparative Figures for CY 2020)

	Note	<u>2021</u>	<u>2020</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	2	P 5,832,102.86	P 4,871,063.67
Receivables, net	3	2,170,630.96	1,726,996.07
Inventories	4	4,137,628.80	2,656,748.56
Other Current Assets	5	338,732.05	10,375,413.02
Total Current Assets		P 12,479,094.67	P 19,630,221.32
Non-Current Assets			
Other Investments	6	785,638.57	470,499.36
Property, Plant and Equipment, net	7	94,675,475.31	67,558,171.88
Intangible Assets	8	624,335.00	624,335.00
Total Non-Current Assets		P 96,085,448.88	P 68,653,006.24
TOTAL ASSETS		P 108,564,543.55	P 88,283,227.56
LIABILITIES AND EQUITY			
Current Liabilities			
Current Financial Liabilities	9	P 2,003,606.69	P 1,618,918.02
Inter-Agency Payables	10	(2,691.87)	0.16
Trust Liabilities	11	761,135.60	345,735.60
Total Current Liabilities		P 2,762,050.42	P 1,964,653.78
Non - Current Liabilities			
Non-Current Financial Liabilities	12	P 77,169,725.04	P 61,024,873.05
Deferred Credits/Unearned Income	13	28,538.87	28,538.87
Total Non-Current Liabilities		P 77,198,263.91	P 61,053,411.92
Total Liabilities		P 79,960,314.33	P 63,018,065.70
Equity			
Retained Earnings		P 28,604,229.22	P 25,265,161.86
Total Equity		P 28,604,229.22	P 25,265,161.86
TOTAL LIABILITIES AND EQUITY		P 108,564,543.55	P 88,283,227.56

(Please see accompanying Notes to Financial Statements)

BULAN WATER DISTRICT

Bulan, Sorsogon

Statement of Comprehensive Income
For the Year Ended December 31, 2021
(With Comparative Figures for CY 2020)

	Note	<u>2021</u>	<u>2020</u>
Service and Business Income	14	₱ <u>30,684,061.89</u>	₱ <u>23,396,056.18</u>
Less Expenses:			
Personnel Services	15	₱ 13,023,273.87	₱ 11,998,217.94
Maintenance and Other			
Operating Expenses	16	9,296,588.09	5,159,743.32
Financial Expenses	17	2,793,541.52	1,574,814.20
Non-Cash Expenses	18	2,291,786.46	2,187,985.76
Total Expenses		₱ <u>27,405,189.94</u>	₱ <u>20,920,761.22</u>
Net Income		₱ <u><u>3,278,871.95</u></u>	₱ <u><u>2,475,294.96</u></u>

(Please see accompanying Notes to Financial Statements)

BULAN WATER DISTRICT

Bulan, Sorsogon

Statement of Changes in Equity
For the Year Ended December 31, 2021
(With Comparative Figures for CY 2020)

	<u>2021</u>	<u>2020</u>
Retained Earnings, Beginning Balance	₱ 25,265,161.86	₱ 22,057,087.64
Add: Net Income for the Year	3,278,871.95	2,475,294.96
Total	₱ 28,544,033.81	₱ 24,532,382.60
Add/(Less) Prior Year's Adjustments	60,195.41	732,779.26
Retained Earnings, Ending Balance	₱ 28,604,229.22	₱ 25,265,161.86

BULAN WATER DISTRICT

Bulan, Sorsogon

Statement of Cash Flows

For the Year Ended December 31, 2021

(With Comparative Figures for CY 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Inflows		
Collection of service and business income	P 31,334,024.58	P 23,345,697.15
Total Cash Inflows	P 31,334,024.58	P 23,345,697.15
Cash Outflows		
Payment of personnel services	P 15,849,773.42	P 12,443,664.04
Purchase of inventory held for consumption	244,896.65	682,248.58
Payments of Accounts Payable	3,954,381.57	1,312,665.28
Remittance of taxes withheld	2,597,994.27	3,535,915.40
Remittance to GSIS/HDMF/PhilHealth	3,457,341.91	2,833,402.93
Total Cash Outflows	P 26,104,387.82	P 20,807,896.23
Net Cash Provided by/(Used in) Operating Activities	P 5,229,636.76	P 2,537,800.92
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Outflows		
Purchase of land	P 0.00	P 950,000.00
Purchase of machinery and equipment	0.00	192,812.00
Purchase of furniture, fixtures and books		0.00
Construction of infrastructure assets	456,731.51	96,798.82
Purchase of transportation equipment		0.00
Construction in progress	19,120,438.69	20,664,674.07
Purchase of other property, plant and equipment	63,374.74	964,482.30
Total Cash Outflows	P 19,640,544.94	P 22,868,767.19
Net Cash Provided By/(Used In) Investing Activities	P (19,640,544.94)	P (22,868,767.19)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Inflows		
Proceeds from Domestic Loans	P 18,708,494.94	P 21,995,890.14
Total Cash Inflows	P 18,708,494.94	P 21,995,890.14
Cash Outflows		
Payment of domestic loans	P 3,336,547.57	P 2,889,520.50
Total Cash Outflows	P 3,336,547.57	P 2,889,520.50

		<u>2021</u>	<u>2020</u>
Net Cash Provided By/(Used In) Financing Activities	P	<u>15,371,947.37</u>	P <u>19,106,369.64</u>
Increase/(Decrease) in Cash and Cash Equivalents	P	<u>961,039.19</u>	P <u>(1,224,596.63)</u>
Cash and Cash Equivalents, January 1		<u>4,871,063.67</u>	<u>6,095,660.30</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	P	<u>5,832,102.86</u>	P <u>4,871,063.67</u>

BULAN WATER DISTRICT

Bulan, Sorsogon

NOTES TO FINANCIAL STATEMENTS

CY 2021

Note 1: ACCOUNTING SYSTEM

The accompanying financial statements (FS) have been prepared in conformity with the newly prescribed accounts for the first-time adoption of the Philippine Financial Reporting Standards (PFRS) starting January 1, 2017 by Government Business Enterprises (GBEs) that is governed by policies set forth through Commission on Audit (COA) Circular Nos. 2015-003 dated April 16, 2015 and 2015-010 dated December 1, 2015.

Methods of Accounting

Accrual basis of accounting is adopted where all expenses shall be recognized when incurred and reported in the FS in the period to which they relate while income is recognized when earned except for transactions where accrual basis is impractical. Statement of Cash Flows is prepared adopting the Direct Method.

Asset method is used in recording disbursements when expenditures apply to more than one accounting period. The expense is recorded upon utilization and consumption. Purchases are directly recorded as assets.

Depreciation Accounting is followed using the straight-line method with 10 per cent of the cost of fixed assets as residual value in the computation of depreciation. Recording of depreciation begins when the asset is available for use.

Recognition

Liabilities are recognized only when goods are delivered and/or services rendered or when supplier's bills are received.

Deferred and accrued income and expenses are taken up at the end of the year.

Classification

Equipment with serviceable life of more than one year is classified under Property, Plant and Equipment and are charged to capital only.

Note 2. Cash and Cash Equivalents**₱ 5,832,102.86**

This account is composed of the following:

<u>Account Title</u>	<u>2021</u>	<u>2020</u>
Cash - Collecting Officers	₱ 22,972.50	₱ 44,015.16
Petty Cash Fund	10,000.00	10,000.00
Cash in Bank - Local Currency, Current Account:		
LBP Irosin (2602-1036-95)	1,538,968.88	970,588.31
LBP Irosin (2602-1085-22)	499,042.08	497,510.23
Cash in Bank - Local Currency, Savings Account:		
PNB Bulan (2527-11033-199)	232,914.59	28,203.68
DBP Sorsogon (0645-037019-080)	433,303.53	433,016.60
LBP Irosin-GD (2601-0919-79)	344,233.58	0.00
Cash in Bank - Local Currency, Time Deposit:		
LBP Irosin Customers' Deposits (2603-0006-01)	498,824.24	497,575.12
Pension and Benefit Reserve (2601-0794-99)	<u>2,251,843.46</u>	<u>2,390,154.57</u>
Total	<u>₱5,832,102.86</u>	<u>₱4,871,063.67</u>

This account comprises Cash – Collecting Officers representing cash on hand after cut-off, Petty Cash Fund and Cash Equivalents which are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 3. Receivables, net**₱ 2,170,630.96**

This account consists of the following:

<u>Account Title</u>	<u>2021</u>	<u>2020</u>
Accounts Receivable	₱2,630,395.96	₱2,147,898.97
Less: Allowance for Impairment-A/R	<u>484,151.65</u>	<u>445,289.55</u>
Net Realizable Value	<u>₱2,146,244.31</u>	<u>₱1,702,609.42</u>
Due from NGAs – Bulwagan	7,431.71	7,431.71
Other Receivables	<u>16,954.94</u>	<u>16,954.94</u>
Total	<u>₱2,170,630.96</u>	<u>₱1,726,996.07</u>

Accounts Receivable (AR) includes all amounts due arising from water sales. Allowance for Impairment- AR is based on the rates prescribed by the Manual on Government Accounting System (MGAS) for Local Water Districts (LWDs).

Due from National Government Agencies (NGAs) account represents balance of cash deposit to Regional Trial Court (RTC) Branch 65 re: Expropriation proceedings in Civil Case No. 02-2002.

Other Receivables account represents Government Service Insurance System (GSIS) - Employees share paid by the Water District (WD) per approved Memorandum of Agreement (MOA) between the WD and GSIS broken down as follows:

	<u>Employee</u>	<u>2021</u>	<u>2020</u>
1.	A	₱ 5,777.12	₱ 5,777.12
2.	B	11,177.82	11,177.82
	Total	<u>₱ 16,954.94</u>	<u>₱ 16,954.94</u>

Note 4. Inventories

₱ 4,137,628.80

This account consists of the following:

<u>Account Title</u>	<u>2021</u>	<u>2020</u>
Office Supplies Inventory	₱ 73,973.08	₱ 69,696.69
Accountable Forms, Plates and Stickers Inventory	0.00	0.00
Medical, Dental and Laboratory Supplies Inventory	708,024.00	402,419.80
Construction Materials Inventory	3,355,631.72	2,184,632.07
Total	<u>₱ 4,137,628.80</u>	<u>₱ 2,656,748.56</u>

Note 5. Other Current Assets

₱ 338,732.05

This account consists of the following:

<u>Account Title</u>	<u>2021</u>	<u>2020</u>
Prepaid Insurance	₱ 10,072.79	₱ 346.91
Guaranty Deposits	31,302.00	31,302.00
Other Deposits	34,578.00	34,578.00
Advances to Contractor	0.00	10,046,406.85
Other Assets	262,779.26	262,779.26
Total	<u>₱ 338,732.05</u>	<u>₱10,375,413.02</u>

Note 6. Other Investments

₱ 785,638.57

<u>Account Title</u>	<u>2021</u>	<u>2020</u>
Sinking Fund (LCSA LBP No. 0781-2065-04)	<u>₱ 785,638.57</u>	<u>₱ 470,499.36</u>

This account pertains to cash set aside and reserved for specific purposes, which will be used for the Operation and Maintenance Reserve for repairs of damaged facilities owned by the WD due to natural calamities, public disorders, and the like; and the Capital Reserve for expansion of the WD's facilities.

Note 7. Property, Plant and Equipment, net**₱94,675,475.31**

Details of the account are as follows:

2021

<u>Account Title</u>	<u>Acquisition Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Land	₱ 4,907,896.19	₱ 0.00	₱ 4,907,896.19
Water Supply Systems	47,961,293.85	32,434,409.59	15,526,884.26
Plant-Utility Plant in Service (UPIS)	71,199,489.43	669,750.00	70,529,739.43
Buildings	236,383.51	207,562.74	28,820.77
Other Structures	41,079.80	24,927.62	16,152.18
Office Equipment	342,583.25	251,487.01	91,096.24
Information and Communication Technology Equipment	1,027,486.00	749,213.20	278,272.80
Communication Equipment	362,496.50	211,642.47	150,854.03
Other Machinery and Equipment	201,669.81	164,128.25	37,541.56
Motor Vehicles	499,747.00	295,728.27	204,018.73
Furniture and Fixtures	88,723.63	80,301.75	8,421.88
Other Leased Assets	69,961.92	62,965.73	6,996.19
Other Property, Plant and Equipment	3,507,527.95	1,569,510.90	1,938,017.05
CIP-Infrastructure Assets	673,714.00	0.00	673,714.00
CIP-Buildings and Other Structures	277,050.00	0.00	277,050.00
Total	<u>₱ 131,397,102.84</u>	<u>₱36,721,627.53</u>	<u>₱ 94,675,475.31</u>

2020

<u>Account Title</u>	<u>Acquisition Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Land	₱ 4,907,896.19	₱ 0.00	₱ 4,907,896.19
Water Supply Systems	48,092,607.85	31,287,799.53	16,804,808.32
Plant-Utility Plant in Service (UPIS)	4,700,000.00	246,750.00	4,453,250.00
Buildings	236,383.51	206,886.90	29,496.61
Other Structures	41,079.80	23,752.58	17,327.22
Office Equipment	275,621.25	248,205.26	27,415.99
Information and Communication Technology Equipment	956,742.00	609,299.20	347,442.80
Communication Equipment	212,696.50	183,572.19	29,124.31
Other Machinery and Equipment	201,669.81	140,921.82	60,747.99
Motor Vehicles	499,747.00	253,824.15	245,922.85
Furniture and Fixtures	88,723.63	80,391.75	8,331.88
Other Leased Assets	69,961.92	62,965.73	6,996.19
Other Property, Plant and Equipment	3,245,007.95	1,124,334.06	2,120,673.89
CIP-Infrastructure Assets	38,230,737.64	0.00	38,230,737.64
CIP-Buildings and Other Structures	268,000.00	0.00	268,000.00
Total	<u>₱ 102,026,875.05</u>	<u>₱34,468,703.17</u>	<u>₱ 67,558,171.88</u>

Note 8. Intangible Assets**₱ 624,335.00**

<u>Account Title</u>	<u>2021</u>	<u>2020</u>
Computer Software	<u>₱ 624,335.00</u>	<u>₱ 624,335.00</u>

Note 9. Current Financial Liabilities**₱ 2,003,606.69**

This account consists of the following:

<u>Account Title</u>	<u>2021</u>	<u>2020</u>
Accounts Payable	₱ 2,003,606.69	₱ 1,558,722.61
Due to Officers and Employees	0.00	60,195.41
Total	<u>₱ 2,003,606.69</u>	<u>₱ 1,618,918.02</u>

Note 10. Inter-Agency Payables**₱ (2,691.87)**

This account consists of the following:

<u>Account Title</u>	<u>2021</u>	<u>2020</u>
Due to GSIS	₱ (1,000.00)	₱ 0.00
Due to Pag-IBIG	(712.46)	0.00
Due to PhilHealth	0.00	0.00
Due to BIR	(979.41)	0.16
Total	<u>₱ (2,691.87)</u>	<u>₱ 0.16</u>

Due to GSIS abnormal balance of ₱(1,000.00) was found out that General Manager (GM) Rey Dennis L. Gilbas has over remittance to UOLI Policy Loan. The Bulan Water District (BWD) shall collect the remitted ₱1,000.00 from GM Gilbas.

Due to PAG-IBIG abnormal balance of ₱(712.46) was found out that Ms. Marie Irene B. Hizo has over remittance to Multi-Purpose Loan. The BWD shall collect the remitted ₱712.46 from Ms. Hizo.

Note 11. Trust Liabilities**₱ 761,135.60**

<u>Account Title</u>	<u>2021</u>	<u>2020</u>
Guaranty/Security Deposits Payable	<u>₱ 761,135.60</u>	<u>₱ 345,735.60</u>

Guaranty Deposits Payable pertains to deposits made by customers as a guarantee for the payment of subsequent bills.

Note 12. Non-Current Financial Liabilities**₱77,169,725.04**

This account pertains to the buy-out loans granted by Development Bank of the Philippines (DBP) and an Internal Cash Generated (ICG) Loan from Local Water Utilities Administration (LWUA) to finance various long-term projects of the WD for purposes of providing safe, reliable, sound and economically viable water supply to the municipality of Bulan, Sorsogon.

Account	2021	2020
Loans Payable-Domestic (LWUA LA No. 4-2721)	₱ 1,740,345.00	₱ 2,311,504.00
Loans Payable-Domestic (LWUA LA No. 4-2803)	67,200,045.00	48,491,550.06
Sub-total (LWUA Loans)	₱ 68,940,390.00	₱ 50,803,054.06
Loans Payable-Domestic (DBP PN No. 2015-011)	8,229,335.04	10,221,818.99
Total	₱ 77,169,725.04	₱ 61,024,873.05

Note 13. Deferred Credits/Unearned Income**₱ 28,538.87**

This account refers to advance payment by customers on service fees and materials to be used for service connections.

<u>Account Title</u>	<u>2021</u>	<u>2020</u>
Other Deferred Credits	<u>₱ 28,538.87</u>	<u>₱ 28,538.87</u>

Note 14. Service and Business Income**₱ 30,684,061.89**

This account pertains to income derived from water utility operations classified into:

<u>Account Title</u>	<u>2021</u>	<u>2020</u>
Waterworks System Fees	₱26,947,055.10	₱21,984,212.65
Interest Income	18,051.41	30,488.35
Other Business Income	2,696,199.27	774,063.55
Fines and Penalties – Business Income	1,022,756.11	607,291.63
Total	<u>₱30,684,061.89</u>	<u>₱23,396,056.18</u>

Note 15. Personnel Services**₱ 13,023,273.87**

This account consists of the following:

<u>Account Title</u>	<u>2021</u>	<u>2020</u>
Salaries and Wages-Regular	₱6,462,849.01	₱6,044,696.38
Salaries and Wages-Casual/Contractual	1,638,539.35	1,406,368.53
Personnel Economic Relief Allowance (PERA)	570,000.00	540,000.00
Representation Allowance (RA)	102,000.00	102,000.00
Transportation Allowance (TA)	102,000.00	102,000.00
Clothing/Uniform Allowance	138,000.00	126,000.00
Mid-Year Bonus	544,084.00	0.00
Year End Bonus	542,266.00	993,983.00
Cash Gift	120,000.00	120,000.00
Other Bonuses and Allowances	999,384.31	1,163,869.62
Retirement and Life Insurance Premiums	775,541.88	715,667.76
Pag-IBIG Contributions	150,017.34	138,055.96
PhilHealth Contributions	86,932.14	85,240.15
Employees Compensation Insurance Premiums	28,400.00	27,000.00
Terminal Leave Benefits	273,685.98	0.00
Other Personnel Benefits	489,573.86	433,336.54
Total	<u>₱ 13,023,273.87</u>	<u>₱ 11,998,217.94</u>

Note 16. Maintenance and Other Operating Expenses**₱ 9,296,588.09**

This account consists of the following:

<u>Account Title</u>	<u>2021</u>	<u>2020</u>
Traveling Expenses	₱ 65,716.00	₱ 244,679.38
Training Expenses	11,700.00	61,450.00
Supplies and Materials Expenses	2,247,400.31	1,519,841.73
Utility Expenses	2,518,252.65	1,060,091.59
Communication Expenses	135,123.98	128,018.88
Membership Dues	27,962.40	5,354.96
Donations	0.00	2,500.00
Advertising Expenses	0.00	(5,000.00)
Printing and Binding Expenses	850.00	2,273.00
Representation Expenses	368,978.95	135,421.20
Transportation and Delivery	52,870.00	2,840.00
Legal and Other Professional Services	4,550.00	60,702.95
Board Members Allowance	462,210.00	420,900.00
Repairs and Maintenance	2,618,256.47	671,499.90
Taxes, Insurance Premiums and Other Fees	625,669.27	782,433.18
Other Maintenance and Operating Expenses	<u>157,048.06</u>	<u>66,736.55</u>

<u>Account Title</u>	<u>2021</u>	<u>2020</u>
Total	<u>₱9,296,588.09</u>	<u>₱5,159,743.32</u>
Note 17. Financial Expenses		₱ 2,793,541.52

These accounts include charges which were not directly related to the actual operation of the WD, classified into:

<u>Account Title</u>	<u>2021</u>	<u>2020</u>
Interest Expenses	₱2,789,241.52	₱1,573,264.20
Other Financial Charges	<u>4,300.00</u>	<u>1,550.00</u>
Total	<u>₱2,793,541.52</u>	<u>₱1,574,814.20</u>

Interest Expenses pertain to the total interest paid to LWUA-DBP loans.

Note 18. Non-Cash Expenses **₱ 2,291,786.46**

<u>Account Title</u>	<u>2021</u>	<u>2020</u>
Depreciation	₱2,252,924.36	₱2,152,301.19
Impairment Loss-Loans and Receivables	<u>38,862.10</u>	<u>35,684.57</u>
Total	<u>₱2,291,786.46</u>	<u>₱2,187,985.76</u>