



**Republic of the Philippines**  
**COMMISSION ON AUDIT**  
**REGIONAL OFFICE NO. VII**  
M.J. Cuenco Avenue, Corner V. Sotto Street, Barangay Tinago, 6000 Cebu City

**ANNUAL AUDIT REPORT**

**on the**

**CARCAR WATER DISTRICT**

**For the Year Ended December 31, 2024**

## **EXECUTIVE SUMMARY**

### **Introduction**

The Carcar Water District (CWD) is a government-owned and controlled corporation created and existing by virtue of Presidential Decree No. 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. Effective November 2014, upon the approval of the LWUA, CWD was re-categorized from Category C to Category B Water District.

The primary objective of CWD is to provide sufficient potable water to the residents of Carcar City utilizing available sources of water and applying appropriate water treatment measures to ensure that water is safe for the consumption of its concessionaires.

As of December 31, 2024, CWD had a total workforce of 168, 120 of which are regular employees, 4 casual and 44 Job Order/Contract of Service. CWD is headed by General Manager Atty. Edward L. Remo.

### **Audit Objectives**

The objectives of the audit are to: (a) ascertain the fairness of presentation of the financial statements; (b) ascertain the propriety of financial transactions and compliance with the prescribed rules and regulations; (c) recommend agency improvement opportunities; and (d) determine the extent of implementation of prior year's audit recommendations.

### **Audit Methodology**

The Commission has been implementing risk-based audit in the conduct of its audit services. However, to meet the evolving developments in public governance and fund management, the results-based approach in audit was incorporated.

### **Scope of Audit**

The audit covered the financial transactions of CWD for calendar year (CY) 2024. The audit consisted of review of operating procedures, evaluation of the CWD's programs and projects, interview of concerned government officials and employees, verification, reconciliation, confirmation, inspection, and analysis of accounts, and such other procedures considered necessary.

### **Financial Highlights**

The financial condition and results of operation of CWD as at December 31, 2024 with comparative figures for 2023 are summarized as follows:

## I. Comparative Financial Position

	CY 2024 (P)	CY 2023 (P)	Increase / (Decrease)	
			Amount (P)	%
Assets	215,415,585.73	213,413,238.73	2,002,347.00	0.94
Liabilities	55,573,021.74	64,618,255.65	(9,045,233.91)	(14.00)
Equity	159,842,563.99	148,794,983.08	11,047,580.91	7.42

## II. Comparative Results of Operations

	CY 2024 (P)	CY 2023 (P)	Increase / (Decrease)	
			Amount (P)	%
Service and Business Income	157,846,265.34	151,590,849.55	6,255,415.79	4.13
Shares, Grants and Donations	340,847.44	3,370,924.93	(3,030,077.49)	(89.89)
Personnel Services	60,179,055.35	57,840,460.90	2,338,594.45	4.04
Maintenance and Other Operating Expenses	65,996,529.66	65,101,864.22	894,665.44	1.37
Financial Expenses	2,578,630.11	2,105,247.52	473,382.59	22.49
Non-Cash Expenses	19,212,709.19	17,751,438.65	1,461,270.54	8.23
Comprehensive Income/(Loss)	10,220,188.47	12,162,763.19	(1,942,574.72)	(15.97)

## Independent Auditor's Report

We rendered a qualified opinion on the fairness of the presentation of the financial statements for the year then ended, taking exception to the effects of the following:

1. Six items of equipment with a total cost of P1.073 million recorded under Other Machineries and Equipment account which were received in CY 2020 were not yet depreciated as of end of CY 2024. Consequently, the Depreciation Expense and the related Accumulated Depreciation accounts are understated by P.204 million and P.867 million, respectively; and the Retained Earnings account is overstated by P.663 million as of year-end. This is not in accordance with Paragraph 15 of Philippine Accounting Standards (PAS) 1 on the fair presentation of Financial Statements.
2. The current balance of the Loans Payable account aggregating to P9.138 million includes a non-current portion of the liability amounting to P.730 million, contrary to Paragraph 69 of the PAS 1. Thus, the current and non-current portions of the liability account were not fairly presented.
3. The grant of Collective Negotiation Agreement (CNA) Incentive amounting to P3.600 million in CY 2024 was improperly recorded to various Maintenance and Other



Operating Expense (MOOE) accounts instead of CNA Incentive account as prescribed in the Department of Budget and Management (DBM) Budget Circular No. 2024-4, thereby affecting the fair presentation of the aforementioned accounts in the financial statements as at December 31, 2024.

### **Significant Audit Observations and Recommendations**

The following are the significant audit observations and recommendations noted in the course of the audit:

1. The recorded Property, Plant and Equipment (PPE) balance as at December 31, 2024 aggregating ₱189.588 million is not fairly presented due to the following:
  - a) No impairment loss was recognized on certain PPE accounts although indications of impairment existed, thus, the affected PPE accounts are carried at more than their recoverable amount which is contrary to PAS 36;
  - b) items below the capitalization threshold are still carried in the PPE account, thereby overstating the PPE account by ₱84,256.20, contrary to the provisions of Paragraph 15 of the PAS 1 and COA Circular No. 2022-004 dated May 31, 2022.

We recommended that Management require the Accountant to assess the Water District's assets at every end of the reporting date and to recognize the corresponding impairment loss if indications of impairment exist, to ensure that PPE are carried at not more than their recoverable amount in compliance with PAS 1 and 36.

We also recommended for Management to require the Property Officer to prepare the Inventory and Inspection Report of Unserviceable Property (IIRUP) and to hasten the disposal of these unserviceable properties to prevent further deterioration pursuant to Section 79 of Presidential Decree (PD) No. 1445, and subsequently have these derecognized by the Accountant from the book of accounts of the Water District, once disposed.

Likewise, we recommended that Management direct the Accountant to strictly comply with the provisions of PAS 1 and draw a Journal Entry Voucher to reclassify the semi-expendable items and the related Accumulated Depreciation to the appropriate accounts.

Thereafter, the Accountant must observe the ₱50,000.00 capitalization threshold, when classifying/recording a tangible item as PPE, and expense this as soon as it is issued to the end-users, as provided in COA Circular No. 2022-004 dated May 31, 2022.

2. The accuracy, existence and reliability of the reported balances of the Inventory accounts amounting to ₱8.205 million as at December 31, 2024 could not be



ascertained due to unreconciled difference of ₱150,773 thousand between the General Ledger and Report on the Physical count of Inventories, contrary to Paragraph 15 of the PAS 1 and Section 491 of the Government Accounting and Auditing Manual (GAAM), Volume I.

We recommended for the General Manager to direct the Heads of the Accounting and Property/Supply Units to immediately reconcile the discrepancy of ₱150,773.57 between the General Ledger and the Report on the Physical Count of Inventories as at December 31, 2024. The variances should be investigated and properly adjusted through necessary correcting entries, subject to approval by the head of the agency.

We also recommended for Management to require the Property/Supply Unit to properly categorize inventory items and align their classifications with the General Ledger (GL) accounts. This will facilitate accurate reporting and reconciliation between the inventory records and the accounting books.

3. Water sanitation and hygiene facilities donated to various schools totaling ₱105,690.89 were still recognized in the books of the water district, contrary to paragraph 7 of International Accounting Standards (IAS) 16, thereby affecting the fair presentation in the financial statements as at December 31, 2024.

We recommended that, Management, through the Finance Services Department Manager, direct the Accountant to prepare the following adjusting entry to reverse the initial recognition of asset and record donation of the asset.

Henceforth, we recommended that Management strictly adhere to the guidelines set forth in IAS 16.

#### **Status of Settlement of Audit Suspensions, Disallowances and Charges**

The outstanding audit disallowances of CWD as at December 31, 2024 aggregated to ₱25,000.00.

Particulars	Balance December 31, 2023	Issued and Settled During the Year 2024		Balance December 31, 2024
		Issued	Settled	
Disallowances	₱25,000.00	0.00	0.00	₱25,000.00

#### **Status of Prior Years' Unimplemented Audit Recommendations**

Of the 22 audit recommendations from prior years, as outlined in the previous Annual Audit Reports, 1 was closed due to similarity of issue. Of the remaining 21 audit recommendations, 11 were implemented and 10 remained unimplemented, as discussed in Part III of this Report.

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**PART I**

**AUDITED FINANCIAL STATEMENTS**





REPUBLIC OF THE PHILIPPINES  
**COMMISSION ON AUDIT**  
**REGIONAL OFFICE NO. VII**

M.J. Cuenco Avenue, Corner V. Sotto Street, Barangay Tinago, 6000 Cebu City

## **INDEPENDENT AUDITOR'S REPORT**

### **THE BOARD OF DIRECTORS**

Carcar Water District  
Carcar City, Cebu

### ***Qualified Opinion***

We have audited the financial statements of the Carcar Water District (CWD), which comprise the Statement of Financial Position as at December 31, 2024, 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 and other explanatory information.

In our opinion, except for the effects of the matters discussed in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the CWD as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with the Philippine Financial Reporting Standards (PFRSs).

### ***Basis for Qualified Opinion***

In forming our audit opinion, we considered the following audit observations which are discussed in detail in Part II of the herein report:

1. Six items of equipment with a total cost of ₱1.073 million recorded under Other Machineries and Equipment account which were received in CY 2020 were not yet depreciated as of end of CY 2024. Consequently, the Depreciation Expense and the related Accumulated Depreciation accounts are understated by ₱.204 million and ₱.867 million, respectively; and the Retained Earnings account is overstated by ₱.663 million as of year-end. This is not in accordance with Paragraph 15 of Philippine Accounting Standards (PAS) 1 on the fair presentation of Financial Statements.
2. The current balance of the Loans Payable account aggregating to ₱9.138 million includes a non-current portion of the liability amounting to ₱.730 million, contrary to Paragraph 69 of the Philippine Accounting Standards (PAS) 1. Thus, the current and non-current portions of the liability account were not fairly presented.
3. The grant of Collective Negotiation Agreement (CNA) Incentive amounting to ₱3.600 million in CY 2024 was improperly recorded to various Maintenance and Other Operating Expense (MOOE) accounts instead of CNA Incentive account as prescribed in the Department of Budget and Management (DBM) Budget Circular No. 2024-4, thereby affecting the fair presentation of the aforementioned accounts in the financial statements as at December 31, 2024.

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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, 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 Water District's financial reporting process.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about 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:**

  
**ALITA R. FERNANDO**  
State Auditor V  
Supervising Auditor

May 9, 2025



## CARCAR WATER DISTRICT

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Tel. No. (032) 520-4949

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www.tuv.com  
E 11000457

### STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of Carcar Water District is responsible for the preparation of the financial statements as at December 31, 2024, 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 Carcar Water District in accordance with the Philippine Financial Reporting 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. MERLEA A. CABALQUINTO**

Chairperson, Board of Directors

2-11-25

Date Signed

  
**ATTY. EDWARD L. REMO, CE, MPA**

General Manager

2-11-25

Date Signed

  
**SHEILLE MARIE PANGALAO**

Acting Department Manager

(Finance and Commercial)

2-11-25

Date Signed

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**CARCAR WATER DISTRICT**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2024 & 2023**

	<i>Note</i>	<i>2024</i>	<i>2023</i>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	4	P 5,746,218.99	P 3,848,891.97
Receivables	5	7,647,890.31	7,991,525.18
Inventories	6	8,205,266.82	7,746,074.52
Other Current Assets	9	1,942,815.87	3,295,649.66
<b>Total Current Assets</b>		<b>23,542,191.99</b>	<b>22,882,141.33</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	7	189,587,578.21	188,673,194.70
Intangible Assets	8	505,909.96	79,718.31
Other Non-Current Assets	9	1,779,905.57	1,778,184.39
<b>Total Non-Current Assets</b>		<b>191,873,393.74</b>	<b>190,531,097.40</b>
<b>Total Assets</b>		<b>215,415,585.73</b>	<b>213,413,238.73</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Financial Liabilities	10	16,093,830.08	8,764,716.64
Inter-Agency Payables	11	2,284,493.96	2,142,974.64
Other Payables	13	5,184,768.44	6,438,800.87
<b>Total Current Liabilities</b>		<b>23,563,092.48</b>	<b>17,346,492.15</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities	10	15,890,532.25	32,621,068.29
Trust Liabilities	12	1,974,143.53	2,696,530.53
Deferred Credits/Unearned Income	15	647,805.79	546,491.78
Provisions	14	13,497,447.69	11,407,672.90
<b>Total Non-Current Liabilities</b>		<b>32,009,929.26</b>	<b>47,271,763.50</b>
<b>Total Liabilities</b>		<b>55,573,021.74</b>	<b>64,618,255.65</b>
<b>EQUITY</b>			
Government Equity		3,579,817.53	3,579,817.53
Retained Earnings/(Deficit)		156,262,746.46	145,215,165.55
		<b>159,842,563.99</b>	<b>148,794,983.08</b>
<b>Total Liabilities and Equity</b>		<b>P 215,415,585.73</b>	<b>P 213,413,238.73</b>

*See accompanying Notes to Financial Statements*

**CARCAR WATER DISTRICT**  
**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**AS AT DECEMBER 31, 2024 & 2023**

	<i>Note</i>	<i>2024</i>	<i>2023</i>
<b>Income</b>			
Service and Business Income	16	₱ 157,846,265.34	₱ 151,590,849.55
Shares, Grants and Donations	16	340,847.44	3,370,924.93
Other Non-Operating Income	16	0.00	0.00
<b>Total Income</b>		<b>158,187,112.78</b>	<b>154,961,774.48</b>
<b>Expenses</b>			
Personnel Services	17	60,179,055.35	57,840,460.90
Maintenance and Other Operating Expenses	18	65,996,529.66	65,101,864.22
Financial Expenses	19	2,578,630.11	2,105,247.52
Non-Cash Expenses	20	19,212,709.19	17,751,438.65
<b>Total Expenses</b>		<b>147,966,924.31</b>	<b>142,799,011.29</b>
<b>Profit/(Loss) Before Tax</b>		<b>10,220,188.47</b>	<b>12,162,763.19</b>
<b>Income Tax Expense/(Benefit)</b>			
<b>Profit/(Loss) After Tax</b>		<b>10,220,188.47</b>	<b>12,162,763.19</b>
<b>Net Assistance/Subsidy/(Financial Assistance/Subsidy/Contribution)</b>			
<b>Net Income/(Loss)</b>		<b>10,220,188.47</b>	<b>12,162,763.19</b>
<b>Other Comprehensive Income/(Loss) for the Period</b>			
<b>Comprehensive Income/(Loss)</b>		<b>₱ 10,220,188.47</b>	<b>₱ 12,162,763.19</b>

*See accompanying Notes to Financial Statements*

**CARCAR WATER DISTRICT  
CONDENSED STATEMENT OF CASH FLOWS  
AS AT DECEMBER 31, 2024 & 2023**

	<i>Note</i>	<i>2024</i>	<i>2023</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash Inflows</b>			
Collection of Income/Revenue		P 153,593,437.18	P 144,175,486.50
Collection of Receivables		2,447,047.70	4,675,265.08
Trust Receipts		0.00	0.00
Other Receipts		3,404,828.22	6,391,733.91
<b>Total Cash Inflows</b>		<b>159,445,313.10</b>	<b>155,242,485.49</b>
Adjustments	22	1,697,897.87	96,711.09
<b>Adjusted Cash Inflows</b>		<b>161,143,210.97</b>	<b>155,339,196.58</b>
<b>Cash Outflows</b>			
Payment of Expenses		83,754,104.74	89,439,529.83
Purchase of Inventories		14,857,152.44	14,824,681.15
Grant of Cash Advances		0.00	0.00
Payments of Accounts Payable		230,229.75	3,942,315.19
Remittance of Personnel Benefit			
Contributions and Mandatory Deductions		34,158,831.08	27,592,088.78
Other Disbursements	22	1,494,322.72	204,642.09
<b>Total Cash Outflows</b>		<b>134,494,640.73</b>	<b>136,003,257.04</b>
Adjustments	22	1,914,238.05	784,224.22
<b>Adjusted Cash Outflows</b>		<b>136,408,878.78</b>	<b>136,787,481.26</b>
<b>Net Cash Provided by/(Used in) Operating Activities</b>		<b>24,734,332.19</b>	<b>18,551,715.32</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash Inflows</b>			
Proceeds from Sale/Disposal of Property, Plant and Equipment		0.00	0.00
<b>Total Cash Inflows</b>		0.00	0.00
Adjustments (Please specify)		0.00	0.00
<b>Adjusted Cash Inflows</b>		0.00	0.00
<b>Cash Outflows</b>			
Purchase/Construction of Property, Plant and Equipment		12,530,934.35	12,074,784.95
Purchase of Intangible Assets		0.00	0.00
<b>Total Cash Outflows</b>		<b>12,530,934.35</b>	<b>12,074,784.95</b>
Adjustments (Please specify)		0.00	0.00
<b>Adjusted Cash Outflows</b>		<b>12,530,934.35</b>	<b>12,074,784.95</b>
<b>Net Cash Provided By/(Used In) Investing Activities</b>		<b>- 12,530,934.35</b>	<b>- 12,074,784.95</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Cash Inflows</b>			
Proceeds from Domestic and Foreign Loans		0.00	0.00
<b>Total Cash Inflows</b>		-	-
Adjustments (Please specify)		0.00	0.00
<b>Adjusted Cash Inflows</b>		-	-
<b>Cash Outflows</b>			
Payment of Long-Term Liabilities		7,728,240.71	7,619,443.00
Payment of Interest on Loans and Other Financial Charges		2,577,830.11	2,103,947.52
<b>Total Cash Outflows</b>		<b>10,306,070.82</b>	<b>9,723,390.52</b>
Adjustments (Please specify)		0.00	0.00
<b>Adjusted Cash Outflows</b>		<b>10,306,070.82</b>	<b>9,723,390.52</b>
<b>Net Cash Provided By/(Used In) Financing Activities</b>		<b>- 10,306,070.82</b>	<b>- 9,723,390.52</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>1,897,327.02</b>	<b>- 3,246,460.15</b>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>		<b>3,848,891.97</b>	<b>7,095,352.12</b>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>		<b>P 5,746,218.99</b>	<b>P 3,848,891.97</b>

*See accompanying Notes to Financial Statements*



**CARCAR WATER DISTRICT  
STATEMENT OF CHANGES IN EQUITY  
AS AT DECEMBER 31, 2024 & 2023**

	<i>Note</i>	Retained Earnings/ Deficit	Government Equity	<i>TOTAL</i>
<b>BALANCE AT JANUARY 1, 2023</b>		135,233,477.53	3,579,817.53	138,813,295.06
<b>CHANGES IN EQUITY FOR 2023</b>				
Add/(Deduct):				
Comprehensive Income for the year		12,162,763.19		12,162,763.19
Prior Year Adjustments	21	-2,181,075.17		-2,181,075.17
Reclassification		0.00		0.00
<b>BALANCE AT DECEMBER 31, 2023</b>		<b>145,215,165.55</b>	<b>3,579,817.53</b>	<b>148,794,983.08</b>
<b>BALANCE AT JANUARY 1, 2024</b>		145,215,165.55	3,579,817.53	148,794,983.08
<b>CHANGES IN EQUITY FOR 2024</b>				
Add/(Deduct):				
Comprehensive Income for the year		10,220,188.47		10,220,188.47
Prior Year Adjustments	21	827,392.44		827,392.44
Reclassification		0.00		0.00
<b>BALANCE AT DECEMBER 31, 2024</b>		<b>156,262,746.46</b>	<b>3,579,817.53</b>	<b>159,842,563.99</b>

*See accompanying Notes to Financial Statements*

**CARCAR WATER DISTRICT**  
Notes to Financial Statements  
For the year ended December 31, 2024

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**Note 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 2024 financial statements of CWD were authorized for issue thru Board Resolution No. 5, series of 2025 dated February 5, 2025.

**Note 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, 2023 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. 2023-004 dated May 31, 2023 [adoption of the Revised Chart of Accounts for Government Corporations (GCs)], property, plant and equipment (PPE) with cost below ₱50,000.00 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 ₱50,000.00 per COA Circular No. 2023-004 dated May 31, 2023 (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.

### **Note 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 percent 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

Expenditure 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.

### **3.9 *Provision***

Provisions are recognized when the CARCAR WATER DISTRICT has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation

Provisions are reviewed at each reporting date, and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provisions are reversed.

#### **Contingent liabilities**

The CARCAR WATER DISTRICT does not recognize a contingent liability but discloses details of any contingencies in the Notes to the Financial



Statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

#### Contingent assets

The CARCAR WATER DISTRICT does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the CARCAR WATER DISTRICT in the Notes to the Financial Statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

#### Note 4 - CASH AND CASH EQUIVALENTS

This account comprises of the following:

	2024	2023
Cash in Bank	3,395,652.59	1,972,306.72
Time Deposits - Local Currency	1,724,492.89	1,710,606.92
Cash on Hand	626,073.51	165,978.33
<b>Total</b>	<b>5,746,218.99</b>	<b>3,848,891.97</b>

#### Note 5 - RECEIVABLES

This account consists of:

	2024	2023
Accounts Receivable	9,445,514.63	9,577,679.83
Allowance for Impairment–Accounts Receivable	(2,757,066.50)	(2,743,309.94)
Net Value – Accounts Receivable	6,688,448.13	6,834,369.89
Due from Local Government Units	150,000.00	150,000.00
Other Receivables	739,268.55	902,186.95
Receivables – Disallowance/Charges	21,000.00	23,219.15
Due from Officers and Employees	49,173.63	81,749.19
<b>Receivables, net</b>	<b>7,647,890.31</b>	<b>7,991,525.18</b>



## Note 6 - INVENTORIES

The details of this account are:

	2024	2023
<b>Inventory Held for Consumption</b>		
Beginning Balance	7,746,074.52	11,294,968.39
Additions/Acquisitions during the year	25,509,758.81	27,277,125.16
Expensed during the year except write-down	(25,050,566.51)	(30,826,019.03)
<b>Total Inventory Held for Consumption</b>	<b>8,205,266.82</b>	<b>7,746,074.52</b>

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 types of inventory maintained by the CWD and inventoried using the weighted average method.

# Note 7 - PPE

The details of this account are:

	Land	Infrastructure Assets	Buildings and Structures	Machineries and Equipment	Transportation Equipment	Intangible Assets	Construction in Progress	Total
As at December 31, 2024								
Carrying Amount, Jan 1, 2024	3,687,130.58	113,002,983.04	40,313,327.51	12,469,792.13	2,886,588.54	1,247,899.18	34,972,973.86	188,673,194.70
Additions / Acquisitions	1,148,907.94	14,959,650.11	553,832.52	505,370.00	3,019,570.38	1,000	31,153,667.10	31,340,927.67
Total	4,836,038.52	127,962,633.15	40,867,160.03	12,975,162.13	5,906,058.94	1,248,899.18	36,126,640.96	220,014,122.37
Disposals/Reclassification	0.00	0.00	0.00	0.00	0.00	0.00	(15,944,230.54)	(15,944,230.54)
Depreciation	0.00	(5,111,532.22)	(5,531,320.39)	(2,778,462.81)	(844,531.85)	(2,446,713.13)	0.00	(14,482,313.62)
Carrying Amount, December 31, 2024	4,836,038.52	122,851,100.93	35,335,839.64	10,196,699.32	5,061,527.09	1,248,899.18	36,182,410.42	189,587,578.21
Gross Cost	4,836,038.52	200,899,593.40	64,464,432.60	27,662,947.86	10,774,924.20	2,246,596.75	36,182,410.42	321,440,911.73
Accumulated Depreciation		(78,048,492.47)	(29,128,592.96)	(17,426,248.54)	(5,713,396.71)	(1,997,697.54)		(131,853,533.52)
Accumulated Impairment Loss								
Net Book Value	4,836,038.52	122,851,100.93	35,335,839.64	10,236,699.32	5,061,357.49	1,248,899.18	36,182,410.42	189,587,578.21

	Land	Infrastructure Assets	Buildings and Structures	Machineries and Equipment	Transportation Equipment	Intangible Assets	Construction in Progress	Total
<b>As at December 31, 2023</b>								
Carrying Amount, Jan. 1, 2023	3,642,130.58	103,425,337.22	40,434,372.35	14,050,953.61	3,266,721.32	1,467,714.40	13,916,364.53	80,181,055.21
Additions / Acquisitions	45,000.00	14,336,368.27	5,178,021.94	1,380,479.00	210,000.00	134,000.00	22,933,882.64	44,197,751.85
Total	3,687,130.58	117,761,705.49	45,612,394.29	15,431,432.61	3,476,721.32	1,601,714.40	36,850,247.17	224,378,807.06
Disposals/ Reclassification	0.00	4,147.61	0.00	0.00	0.00	0.00	21,877,273.31	21,881,420.92
Depreciation	0.00	4,754,574.84	5,299,066.78	2,961,640.48	590,132.78	218,713.35	0.00	13,824,191.44
Carrying Amount, December 31, 2023	3,687,130.58	113,002,983.04	40,313,327.51	12,469,792.13	2,886,588.54	1,382,999.05	14,972,973.86	188,673,194.70
Gross Cost	3,687,130.58	185,939,943.29	63,910,600.08	27,117,577.86	7,755,424.20	2,592,364.75	14,972,973.86	306,044,214.60
Accumulated Depreciation	0.00	(72,936,960.25)	(23,597,272.57)	(14,647,785.73)	(4,868,835.66)	(1,209,365.70)	0.00	(117,371,019.90)
Net Book Value	3,687,130.58	113,002,983.04	40,313,327.51	12,469,792.13	2,886,588.54	1,382,999.05	14,972,973.86	188,673,194.70



#### Note 8 - INTANGIBLE ASSETS

The details of this account are:

	2024	2023
<b>Computer Software</b>		
<i>Cost</i>		
Beginning Balance	1,080,724.00	1,030,724.00
Additions	0.00	0.00
Disposals/Reclassification	490,000.00	50,000.00
Balance, end of the year	1,570,724.00	1,080,724.00
<i>Accumulated Amortization</i>		
Beginning Balance	1,001,005.69	995,464.00
Adjustments/Reclassification	0.00	5,541.69
Amortization	63,808.35	0.00
Balance, end of the year	1,064,814.04	1,001,005.69
<b>Net Value – Computer Software</b>	<b>505,909.96</b>	<b>79,718.31</b>

#### Note 9 - OTHER ASSETS

This is composed of the following:

	2024	2023
<b>Other Current Assets</b>		
Prepayments	307,090.73	583,862.10
Deposits	1,635,725.14	1,123,561.40
Deferred Charges	0.00	1,588,226.16
<b>Total Other Current Assets</b>	<b>1,942,815.87</b>	<b>3,295,649.66</b>
<b>Other Non-Current Assets</b>		
Restricted Fund	1,774,207.72	1,772,486.54
Other Assets	5,697.85	5,697.85
<b>Total Other Non-Current Assets</b>	<b>1,779,905.57</b>	<b>1,778,184.39</b>
<b>Total Other Assets</b>	<b>3,722,721.44</b>	<b>5,073,834.05</b>

#### Note 10 - FINANCIAL LIABILITIES

These are the compositions of this account:

	2024	2023
<b>Payables</b>		
Accounts Payable	6,944,265.73	8,628,747.62
Due to Officers and Employees	11,300.00	0.00
<b>Bills/Bonds/Loans Payable</b>		
Loans Payable - Domestic	9,138,264.35	135,969.02
<b>Financial Liabilities – Current</b>	<b>16,093,830.08</b>	<b>8,764,716.64</b>

	2024	2023
Bills/Bonds/Loans Payable		
Loans Payable - Domestic	15,890,532.25	32,621,068.29
<b>Financial Liabilities – Non-Current</b>	<b>15,890,532.25</b>	<b>32,621,068.29</b>
<b>Total Financial Liabilities</b>	<b>31,984,362.33</b>	<b>41,385,784.93</b>

#### Note 11 - INTER-AGENCY PAYABLES

This account is composed of the following:

	2024	2023
Due to GSIS	852,254.43	820,748.62
Due to BIR	1,146,220.04	1,070,326.31
Due to Government Corporations	75,497.15	75,497.15
Due to Pag-IBIG	78,841.80	66,272.36
Due to PhilHealth	131,680.54	110,130.20
<b>Total Inter-Agency Payables</b>	<b>2,284,493.96</b>	<b>2,142,974.64</b>

#### Note 12 - TRUST LIABILITIES

This account is composed of the following:

	2024	2023
Customers' Deposits Payable	539,160.85	544,160.85
Guaranty/Security Deposits Payable	1,434,982.68	2,152,369.68
<b>Total Trust Liabilities</b>	<b>1,974,143.53</b>	<b>2,696,530.53</b>

#### Note 13 - OTHER PAYABLES

This account is composed of the following:

	2024	2023
Premiums Payable	810.00	810.00
Other Payables – BAC	0.00	5,000.00
Other Payables – Provident Fund	4,824,465.50	6,072,044.13
Other Payables – CFI Cooperative	22,703.78	22,703.78
Other Payables – DBP	53,612.25	47,254.30
Other Payables – CAWDEU*	54,550.00	46,400.00
Other Payables – Payment Centers	0.00	0.00
Other Payables – Others	228,626.91	244,588.66
Other Payables – JO Gratuity Pay	0.00	0.00
<b>Total</b>	<b>5,184,768.44</b>	<b>6,438,800.87</b>

*\*Carcar Water District Employees' Union Contributions*

**Note 14 - PROVISIONS**

This account is composed of the following:

	2024	2023
Leave Benefits Payable	13,497,447.69	11,407,672.90
<b>Total</b>	<b>13,497,447.69</b>	<b>11,407,672.90</b>

**Note 15 - DEFERRED CREDITS/UNEARNED INCOME**

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

	2024	2023
Other Unearned Revenue/Income	279,419.65	178,105.64
Other Deferred Credits	368,386.14	368,386.14
<b>Total</b>	<b>647,805.79</b>	<b>546,491.78</b>

**Note 16 - INCOME**

This account consists of the following:

	2024	2023
Service and Business Income		
Waterworks System Fees	148,286,117.75	143,086,764.55
Interest Income	18,992.23	20,635.85
Fines and Penalties – Business Income	3,865,455.84	4,271,805.79
Other Business Income	5,675,699.52	4,211,643.36
<b>Total Service and Business Income</b>	<b>157,846,265.34</b>	<b>151,590,849.55</b>
Shares, Grants and Donations		
Income from Grants and Donations in Cash	340,847.44	3,370,924.93
<b>Total Shares, Grants and Donations</b>	<b>340,847.44</b>	<b>3,370,924.93</b>
Other Non-Operating Income		
Reversal of Impairment Loss	0.00	0.00
Proceeds from Insurance	0.00	0.00
<b>Total Non-Operating Income</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Income</b>	<b>158,187,112.78</b>	<b>154,961,774.48</b>

**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, 2023 and



will end on December 31, 2026. Both parties intend to extend their collaboration until 2030.

#### Note 17 - PERSONNEL SERVICES

Comprising this account are the following:

	2024	2023
<b>Salaries and Wages</b>	35,264,810.49	33,893,218.85
Other Compensation		
Personnel Economic Relief Allowance (PERA)	2,893,181.82	2,780,545.46
Representation Allowance (RA)	675,000.00	546,500.00
Transportation Allowance (TA)	675,000.00	546,500.00
Clothing/Uniform Allowance	805,000.00	690,000.00
Mid-Year and Year End Bonus	5,880,623.00	5,533,412.00
Other Bonuses and Allowances	3,100,000.00	2,382,544.07
<b>Total Other Compensation</b>	<b>14,028,804.82</b>	<b>12,479,501.53</b>
Personnel Benefit Contributions		
Retirement and Life Insurance Premium	4,190,490.02	3,867,080.76
Pag-IBIG Contributions	253,900.00	190,900.00
Philhealth Contributions	842,522.51	626,670.74
Employees Compensation Insurance Premiums	145,673.41	139,200.00
Provident/Welfare Fund Contributions	2,379,040.65	2,993,573.90
<b>Total Personnel Benefits Contributions</b>	<b>7,811,626.59</b>	<b>7,817,425.40</b>
Other Personnel Benefits		
Terminal Leave Benefits	2,453,813.45	3,050,315.12
Other Personnel Benefits	620,000.00	600,000.00
<b>Total Other Personnel Benefits</b>	<b>3,073,813.45</b>	<b>3,650,315.12</b>
<b>Total Personnel Services</b>	<b>601,179,055.35</b>	<b>57,840,460.90</b>

#### Note 18 - MAINTENANCE AND OTHER OPERATING EXPENSES

This account consists of the following:

	2024	2023
<b>Traveling Expenses</b>	<b>210,569.15</b>	<b>168,830.55</b>
<b>Training and Scholarship Expenses</b>	<b>1,071,796.18</b>	<b>1,240,976.87</b>
Supplies and Materials Expenses		
Office Supplies Expenses	1,189,269.14	875,012.64

	2024	2023
Fuel, Oil and Lubricants Expenses	2,476,027.40	1,781,358.28
<b>Total Supplies and Materials Expenses</b>	<b>3,665,296.54</b>	<b>2,656,370.92</b>
Utility Expenses		
Electricity Expense	1,152,096.28	1,154,871.55
<b>Total Utility Expenses</b>	<b>1,152,096.28</b>	<b>1,154,871.55</b>
Communication Expenses		
Postage and Courier Services	12,614.00	9,481.00
Telephone Expenses	241,773.89	281,865.09
Internet Subscription Expenses	84,240.00	28,080.00
Transportation and Delivery Expenses	2,571.21	4,509.54
<b>Total Communication Expenses</b>	<b>341,199.10</b>	<b>323,935.63</b>
Awards/Rewards, Prizes and Indemnities		
Awards/Rewards Expenses	551,018.24	1,651,342.55
Indemnities	5,165.55	362.84
<b>Total Awards/Rewards, Prizes and Indemnities</b>	<b>556,183.79</b>	<b>1,651,705.39</b>
<b>Total Generation, Transmission and Distribution Expenses</b>	<b>30,962,466.75</b>	<b>29,181,367.57</b>
Confidential, Intelligence and Extraordinary Expenses		
Extraordinary & Miscellaneous Expenses	135,600.00	133,797.25
<b>Total Confidential, Intelligence and Extraordinary Expenses</b>	<b>135,600.00</b>	<b>133,797.25</b>
Professional Services		
Legal Services	44,970.00	27,827.00
Auditing Services	486,379.71	388,721.91
Other Professional Services	76,349.00	85,344.00
<b>Total Professional Services</b>	<b>607,698.71</b>	<b>501,892.91</b>
General Services		
Security Services	1,222,945.60	1,284,853.44
<b>Total General Services</b>	<b>1,222,945.60</b>	<b>1,284,853.44</b>
Repairs and Maintenance		
Repairs and Maintenance-Infrastructure Assets	15,846,808.57	17,004,372.38
Repairs and Maintenance-Building and Other Structures	368,085.97	276,988.61
Repairs and Maintenance-Machinery and Equipment	1,228,117.16	1,361,238.36
Repairs and Maintenance-Transportation Equipment	709,295.78	993,087.84
Repairs and Maintenance-Furniture and Fixtures	19,585.50	19,120.56
<b>Total Repairs and Maintenance</b>	<b>18,171,892.98</b>	<b>19,654,807.75</b>
Taxes, Insurance Premiums and Other Fees		
Taxes, Duties and Licenses	3,639,640.48	3,343,923.70

	2024	2023
Insurance Expense	565,888.17	539,791.93
<b>Total Taxes, Insurance Premiums &amp; Other Fees</b>	<b>4,205,528.65</b>	<b>3,883,715.63</b>
Other Maintenance and Operating Expenses		
Advertising Expenses	881,472.40	606,701.84
Representation Expenses	1,044,608.26	922,667.22
Membership Dues and Contributions to Organizations	4,000.00	59,741.00
Donations	6,759.00	0.00
Cultural and Athletic Expenses	236,938.69	235,138.71
Directors and Committee Members' Fees	768,798.00	756,972.00
Rent Expenses	210,652.20	193,570.74
Other Maintenance and Operating Expenses	540,027.38	489,947.25
<b>Total Other Maintenance &amp; Operating Expenses</b>	<b>3,693,255.93</b>	<b>3,264,738.76</b>
<b>Total Maintenance and Other Operating Expenses</b>	<b>65,996,529.66</b>	<b>65,101,864.22</b>

#### Note 19 - FINANCIAL EXPENSES

This account is composed of the following:

	2024	2023
Interest Expenses	2,455,076.29	2,003,759.54
Bank Charges	122,753.82	100,287.98
Other Financial Charges	800.00	1,200.00
<b>Total Financial Expenses</b>	<b>2,578,630.11</b>	<b>2,105,247.52</b>

#### Note 20 - NON-CASH EXPENSES

This account consists of the following:

	2024	2023
Depreciation		
Depreciation – Infrastructure Assets	5,111,532.22	4,754,574.84
Depreciation – Buildings and Other Structures	5,531,320.39	5,299,066.78
Depreciation – Machinery and Equipment	2,778,462.81	2,961,640.48
Depreciation – Transportation Equipment	844,531.05	590,132.78
Depreciation – Furniture, Fixtures and Books	216,467.15	218,776.56



	2024	2023
<b>Total Depreciation</b>	<b>14,482,313.62</b>	<b>13,824,191.44</b>
<b>Amortization – Intangible Assets</b>	<b>63,808.35</b>	<b>5,541.69</b>
<b>Impairment Loss</b>		
Loans and Receivables	13,756.56	51,785.41
Inventories	210,585.42	0.00
Property, Plant and Equipment	0.00	4,147.61
<b>Total Impairment Losses</b>	<b>224,341.98</b>	<b>55,933.02</b>
<b>Discounts and Rebates</b>		
Other Discounts	81,597.61	72,976.04
Rebates	4,360,647.63	3,792,796.46
<b>Total Discounts and Rebates</b>	<b>4,442,245.24</b>	<b>3,865,772.50</b>
<b>Total Non-Cash Expenses</b>	<b>19,212,709.19</b>	<b>17,751,438.65</b>

#### Note 21 - PRIOR PERIOD ADJUSTMENTS

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

	2024	2023
Prior Year Expenses	(616,872.35)	(998,201.87)
Adjustments to Payables	2,090,181.72	(1,105,147.72)
Adjustments to Prior Year Receivables	(6,792.36)	(1,386,039.73)
Adjustment to Inventory Accounts	456,002.71	1,876,990.98
Adjustment to PPE	0.00	(568,676.83)
Adjustment to Accrued Leave Benefits	(1,095,127.28)	0.00
<b>Total</b>	<b>827,392.44</b>	<b>(2,181,075.17)</b>

As a result, the balance of Retained Earnings for CY 2024 was increased by ₱827,392.44 and CY 2023 was decreased by ₱2,181,075.17.

#### Note 22 - ADJUSTMENTS IN STATEMENT OF CASH FLOWS

	2024	2023
<b>Cash Flows from Operating Activities:</b>		
<b>Adjustments in Cash Inflows</b>		
Restoration of cash for cancelled/lost/stale checks/ ADA	36,000.00	1,126.24
Restoration of cash for unreleased checks	1,577,350.67	41,216.07
Prior period Adjustments	65,554.97	34,450.98
Other adjustments- Outflow	18,992.23	19,917.80
<b>Total</b>	<b>1,697,897.87</b>	<b>96,711.09</b>
<b>Other Disbursements – Cash Outflows</b>		
Refund of guaranty/security deposits	1,131,887.00	0.00
Other Disbursements	362,435.72	204,642.09

	2024	2023
<b>Total</b>	<b>1,494,322.72</b>	<b>204,642.09</b>
<b>Adjustments in Cash Outflows</b>		
Reversing entry for unreleased checks in previous year	1,914,238.05	0.00
Other adjustments – Outflow (Transfer to restricted funds)	0.00	784,224.22
<b>Total</b>	<b>1,914,238.05</b>	<b>784,224.22</b>

#### **Note 23 - 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:

<b>Particulars</b>	<b>Aggregate Remuneration</b>
Salaries and Wages	7,604,274.50
Honorarium	911,008.00
Allowances	1,413,000.00
Personnel Benefit Contributions	568,539.10
Other Personnel Benefits	1,787,142.00
<b>Total</b>	<b>12,283,963.60</b>

**PART II**

**AUDIT OBSERVATIONS AND  
RECOMMENDATIONS**



## AUDIT OBSERVATIONS AND RECOMMENDATIONS

### A. FINANCIAL AUDIT

*Assets not depreciated - ₱1,073,775.00*

1. Six items of equipment with a total cost of ₱1,073,775.00 recorded under Other Machineries and Equipment account which were received in CY 2020 were not yet depreciated as of end of CY 2024. Consequently, the Depreciation Expense and the related Accumulated Depreciation accounts are understated by ₱204,017.28 and ₱867,073.49, respectively, and the Retained Earnings account is overstated by ₱663,056.16 as of year-end. This is not in accordance with Paragraph 15 of Philippine Accounting Standards (PAS) 1 on the fair presentation of Financial Statements.

- 1.1 Paragraph 15 of the PAS 1 provides that, "Financial statements shall present fairly the financial position, financial performance and cash flows of an entity.
- 1.2 PAS 16 provides for the accounting treatment for Property, Plant and Equipment, including depreciation.
- 1.3 Section 27 of Chapter 10 of the Government Accounting Manual (GAM), Volume I provides for the start of the computation of the depreciation.
- 1.4 Our review of the lapsing schedule for Property, Plant and Equipment of the water district for CY 2024 disclosed six machinery and equipment that were not charged with depreciation expense from October 2020 to December 2024, as presented in **Appendix A**.
- 1.5 The above assets were received by the water district as donations from Vitens Evides International or VEI in October 2020 as part of the partnership agreement to implement the Performance Enhancement Water Utilities Project (PEWUP) in the Philippines. Management explained that depreciation was not recognized because the said assets were not yet utilized/used by the water district.
- 1.6 Property, Plant and Equipment (PPE), even if not used, are still charged with depreciation in accordance with Section 27 of Chapter 10 of the GAM and PAS 16. The non-recognition of depreciation expense overstated the reported net income and the Retained Earnings account.
- 1.7 **We recommended and the Management agreed to direct the Accountant to recognize and record the depreciation expense and accumulated depreciation for the donated assets using the following proposed journal entries:**

<i>Account Title</i>	<i>Debit</i>	<i>Credit</i>
Retained Earnings		
Accumulated Depreciation	867,073.44	
		867,073.44

*To record the depreciation as of December 31, 2024 of the donated assets.*

*Non-current portion of loans not recognized - ₱730,530.95*

**2. The current liability balance of the Loans Payable account aggregating to ₱9,138,264.35 includes a non-current liability amounting to ₱730,000.00, contrary to Paragraph 69 of the PAS 1, affecting the fair presentation of these accounts in the financial statements.**

- 2.1 Loans Payable-Domestic account classified under the Current Liabilities of the Water District's Statement of Financial Position as at December 31, 2024 showed a balance of ₱9,138,264.35. However, verification of the supporting amortization schedule of the loans disclosed that ₱730,530.95 of such balance is payable on January 2026, which is to be settled more than 12 months after the reporting date, thus, should be classified as non-current liabilities.
- 2.2 Our inquiry with the Senior Corporate Accountant revealed that they have overlooked the amortization schedule, hence, current liabilities exceeded by one month amortization.
- 2.3 Current liabilities are those liabilities that are to be settled within 12 months after the reporting date, while non-current liabilities are to be settled beyond one year from the reporting date. Separate classification of current and non-current assets and liabilities in the statement of financial position provides useful information by distinguishing short-term and long-term assets and liabilities. This may also be useful for managing liquidity and in performing ratio analyses.
- 2.4 Management has the responsibility of ensuring the fair presentation and reliability of financial statements. Fair presentation requires the faithful representation of the effects of the transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the standards. To achieve fair presentation and reliability of information in the financial statements, all financial data presented therein should be accurate, reliable, and truthful and should be carefully designed to present information that is needed and useful to users of the report.
- 2.5 We recommended and the Management agreed to instruct the Head of the Finance Division to classify, at the end of the accounting period, the balance of the Loans Payable account into either Current Liabilities or Non-Current Liabilities, giving emphasis on its effect in the presentation of the account in the Statement of Financial Position.**



*Payment of Collective Negotiation Agreement (CNA) incentive improperly recorded - ₱3,600,000.00*

3. The grant of CNA Incentive amounting to **₱3,600,000.00** in CY 2024 was improperly recorded to various Maintenance and Other Operating Expense (MOOE) accounts instead of the CNA Incentive account as prescribed in the Department of Budget and Management (DBM) Budget Circular No. 2024-4, thereby affecting the fair presentation of the aforementioned accounts in the financial statements as at December 31, 2024.

3.1 DBM Budget Circular No. 2024-4 dated November 11, 2024 prescribes the Guidelines on the Grant of the Incentive for FY 2024.

3.2 The water district paid a total of ₱3,600,000 on December 16, 2024 representing the CNA incentive to its employees for FY 2024 per DV No. 2024-12-10088. Journal entry 2024-12-93085 was made to record the payment debiting the following accounts:

***Table 1: Accounts debited upon recording of the CNA***

<i>Accounts debited</i>	<i>Amount</i>
Fuel, oil and Lubricants Expenses	₱ 600,000.00
Electricity Expenses	100,000.00
Advertising, Promotional and Marketing Expenses	300,000.00
Other Maintenance and Operating Expenses	50,000.00
Office Supplies Expenses	210,000.00
Repairs and Maintenance-Infrastructure Assets	2,090,000.00
Repairs and Maintenance-Machinery and Equipment	250,000.00
<b>Total</b>	<b>₱ 3,600,000.00</b>

3.3 Inquiry with the finance division revealed that the above accounts were debited since savings were derived from those accounts. These accounts are classified as Maintenance and Other Operating Expenses in the chart of accounts.

3.4 However, DBM Budget Circular No. 2024-4 provides that the payment of CNA Incentive be recorded under the Collective Negotiation Agreement Incentive account, classified under the Personnel Services.

3.5 As a result of the erroneous recording of the CNA incentive, the above MOOE accounts were overstated; while understating the Collective Negotiation Agreement Incentive account, thus affecting the fair presentation of the financial statements.

3.6 We recommended and the Management agreed, through the Finance Services Department Manager, to direct the Accountant to adhere to the guidelines in the recording of CNA Incentive set forth in the DBM Budget Circular No. 2024-4, and subsequent relevant issuances.



*Property, Plant and Equipment (PPE) not presented fairly*

**4. The recorded PPE balance as at December 31, 2024 aggregating ₱189,587,578.21 is not fairly presented due to the following:**

- 4.1 *No impairment loss was recognized on certain PPE accounts although indications of impairment existed, thus, the affected PPE accounts are carried at more than their recoverable amount which is contrary to PAS 36;*
- 4.2 Paragraph 15 of the PAS 1 provides for the fair presentation and compliance with IFRSs.
- 4.3 PAS 36 deals with impairment testing for all tangible and intangible assets, except for assets that are covered by other IFRS.
- 4.4 Review of the Report on the Physical Count of PPE (RPCPPE) as of December 31, 2024 showed that several properties were tagged as unserviceable, defective and abandoned. The details are presented in **Appendix B**.
- 4.5 Inquiry with the accountant disclosed that they are supposed to recognize the impairment loss at year-end but the water district was unable to prepare the Inventory and Inspection Report of Unserviceable Property (IIRUP), on which to base the assessment for the impairment.
- 4.6 Properties classified as unserviceable are clear indications of impairment, hence, the affected accounts are carried at more than their recoverable amount. Moreover, the non-recognition of impairment loss in the books of accounts casts doubt as to the proper valuation of its PPE items as at reporting date, hence, affecting the fair presentation of the Water District's financial statements.
- 4.7 **We recommended and the Management agreed to require the Accountant to assess the Water District's assets at every end of the reporting date and recognize the corresponding impairment loss if indications of impairment exist, and to ensure that PPE are carried at not more than their recoverable amount in compliance with PAS 1 and 36.**
- 4.8 **We also recommended and the Management agreed to require the Property Officer to prepare the IIRUP and to hasten the disposal of these unserviceable properties to prevent further deterioration pursuant to Section 79 of Presidential Decree (PD) No. 1445. Once disposed, have these derecognized by the Accountant from the book of accounts of the Water District.**
- 4.9 *Items below the capitalization threshold are still carried in the PPE account, thereby overstating the PPE account by ₱84,256.20, contrary to the provisions*

*of Paragraph 15 of the PAS 1 and COA Circular No. 2022-004 dated May 31, 2022.*

- 4.10 Section 4.1 of COA Circular No. 2022-004 dated May 31, 2022 provides the ₱50,000.00 threshold for tangible items to be considered PPE.
- 4.11 Verification of the Lapsing Schedule disclosed several items with cost below the capitalization threshold of ₱50,000.00 are still recorded under the PPE account with an aggregate acquisition cost of ₱84,256.20 and a carrying value of ₱25,555.80. Details are shown in the table below:

**Table 2: Items below the capitalization threshold of ₱50,000.00 still recorded under PPE**

Description/ Property Number	Cost	Accumulated Depreciation	Net Carrying Value
<b>LAND TRANSPORTATION EQUIPMENT</b>	<b>₱ 84,256.20</b>	<b>₱ 58,700.40</b>	<b>₱ 25,555.80</b>
Canope and cargo box improvement -SJM 939 (2017-09-276-7-A)	16,851.24	11,740.08	5,111.16
Canope and cargo box improvement -SJM 949 (2017-09-276-7-B)	16,851.24	11,740.08	5,111.16
Canope and cargo box improvement -ABM 9917 (2017-06-039-c)	16,851.24	11,740.08	5,111.16
Canope and cargo box improvement -ABM 6664 (2017-06-040-D)	16,851.24	11,740.08	5,111.16
Canope and cargo box improvement -ABM 6662 (2017-06-041-E)	16,851.24	11,740.08	5,111.16

- 4.12 As provided in the Circular, semi-expandable properties below the capitalization threshold of ₱50,000.00 which were not yet issued to end-user must be reclassified to the appropriate semi-expendable inventory accounts. While for semi-expendable items already issued to end users within the year, it should be reclassified to the appropriate expense accounts or retained earnings/(deficit), if issued in prior years. However, for monitoring purposes, the ICS shall be issued to the end-users to establish accountability of the issued semi-expendable items.
- 4.13 Our verification revealed that the above items were already issued to end-users. Hence, the non-reclassification of these semi-expandable items resulted to the overstatement of the PPE account by ₱84,256.20 and the understatement of the expense accounts, which affected the fair presentation of the financial statements.



- 4.14 We recommended and the Management agreed to direct the Accountant to strictly comply with the provisions of PAS 1 and draw a Journal Entry Voucher to reclassify the semi-expendable items and the related Accumulated Depreciation to the appropriate accounts, as follows:

<i>Account</i>	<i>Debit</i>	<i>Credit</i>
<i>Retained Earnings</i>	25,555.80	
<i>Accumulated Depreciation</i>	58,700.40	
<i>Transportation Equipment</i>		84,256.20

- 4.15 Thereafter, the Accountant must observe the ₱50,000.00 capitalization threshold, when classifying/recording a tangible item as PPE, and expense this as soon as it is issued to the end-users, as provided in COA Circular No. 2022-004 dated May 31, 2022.

*Unreconciled difference between the General Ledger and Report on the Physical Count of Inventories - ₱150,773.57*

5. The accuracy, existence and reliability of the reported balances of the Inventory accounts amounting to ₱8.205 million as at December 31, 2024 could not be ascertained due to unreconciled difference of ₱150,773.57 between the General Ledger (GL) and Report on the Physical Count of Inventories (RPCI), contrary to Paragraph 15 of the Philippine Accounting Standards (PAS) 1 and Section 491 of the Government Accounting and Auditing Manual (GAAM), Volume I.

- 5.1 Section 491 of the GAAM, Volume I provides that all discrepancies between physical and book inventories must be investigated and cleared immediately.

- 5.2 The Inventory accounts as at December 31 2024 showed a total balance of ₱8,205,266.82 per GL, while the total amount indicated in the RPCI for the same period is ₱8,071,669.93, resulting to a variance of ₱150,773.57 as follows:

**Table 3: Inventory as at December 31, 2024**

<b>Inventories</b>	<b>Per Physical Count</b>	<b>Per GL</b>	<b>Difference</b>
Office Supplies Inventory	₱ 162,649.25	₱ 162,649.25	0
Semi-Expendable Office Equipment	9,045.66	9,045.66	0
Chemical and Filtering Materials	571,479.61	563,006.83	8,472.78
Other Supplies and Materials Inventory	6,593,426.33	6,735,611.56	142,185.23
Accountable Forms, Plates and Stickers Inventory	307,490.96	307,490.96	0



Inventories	Per Physical Count	Per GL	Difference
Construction Materials Inventory	427,578.12	427,462.56	115.56
<b>TOTAL</b>	<b>₱ 8,071,669.93</b>	<b>₱ 8,205,266.82</b>	<b>₱150,773.57</b>

- 5.3 Also, the RPCI shows some items that were not properly categorized or classified. Also, items were reported under various names: materials and supplies, fittings, tires and accessories, tools and equipment, electrical supplies, service connection materials, and field items. For comparison purposes, we grouped them under Other Supplies and Materials Inventory, as it is the closest category in terms of name and amount. We have already requested clarification from the Water District regarding the proper categorization of some unfamiliar item groups, but no response has been received as of now.
- 5.4 Inquiry with Accountant regarding the discrepancy revealed that they are investigating the matter and will provide an update as soon as possible.
- 5.5 **We recommended for the General Manager to direct the Heads of the Accounting and Property/Supply Units to immediately reconcile the discrepancy of ₱150,773.57 between the GL and the RPCI as at December 31, 2024. The variances should be investigated and properly adjusted through necessary correcting entries, subject to approval by the head of the agency.**
- 5.6 **We also recommended for Management to Require the Property/Supply Unit to properly categorize inventory items and align their classifications with the GL accounts. This will facilitate accurate reporting and reconciliation between the inventory records and the accounting books.**

*Management comments:*

- 5.7 Management will trace the variance between the GL and the RPCI as of December 31, 2024. The target completion for this reconciliation will be on or before June 2025.

*Donated properties were still recognized in the books - ₱105,690.89*

6. **Water sanitation and hygiene facilities donated to various schools totaling ₱105,690.89 were still recognized in the books of the water district, contrary to paragraph 7 of International Accounting Standards (IAS) 16, thereby affecting the fair presentation in the financial statements as at December 31, 2024.**
- 6.1 Paragraph 7 of IAS 16 Property, Plant and Equipment (PPE) prescribes recognition criteria of PPE.

- 6.2 Carcar Water District undertook a community project known as the “Water Sanitation and Hygiene of Various Schools” which aims to construct or rehabilitate washlets for the benefit of three public schools namely: Kayam Elementary School, Canal Elementary School and Mainit Elementary School, all located in Carcar City, Cebu. The cost of these projects totalled ₱105,690.89 which started in July 2023 and was completed on April 16, 2024 per Certificate of Project Completion and Acceptance. The completion of the project was recorded in CWD’s books as follows:

JEV No. JL-2024-06-82037 dated June 18, 2024

Account	Debit	Credit
Buildings	105,690.89	
Construction in Progress – Infrastructure Assets		105,690.89

- 6.3 The water district intended to donate the facilities to the above-mentioned schools. However, CWD was not able to provide the documents for the donation and acceptance from the school. Nonetheless, the water sanitation and hygiene facilities consist of structures permanently attached to the school property, thus the school obtained control and use over these facilities.
- 6.4 IAS 16 requires that the cost of an item of property, plant and equipment shall be recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity.
- 6.5 The subject assets will no longer provide future economic benefits to the water district upon donation to these schools, thus, the initial recognition of these assets in the books was inappropriate.. In effect, it overstates the Buildings account under the PPE and the related depreciation expense, while understating the donation expense account.
- 6.6 **We recommended and the Management agreed, through the Finance Services Department Manager, to direct the Accountant to prepare the following adjusting entry to reverse the initial recognition of asset and record donation of the asset as follows:**

Account	Debit	Credit
Accumulated Depreciation	5,857.04	
Retained Earnings	99,833.85	
Buildings		105,690.89

- 6.7 **Henceforth, we recommended and Management agreed to strictly adhere to the guidelines set forth in IAS 16.**



## **B. COMPLIANCE AUDIT**

*Non-Revenue Water (NRW) within the 20 per cent acceptable level*

- 7. The Water District registered an average rate of 15.19 per cent of NRW in CY 2024 which was within the acceptable level prescribed under the LWUA Memorandum Circular (MC) Nos. 004-10 and 014-10 dated February 23, 2010 and December 2, 2010, respectively, contributing to the operational efficiency and financial viability of the water supply system.**

- 7.1 In order to accelerate further improvement in the efficiency level of Water Districts and pursuant to Board of Trustees (BoT) Resolution No. 444 dated September 15, 2009, LWUA issued MC No. 004-10 dated February 23, 2010, which approved the reduction of the maximum acceptable NRW from the existing 25% to 20%, applicable to all WDs.
- 7.2 LWUA MC No. 014-10 dated December 2, 2010 states the need for Water District to reduce the NRW in order to enhance its operational efficiency and improve its financial viability.
- 7.3 Review of the operations of CWD for CY 2024 showed that out of the total 7,483,166 cubic meters (cu. m.) of water produced and available for distribution, 6,346,841 cu. m. was billed. This resulted in water loss of only 1,136,325 cu. m. or an average NRW rate of 15.19 per cent, which is within the 20 per cent allowable NRW benchmark prescribed by LWUA. The details are shown in **Appendix C**.
- 7.4 It is worthy to note that CWD also registered NRW below the acceptable level in the previous years, with an average of 18.98 per cent and 18.26 per cent in CYs 2023 and 2022, respectively. The water district has undertaken the following activities to maintain the average NRW within the acceptable level:
  - a. Preparation of Annual NRW Target (prepared in December of each year as basis for the next year)
  - b. The adoption/implementation of the four-pronged approach in reducing commercial losses such as: billing inaccuracy monitoring, theft metering accuracy monitoring, adopting a meter replacement program or change meter activities
  - c. Recording/Maintaining a water balance
  - d. Installation of pressure gauges/pressure reducing valves in critical areas
  - e. Regular conduct of leak detection (every night from Monday to Friday – with two (2) teams)



- f. Conduct of line survey (as part of the weekly activities of the teams)
  - g. Reducing the duration of leak by enhancing the speed and quality of repair and committing to standards of not more than five (5) hours from awareness to restoration
  - h. The use of tapping saddle instead of saddle clamp
  - i. The conduct of weekly meeting with the team
  - j. The daily monitoring of Non-Revenue Water (NRW)
  - k. The conduct of meter calibration at site every last week of the month  
The prompt replacement of non-functional, defective, and inaccurate meters
- 7.5 Maintaining the NRW within the acceptable level contributed to the operational efficiency and financial viability of the water supply system.
- 7.6 **We commended CWD for effectively maintaining an average NRW rate below the 20 per cent acceptable rate set by the LWUA.**
- 7.7 **We recommended and Management agreed to maintain and sustain the implementation of projects/activities that effectively and efficiently maintain the NRW below the LWUA-set acceptable rate of 20 Per cent.**

#### OTHER MANDATORY AREAS

##### *Summary of Suspension, Disallowance and Charges*

8. The Notices of Suspension and Disallowances showed the following balances as of December 31, 2024:

Particulars	Beginning Balance (1/1/2024)	Issued this Period (1/1/2024 to 12/31/2024)		Balance December 31, 2024
		Issued	Settled	
Suspensions	0.00	0.00	0.00	0.00
Disallowances	25,000.00	0.00	0.00	25,000.00

9. These ending balances pertain to audit suspensions and disallowances issued and received in the following years:

Year Issued	Balance as of 12/31/2024	Transaction Year	Remarks
Notice of Suspension (NS)			
None			
Notice of Disallowance (ND)			
2016	25,000.00	2015	
<b>Total ND</b>	<b>25,000.00</b>		

10. We would like to note that the aforesaid balances do not include Notices of Disallowance totaling ₱36,000.00 issued prior to the effectivity of the Rules and Regulations on Settlement of Accounts.

*Compliance with the Tax Laws*

11. The regulations of the BIR on the withholding of required taxes were substantially complied with by CWD. The withheld taxes were remitted regularly to the BIR along with the franchise tax due from CWD as seller of water. The details of the taxes remitted to the BIR during the year are as follows:

**Table 5: Withholding Tax on Compensation (1601C)**

Particulars	2024
Beginning Balance- January 1, 2024	₱ 129,542.00
Taxes Withheld during the year	1,853,933.28
Remittance during the year	(1,881,392.75)
Ending Balance, December 31, 2024 remitted on January 6, 2025	₱ 102,082.53

**Table 6: Withholding on Creditable Income Taxes or Expanded (0619E, 1601EQ)**

Particulars	2024
Beginning Balance- January 1, 2024	₱ 82,918.63
Taxes Withheld during the year	401,857.69
Remittance during the year	(418,263.75)
Ending Balance, December 31, 2024 remitted on January 22, 2025	₱ 66,512.57

**Table 7: Withholding Tax-Other Percentage Taxes (1600)**

Particulars	2024
Beginning Balance- January 1, 2024	₱ 98,582.42
Taxes Withheld during the year	2,756,820.74
Remittance during the year	(2,654,528.10)
Ending Balance, December 31, 2024 remitted on January 6, 2025	₱ 200,875.06



**Table 8: Percentage Tax**

Particulars	2024
Beginning Balance- January 1, 2024	P 759,283.26
Percentage Tax on Franchise during the year	3,181,912.23
Remittance during the year	(3,164,445.61)
Ending Balance, December 31, 2024 remitted on January 22, 2025	P 776,749.88

*Compliance with RA No. 8291 (GSIS Act of 1997)*

12. The Water District has consistently deducted from the salaries of their employees the mandatory GSIS Life and Retirement insurance premiums (personal share) and loan repayments. These deductions and the government share for the employees' insurance premiums were remitted to the GSIS on time. The following were remitted in CY 2024:

**Table 9: Remittances to GSIS**

Particulars	Amount
Beginning Balance-January 1, 2024	P 820,748.62
GSIS Contributions and loan repayments during the year	10,437,899.28
Remittance during the year	(10,406,393.47)
<b>Ending Balance, December 31, 2024</b>	<b>P 852,254.43</b>

Personal shares, government shares on life and retirement insurance premiums, and loan amortizations withheld for December 2024 were remitted in January 6, 2025.

*Compliance with Property Insurance Law - RA No. 656*

13. The Water District's office, facilities and properties were insured with the GSIS as at December 31, 2024.

*Compliance with the Home Development Mutual Fund Law – RA No. 9679*

14. The Water District withheld and remitted employees' membership contributions and its corresponding government share and amortization for CY 2024 as follows:

**Table 10: Remittances to Pag-IBIG**

Particulars	Amount
Beginning Balance- December 2023	P 65,272.36
Pag-ibig contributions and loan repayments during the year	972,409.38
Remittance during the year	(960,239.94)
<b>Ending Balance, remitted on January 10, 2025</b>	<b>P 77,441.8</b>

Membership contributions and the corresponding government share, personal share and loan amortization for December 2024 were remitted on January 10, 2025.



*Compliance with the National Health Insurance Act of 2013 – RA No. 7875*

15. The Water District withheld and remitted employees' membership contributions and its corresponding government share for CY 2024 as follows:

**Table 11: Remittances to PhilHealth**

<b>Particulars</b>	<b>Amount</b>
Beginning Balance-January 1, 2024	P 110,130.20
Philhealth contributions during the year	879,899.34
Remittance during the year	(859,844.80)
<b>Ending Balance, December 31, 2024 remitted on January 10, 2025</b>	<b>P 130,184.74</b>

Membership contributions for the month of December 2024 were remitted on January 10, 2025.

*Gender and Development (GAD)*

16. The Water District submitted their CY 2024 GAD Plan and Budget; and Accomplishment Report to LWUA. The budget allocation of CWD for GAD programs, projects and activities for CY 2024 was P9,027,000.00 or about 5.42 per cent of the total budget of P166,571,494.85. However, the utilization of the GAD budget was only P6,412,000.00 or 71.03 per cent.

*Payment to Casual, Job Orders, Contractual and Consultants*

17. CWD hired and paid 2 Job Orders (JO) and 42 Contract of Service (COS) personnel amounting P5,847,731.24 in CY 2024 as follows:

**Table 12: Payment to JO and COS**

<b>Particulars</b>	<b>Number Hired</b>	<b>Total Amount Paid</b>
Job Order	2	P 842,709.50
Contract of Service	42	5,005,021.74
<b>Total</b>	<b>44</b>	<b>P 5,847,731.24</b>

**PART III**

**STATUS OF IMPLEMENTATION OF PRIOR  
YEARS' AUDIT RECOMMENDATIONS**

## STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Of the 22 audit recommendations from prior years, as outlined in the previous Annual Audit Reports, 1 was closed due to similarity of issue. Of the remaining 21 audit recommendations, 11 were implemented and 10 remained unimplemented, as shown in the results of validations presented below:

Reference	Observation	Recommendation	Status of Implementation /Results of Validation
2023 Annual Audit Report (AAR), Audit Observation (AO) No. 1, Page 28	Several dormant Receivables aggregating ₱1,633,891.33 which have been outstanding for more than 10 years were not written-off/derecognized from the books of accounts, contrary to COA Circular No. 2023-008 dated August 17, 2023 (Amending COA Circular No. 2016-005 dated December 19, 2016). This affects the fair presentation of the Financial Statements as prescribed under PAS No. 1	1. Management through the head of Finance Services Department, to initiate the writing-off of these dormant receivable accounts by following the guidelines and procedures prescribed under COA Circular No. 2023-008 dated August 27, 2023.	Unimplemented  Request returned to CWD for further compliance or submission of supporting documents.
		2. Management to disclose in the Notes to the Financial Statements these dormant receivables that are subject for write-off, for fair presentation of the financial statements.	Unimplemented  Not disclosed in CY 2024 Notes to Financial Statements.
2023 AAR, AO No. 2, Page 30	The accuracy of the Accounts Receivable (AR)-Trade account as at December 31, 2023 with gross amount of ₱7,582,454.19 cannot be ascertained due to the ₱87,017.46 variance between the SL and the Aging of AR.	3. Management through the Finance Services Department, fast track the reconciliation of the variance between the SL and Aging of AR so that appropriate adjustment/s can be effected to fairly present the AR-Trade account in the Statement of Financial Position.	Implemented  Verified SL and Aging of AR-Trade as of December 31, 2024.
2023 AAR, AO	Several transactions of the Water District totaling ₱1,588,266.16 were not	4. Management to direct the concerned personnel at the	Implemented



Reference	Observation	Recommendation	Status of Implementation /Results of Validation
No. 3, Page 31	recorded/posted to its appropriate accounts, but instead were lumped under the Deferred Charges/Losses account. This is contrary to the Revised Chart of Accounts (RCA) for Government Corporations (GC) as prescribed under Annex C of COA Circular No. 2020-002 dated January 8, 2020.	Accounting Department to make the necessary adjusting entries, which they can coordinate with this Office, to record and use the proper account code/title in recording the transactions in accordance with COA Circular No. 2020-001 on the RCA for GCs.	Adjusting entries were already made.
2023 AAR, AO No. 4, Page 32	Segregation of duties of Accountable Officers (AOs) were not observed in the handling of government funds contrary to Department of Budget and Management (DBM) Circular Letter No. 2008-8 dated October 23, 2008 and Section 50 of the Government Accounting and Auditing Manual (GAAM), Volume III which shows weak internal control over cash.	<p>Management to:</p> <p>5. Implement the segregation of duties and responsibilities among its personnel. Those involved in the recording/accounting transactions should not be allowed to act as tellers to reduce the opportunity of having a complete control over the functions and resources of the Water District; and to strengthen the internal control over cash.</p> <p>6. Consider the hiring of additional employees to act as tellers, if warranted.</p>	<p>Implemented</p> <p>Hired a new cashiering assistant to avoid accounting personnel from performing/ acting as tellers.</p> <p>Implemented</p>
2023 AAR, AO No. 5, Page 33	Collecting Officers did not prepare the Report of Accountability for Accountable Forms (RAAF) as required under Section 68 of the Manual on New Government Accounting System (MNGAS), Volume II, thus rendering difficulty in	7. Management to require the Cashiers, as well as all AOs in possession of accountable forms, to prepare and furnish a monthly RAAF to the Office of the Auditor to ensure that the movements/status of receipt and issuances	<p>Implemented</p> <p>RAAFs were prepared and submitted monthly to the Office of the Auditor.</p>

Reference	Observation	Recommendation	Status of Implementation /Results of Validation
	the accounting of the accountable forms.	of the ORs are properly monitored and to have an accurate record thereof.	
2023 AAR, AO No. 6, Page 34	Instances of advance payments were noted in the procurement of goods in the total amount of ₱118,554.37, contrary to Section 88 of PD No. 1445 and Section 4 of Annex "D" of the Revised Implementing Rules and Regulations (RIRR) of Republic Act (RA) No. 9184.	8. In conformity with Section 88 of PD No. 1445 and the RIRR of RA No. 9184, Management to stop the practice of making advance payment for goods and services not yet delivered or rendered.	Implemented  Checked Deferred Charges/Losses account subsidiary ledgers, no advance payments were noted.
2022 AAR, AO No. 3, Page 34	AR totaling ₱2,984,922.98, or 41.74 per cent of the total AR balance of ₱7,151,595.50 as at December 31, 2022, were overdue and inactive, which indicates low collection efficiency. Further, the disconnection policy as stated in Sections 12.2, 12.3 and 15 of the CWD Utility Rules and Regulations (URR) was not fully implemented. These are contrary to Section 2 of PD No. 1445, thus, depriving the Water District of additional funds that could help sustain its operation.	Management to:  9. Exert extra effort to intensify the collections and formulate additional strategies to address the problem of collection/ reduction of overdue and inactive accounts;  10. Consider requiring concessionaires to pay security/guaranty deposits upon approval of their water service contract as protection in case of unpaid water bills.	Unimplemented  In order to address the problem of collection of overdue and inactive accounts, a proposed policy on the Sale of Inactive Service Connections to New Service Connection Applicants was crafted and approved in April 2023.  Implemented  Management, after careful consideration, has decided not to implement this



Reference	Observation	Recommendation	Status of Implementation /Results of Validation
			recommendation at this time, since this may impose a significant financial burden on its concessionaires, particularly the low -income households and could discourage potential new concessionaires.
2022 AAR, AO No. 4, Page 38 CYs 2010 to 2012 TAR	Due from Local Government Unit (LGU) account amounting ₱150,000.00 was not refunded by the implementing agency within the prescribed period and has been dormant/ outstanding for more than 10 years contrary to COA Circular No. 94-013 dated December 13, 1994 and COA Circular No. 2016-005 dated December 19, 2016, thus, affecting the fair presentation of the financial statements as required under PAS 1.	11. Management to make a representation or call the attention of responsible officials of the barangay to enforce/demand the refund from Brgy. Guadalupe, Carcar City, Cebu of the long outstanding fund transfer amounting to ₱150,000.00.	Unimplemented  There has been a change in the administration of Brgy. Guadalupe and the new officials are still sorting the documents.
2022 AAR, AO No. 6, Page 40	CWD did not prepare a Septage Management Plan (SMP) as required by PD No. 198 and RA No. 9275, depriving its concessionaires of a sound waste water treatment and disposal system.	Management to:  12. Prepare a concrete SMP as required by the above-mentioned laws, to address wastewater and sanitation concerns of the concessionaires; and  13. Regularly coordinate and propose a written	Implemented  A copy of the feasibility study on the SMP for CWD was submitted to the audit team.  Implemented



Reference	Observation	Recommendation	Status of Implementation /Results of Validation
		formal program to the LGU of Carcar City, on the necessity and importance of the SMP in the improvement of water quality, sanitation and public health conditions.	CWD lobbied for the ordinance at the city council and have participated in the public hearing last August 18, 2024.
2020 AAR, AO No. 3, Page 34	Annual water charges paid to the National Water Resources Board (NWRB) for calendar year 2020 totaling ₱40,095.77 was contrary to the decision of the Office of the Secretary of Justice (OSJ) under OSJ Case No. 01-2010 dated March 29, 2012, thus, the payment is without legal basis.	14. Management to request from NWRB for the refund of the payments made on the annual water charges collected and paid by NWRB and Water District, respectively, for lack of legal basis.	Unimplemented  Management stopped water charges payments to NWRB. They will communicate NWRB for the refund of the water charges paid in CY 2020.
2019 AAR, AO No. 6, Page 12	Disbursement amounting to ₱100,000.00, as partial payment of the cost of a parcel of land with an area of 100 square meters, was made despite absence of complete documents as required under Sections 13.1 and 13.2 of COA Circular No. 2012-001. This circumstance is not only contrary to Section 4(6) of PD No. 1445 but may also lead to delay in the titling of land in the name of the Water District.	Management to:  15. Submit the lacking documents, for review and evaluation, such as:  <ul style="list-style-type: none"> <li>• Survey Plan;</li> <li>• Certification that there is no previous pending claim and previous payment on subject property;</li> <li>• Environmental Clearance Certificate (ECC); and</li> <li>• Independent appraisal report or Committee Resolution as to the valuation of the land to determine</li> </ul>	Unimplemented  Management has not yet submitted any of the lacking documents.  Although Management has hired a Job Order (JO) personnel to handle the processing of the title for this lot as well as other lots acquired by the Water District.

Reference	Observation	Recommendation	Status of Implementation /Results of Validation
		<p>the reason-ableness of the offered price.</p> <p>16. Ensure that the following documents are secured prior to the full payment of the remaining balance, to wit:</p> <ul style="list-style-type: none"> <li>• Deed of Absolute Sale registered with the Register of Deeds (now Land Registration Authority) where the land is located; and</li> <li>• Certified photocopy of Transfer Certificate of Title and Tax Declaration in the name of the procuring entity or previous owner with annotation of sale.</li> </ul>	<p>Unimplemented</p> <p>The Water District has not yet paid in full the payee, since the documents presented by the seller are not yet complete.</p>
2014 AAR, AO No. 4, Page 20	Abnormal and dormant balances including one erroneous subsidiary account balance which was the outcome of the inappropriate accounting treatment of the covering transactions still formed part of the year-end account balance of various asset and liability accounts, a condition which may mislead users of the financial statements in making sound economic decisions. This situation also suggests that the Finance Services	17. Management require the Finance Services Department to set a timetable for the re-verification/ analysis of the abnormal and dormant account balances including the errors noted with a deadline for drawing the adjustments on these deficiencies.	<p>Implemented</p> <p>No abnormal balance was noted in CY 2024 FS.</p>



Reference	Observation	Recommendation	Status of Implementation /Results of Validation
	Department has not regularly monitored the disposal of these cases that resulted in the carry-over of the above-mentioned balances in the next accounting period.		
2015 AAR, AO No. 2a, Page 8	A parcel of land acquired in 2015 with an area of 100 square meters was paid even if the disbursement voucher was not supported with the necessary documentary requirements as enumerated under Sections 13.1 and 13.2 of COA Circular No. 2012-001. This circumstance is not only a violation of Section 4(6) of PD 1445 but may also lead to delay in the titling of the land in the name of the Water District.	18. Management secure the required documents to validate the purchase transaction, which papers will simultaneously fast track the titling of the acquired lot in the name of the Water District.	Unimplemented  The process of titling the land is on-going.  The titling/transfer process of real estate takes a long time considering the various agencies involved. But progress has been made on some properties pertaining to securing the necessary documents and conduct of actual survey.
2015 AAR, AO No. 2b, Page 10	Four donated lots with a total land area of 282 square meters have not yet been recorded in the books of accounts because of lack of valuation.	19. Management request the Cebu Provincial Appraisal Committee to appraise all the donated lots so that the Water District will have a reliable basis for the costing and recording of the transactions in the books of accounts.	Unimplemented  Still for implementation by Management.  The donated lots remained unrecorded in the books of accounts. No documents submitted to prove that Management requested for



Reference	Observation	Recommendation	Status of Implementation /Results of Validation
			appraisal from the Cebu Provincial Appraisal Committee.
2015 AAR, AO No. 2c, Page 12	Ownership of 16 parcels of land which were either donated to or purchased by the Water District with a total approximate land area of 1,621.5 square meters has not yet been absolutely established as these properties are still not titled in the name of the Water District.	20. Management closely monitor the titling of the lots donated and/or purchased by the Water District to certainly establish ownership.	Unimplemented  The Management hired a JO personnel to facilitate the monitoring and processing of the titling of the parcels of land. However, titling of the land is on-going.
2014 AAR, AO No. 6, Page 32	Several government regulations on foreign travel were not complied with either during the release of the travel cash advance or at the time of the liquidation thereof, as follows: <ul style="list-style-type: none"> <li>Foreign travels of three officials with a total cost of ₱53,795.88 were not supported with the approved Authority to Travel Abroad, a requirement under Section 2.d of Local Water Utilities Administration (LWUA) Memorandum Circular (MC) No. 010-10.</li> </ul>	21. Management secure from LWUA an “after the fact” approval of their foreign travels; render and submit a report on the foreign travels undertaken as required under Section 16 of Executive Order No. 298 and MC No. 7, s. 2010 of the Office of the President.	Implemented  Management stopped the practice and already secured approval from the BODs on foreign travels.  A total of ₱53,795.88 was paid through salary deduction.

## **PART IV**

### **APPENDICES**

<b>A</b>	<b>PPE Not Provided with Depreciation</b>
<b>B</b>	<b>Unserviceable, Defective and Abandoned Properties</b>
<b>C</b>	<b>Schedule of Monthly Water Produced and Billed for CY 2024</b>

## Appendix A

### Carcar Water District

Carcar City, Cebu

PPE Not Provided with Depreciation

As of December 31, 2024

<b>Machinery and Equipment</b>	<b>Cost (P)</b>	<b>Monthly Depreciation (P)</b>	<b>Depreciation CY 2024 (P) (12 x d )</b>	<b>Depreciation 2020-2023 (P) ( 39 x d )</b>	<b>Total Depreciation (P) (e + f)</b>
<i>(a)</i>	<i>(c)</i>	<i>(d)</i>	<i>(e)</i>	<i>(f)</i>	<i>(g)</i>
Grundfos submersible pump sp 60-17 (VEI)	246,220	3,898.48	46,781.76	152,040.72	198,822.48
Grundfos submersible pump sp 125-3 (VEI)	245,175	3,881.94	46,583.28	151,395.66	197,978.94
Grundfos submersible pump sp 46-7 (VEI)	123,485	1,955.18	23,462.16	76,252.02	99,714.18
Grundfos submersible pump sp 60-9 (VEI)	162,500	2,572.92	30,875.04	100,343.88	131,218.92
Franklin Motor 40 HP, 6" Dia, 460V (VEI)	163,100	2,582.42	30,989.04	100,714.38	131,703.42
Franklin Motor 30 HP, 6" Dia, 460V (VEI)	133,295	2,110.50	25,326.00	82,309.50	107,635.55
<b>Total</b>	<b>1,073,775</b>	<b>17,001.44</b>	<b>204,017.28</b>	<b>663,056.16</b>	<b>867,073.49</b>



## Appendix B

### Carcar Water District

Carcar City, Cebu

Unserviceable, Defective and Abandoned Properties

As of December 31, 2024

Description/ Property Number	Cost	Accumulated Depreciation	Net Carrying Value	Remarks
<b>INFRASTRUCTURE ASSETS</b>	<b>₱1,698,453.02</b>	<b>₱ 276,018.37</b>	<b>₱ 1,422,434.65</b>	
Additional Water Source at Ibabao, Perrelos, Carcar City (2019-11-068)	1,397,552.00	137,192.98	1,260,359.02	Unserviceable/ Abandoned
Booster Pump at Caipilan, Pob. 1 (2016-01-002)	188,139.28	31,701.74	156,437.54	Defective (Unserviceable 2024)
One (1) Flowmeter, 300mm (Bactus) (2008-02-063)	112,761.74	107,123.65	5,638.09	Defective (Unserviceable 2024)
<b>OTHER STRUCTURES</b>	<b>241,723.56</b>	<b>118,645.68</b>	<b>123,077.88</b>	
Perimeter fence at Ibabao, Perrelos, Carcar City (2019-11-0071)	241,723.56	118,645.68	123,077.88	Defective (Unserviceable 2024)
<b>OFFICE EQUIPMENT</b>	<b>57,840.00</b>	<b>54,948.00</b>	<b>2,892.00</b>	
Surveillance Camera (2011-11-605)	57,840.00	54,948.00	2,892.00	Defective
<b>OTHER MACHINERIES AND EQUIPMENT</b>	<b>1,920,190.82</b>	<b>1,727,146.50</b>	<b>193,044.32</b>	
Booster Pump- Valladolid w/ adjustment to acquisition (Transferred to Bhokyol) (2007-03-001)	65,674.00	62,390.30	3,283.70	Defective (Unserviceable 2024)
1 unit Submersible Pump w/ built-in check valve at Can-asujan, Carcar (2013-10-749)	146,000.00	138,700.00	7,300.00	Defective (Unserviceable 2024)
1 set Submersible motor & pump against 120 TDH, 3 LPS (2015-05-027)	226,000.00	214,700.00	11,300.00	Defective (Unserviceable 2024)
Electro Mechanical at Ibabao, Perrelos, Carcar (2019-11-0073)	239,707.83	227,722.44	11,985.39	Defective (Unserviceable 2024)

Description/ Property Number	Cost	Accumulated Depreciation	Net Carrying Value	Remarks
Booster Pump at Oliveros Can-asujan (2021-04-0011)	146,800.00	104,594.85	42,205.15	Defective (Unserviceable 2024)
Booster Pump - Caipilan, Pob. 1 (2013-05-708)	109,673.00	104,189.35	5,483.65	Defective (Unserviceable 2024)
Turbidity Tester (2017-04-036)	64,850.00	61,607.50	3,242.50	Defective (Unserviceable 2024)
Chlorinator sn:16063550100000015 (2019-04-0047)	68,655.99	65,223.19	3,432.80	Unserviceable
Chlorinator spare at warehouse (2021-02-0007)	115,000.00	109,250.00	5,750.00	Defective (Unserviceable 2024)
1 unit variable frequency drive 220volts single phase to 3 phase (2015-05-030)	139,500.00	125,899.23	13,600.77	Defective (Unserviceable 2024)
Soft starter 40 HP, 460 volts, 3 phase (2017-10-065)	68,000.00	46,296.38	21,703.62	Defective (Unserviceable 2024)
VFD Control Single Phases3 Phase, 5HP 220V Location Luwak Tal ut (2019-01-0007)	98,000.00	55,859.76	42,140.24	Defective (Unserviceable 2024)
Leak Detector (2018-12-075)	293,760.00	279,072.00	14,688.00	Defective (Unserviceable 2024)
Set Sound System (2010-03-341)	138,570.00	131,641.50	6,928.50	Defective (Unserviceable 2024)
<b>TOTAL</b>	<b>3,918,207.40</b>	<b>2,176,758.55</b>	<b>1,741,448.85</b>	

## Appendix C

### Carcar Water District

Carcar City, Cebu

Schedule of Monthly Water Produced and Billed

CY 2024

Month	Water Produced (in cu. m.)	Water Billed (in cu. m.)	Difference (in cu. m.)	% of NRW/Loss
	A	B	(A)-(B)=C	(C)/(A)
January	624,989.0	497,934.0	127,055.0	20.33%
February	596,035.0	516,714.0	79,321.0	13.31%
March	566,136.0	475,075.0	91,061.0	16.08%
April	672,530.0	537,000.0	135,530.0	20.15%
May	645,325.0	575,848.0	69,477.0	10.77%
June	644,146.0	558,179.0	85,967.0	13.35%
July	605,485.0	504,456.0	101,029.0	16.69%
August	630,866.0	565,300.0	65,566.0	10.39%
September	628,862.0	540,498.0	88,364.0	14.05%
October	613,505.0	523,990.0	89,515.0	14.59%
November	658,906.0	564,866.0	94,040.0	14.27%
December	596,381.0	486,981.0	109,400.0	18.34%
<b>Total</b>	<b>7,483,166.0</b>	<b>6,346,841.0</b>	<b>1,136,325.0</b>	<b>15.19%</b>