

CARCAR WATER DISTRICT
Notes to Financial Statements
For the year ended December 31, 2022

1. GENERAL INFORMATION

Carcar Water District (CWD) is a government owned and controlled corporation created and existing by virtue of Presidential Decree 198, as amended. A Certificate of Conformance, Certificate No. 117, was issued by the Local Water Utilities Administration (LWUA) to CWD on May 30, 1980 validating its operations as one of the water districts of the country. Under the Revised Local Water District Manual on Categorization Re-Categorization and Other Matters (LWD-MaCRO), CWD was re-categorized to Category “B” effective November 2014.

The primary objective of the Water District is to provide sufficient potable water to the residents of the town of Carcar (now a City) utilizing available sources of water and applying appropriate water treatment measures to ensure that water is safe for the consumption of the concessionaires.

In compliance with Philippine Accounting Standard (PAS) No. 10, the accompanying CY 2022 financial statements of CWD were authorized for issue thru Board Resolution No. 2, series of 2023 dated January 18 2023.

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

2.1 *Statement of Compliance*

The Water District’s financial statements were previously prepared in accordance with the uniform and standard accounting system prescribed by LWUA. With the issuance of Commission on Audit (COA) Circular No. 2016-006 dated December 29, 2016, which is the implementing guidelines of COA Circular No. 2015-010 dated December 1, 2015, the District’s financial statements for the year ended December 31, 2022 have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS).

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. 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 Government Corporations (GCs)], property, plant and equipment (PPE) with cost below ₱15,000.00 are classified as Semi Expendable Inventory.

PAS 16, PPE, provides additional guidelines and clarification on recognition and measurement of items of PPE. It also provides that each part of an item, PPE with a cost that is in significant relation to the total cost of the item shall be depreciated separately. PPE with cost of below ₱15,000.00 per COA Circular No. 2015-010 dated December 1, 2015 (adoption of the Revised Chart of Accounts for GCs) are reclassified as Semi-Expendable Equipment.

PAS 19, Employee 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 of service rendered by employees). The standard requires an entity to recognize a liability when an employee has provided services 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.

2.2 *Basis of Preparation of Financial Statements*

The financial statements of CWD have been prepared using the historical cost basis, unless stated otherwise, and are presented in Philippines Peso (₱), which is the District's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Basis of Accounting*

The Water District's financial statements are prepared on an accrual basis in accordance with the PFRS.

3.2 *Cash and Cash Equivalents*

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 changes in values. Due to the short term maturity of the transaction, the fair value of cash and cash equivalents approximates the amount at the time of initial recognition. These deposits earn interest at the prevailing market rate.

3.3 *Receivable*

Receivables are recognized and carried at original billed amount. Allowance for Impairment-Accounts Receivable is set-up in order to serve as back-up for potential losses on receivables.

3.4 *Inventories*

Inventories are assets that are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventory is measured at cost upon initial recognition. The Water District includes in the cost of inventories all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. To the extent that inventory was 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.

Inventories are stated at a weighted average cost method. Under the weighted average cost formula, the cost of each item is determined from the weighted average of the cost of similar items at the beginning of a period and the cost of similar items purchased or produced during the period.

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

3.5 *Prepaid Expenses*

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. These typically include prepayments on insurance, subscriptions and other prepaid expenses.

3.6 *PPE*

Recognition

An item is recognized as PPE if it meets the characteristics and recognition criteria as PPE, 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 the future economic benefits or service potential associated with the item will flow to the entity; and
- the cost or fair value of the item can be measured reliably.

Measurement at Recognition

An item recognized as PPE 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 at the recognition date or, for PPE acquired through non cash-exchange transaction its cost is its fair value as at recognition date.

Cost includes the following:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- expenditure that is directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and;
- 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 the period.

Measurement after Recognition

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

When significant parts of PPE are required to be replaced at intervals, the 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 plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized as expense in the statement of comprehensive income as incurred.

Depreciation

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.

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

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 the management.

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

Depreciation Method

The straight-line method of depreciation is adopted unless another method is more appropriate for agency operation. The residual value of the PPE is deducted in computing for its depreciation.

Estimated Useful Life

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

As of the moment CWD uses a residual value equivalent to at least five per cent of the cost of the PPE.

Impairment

An asset is impaired when its carrying amount exceeds its recoverable amount. Regular review of the Water District's PPE shall determine if there are items that may be impaired.

Derecognition

The 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 statement of comprehensive income when the asset is derecognized.

3.7 *Intangible Assets*

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 comprising of a) its purchase price including import duties and non-refundable taxes after deducting trade discounts and rebates; b) any directly attributable cost of preparing the asset for its intended use.

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

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

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

Internally Generated Intangible Assets

In the recognition of internally generated intangible asset, the entity shall classify the generation of an asset into a) research phase and b) development phase.

Recognition of an Expense and Cost of the Asset

Expenditures on research phase shall be recognized as expenses when they are incurred. In the development phase, an entity in some instances identifies an intangible asset and demonstrates that the asset will generate probable future economic benefits. Cost of an internally generated intangible asset comprises of all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in a manner intended by management.

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

Subsequent Measurement

The useful life of intangible assets is assessed as either finite or indefinite. An intangible asset with a finite life is amortized over its useful life while the intangible asset with infinite useful life will not be amortized.

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

An intangible asset with indefinite useful life or an intangible asset not yet available for use is assessed for impairment whenever there is an indication that the asset may be impaired.

The amortization period and the amortization method, for an intangible asset with a finite useful life, are reviewed at the end of each reporting period.

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the

carrying amount of the asset and are recognized in the profit and loss when the asset is derecognized.

3.8 *Revenue and Expense Recognition*

Revenue is the gross inflow of economic benefits (cash, receivables, other assets) arising from the ordinary operating activities of an entity (such as sales of goods, sales of services, interest, royalties, and dividends). Revenue is recognized when it is probable that the economic benefit associated with the transaction will flow to the Water District and the amount of revenue can be measured reliably.

The Water District recognizes the revenue when the related water services are rendered to the customers. Water services are billed every month according to the bill cycles of the customers.

4. CASH AND CASH EQUIVALENTS

This account comprises of the following:

	2022	2021
Cash in Bank	P 3,641,111.47	P1,939,782.35
Time Deposits - Local Currency	2,792,477.28	2,781,830.85
Cash on Hand	661,763.37	1,735,156.16
Total	P 7,095,352.12	P6,456,769.36

5. RECEIVABLES

This account consists of:

	2022	2021
Accounts Receivable	P 9,300,636.50	P11,163,753.83
Allowance for Impairment–Accounts Receivable	(2,691,524.53)	(2,473,009.93)
Net Value – Accounts Receivable	6,609,111.97	8,690,743.90
Due from Local Government Units	150,000.00	150,000.00
Other Receivables	2,642,234.81	2,426,549.27
Receivables – Disallowance/Charges	23,219.15	23,219.15
Due from Officers and Employees	79,030.05	64,980.43
Receivables, net	P 9,503,595.98	P11,355,492.75

6. INVENTORIES

The details of this account are:

	2022	2021
Inventory Held for Consumption		
Beginning Balance	₱ 6,801,928.67	₱ 9,177,229.85
Additions/Acquisitions during the year	31,404,962.60	24,167,450.98
Expensed during the year except write-down	(26,911,922.88)	(26,542,752.16)
Total Inventory Held for Consumption	₱ 11,294,968.39	₱ 6,801,928.67

Inventories held for consumption are mainly for the consumption in the ordinary course of the operation. Office Supplies, Chemical and Filtering Supplies, Accountable Forms, Plates and Stickers Inventory, Construction Materials Inventory, Semi-Expendable Inventory and Other Supplies and Materials Inventory are the type of inventory maintained by the CWD and inventoried using the weighted average method.

7. PPE

The details of this account are:

	Land	Infrastructure Assets	Buildings and Structures	Machineries and Equipment	Transportation Equipment	Furniture & Fixtures	Construction in Progress	Total
As at December 31, 2022								
Carrying Amount, Jan 1, 2022	₱3,511,605.84	₱96,831,564.63	₱43,646,733.03	₱17,674,904.26	₱3,649,721.38	₱1,571,755.16	₱20,517,624.79	₱187,403,909.09
Additions / Acquisitions	130,524.74	12,929,645.41	1,735,189.11	1,703,148.75	210,000.00	294,229.32	5,923,669.11	30,770,430.28
Total	3,642,130.58	109,761,210.04	45,381,922.14	19,378,053.01	3,859,721.38	1,865,984.48	26,441,293.90	218,174,339.37
Disposals/Reclassification		2,035,904.42	84,738.96	2,483,252.34	9,517.28	221,541.93	12,524,929.37	25,203,907.84
Depreciation		4,260,922.70	4,862,810.83	2,839,681.56	583,482.78	199,266.95		12,746,164.82
Impairment Loss		39,045.70		4,165.50				43,211.20
Carrying Amount., December 31, 2022	3,642,130.58	103,425,337.22	40,434,372.35	14,050,953.61	3,266,721.32	1,445,175.60	13,916,364.53	180,181,055.51
Gross Cost	3,642,130.58	171,800,351.06	58,732,578.14	25,820,408.86	7,545,424.20	2,546,564.73	13,916,364.53	284,003,822.10
Accumulated Depreciation		- 68,335,968.14	- 18,298,205.79	- 11,765,289.75	- 4,278,702.88	- 1,101,389.13		- 103,779,555.69
Accumulated Impairment Loss		- 39,045.70		- 4,165.50				- 43,211.20
Net Book Value	₱3,642,130.58	₱103,425,337.22	₱40,434,372.35	₱14,050,953.61	₱3,266,721.32	₱1,445,175.60	₱13,916,364.53	₱180,181,055.21

	Land	Infrastructure Assets	Buildings and Other Structures	Machinery and Equipment	Transportation Equipment	Furniture & Fixtures	Construction in Progress	Total
<i>As at December 31, 2021</i>								
Carrying Amount, January 1, 2021	₱ 3,511,605.84	₱ 90,472,753.31	₱ 40,093,306.39	₱ 15,252,016.48	₱ 4,174,019.95	₱ 945,659.08	₱ 20,458,010.66	₱ 174,907,371.71
Additions/Acquisitions	0.00	10,616,482.81	7,807,435.29	6,045,266.62	0.00	924,692.83	59,614.13	25,453,491.68
Total	3,511,605.84	101,089,236.12	47,900,741.68	21,297,283.10	4,174,019.95	1,870,351.91	20,517,624.79	200,360,863.39
Disposals/ Reclassification	0.00	(142,522.45)	0.00	(602,391.00)	(8,678.08)	(7,079.70)	0.00	(760,671.23)
Depreciation	0.00	(4,106,335.58)	(4,254,008.65)	(3,108,851.56)	(568,520.28)	(296,221.85)	0.00	(12,333,937.92)
Impairment Loss/Impairment Loss Reversal	0.00	(8,813.46)	0.00	88,863.72	52,899.79	4,704.80	0.00	137,654.85
Carrying Amount, December 31, 2021	3,511,605.84	96,831,564.63	43,646,733.03	17,674,904.26	3,649,721.38	1,571,755.16	20,517,624.79	187,403,909.09
Gross Cost	3,511,605.84	163,043,410.58	57,348,129.79	31,473,211.39	7,746,346.79	3,074,332.33	20,517,624.79	286,714,661.51
Accumulated Depreciation	0.00	(66,095,141.02)	(13,701,396.76)	(13,616,414.27)	(4,085,596.56)	(1,494,457.86)	0.00	(98,993,006.47)
Accumulated Impairment Loss	0.00	(116,704.93)	0.00	(181,892.86)	(11,028.85)	(8,119.31)	0.00	(317,745.95)
Net Book Value	₱ 3,511,605.84	₱ 96,831,564.63	₱ 43,646,733.03	₱ 17,674,904.26	₱ 3,649,721.38	₱ 1,571,755.16	₱ 20,517,624.79	₱ 187,403,909.09

8. INTANGIBLE ASSETS

The details of this account are:

	2022	2021
Computer Software		
<i>Cost</i>		
Beginning Balance	₱ 825,524.00	₱ 825,524.00
Additions		0.00
Disposals/Reclassification	205,200.00	0.00
Balance, end of the year	1,030,724.00	825,524.00
<i>Accumulated Amortization</i>		
Beginning Balance	800,524.00	753,973.92
Adjustments/Reclassification	194,940.00	
Amortization		46,550.08
Balance, end of the year	995,464.00	800,524.00
Net Value – Computer Software	₱ 35,260.00	₱ 25,000.00

9. OTHER ASSETS

This is composed of the following:

	2022	2021
Other Current Assets		
Advances	₱ 0.00	₱ 0.00
Prepayments	774,722.32	491,799.84
Deposits	918,561.40	788,561.40
Deferred Charges	5,639,819.21	3,348,419.94
Total Other Current Assets	7,333,102.93	4,628,781.18
Other Non-Current Assets		
Restricted Fund	1,769,768.49	3,396,078.31
Other Assets	5,697.85	5,697.85
Total Other Non-Current Assets	1,775,466.34	3,401,776.16
Total Other Assets	₱ 9,108,569.27	₱8,030,557.34

The presentation or classification of items in the financial statements has been corrected to be consistent with the interim FS of the Carcar Water District for the year 2022. Deferred charges were previously classified under other noncurrent assets. Deferred charges are listed under "Other Current Assets" as this chart illustrates. Deferred charges relate to land titling processing, load allowance, materials for the Propoor Phase II Project, for which the contract will expire in September 2023, and shortages from material inventory count.

10. FINANCIAL LIABILITIES

These are the composition of this account:

	2022	2021
Payables		
Accounts Payable	₱ 14,902,062.90	₱ 10,977,786.70
Due to Officers and Employees	2,853,718.00	1,181,095.45
Bills/Bonds/Loans Payable		
Loans Payable - Domestic	0	7,410,163.54
Financial Liabilities – Current	17,755,780.90	19,569,045.69
Bills/Bonds/Loans Payable		
Loans Payable - Domestic	40,376,480.31	40,376,480.31
Financial Liabilities – Non-Current	40,376,480.31	40,376,480.31
Total Financial Liabilities	₱ 58,132,261.21	₱ 59,945,526.00

11. INTER-AGENCY PAYABLES

This account is composed of the following:

	2022	2021
Due to GSIS	₱ 831,670.25	₱880,127.99
Due to BIR	1,043,296.57	887,836.37
Due to Government Corporations	75,497.15	75,497.15
Due to Pag-IBIG	143,063.62	94,935.45
Due to PhilHealth	104,317.00	74,286.45
Total Inter-Agency Payables	₱ 2,197,844.59	₱2,012,683.41

12. TRUST LIABILITIES

This account is composed of the following:

	2022	2021
Customers' Deposits Payable	₱ 539,160.85	₱ 539,160.85
Guaranty/Security Deposits Payable	3,233,914.68	3,401,531.58
Total Trust Liabilities	₱ 3,773,075.53	₱ 3,940,692.43

13. OTHER PAYABLES

This account is composed of the following:

	2022	2021
Premiums Payable	₱ 810.00	₱ 810.00
Other Payables – Provident Fund	3,411,971.44	1,942,392.76
Other Payables – CFI Cooperative	31,723.15	4,853.04
Other Payables – DBP	48,040.84	15,881.80
Other Payables – CAWDEU*	46,300.00	15,800.00
Other Payables – Others	4,511.89	5,903.41
Other Payables – JO Gratuity Pay	0.00	65,000.00
Total	₱ 3,543,357.32	₱ 2,050,641.01

**Carcar Water District Employees' Union Contributions*

14. PROVISIONS

This account is composed of the following:

	2022	2021
Leave Benefits Payable	₱ 9,517,705.52	₱ 8,441,232.77
Total	₱ 9,517,705.52	₱ 8,441,232.77

15. DEFERRED CREDITS/UNEARNED INCOME

This account is composed of the advance payments made by the concessionaires on their water bills.

	2022	2021
Other Unearned Revenue/Income	₱ 169,196.29	₱ 538,480.05
Total	₱ 169,196.29	₱ 538,480.05

16. INCOME

This account consists of the following:

	2022	2021
Service and Business Income		
Waterworks System Fees	₱ 125,549,912.54	₱ 103,315,463.39
Interest Income	15,298.41	24,506.56
Fines and Penalties – Business Income	4,103,875.35	3,305,096.41
Other Business Income	4,434,925.85	4,296,057.89
Total Service and Business Income	134,104,012.15	110,941,124.25
Shares, Grants and Donations		
Income from Grants and Donations in Cash	3,093,492.18	4,943,268.22
Income from Grants and Donations in Kind	375,422.49	581,168.00
Total Shares, Grants and Donations	3,468,914.67	5,524,436.22
Other Non-Operating Income		
Reversal of Impairment Loss	0.00	146,468.31
Proceeds from Insurance	599,931.21	

	2022	2021
Total Non-Operating Income	0.00	146,468.31
Total Income	₱ 138,172,855.03	116,621,028.78

Shares, Grants and Donations

Carcar Water District has been chosen by Vitens Evides International, a registered Limited Liability Company with the Dutch Chamber of Commerce, to implement the Performance Enhancement Water Utilities Project (PEWUP) in the Philippines. The Phase II of the PEWUP project has begun, with the overall goal of the PEWUP project being the step-change improvement of a number of prioritized working processes in order to achieve utility turnaround for the Focus project partners. The agreement began on January 1, 2022 and will end on December 31, 2026. Both parties intend to extend their collaboration until 2030.

17. PERSONNEL SERVICES

Comprising this account are the following:

	2022	2021
Salaries and Wages	₱ 32,385,893.46	₱ 28,648,783.25
Other Compensation		
Personnel Economic Relief Allowance (PERA)	2,857,090.91	2,524,727.26
Representation Allowance (RA)	551,750.00	535,750.00
Transportation Allowance (TA)	551,750.00	535,750.00
Clothing/Uniform Allowance	702,000.00	534,000.00
Mid-Year and Year End Bonus	5,816,376.00	4,849,040.00
Other Bonuses and Allowances	2,267,684.20	4,375,660.03
Total Other Compensation	12,746,651.11	13,354,927.29
Personnel Benefit Contributions		
Retirement and Life Insurance Premium	3,790,606.29	3,101,563.44
Pag-IBIG Contributions	139,300.00	126,100.00
Philhealth Contributions	607,476.50	398,985.87
Employees Compensation Insurance Premiums	141,200.00	116,700.00
Provident/Welfare Fund Contributions	1,461,102.51	1,563,084.72
Total Personnel Benefits Contributions	6,139,685.30	5,306,434.03
Other Personnel Benefits		
Terminal Leave Benefits	1,932,464.84	2,339,608.81
Other Personnel Benefits	130,000.00	1,446,728.00
Total Other Personnel Benefits	2,062,464.84	3,786,336.81
Total Personnel Services	₱ 53,334,694.71	₱ 51,096,481.38

18. MAINTENANCE AND OTHER OPERATING EXPENSES

This account consists of the following:

	2022	2021
Traveling Expenses	₱ 269,013.87	₱ 75,185.00
Training and Scholarship Expenses	675,161.75	119,876.64
Supplies and Materials Expenses		
Office Supplies Expenses	985,076.48	767,975.77
Fuel, Oil and Lubricants Expenses	2,078,801.94	1,593,335.58
Semi-Expendable Machinery and Equipment Expenses	464,029.05	
Total Supplies and Materials Expenses	3,527,907.47	2,361,311.35
Utility Expenses		
Electricity Expense	1,503,401.63	902,086.41
Total Utility Expenses	1,503,401.63	902,086.41
Communication Expenses		
Postage and Courier Services	22,840.00	15,133.00
Telephone Expenses	419,471.96	353,803.35
Internet Subscription Expenses		8,698.49
Cable, Satellite, Telegraph and Radio Expenses	18,750.00	
Transportation and Delivery Expenses	36,000.00	
Total Communication Expenses	497,061.96	377,634.84
Awards/Rewards, Prizes and Indemnities		
Awards/Rewards Expenses	419,439.00	310,195.00
Indemnities	22,243.00	4,511.00
Total Awards/Rewards, Prizes and Indemnities	441,682.00	314,706.00
Total Generation, Transmission and Distribution Expenses	31,710,977.66	19,353,953.05
Confidential, Intelligence and Extraordinary Expenses		
Extraordinary & Miscellaneous Expenses	123,962.49	107,843.87
Total Confidential, Intelligence and Extraordinary Expenses	123,962.49	107,843.87
Professional Services		
Legal Services	16,149.80	10,000.00
Auditing Services	450,000.00	200,000.00
Other Professional Services	121,461.00	56,000.00
Total Professional Services	587,610.80	266,000.00
General Services		
Security Services	1,241,197.82	1,182,393.76
Total General Services	1,241,197.82	1,182,393.76
Repairs and Maintenance		
Repairs and Maintenance-Infrastructure Assets	13,033,376.24	8,763,693.16

	2022	2021
Repairs and Maintenance-Building and Other Structures	511,786.27	178,535.36
Repairs and Maintenance-Machinery and Equipment	1,236,411.43	715,633.55
Repairs and Maintenance-Transportation Equipment	1,023,839.09	464,684.94
Repairs and Maintenance-Furniture and Fixtures	51,347.76	129,794.61
Total Repairs and Maintenance	15,856,760.79	10,252,341.62
Taxes, Insurance Premiums and Other Fees		
Taxes, Duties and Licenses	673,355.95	2,570,298.09
Insurance Expense	536,791.91	459,606.42
Total Taxes, Insurance Premiums & Other Fees	1,210,147.86	3,029,904.51
Other Maintenance and Operating Expenses		
Fidelity Bond Premium	15,000.00	
Advertising Expenses	492,285.52	377,511.50
Representation Expenses	1,053,502.20	608,144.55
Membership Dues and Contributions to Organizations	6,000.00	
Cultural and Athletic Expenses	133,050.86	
Directors and Committee Members' Fees	707,616.00	707,616.00
Rent Expenses	194,489.28	318,166.46
Other Maintenance and Operating Expenses	647,093.83	1,089,401.62
Total Other Maintenance & Operating Expenses	3,249,037.69	3,100,840.13
Total Maintenance and Other Operating Expenses	₱ 60,893,923.79	₱ 41,444,077.18

19. FINANCIAL EXPENSES

This account is composed of the following:

	2022	2021
Interest Expenses	₱ 2,026,334.18	₱2,356,213.20
Bank Charges	45,854.05	23,615.15
Other Financial Charges	353.00	250.00
Total Financial Expenses	₱ 2,072,541.23	₱2,380,078.35

20. NON-CASH EXPENSES

This account consists of the following:

	2022	2021
Depreciation		
Depreciation – Infrastructure Assets	₱ 4,260,922.70	₱4,106,335.58
Depreciation – Buildings and Other Structures	4,862,810.83	4,254,008.65
Depreciation – Machinery and Equipment	2,839,681.56	3,108,851.56
Depreciation – Transportation Equipment	583,482.78	568,520.28
Depreciation – Furniture, Fixtures and Books	199,266.95	296,221.85
Total Depreciation	12,746,164.82	12,333,937.92
Amortization – Intangible Assets	0.00	46,550.08
Impairment Loss		
Loans and Receivables	218,514.60	21,187.43
Inventories		218,346.47
Property, Plant and Equipment	43,211.20	8,813.46
Total Impairment Losses	261,725.80	248,347.36
Discounts and Rebates		
Other Discounts	63,782.82	60,101.66
Rebates	3,422,924.99	2,681,629.94
Total Discounts and Rebates	3,486,707.81	2,741,731.60
Total Non-Cash Expenses	₱ 16,494,598.43	₱15,370,566.96

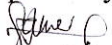
21. KEY MANAGEMENT PERSONNEL

The key management personnel of CWD are the Board of Directors, 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 Local Government Unit. The senior management group consists of the General Manager, Department Managers and Division Managers.

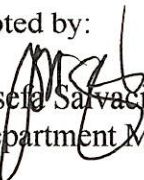
The aggregate remuneration of members of the governing body and the number of members determined on a fulltime equivalent basis receiving remuneration within this category, are:

Particulars	Aggregate Remuneration
Salaries and Wages	₱ 7,012,314.52
Honorarium	765,116
Allowances	1,256,318.19
Personnel Benefit Contributions	846,641.38
Other Personnel Benefits	1,793,709.46
Total	11,674,099.55

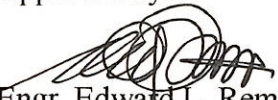
Prepared by:


Sergszel A. Fornis
Sr. Corporate Accountant C

Noted by:


Josefa Salvacion N. Manugas
Department Manager – Admin, Finance and HR

Approved by:


Engr. Edward L. Remo
General Manager