

## **1. GENERAL INFORMATION/ENTITY PROFILE**

The Notes to Financial Statements of Carcar Water District was authorized for issue on January 25, 2018 as shown in the Statement of Management Responsibility for Financial Statements signed by Atty. Democrito C. Barcenas, Chair Board of Directors.

Carcar Water District is a Government Owned and Controlled Corporation established on May 30, 1980 under P.D. 198 and is regulated by the Local Water Utilities Administration. The mandate of Carcar Water District is to supply safe and potable water in the City of Carcar and its neighboring towns.

The Entity's registered office is located in San Vicente St., Poblacion 1, Carcar City, Cebu.

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

The Notes to Financial Statements have been prepared in compliance with the Philippine Public Sector Accounting Standards (PPSAS) prescribed by the Commission on Audit through COA Resolution No. 2014-003 dated January 24, 2014.

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

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

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

The preparation of financial statements in compliance with the adopted PPSAS requires the use of certain accounting estimates. It also requires the entity to exercise judgment in applying the entity's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effects are disclosed in note 3.2.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **3.1 Basis of accounting**

The Notes to Financial Statements are prepared on an accrual basis in accordance with the PPSAS.

#### **3.2 Financial Instruments**

##### **a. Financial Assets**

##### **i. Initial recognition and measurement**

Financial assets within the scope of PPSAS 29-Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables or available-for-sale financial assets, as appropriate. The Carcar Water District determines the classification of its financial assets at initial recognition.

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

The Carcar Water District's financial assets include: cash and cash equivalents; and trade and other trade receivables.

##### **ii. Subsequent Measurement**

The subsequent measurement of financial assets depends on their classification.

##### **1. Receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at cost, less impairment.

##### **iii. Derecognition**

The Carcar Water District derecognizes a financial asset or, where applicable, a part of a financial asset or part of Carcar Water District of similar financial assets when the probability that they will be collected becomes remote or impossible and the derecognition has been duly approved and authorized by the proper authorities.

**iv. Impairment of Financial Assets**

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

Evidence of impairment may include the following indicators:

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

**b. Financial Liabilities**

**i. Initial recognition and measurement**

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

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

The Carcar Water District’s financial liabilities include trade and other payables, loans and borrowings, financial guarantee contracts.

**ii. Subsequent measurement**

The measurement of financial liabilities depends on their classification.

**Loans and borrowings**

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

**iii. Derecognition**

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

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

**3.3 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash in bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined below, net of outstanding bank overdrafts.

**3.4 Inventories**

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

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

**Materials and Supplies:** purchase cost using the weighted average cost method

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

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

**3.5 Property, Plant and Equipment**

**a. Recognition**

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

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The characteristics of PPE are as follows:

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

An item of PPE is recognized as an asset if:

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

**b. Measurement at Recognition**

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

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

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

Cost includes the following:

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

**c. Measurement After Recognition**

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

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

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

**d. Depreciation**

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

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

**i. Initial Recognition of Depreciation**

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

For simplicity and to avoid proportionate computation, the depreciation is for one month if the PPE is available for use after the 15<sup>th</sup> of the month. However, if the PPE is available for use after the 15<sup>th</sup> of the month, depreciation is for the succeeding month.

**ii. Depreciation Method**

The straight line method of depreciation is adopted unless another method is more appropriate for the Carcar Water District operation.

**iii. Estimated Useful Life**

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

**iv. Residual Value**

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

**e. Impairment**

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

**f. Derecognition**

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

**3.6 Intangible Assets**

**a. Recognition and Measurement**

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

Intangible assets acquired separately are initially recognized at cost.

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

**Internally Generated Intangible Assets**

Internally generated intangible assets, excluding capitalized development costs, PPSAS 31.49 are not capitalized and expenditure is reflected in surplus or deficit in the period PPSAS 31.55 in which the expenditure is incurred.

**b. Recognition of an expense**

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

**c. Subsequent measurement**

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

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

### **3.7 Changes in Accounting Policies and Estimates**

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

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

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

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

### **3.8 Revenue from Non-exchange Transactions**

#### **a. Recognition and Measurement of Assets from Non-exchange Transactions**

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

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

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

#### **b. Recognition of Revenue From Non-Exchange Transactions**

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

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

#### **c. Measurement of Revenue from Non-exchange Transactions**

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



**d. Measurement of Liabilities on Initial Recognition from Non-exchange Transactions**

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

**e. Taxes**

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

**f. Fees and Fines not Related to Taxes**

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

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

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

**g. Gifts and Donations**

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

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

On initial recognition, gifts and donations including goods in-kind are measured at their fair value as at the date of acquisition, which are ascertained by reference to an active market, or by appraisal. An appraisal of the value of an asset is normally undertaken by a member of the valuation profession who holds a recognized and relevant professional qualification. For many assets, the fair values are ascertained by reference to quoted prices in an active and liquid market.

**h. Transfers**

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

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**i. Services-in-kind**

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

**j. Transfers From Other Government Entities**

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

**3.9 Revenue from Exchange Transactions**

**a. Measurement of Revenue**

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

**b. Rendering of Services**

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

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

**c. Sale of Goods**

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

**d. Interest Income**

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

### **3.10 Budget Information**

The annual budget is prepared on a cash basis and is published in the government website.

A separate Statement of Comparison of Budget and Actual Amounts (SCBAA) is prepared since the budget and the financial statements are not prepared on comparable basis. The SCBAA is presented showing the original and final budget and the actual amounts on comparable basis to the budget. Explanatory comments are provided in the notes to the annual financial statements.

### **3.11 Related Parties**

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

Members of key management are regarded as related parties and comprise the members of the Policy-making and Management Committee of the Carcar Water District namely: member of the Board of Directors, the General Manager, Department Manager and Division Managers.

### **3.12 Borrowing Costs**

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

### **3.13 Employee Benefits**

The employees of Carcar Water District are members of the Government Service Insurance System (GSIS).

## **4. CHANGES IN ACCOUNTING POLICIES**

Carcar Water District adopted the following new accounting policies:

On January 1, 2016, Carcar Water District adopted the PPSASs No. 1,2,7,8,10-12, 16-21, 23,24, 26-28,32-34, 36-41 which replaced the IAS. The new standard includes the requirement for recognition, measurement, presentation and disclosure of financial statements according to the Philippine Financial Reporting System (PFRS) and the Revised Chart of Accounts (RCA) and is effective for years beginning on January 1, 2016. This accounting change has no significant impact on Carcar Water District's financial statements.

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**5. PRIOR PERIOD ADJUSTMENTS**

The Carcar Water District has determined the following errors which were charged as direct adjustments to prior years:

Adjustments to CIP	(5,118)
Adjustments to Depreciation	(4,036,851)
Adjustments to Materials & Supplies Inventory	(21,288)
Billing Adjustments	(345)
Closing of PYAs for 2016 to Retained Earnings	2,458,972
Close-out of CIP charged to Maintenance Expenses	(30,007)
Damage Tool Charged to PY	2,090
Disallowances	140,000
GSIS Billing Deficiencies	1,227
Lost tools charged to PY	7,020
Net Overages from Physical Inventory of Materials & Supplies	78,561
PPE Account reconciling entries	1,808,540
Previous Year Disposal of PPE	(666,098)
Prior Year Expenses	(156,840)
Prior Year Interest Income on Bank Deposits	8,943
Return of Materials and Supplies	5,247
Stale Check	6,581
Unrecorded Material Issuances	(21,360)

As a result, the balance of Retained Earnings for 2018 will be decreased by 2,879,701.

**6. CASH AND CASH EQUIVALENTS**

<b>Particulars</b>	<b>As at December 31, 2017</b>	<b>As at December 31, 2016</b>
Cash - Collecting Officers	258,202	124,924
Petty Cash Fund	2,336	-
Cash in Bank - Local Currency, Current Account LBP	8,213,739	3,755,165
Cash in Bank - Local Currency, Current Account DBP	8,478,698	2,504,509
Time Deposits - Local Currency, DBP	4,160,533	5,124,565
<b>TOTAL</b>	<b>21,113,508</b>	<b>11,509,163</b>

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**7. RECEIVABLES**

**7.1 Receivables**

Accounts	2017			2016		
	Current	Non-Current	Total	Current	Non-Current	Total
Accounts Receivable - Trade	3,259,562	2,277,117	5,536,679	3,284,074	2,171,663	5,455,737
Accounts Receivable – Unlocated Ledger		375,309	375,309		375,309	375,309
Accounts Receivable – Application Fees		996,675	996,675			

**7.2 Aging/Analysis of Receivables  
As at December 31, 2017**

Accounts	Total	Not past due	Past due		
			< 30 days	30-60 days	> 60 days
Accounts Receivable-Trade	5,526,858	1,042,605	1,309,454	288,611	2,908,754
Accounts Receivable – Unlocated Ledger	375,309				375,309
Accounts Receivable – Application Fees	996,675				996,675

**7.3 Inter-Agency Receivables**

Accounts	2017	2016
Due from Local Government Units	150,000	150,000

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**7.4 Other Receivables**

Accounts	2017			2016		
	Current	Non-Current	Total	Current	Non-Current	Total
Receivables - Disallowances/Charges	91,150	-	91,150	-	-	-
Due from Officers and Employees	62,075	-	62,075	51,293	-	51,293
Other Receivables	(10,972)	118,430	107,458	41,308	118,430	159,738
<b>TOTAL</b>	<b>142,253</b>	<b>118,430</b>	<b>260,683</b>	<b>92,601</b>	<b>118,430</b>	<b>211,031</b>

**8. INVENTORIES**

ACCOUNTS	<i>(in thousand pesos)</i>		<i>(in thousand pesos)</i>	
	Inventories carried at the lower of cost and net realizable value	Inventories carried at fair value less cost to sell	Inventories carried at the lower of cost and net realizable value	Inventories carried at fair value less cost to sell
<b>Inventory Held for Consumption</b>				
Carrying Amount, January 1	3,775,486		4,198,665	
Additions/Acquisitions during the year	23,900,478		16,688,085	
Expensed during the year except write-down	21,977,568		17,111,264	
Write-down during the year	-		-	
Reversal of Write-down during the year	-		-	
<b>Carrying Amount, December 31</b>	<b>5,698,396</b>		<b>3,775,486</b>	

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**9. PROPERTY, PLANT AND EQUIPMENT**

**As at December 31, 2017**

Particulars	Land	Infrast Assets	Bldgs & Structures	Mach & Eqpt	Transp Eqpt	Furn & Fxtrs	Const in Prog	Total
Acquisition Cost	3,246,106	122,455,468	9,369,091	11,203,149	5,257,921	1,451,922	48,188,057	201,171,715
Accd Depn		(61,043,861)	(3,871,872)	(6,028,204)	(1,874,964)	(623,403)		(73,442,304)
Accd Imp Loss								
Net Value	3,246,106	61,411,607	5,497,219	5,174,945	3,382,957	828,519	48,188,057	127,729,411

**As at December 31, 2016**

Particulars	Land	Infrast Assets	Bldgs & Structures	Mach & Eqpt	Transp Eqpt	Furn & Fxtrs	Const in Prog	Total
Acquisition Cost	3,240,243	109,314,126	8,958,280	11,280,353	5,067,665	1,249,760	27,023,400	166,133,827
Accd Depn		(54,922,300)	(3,346,819)	(7,191,453)	(1,384,695)	(557,754)		(67,403,021)
Accd Imp Loss								
Net Value	3,240,243	54,391,826	5,611,461	4,088,900	3,682,970	692,006	27,023,400	98,730,806

**10. INTANGIBLE ASSETS – Computer Software**

Particulars	2017	2016
Acquisition Cost	825,524	825,524.00
Accumulated Amortization	(396,491)	(346,491)
Net Value	429,033	479,033

**11. OTHER ASSETS**

**Current and Non-Current Other Assets**

Particulars	2017			2016		
	Current	Non-Current	Total	Current	Non-Current	Total
Restricted Fund	3,376,950	-	3,376,950	3,354,040	-	3,354,040

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**12. FINANCIAL LIABILITIES**

**12.1 Payables**

Particulars	2017		2016	
	Current	Non-Current	Current	Non-Current
Accounts Payable	2,364,833		1,562,263	
Other Payables	162,663		135,786	

**12.2 Loans Payable**

Particulars	2017		2016	
	Current	Non-Current	Current	Non-Current
Loans Payable - DBP	4,397,510	32,774,720	3,080,924	12,231,432

**13. INTER-AGENCY PAYABLES**

Particulars	2017		2016	
	Current	Non-Current	Current	Non-Current
Due to BIR	168,769		296,415	
Due to GSIS	447,548		432,585	
Due to Pag-Ibig	47,491		64,144	
Payable to MCWD		75,497		75,497

**14. TRUST LIABILITIES**

Particulars	2017		2016	
	Current	Non-Current	Current	Non-Current
Guaranty/Security Deposits Payable	1,902,546		469,176	
Customers' Deposits Payable	7,342	456,661	45,699	456,661



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**15. DEFERRED CREDITS/UNEARNED INCOME**

Particulars	2017		2016	
	Current	Non-Current	Current	Non-Current
Other Unearned Revenue/Income	250,857		(979,527)	

**16. SERVICE AND BUSINESS INCOME**

Particulars	2017	2016
Waterworks System Fees (Net of Rebates and Discounts)	70,098,166	64,697,409
Interest Income	44,938	60,735
Fines and Penalties-Business Income	2,671,424	2,430,634
Other Business Income	6,087,287	5,129,757

**17. PERSONNEL SERVICES**

**17.1 Salaries and Wages**

Particulars	2017	2016
Salaries and Wages- Regular	18,214,903	16,185,454

**17.2 Other Compensation**

Particulars	2017	2016
Personnel Economic Relief Allowance (PERA)	1,785,091	1,688,594
Representation Allowance (RA)	495,750	449,500
Transportation Allowance (TA)	495,750	449,500

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**17.3 Employees Future Benefits**

The Carcar Water District and its employees contribute to the Government Service Insurance System (GSIS) in accordance with R.A 8291 otherwise known as the “Government Service Insurance Act of 1977”. The GSIS administers the plan, including payment of personal benefits to employees to whom the act applies. Likewise, the same compliance is observed in the mandatory contributions for PHIC, HDMF and Employer’s Contribution.

In compliance with the DBM Budget Circular 2008-3, Carcar Water District contributes to the CWD Provident Fund at an approved budgeted amount.

Contributions for 2017 amounted to:

**17.4 Personnel Benefit Contributions**

<b>Particulars</b>	<b>2017</b>	<b>2016</b>
Retirement and Life Insurance Premiums	1,837,473	1,637,341
Pag-IBIG Contributions	82,100	84,600
PhilHealth Contributions	165,450	151,812
Employees Compensation Insurance Premiums	89,289	83,367
Provident/Welfare Fund Contributions	1,062,693	954,872

**17.5 Other Personnel Benefits**

<b>Particulars</b>	<b>2017</b>	<b>2016</b>
Clothing/Uniform Allowance	370,000	350,000
Year End Bonus	373,500	350,000
Other Bonuses and Allowances	2,702,281	2,919,799
Other Personnel Benefits	1,154,526	642,910

**18. MAINTENANCE AND OTHER OPERATING EXPENSES**

**18.1 Traveling Expenses**

<b>Particulars</b>	<b>2017</b>	<b>2016</b>
Traveling Expenses - Local	473,362	300,937

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**18.2 Training and Scholarship Expenses**

<b>Particulars</b>	<b>2017</b>	<b>2016</b>
Training Expenses	801,480	516,507

**18.3 Supplies and Materials Expenses**

<b>Particulars</b>	<b>2017</b>	<b>2016</b>
Office Supplies Expenses	358,582	340,869
Fuel, Oil and Lubricants Expenses	1,012,066	756,299

**18.4 Utility Expenses**

<b>Particulars</b>	<b>2017</b>	<b>2016</b>
Electricity Expenses	732,992	563,824

**18.5 Communication Expenses**

<b>Particulars</b>	<b>2017</b>	<b>2016</b>
Postage and Courier Services	18,275	20,398
Telephone Expenses	263,437	267,579

**18.6 Awards/Rewards, Prizes and Indemnities**

<b>Particulars</b>	<b>2017</b>	<b>2016</b>
Awards/Rewards Expenses	141,205	117,820
Indemnities	2,206	5,085

**18.7 Generation, Transmission and Distribution Expenses**

<b>Particulars</b>	<b>2017</b>	<b>2016</b>
Generation, Transmission and Distribution Expenses	10,620,542	7,633,060

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**18.8 Professional Services**

<b>Particulars</b>	<b>2017</b>	<b>2016</b>
Legal Services	-	3,600
Auditing Services	11,370	-
Other Professional Services	8,689	360,000

**18.9 General Services**

<b>Particulars</b>	<b>2017</b>	<b>2016</b>
Security Services	764,388	728,949

**18.10 Repairs and Maintenance**

<b>Particulars</b>	<b>2017</b>	<b>2016</b>
Repairs and Maintenance-Infrastructure Assets	3,918,658	3,462,066
Repairs and Maintenance-Buildings and Other Structures	405,002	128,926
Repairs and Maintenance-Machinery and Equipment	271,326	167,999
Repairs and Maintenance-Transportation Equipment	387,379	449,145
Repairs and Maintenance-Furniture and Fixtures	26,549	34,609

**18.11 Taxes, Insurance Premiums and Other Fees**

<b>Particulars</b>	<b>2017</b>	<b>2016</b>
Taxes, Duties and Licenses	1,530,614	1,422,610
Insurance Expenses	135,864	139,212

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**18.12 Other Maintenance and Operating Expenses**

<b>Particulars</b>	<b>2017</b>	<b>2016</b>
Advertising, Promotional and Marketing Expenses	415,955	334,236
Representation Expenses	492,866	369,867
Membership Dues and Contributions to Organizations	800	
Donations	35,100	30,111
Directors and Committee Members' Fees	591,948	566,676
Other Maintenance and Operating Expenses	395,199	443,418
Extraordinary and Miscellaneous Expenses	97,606	98,400

**19. FINANCIAL EXPENSES**

<b>Particulars</b>	<b>2017</b>	<b>2016</b>
Interest Expenses	1,112,839	1,063,957
Bank Charges	43,812	53,198

**20. NON-OPERATING INCOME, GAIN OR LOSSES**

**Non-Operating Losses**

<b>Particulars</b>	<b>2017</b>	<b>2016</b>
Loss on Sale of Assets	-	8,282
Loss of Assets	-	987

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**21. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES**

**Adjustments to Reconcile Net Loss to Net Cash Provided by Operating Activities:**

Depreciation	5,792,360	4,869,992
Gains/Losses	-	(260,077)
Prior Period Adjustments	2,879,701	2,458,972

**(Increase) Decrease in Operating Assets**

Accounts Receivable	(1,075,572)	(955,157)
Other Receivables	(49,652)	(1)
Inventories	(1,922,910)	423,179
Prepaid Expenses	109,825	(235,343)

**Increase (Decrease) in Operating Liabilities**

Payable Accounts	802,570.49	326,614
Inter-Agency Payables	(129,335)	117,032
Other Payables	(47,139)	127,287

**Net Cash Provided by  
Operating Activities-  
INDIRECT**

25,568,334	28,244,763
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**Net Cash Provided by  
Operating Activities-  
DIRECT**

13,604,930	16,856,334
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Difference	11,963,404	11,388,429
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## 22. Key Management Personnel

The key management personnel of the Carcar Water District are the Board of Directors (BOD) , the members of the governing body, and the members of the senior management group. The governing body consists of members appointed by the Local Chief Executive of the LGU. The senior management group consists of the General Manager, Department Managers and Division Managers.

The aggregate remuneration of members of the governing body and the number of members determined on a fulltime equivalent basis receiving remuneration within this category, are:

<b>Particulars</b>	<b>Aggregate Remuneration</b>
Salaries and Wages	4,030,470.00
Honorarium	591,948.00
Allowances	1,250,721.34
Personnel Benefit Contributions	278,168.94
Other Personnel Benefit	1,400,624.02

Certified true and correct:

Approved by:



JOSEFA SALVACION N. MANUGAS  
Department Manager B



ENGR. EDWARD L. REMO  
General Manager