



Republic of the Philippines
WAO WATER DISTRICT
Wao, Lanao del Sur

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of the Wao Water District is responsible for the preparation of the financial statements as at December 31, 2022, 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 estimates that are reasonable in the circumstances.

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

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

Mr. Rogelio R. Musico
Chairman of the Board

2/28/2023
Date Signed

Mardy Grace F. Lanado
Cashier B

2/28/2023
Date Signed

Engr. Tomas C. Carumba, Jr.
General Manager C

2/28/2023
Date Signed

WAO WATER DISTRICT
Wao, Lanao del Sur

STATEMENT OF FINANCIAL POSITION

As at December 31, 2022

(With comparative figures of CY 2021)

	Note	2022	2021
ASSETS			
Current Assets			
Cash and Cash Equivalents	3	P 8,296,433.68	P 6,380,715.44
Receivables	4	1,363,551.53	1,749,019.02
Inventories	5	5,496,249.45	3,186,001.60
Total Current Assets		15,156,234.66	11,315,736.06
Non-Current Assets			
Property, Plant and Equipment	6	81,217,735.55	76,870,946.20
Other Prepayments		21,926.32	-
Total Non-Current Assets		81,239,661.87	76,870,946.20
TOTAL ASSETS		96,395,896.53	88,186,682.26
LIABILITIES			
Current Liabilities			
Financial Liabilities	7	5,366,835.18	1,392,565.77
Inter-Agency Payables		485,073.40	279,740.77
Trust Liabilities		218,342.35	23,342.35
Total Current Liabilities		6,070,250.93	1,695,648.89
Non-Current Liabilities			
Financial Liabilities	8	34,811,915.12	37,155,524.14
Total Non-Current Liabilities		34,811,915.12	37,155,524.14
TOTAL LIABILITIES		40,882,166.05	38,851,173.03
EQUITY			
Government Equity	9	10,740,032.81	10,740,032.81
Revaluation Surplus		1,091,200.00	1,091,200.00
Retained Earning/(Deficit)		43,682,497.67	37,504,276.42
Total Equity		55,513,730.48	49,335,509.23
TOTAL LIABILITIES AND EQUITY		P 96,395,896.53	P 88,186,682.26

WAO WATER DISTRICT
Wao, Lanao del Sur

STATEMENT OF COMPREHENSIVE INCOME
For the year ended December 31, 2022
(With comparative figures of CY 2021)

	Note	2022	2021
Income	10		
Service and Business Income		P 36,469,761.44	P 33,565,184.86
Shares, Grants and Donations		63,904.00	6,508.00
Total Income		36,533,665.44	33,571,692.86
 Expenses			
Personnel Services	11	13,285,849.16	12,081,899.74
Maintenance and Other Operating Expenses	12	11,715,413.92	10,307,113.37
Financial Expenses		1,055,997.93	1,169,400.62
Non-Cash Expenses	13	4,298,183.18	3,777,677.51
Total Expenses		30,355,444.19	27,336,091.24
 Profit/(Loss)		6,178,221.25	6,235,601.62
Net Assistance/Subsidy			
Less: Financial Assistance/Subsidy to NGAs, LGUs, GOCCs, NGOs/Pos			
Financial Assistance to Local Government Units		-	41,218.00
Comprehensive Income/(Loss)		P 6,178,221.25	P 6,194,383.62

WAO WATER DISTRICT
Wao, Lanao del Sur

STATEMENT OF CHANGES IN NET ASSETS/ EQUITY
For the year ended December 31, 2022

	Revaluation Surplus	Retained Earnings/ (Deficit)	Contributed Capital	TOTAL
BALANCE AT JANUARY 1, 2022	₱1,091,200.00	₱37,504,276.42	₱10,740,032.81	₱49,335,509.23
ADJUSTMENTS:				
Add/(Deduct):				
Changes in Accounting Policy	-	-	-	-
Prior Period Errors	-	-	-	-
Other Adjustments	-	-	-	-
RESTATED BALANCE AT JAN. 1, 2022	1,091,200.00	37,504,276.42	10,740,032.81	49,335,509.23
CHANGES IN EQUITY FOR 2022				
Add/(Deduct):				
Comprehensive Income for the year	-	6,178,221.25	-	6,178,221.25
Other Adjustments	-	-	-	-
BALANCE AT DECEMBER 31, 2022	₱1,091,200.00	₱43,682,497.67	₱10,740,032.81	₱55,513,730.48

WAO WATER DISTRICT
Wao, Lanao del Sur

STATEMENT OF CASH FLOWS
For the year ended December 31, 2022
(With comparative figures of CY 2021)

	<u>2022</u>	<u>2021</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Cash Inflows:		
Collection of Income/Revenues	P 67,187.44	P 3,784.03
Collection of Receivables	35,837,137.16	32,645,769.64
Other Receipts	1,892,339.74	1,659,874.49
Total Cash Inflows	<u>37,796,664.34</u>	<u>34,309,428.16</u>
Adjustments	-	-
Adjusted Cash Inflows	<u>37,796,664.34</u>	<u>34,309,428.16</u>
Cash Outflows:		
Payment of Expenses	17,939,667.34	16,789,782.32
Purchase of Inventories	440,271.31	310,401.25
Remittances of Taxes Withheld covered by TRA	303,510.07	300,692.60
Remittances of GSIS/PAG-IBIG/PHILHEALTH	2,985,361.42	2,437,635.46
Remittance of Other Payables	517,866.72	516,426.53
Total Cash Outflows	<u>22,186,676.86</u>	<u>20,354,938.16</u>
Adjustments	-	-
Adjusted Cash Outflows	<u>22,186,676.86</u>	<u>20,354,938.16</u>
Net Cash Provided by/ (Used in) Operating Activities	<u>15,609,987.48</u>	<u>13,954,490.00</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Cash Inflows:		
	-	-
Cash Outflows:		
Purchase/Construction of PPE	5,380,227.34	5,176,386.79
Purchase of Machinery and Equipment	4,914,434.95	10,067,946.61
Total Cash Outflows	<u>10,294,662.29</u>	<u>15,244,333.40</u>
Adjustments	-	-
Adjusted Cash Outflows	<u>10,294,662.29</u>	<u>15,244,333.40</u>
Net Cash Provided by/(Used in) Investing Activities	<u>(10,294,662.29)</u>	<u>(15,244,333.40)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Cash Inflows:		
	-	-
Cash Outflows:		
Payment of Long Term Liabilities-Domestic Loans	2,343,266.02	555,884.86
Payment of Other Financial Charges	1,056,340.93	1,005,991.58
Total Cash Outflows	<u>3,399,606.95</u>	<u>1,561,876.44</u>
Adjustments	-	-
Adjusted Cash Outflows	<u>3,399,606.95</u>	<u>1,561,876.44</u>
Net Cash Provided by/ (Used in) Financing Activities	<u>(3,399,606.95)</u>	<u>(1,561,876.44)</u>
NET INCREASED (DECREASED) IN CASH AND CASH EQUIVALENTS	<u>1,915,718.24</u>	<u>(2,851,719.84)</u>
Cash and Cash Equivalents, January 1	<u>6,380,715.44</u>	<u>9,232,435.28</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>P 8,296,433.68</u></u>	<u><u>P 6,380,715.44</u></u>

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

Note 1 - Agency Background

The Wao Water District was established thru Presidential Decree No. 198 as amended, as the enabling law to the creation of water district, on May 26, 1993. The District was issued the Conditional Certificate of Conformance (CCC No. 519) by the LWUA. The mandates of the District are:

- a) To acquire, install, improve, maintain and operate water supply and distribution systems for domestic, industrial, municipal and agricultural uses for residents and lands within the boundaries of the district:
- b) Provide, maintain and operate waste water collection treatment and disposal facilities; and
- c) Conduct such other function and operations incidental to water resource development, utilization and disposal within the district, as are necessary or incidental to said purpose.

The powers, privileges and duties of the District are exercised and performed by and through the Board of Directors, as the policy making body composed of the following:

Chairman	-	Mr. Rogelio S. Musico
Vice Chairman	-	Ms. Elizabeth O. Carumba.
Treasurer	-	Ms. Ana Maia R. Yao
Secretatry	-	Ms. Josephine B. Ata
Auditor	-	Ms. Ma. Nellie N. Emborgo

Day to day activities are executed by its General Manager, Engr. Tomas C. Carumba, Jr., together with the 12 permanent employees, six (6) casual employees and 21 Job Order employees.

Note 2 - Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in compliance with PFRS.

Other PPE are carried at cost less accumulated depreciation which is computed using the straight-line method based on the estimated service lives of the property ranging from 5 to 30 years. The lives of the equipment are capitalized. The cost and related depreciation are removed from the accounts when assets are retired

and disposed of and any resulting gain or loss is credited or charged to current operations.

Inventories are carried at cost using the Moving Average Method.

The District uses the accrual basis of accounting. Revenues opare recorded during the period in which services are given/rendered and expenses are recorded at the times these are incurred.

Note 3 – Cash and Cash Equivalents

Account Title	2022	2021
Cash - Collecting Officer	₱ 7,494.36	₱ 4,472.76
Cash in Bank-Local Currency, Current Account (LCCA) 1	5,414,434.35	3,395,011.88
Cash in Bank-LCCA 2	1,509,504.51	1,047,191.86
Cash in Bank-LCCA 3	104,637.38	31,335.51
Cash in Bank-Local Currency, Savings Account (LCSA)	1,260,363.08	1,902,703.43
Total Cash and Cash Equivalents	₱ 8,288,939.32	₱ 6,380,715.44

- 3.1 *Cash – Collecting Officers* represents the collection on water sales which were undeposited by year ended December 31, 2022.
- 3.2 *Cash in Bank – Local Currency, Current 1* pertains to the the amount used as general fund of the WD.
- 3.4 *Cash in Bank – Local Currency, Current 2* pertains to a separate account intended for employee benefits to ensure availability of funds in case of retirement and monetization as per BOD Resolution No. 17 Series of 2019.
- 3.5 *Cash in Bank-Local Currency, Current Account 3* pertains to a separate account used for Wao WD’s Expansion Project.
- 3.6 *Cash in Bank-Local Currency, Savings Account* represents the reserve fund as per requirement of LWUA. That is 1.5% of water sales as per BOD Resolution No. 26 Series of 2019.

Note 4 – Receivables

Account Title	2022	2021
Accounts Receivables	₱ 1,026,437.15	₱ 1,026,437.15
Other Receivables	830,324.48	1,215,781.87
Due from Officers and Employees	6,800.00	6,800.00
Total	1,863,551.53	2,249,019.02
Allowance for Impairment - AR	(500,000.00)	(500,000.00)
Total Receivables	₱ 1,363,551.53	₱ 1,749,019.02

- 4.1 *Account Receivables* includes all amounts due on open accounts arising from services rendered to customers for water sales and incidental services.
- 4.2 *Other Receivables* represents the balance of registration and installation fee of concessionaires not yet paid as of December 31, 2022.
- 4.3 *Due from Officers and Employees* represents the cash advance given to Officers and necessary for transportation, emergency purchase and other expenditures to carry out the affairs of the WD.
- 4.5 *Allowances for Impairment - Accounts Receivables* is set-up to provide for estimated losses due to non-collection of accounts from customers.

Note 5 - Inventories

Account Title	2022	2021
Office Supplies Inventory	₱ 171,767.14	₱ 144,157.81
Accountable Forms, Plates and Stickers Inventory	120,000.00	30,000.00
Construction Materials Inventory	4,904,832.15	2,989,491.48
Other Supplies and Materials Inventory	299,650.16	22,352.31
Total Inventories	₱ 5,496,249.45	₱ 3,186,001.60

Note 6 - PPE

Account Title	2022	2021
Land	₱ 586,000.00	₱ 586,000.00
Water Supply Systems	40,329,445.81	38,967,508.09
<i>Accumulated Depreciation - Water Supply Systems</i>	<i>(3,789,585.77)</i>	<i>(2,009,445.06)</i>
Buildings	2,126,215.69	2,126,215.69
<i>Accumulated Depreciation-Buildings</i>	<i>(669,831.73)</i>	<i>(574,152.01)</i>
Other Structures	2,626,244.66	2,117,394.66
<i>Accumulated Depreciation-Other Structures</i>	<i>(1,407,692.62)</i>	<i>(1,262,752.78)</i>
Office Equipment	1,296,249.86	1,162,059.86
<i>Accumulated Depreciation - Office Equipment</i>	<i>(632,073.48)</i>	<i>(507,743.39)</i>
Information and Communications Technology Equipment	1,363,755.10	1,209,840.10
<i>Accumulated Depreciation - Information and Communications</i>	<i>(722,121.67)</i>	<i>(540,434.79)</i>

Account Title	2022	2021
<i>Technology Equipment</i>		
Motor Vehicles	3,506,381.00	3,506,381.00
<i>Accumulated Depreciation - Motor Vehicles</i>	(1,235,885.34)	(984,625.02)
Furniture and Fixtures	824,314.18	806,314.18
<i>Accumulated Depreciation-Furniture and Fixtures</i>	(479,981.56)	(381,183.84)
Construction in Progress - Infrastructure Assets	8,727,757.73	2,461,802.92
Other Property, Plant and Equipment	39,515,213.68	39,313,088.68
<i>Accumulated Depreciation-Other PPE</i>	(10,746,669.99)	(9,125,322.09)
Total PPE	₱ 81,217,735.55	₱ 76,870,946.20

Note 7 - Financial Liabilities (Current)

Account Title	2022	2021
Financial Liabilities	₱ 5,366,835.18	₱ 1,392,565.77
Accounts Payable	5,366,835.18	1,392,565.77
Inter-Agency Payable	485,073.40	279,740.77
Due to BIR	269,449.32	115,729.1
Due to GSIS	159,421.17	135,973.64
Due to Pag-IBIG	45,258.00	22,000.00
Due to PhilHealth	10,944.91	6,038.03
Trust Liabilities	218,342.35	23,342.35
Guaranty/Security Deposits Payable	218,342.35	23,342.35
Total Current Liabilities	₱ 6,070,250.93	₱ 1,695,648.89

Note 8 – Financial Liabilities (Non-Current)

8.1 Loans Payable-LWUA

Loan No.	Date Granted	Principal Amount	Interest Rate	Term	Balance as of	
					12/31/2022	12/31/2021
LA#3-787	1999	₱2,000,000.00	8.5%	305 mos.	₱ 1,108,454.14	₱1,421,241.14
		2,241,936.07	10.5%			
Total		₱4,241,936.07			₱ 1,108,454.14	₱1,421,241.14

This pertains to the loan availed from LWUA for the water system project of the District. The District has a monthly amortization of ₱34,805.00 starting January, 2015 due to the repriced of interest rate of loans of 8.2% per annum by LWUA Memorandum Circular No. 003-15 dated March 18, 2015.

8.2 Loans Payable - LWUA (Expansion Project)

Loan No.	Date Granted	Principal Amount	Interest Rate	Term	Balance as of	
					12/31/2022	12/31/2021
LA#4-2886	2020	₱ 24,999,719.00	4.0%	180 mos.	₱ 23,863,444.00	₱ 24,999,719.00
Total		₱ 24,999,719.00			₱ 23,863,444.00	₱ 24,999,719.00

This pertains to the loan availed from LWUA for the Wao Water Supply System Expansion. As of date, the Wao Water Supply System Expansion Project is 100% completed. Amortization of ₱184,920.00 commenced on February 2022.

8.3 Loans Payable – Wao Development Corporation (WDC)

Date Granted	Principal Amount	Interest Rate	Term	Balance as of	
				12/31/2022	12/31/2021
July 18, 2019	₱10,734,564.00	N/A	5 yrs	₱ 9,840,016.98	₱10,734,564.00
Total	₱10,734,564.00			₱ 9,840,016.98	₱10,734,564.00

This pertains to the amount advanced by WDC, now Dole Philippines, Inc., to Wao WD to finance the entire project cost that enables the district to serve the water requirement of the company as per Memorandum of Agreement dated February 9, 2018. The advanced amount shall be paid back by Wao WD within 60 months from the commencement of the supply of water to Dole Philippines, Inc.

Note 9 – Equity

Account Title	2022	2021
Government Equity		
Contributed Capital	₱ 10,740,032.81	₱ 10,740,032.81
Revaluation Surplus	1,091,200.00	1,091,200.00
Accumulated Surplus/(Deficit)	43,682,497.67	37,504,276.42
Total Equity	₱ 55,513,730.48	₱ 49,335,509.23

9.1 *Contributed Capital* represents the grant and donated capital or the cost of the existing water in Wao which were turned over by the Municipal Government to Wao WD. Subsequent capital additions, such as subsidies were added to this account.

9.2 *Revaluation Surplus* represents the cost of office building at market value.

9.3 *Accumulated Surplus/(Deficit)* consists of the balance of accumulated earnings of the WD.

Note 10 – Income

Wao WD derives its income from the following sources: Income from water works system, fines and penalties, other business income and miscellaneous income.

Account Title	2022	2021
Registration Fees	₱ 1,517,500.00	₱ 2,583,000.00
Fines and Penalties - Service Income	1,297,735.88	1,184,715.13
Other Service Income	1,627,189.40	1,428,370.81
Waterworks System Fees	31,774,090.82	27,873,191.69
Interest Income	4,072.44	3,784.03
Other Business Income	249,172.90	492,123.20
Income from Grants and Donations in Cash	63,904.00	6,508.00
Total Service and Business Income	₱36,533,665.44	₱33,571,692.86

Note 11 - PS

Account Title	2022	2021
Salaries and Wages		
Salaries and Wages - Regular	₱ 5,122,819.50	₱5,122,819.50
Salaries and Wages - Casual/Contractual	2,960,476.75	2,960,476.75
Other Compensation		
Personal Economic Relief Allowance (PERA)	506,000.00	440,000.00
Representation Allowance (RA)	102,000.00	102,000.00
Transportation Allowance (TA)	102,000.00	102,000.00
Clothing/Uniform Allowance	120,000.00	108,000.00
Hazard Pay	0.00	144,000.00
Year End Bonus	962,900.00	844,690.00
Cash Gift	104,000.00	90,000.00
Other Bonuses and Allowances	1,789,938.00	1,434,579.00
Personnel Benefit Contributions		
Retirement and Life Insurance Premiums	682,009.67	623,074.60
Pag-IBIG Contributions	24,800.00	21,800.00
PhilHealth Contributions	105,746.30	66,359.89
Employees Compensation Insurance Premiums	23,600.00	22,100.00
Total PS	₱13,285,849.16	₱12,081,899.74

Note 12 –MOOE

Account Title	2022	2021
Traveling Expenses		
Traveling Expenses - Local	₱ 848,497.87	₱ 431,518.56
Training and Scholarship Expenses		
Training Expenses	188,801.00	78,760.00
Supplies and Materials Expenses		
Office Supplies Expenses	259,418.98	160,858.10
Accountable Forms Expenses	141,000.00	179,500.00
Fuel, Oil and Lubricants Expenses	945,474.80	604,380.23
Other Supplies and Materials Expenses	1,363,353.45	1,214,595.46
Utility Expenses		
Electricity Expenses	321,964.00	254,426.47
Communication Expenses		
Postage and Courier Services	7,635.00	7,623.00
Telephone Expenses	119,626.35	97,583.12
Internet Subscription Expenses	52,483.00	61,506.81
Professional Services		
Auditing Services	300,583.82	251,652.48
Consultancy Services	0.00	722,322.00
Other Professional Services	585,870.02	458,681.20
Repairs and Maintenance		
Repairs and Maintenance - Machinery and Equipment	157,814.80	171,363.40
Repairs and Maintenance - Transportation Equipment	270,602.55	478,121.08
Repairs and Maintenance - Furniture and Fixtures	1,460.00	75.00
Repairs and Maintenance - Other PPE	4,403,521.02	3,485,892.27
Taxes, Insurance Premiums and Other Fees		
Taxes, Duties and Licenses	660,131.95	650,501.19
Fidelity Bond Premiums	22,878.75	22,878.75
Other Maintenance and Operating Expenses		
Advertising Expenses	567,023.00	651,650.75
Representation Expenses	447,794.81	291,400.00
Membership Dues and Contributions to Organization	49,478.75	31,823.50
Total MOOE	₱11,715,413.92	₱10,307,113.37

Note 13 – Non-Cash Expenses

Account Title	2022	2021
Depreciation		
Depreciation - Water Supply Systems	₱ 1,780,140.71	₱ 1,315,005.84
Depreciation - Buildings and Other Structures	240,619.56	221,278.54
Depreciation - Machinery and Equipment	306,016.97	415,582.63
Depreciation - Transportation Equipment	251,260.32	230,285.76
Depreciation - Furniture, Fixtures and Books	98,797.72	91,768.86
Depreciation - Other PPE	1,621,347.90	1,503,755.88
Total Non-Cash Expenses	₱ 4,298,183.18	₱ 3,777,677.51