

Republic of the Philippines
SIPALAY WATER DISCTRICT
Brgy. Mambaroto, Sipalay City, Negros Occidental

NOTES TO FINANCIAL STATEMENTS
ALL FUNDS
Calendar Year 2024

NOTE 1 - AGENCY PROFILE

The Sipalay Water District was formed by virtue of Resolution No. 46, Series of 1982 of the Sangguniang Bayan of Sipalay, Negros Occidental. On October 7, 1983 LWUA issued a Conditional Certificate of Conformance No. 252 sanctioning the operation of the SWD with five members of the Board of Directors who subsequently appointed a General Manager pursuant to PD 198, series of 1973, as amended. It became operational on April 01, 2003.

The mandated function of the water district is to acquire, maintain and operate a water supply system and distribution from domestic, industrial and agricultural use and waste water collecting, treatment and disposal. The creation, control as well as operation of the water district was in accordance with PD 198, otherwise known as the Provincial Water Utilities Act of 1973. Pursuant to the Supreme Court’s Decision under General Resolution No. 91-237-38, water districts are considered government owned and /or controlled corporation whose original charter fall under Jurisdiction of the Commission on Audit and the Civil Service Commission.

NOTE 2- BASIS OF FINANCIAL STATEMENT PRESENTATION

The Financial Statement of SWD have been prepared in accordance with the Philippine Financial Reporting Standards and the Revised Chart of Accounts for Government Corporations classified as Government Business Enterprises (GBEs) pursuant to COA Circular 2015-010 dated December 1, 2015.

In compliance with COA Circular No. 2015-10 dated December 1, 2015, the existing three digits account code structure of PWD was converted to the eight digit account code based on the Revised Chart of Accounts for Government Corporations Classifieds as GBEs.

NOTE 4 - CASH AND CASH EQUIVALENTS

This Account is composed of the following:

	<u>2024</u>	<u>2023</u>
Cash Collecting Officers	25,309.90	19,515.34
Petty Cash	10,000.00	10,000.00
Cash In Bank, Local Currency- Current Account		
Land Bank of The Philippines (LBP) Operations	285,790.90	242,507.37
Cash In Bank-Local Currency, Saving Account		
LBP Joint Savings Account		-
Total Cash and Cash Equivalents	<u>321,100.80</u>	<u>272,022.71</u>

- The Cash Collecting Officer Account represents remaining balance after deducting the total balance
- Operations Account maintained at LBP was for the operational needs of the District -
- Special Project Account maintained at LBP was
- The savings Account at LBP was maintained in compliance with the loan agreement between SWD
- Petty Operating Expenses were charged to the petty cash fund of the District

Note 5- Receivables

	<u>2024</u>	<u>2023</u>
Accounts Receivables	606,407.98	509,575.54
Allowance for Impairment Loss- AR	-	-

Receivables-Disallowances/Charges	149,151.03	186,299.49
Due from Officers and Employees	3,333.49	3,333.49
Due from Other Funds	10,000.00	
Other Receivables	0.00	0.00
Total Receivables	768,892.50	699,208.52

- Billed water sales that were not collected were recorded in Accounts Receivable
- The allowance for doubtful accounts of accounts receivable still needed to be adjusted once the
- Amount refunded for disallowance from BOD's and employees are recorded in Receivables-
- Dues from employees from unliquidated advances but refunded thru payroll deduction is
- Other Receivables account was from the overpayment made to suppliers

Note 6 - Inventories

	<u>2024</u>	<u>2023</u>
Semi Expendable Office Equipment	258,258.00	250,212.00
Semi Expendable Printing Equipment	43,723.00	43,723.00
Semi Expendable Disaster, Response and Rescue Equipment	4,500.00	7,000.00
Semi Expendable Other Machinery and Equipment	504,949.00	407,249.00
Semi Expendable Furniture and Fixtures	17,490.00	9,000.00
Other Supplies and Materials Inventory	311,507.36	0.00
Total Inventories	1,140,427.36	717,184.00

Note 7- Other Current Assets

	<u>2024</u>	<u>2023</u>
Advances for Operating Expenss	0.00	0.00
Advances for Payroll	0.00	0.00
Advances to Officers and Employees	0.00	0.00
Prepaid Interest	0.00	0.00
Total Other Current Assets	0.00	0.00

Note 8- Investments

	<u>2024</u>	<u>2023</u>
Sinking Fund	2,491,671.94	2,130,983.23
Total Investments	2,491,671.94	2,130,983.23

- The Sinking Fund Account with Savings Account no:1321-

Note 9- Property Plant and Equipment

The PPE is composed of the following:

	<u>2024</u>	<u>2023</u>
Plant-Utility Plant in Service		
1. Land and Land Rights	188,474.42	188,474.42
2 Wells	4,038,048.52	4,038,048.52
3. Pumping Plant	0.00	0.00
4. Treatment Plant	18,507.75	18,507.75
5. Transmission and Distribution-Mains	20,114,338.44	20,114,338.44
6. Meters	890,000.00	890,000.00
7. Reservoir and Tank	1,534,198.00	1,534,198.00
8. Transmission Lines	10,880.00	10,880.00

9. Hydrants, Tools and Transmission Lines	142,112.36	142,112.36
10. Service Connection Materials	2,496,362.75	2,496,362.75
11. Survey Expenses at Canturay	4,521.80	4,521.80
Construction In Progress- Infrastructure Assets	0.00	0.00
Total	29,437,444.04	29,437,444.04
Less: Accumulated Depreciation- Infra Assets	-10,701,956.35	-9,753,458.15
Net value of Plant-UPIS	18,735,487.69	19,683,985.89
Other Structure (Pumping Station 2)	1,257,942.28	1,257,942.28
Other Structures (Building-Pumping Station 1)	2,320,247.90	2,320,247.90
Less: Accumulated Depreciation- Other Structure (Pumping	-385,958.06	-232,813.87
Net value of Other Structure (Pumping Station 2)	3,192,232.12	3,345,376.31
Office Equipment	0.00	0.00
Other Equipment	1,745,777.92	1,745,777.92
Other PPE	0.00	0.00
Motor Vehicles	135,000.00	135,000.00
Less: Accumulated Depreciation- Machinery and Equipment	-936,619.43	-646,357.80
Net Value of Machinery and Equipment	944,158.49	1,234,420.12
Total Property, Plant and Equipment	22,871,878.30	24,263,782.32

Note 10 -Financial Liabilities (Current Assets)

	2024	2023
Accounts Payable	180,250.00	303,496.50
Due to Officers and Employees	0.00	0.00
Interest Payable	46,651.37	46,651.37
Total Financial Liabilities	226,901.37	350,147.87

Note 11 - Inter-Agency Payables

	2024	2023
Due to BIR	530,230.49	566,287.30
Due to GSIS	62,614.93	65,963.93
Due to Pag-Ibig	6,168.64	1,663.70
Due to Philhealth	7,937.10	0.00
Total Inter-Agency Payables	606,951.16	633,914.93

- This pertains to unremitted taxes withheld on purchase of goods and services during project construction in 2003 and

Note 12 - Trust Liabilities

	2024	2023
Customers' Deposits Payable	3,962.85	2,355.99
Total Trust Liabilities	3,962.85	2,355.99

- This represents overpayment of water bill and were applied/deducted to the concessionares succeeding bill

Note 13- Financial Liabilities (Non-Current Asset)

	2023	2023
Loans Payable-Domestic	29,580,157.91	31,829,744.91
Other Financial Liability	1,346,374.23	3,523,407.08
Total Financial Liabilities	30,926,532.14	35,353,151.99

Note 14 - Government Equity

	<u>2024</u>	<u>2023</u>
Government Equity	3,640,318.85	3,640,318.85
Total Government Equity	<u>3,640,318.85</u>	<u>3,640,318.85</u>

Note 15- Retained Earnings/(Deficit)

	<u>2024</u>	<u>2023</u>
Retained Earnings/(Deficit)	-7,810,695.47	-11,896,708.85
Total Retained Earning/(Deficit)	<u>-7,810,695.47</u>	<u>-11,896,708.85</u>

Note 16 - Service and Business Income

	<u>2024</u>	<u>2023</u>
Waterworks System Fees	11,727,911.74	10,152,504.65
Interest Income	860.88	989.32
Fines and Penalties-Business Income	322,443.83	275,178.78
Other Business Income	991,803.74	1,025,197.48
Rental Income	500.00	
Income from grants and donations in cash	0.00	0.00
Other Miscellaneous Income	0	0
Total Service and Business Income	<u>13,043,520.19</u>	<u>11,453,870.23</u>

Note 17 - Personnel Services

	<u>2024</u>	<u>2023</u>
Salaries and Wages-Regular	2,365,845.23	2,460,840.75
Salaries and Wages-Casual/Contractual	1,249,944.82	659,857.25
Personnel Economic Relief Allowance	304,000.00	284,000.00
Representation Allowance	30,000.00	30,000.00
Transportation Allowance	30,000.00	30,000.00
Clothing/Uniform Allowance	83,000.00	72,000.00
Productivity Incentives Allowances	0.00	-
Honoraria	15,000.00	-
Overtime and Night Pay	387,288.74	236,626.68
Mid-Year and Year-End Bonus	599,979.00	523,358.10
Cash Gift	65,000.00	59,750.00
Other Bonuses and Allowances	370,000.00	275,000.00
Retirement and Life Insurance Premium	430,391.83	342,373.80
Pag-IBIG Contribution	26,200.00	14,200.00
PhilHealth Contribution	82,310.11	62,357.04
Employees Compensation Insurance Premium	15,000.00	13,200.00
Terminal Leave Benefits	42,356.86	257,189.04
Total Personnel services	<u>6,096,316.59</u>	<u>5,320,752.66</u>

Note 18- Other Maintenance and Operating Expenses

	<u>2024</u>	<u>2023</u>
Traveling Expense Local	159,445.00	301,904.00
Training Expense	9,200.00	159,000.00
Office supplies Expense	81,789.25	37,553.00

Accountable Forms Expense	84,000.00	62,000.00
Fuel, Oil And lubricants Expense	131,879.78	115,892.27
Chemical And Filtering Supplies Expense	602,533.00	701,446.50
Linens and Bedding Expenses	0.00	7,000.00
Semi-Expendable Machinery And Equipment Expenses	0.00	9,000.00
Semi-Expendable Furniture, Fixtures and Books Expenses	0.00	0.00
Other Supplies and Materials Expense	33,858.94	30,822.80
Water Expenses	9,285.45	10,625.50
Electricity Expenses	1,186,458.85	1,104,070.64
Gas/ Heating Expenses	0.00	0.00
Other Utility Expenses	0.00	0.00
Postage and Courier Services	2,275.00	3,855.00
Telephone Expense	13,658.00	11,232.00
Internet Subscription Expense	25,188.00	25,380.61
Cable, Satellite , Telegraph And Radio Expenses	13,000.00	13,000.00
Generation, Transmission and Distribution Expenses	36,286.15	463,971.19
Extraordinary and Miscellaneous Expenses	28,793.00	33,844.00
Legal Services	0.00	1,300.00
Auditing Services	0.00	31,920.00
Janitorial Services	0.00	0.00
Other General Services	700.00	398.00
Repairs and Maintenance-Infrastructure Assets	4,500.00	4,140.00
Repairs and Maintenance-Building and Other Structure	0.00	0.00
Repairs and Maintenance-Machinery and Equipment	11,516.00	3,121.00
Repairs and Maintenance-Transportation Equipment	10,318.00	44,803.00
Repairs and Maintenance-Furniture and Equipment	500.00	0.00
Repairs and Maintenance-Service Concession Assets	0.00	0.00
Repairs and Maintenance-Semi-Expendable-Machinery and	0.00	4,294.00
Repairs and Maintenance-Semi-Expendable-Furniture,	0.00	0.00
Taxes, Duties and Licenses	172.17	697.87
Fidelity Bond Premiums	9,750.00	9,750.00
Insurance Expense	0.00	0.00
Labor and Wages	389,431.85	672,612.30
Advertising, Promotional and Marketing expense	1,500.00	400.00
Printing and Publication Expense	51,091.00	51,330.00
Representation Expense	87,500.00	107,728.00
Transportation and Delivery Expenses	3,550.00	4,750.00
Litigation/ Acquired Assets Expenses	0.00	0.00
Directors and Committee Members' Fees	96,120.00	90,720.00
Rent/Lease Expenses	0.00	8,100.00
Other Maintenance and Operating Expenses	1,426.00	8,850.50
Total Maintenance and Other Operating Expenses	3,085,725.44	4,135,512.18

Note 19 - Financial Expenses

	<u>2024</u>	<u>2023</u>
Interest Expense	562,136.15	1,770,531.14
Commitment Fees	0.00	0.00
Bank charges	150.00	6,220.00
Other Financial Charges	11,170.00	61,431.94
Total Financial Charges	573,456.15	1,838,183.08

Note 20- Non-Cash Expenses

	<u>2024</u>	<u>2023</u>
Depreciation- Infrastructure Assets	948,498.20	948,498.21
Depreciation- Building and Other Structures	153,144.19	153,144.19
Depreciation- Machinery and Equipment	290,261.63	279,574.13
Depreciation- Furniture and Fixtures	0.00	0.00
Other Discounts	42,998.41	36,163.76
ImpairmentLoss-Loans and Receivables	0.00	359,940.52
Total Non-Cash Expenses	1,434,902.43	1,777,320.81