

GENERAL MARIANO ALVAREZ WATER DISTRICT
Notes to Financial Statement
For the year ended December 31, 2018

1. GENERAL INFORMATION/ENTITY PROFILE

The consolidated financial statement of GENERAL MARIANO ALVAREZ WATER DISTRICT was authorized for issue on February 13, 2019 as shown in the Statement of Management Responsibility for Financial Statements signed by JULIET M. NACITA, the General Manager and MA. CECILIA R. BUENO, the Officer-in-Charge of Finance Division.

GENERAL MARIANO ALVAREZ WATER DISTRICT a Government Owned and Controlled Corporation, established pursuant to Presidential Decree No. 198, as amended, otherwise known as the Provincial Water Utilities Act of 1973. by virtue of SB Resolution No. 30-08 dated May 24, 1988 as the Provincial Water Utilities Act of 1973. The GMAWD was created on May 24, 1988 by virtue of SB Resolution No. 30-88 and was issued Conditional Certificate of Conformance (CCC) No. 393 by Local Water Utilities Administration on April 14, 1989. The mandates/functions of GMAWD are to acquire, install, improve, maintain and operate water supply and distribution systems for domestic, industrial, municipal and agricultural uses for residents and lands within its boundaries; to provide, maintain and operate waste water collection, treatment and disposal facilities and conduct such other functions and operations incidental to water resource development, utilization and disposal within its boundaries. The Entity's registered office is located in Blk 4 Lot 1 Congressional Road, Poblacion 2, GMA, Cavite.

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

The GMAWD financial statements have been prepared in compliance with the Philippine Financial Reporting Standard (PFRS) prescribed by the Commission on Audit through COA Resolution No. 2015-040 dated December 01, 2015.

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

The GMAWD financial statements have been prepared on the basis of historical cost, unless stated otherwise. The Statement of Cash Flows is prepared using the direct method.

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of accounting

The GMAWD financial statements are prepared on an accrual basis in accordance with the PFRS.

3.2 Financial Instruments

Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables or available-for-sale financial assets, as appropriate. The GMAWD determines the classification of its financial assets at initial recognition.

The GMAWD's financial assets include: cash and cash equivalents; trade and other trade receivables; loans and other loans receivables.

ii. Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

1. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

iii. Derecognition

The GMAWD derecognizes a financial asset or, where applicable, a part of a financial asset or part of GMAWD of similar financial assets when:

1. the contractual rights to the cash flows from the financial asset expired or waived; and
2. the GMAWD has transferred its contractual rights to receive the cash flows of the financial assets, or retains the contractual rights to receive the cash flows of the financial assets but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets the conditions set forth in PAS 39-Financial Instruments: Recognition and Measurement; and either the entity has:
 - transferred substantially all the risks and rewards of ownership of the financial asset; or
 - neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, but has transferred the control of the asset

iv. Impairment of financial assets

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

Evidence of impairment may include the following indicators:

1. The debtors or a group of debtors are experiencing significant financial difficulty
2. Default or delinquency in interest or principal payments
3. The probability that debtors will enter bankruptcy or other financial reorganization

4. Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

b. Financial liabilities

i. Initial recognition and measurement

Financial liabilities within the scope of PFRS 9 are classified as financial liabilities at fair value through surplus or deficit, or loans and borrowings, as appropriate. The entity determines the classification of its financial liabilities at initial recognition.

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

The GMAWD's financial liabilities include trade, other payables, loans and borrowings.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification.

1. Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

iii. Derecognition

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

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

c. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.3 Cash and Cash Equivalents

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

3.4 Inventories

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

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

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

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

3.5 Property, Plant and Equipment

a. Recognition

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

The characteristics of PPE are as follows:

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

An item of PPE is recognized as an asset if:

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

b. Measurement at recognition

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

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

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

Cost includes the following:

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

a particular period for purposes other than to produce inventories during that period.

c. Measurement after recognition

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

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

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

d. Depreciation

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

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

i. Initial recognition of depreciation

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

For simplicity and to avoid proportionate computation, the depreciation is for one month if the PPE is available for use 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.

ii. Depreciation method

The straight line method of depreciation is adopted unless another method is more appropriate for Entity operation.

iii. Estimated useful life

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

iv. Residual value

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

e. Impairment

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

f. Derecognition

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

3.6 Changes in Accounting Policies and Estimates

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

The GMAWD recognizes the effects of changes in accounting estimates prospectively through surplus or deficit.

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

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

3.7 Revenue from Exchange Transactions

a. Measurement of revenue

Revenue is measured at the fair value of the consideration received or receivable and accrual method used in recognizing income.

b. Rendering of services

The GMAWD recognizes revenue from rendering of services by acquire, install, improve, maintain and operate water supply and distribution systems for domestic, industrial, municipal and agricultural uses for residents and lands within its boundaries.

c. Rental income

Rental income arising from operating on GMAWD property is accounted for and included in revenue.

3.8 Budget Information

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

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

3.9 Employee Benefits

The employees of GMAWD are members of the Government Service Insurance System (GSIS) which provides life and retirement insurance coverage.

The GMAWD recognizes the undiscounted amount of short term employee benefits, like salaries, wages, bonuses, allowance, etc., as expense unless capitalized, and as a liability after deducting the amount paid.

4. CHANGES IN ACCOUNTING POLICIES

GMAWD adopted the following new accounting policies:

On October 31, 2017, GMAWD implemented the First-time Adoption of PFRS 1. The new standard includes Accounting Policies, Changes in Accounting Estimates and Errors; and specific transitional requirement in other PFRS. Thus, the CY 2017 FS shall include the following:

- a. Statement of Financial Position as at December 31, 2017, December 31, 2016 and January 1, 2016 (Opening Statement of financial Position);
- b. Statement of Comprehensive Income for the years ended December 31, 2017 and 2016;
- c. Statement of Cash Flows for the years ended December 31, 2017 and 2016;
- d. Statement of Changes in equity for the years ended December 31, 2017 and 2016, and
- e. Related notes including comparative information.

5. PRIOR PERIOD ADJUSTMENTS

The GMAWD has determined that erroneous charging of account was applied.

As a result of erroneous recognition of accrual amounting to ₱645,672.92 in electricity account, thus the effect on income is understatement and overstatement in expense account.

6. CASH AND CASH EQUIVALENTS

Particulars	As at December 31, 2018	As at December 31, 2017
	Cash on Hand	513
Petty Cash	30	30
Cash in Bank – Local Currency, CA	8,867	5,431
Cash in Bank – Local Currency, SA	15,373	13,344
Cash Equivalents	-	-
Total Cash and Cash Equivalents	24,784	19,215

- a. Cash on Hand – this consists of collections and deposits made by Collecting Officers based on official receipts last December 31, 2018 which were deposited on January 3, 2018.
- b. Petty Cash - This account represents a revolving cash funds given to the designated disbursing officers either for specific or general purpose.
- c. Cash in Bank - Local Currency, CA (LBP # 2372-1011-40 LBP# 3282-1022-33 and DBP # 5303-650-6) – These account pertains to deposits in banks available for general expenditures incurred in operations.
- d. Cash in Bank – Local Currency, SA (LBP # 2371-0229-72 and 3281-0495-84) – Theses accounts are maintained for special or specific purposes such as operation and maintenance reserve for repairs of damaged facilities. LBP # 2371-0167-94 is a sinking fund which pertains to payment of debt service and a capital reserve for expansion/projects of GMAWD facilities. On the other hand, LBP 2372-1011-91, 2372-1015-15, and 2371-0923-85 are joint accounts of GMAWD/LWUA for special projects funded from LWUA loan released.

7. RECEIVABLES

7.1 Loans and Receivables

Accounts	2018 (in thousand pesos)			2016 (in thousand pesos)		
	Current	Non-Current	Total	Current	Non-Current	Total
Accounts Receivable	9,865		9,865	9,679	-	9,679
Allowance for Impairment-Accounts Receivable	606		606	1,072	-	1,072
Net Value-Accounts Receivable	9,259		9,259	8,606	-	8,606
Total	9,259	=	9,259	8,606	=	8,606

Accounts Receivable – GMAWD – This account represents the water bills of active concessionaires of GMAWD. Adjusting entry pursuant to PFRS No. 37 were made due for the immediately recognition of fine and penalties from the books from the time it was billed and not as from the time it was collected.

7.2 Aging/Analysis of Receivables

As at December 31, 2018

Accounts	Total	Not past due	Past due		
			< 30 days	30-60 days	> 60 days
Accounts Receivable	10,636	3,650	-	1,609	5,377
Total	10,636	3,650	=	1,609	5,377

Aging of Accounts Receivable under past due account cannot be extract based on the presentation above because of the existing format of the system.

7.3 Other Receivables

Accounts	2018 (in thousand pesos)			2017 (in thousand pesos)		
	Current	Non-Current	Total	Current	Non-Current	Total
Receivables-Disallowances/Charges	25,459	-	25,459	25,935	-	25,935
Due from Officers and Employees	-	-	-	31	-	31
Due from Non-Government Organizations/ People's Organizations	6,659	-	6,659	6,587	-	6,587
Other Receivables	1,028	-	1,028	915	-	-
Allowance for Impairment-Other Receivables	-	-	-	-	-	-
Net Value-Other Receivables	-	-	-	-	-	-
Total	33,145	=	33,145	33,468	=	33,468

Receivables – Disallowances – this pertains to the benefits claimed/received by GMAWD officers and employees for the year 2009, 2010, 2011, 2013 and 2014 with Notices of Disallowances (ND) Notice of Finality of Decision (NFD) COA Order Of Execution (COE). As of December 31, 2018, the employees made a refund to the district for a total of Two Million Two Hundred Eighteen Thousand Two Hundred Eighty Nine Pesos and 32/100 (2,218,289.32).

Other Receivables – This consists of the amount due to:

- Materials and fittings for installation of new service connections sold to concessionaires on installment basis.
- GMAWD-GAD Micro-Finance Loan extended to women's organization in GMA as livelihood program per approved 2007 GAD Plan.
- Amount lost during burglary on March 25, 2007 amounting to ₱336,839.35. The incident was already reported to COA Regional Office on June 28, 2007 requesting for relief from accountability of the loss cash and on computer set, but yet reply has been received.
- Unremitted cash collections from year 2002-2007 of Mr. Ricardito C. Verdeprado, Sr., Bill Collector at Mandarin Homes Sub-office. He was charged administratively for committing dishonesty thru malversation of public funds and conduct prejudicial to the best/interest of the service and was dismissed from the service on September 6, 2007. A criminal case against him was filed by GMAWD and its pending in court for resolution.
- Due from Non-Government Organization this pertains to application of service/power lines for Meralco.

8. INVENTORIES

Accounts	2018 (in thousand pesos)		2017 (in thousand pesos)	
	Inventories carried at the lower of cost and net realizable value	Inventories carried at fair value less cost to sell	Inventories carried at the lower of cost and net realizable value	Inventories carried at fair value less cost to sell
Inventory Held for Sale				
Carrying Amount, January	3,584	-	5,037	-
Additions/Acquisitions during the year	9,272	-	7,566	-
Expensed during the year except write-down	9,470	-	9,217	-
Write-down during the year	-	-	-	-
Reversal of Write-down during the year	-	-	-	-
Carrying Amount, December 31	3,386	-	3,386	-
Inventory Held for Consumption				
Carrying Amount, January 1	50	-	78	-
Additions/Acquisitions during the year	2,457	-	560	-
Expensed during the year except write-down	1,709	-	588	-
Write-down during the year	-	-	-	-
Reversal of Write-down during the year	-	-	-	-
Carrying Amount, December 31	798	-	50	-
Semi-Expendable Machinery and Equipment				
Carrying Amount, January 1	33	-	33	-
Additions/Acquisitions during the year	670	-	-	-
Expensed during the year except write-down	-	-	-	-
Write-down during the year	-	-	-	-
Reversal of Write-down during the year	-	-	-	-
Carrying Amount, December 31	703	-	33	-
Total Carrying Amount, December 31	<u>6,593</u>	=	<u>3,584</u>	=

- Merchandise Inventory pertains to cost of materials purchased or produced for sale and for the repair of service lines.
- Office Supplies Inventory and Semi-Expendable Machinery and Equipment are cost of items purchased/received being used in GMAWD office operations.
- Chemicals and Filtering Supplies Inventory is used for water treatment, filtering supplies and the like used in government operations.

9. CONSTRUCTION IN PROGRESS

Particulars	As at December 31, 2018	As at December 31, 2017
	(in thousand pesos)	
Construction in Progress – Investment Property, Buildings	13,381	5,355
Total	<u>13,381</u>	<u>5,355</u>

GMAWD applied the cost of constructed assets accumulated in the account Construction in Progress until assets is placed into service. When the assets is completed and place into service, the account Construction in Progress will be credited for the accumulated costs of the assets and will be debited to the appropriate Property, Plant and Equipment account.

10. PROPERTY, PLANT AND EQUIPMENT

As at December 31, 2018

	Land	Land Improvements	Infrastructure Assets	Buildings and Other Structures	Machinery and Equipment	Total
Carrying Amount, January 1, 2018	13,968	43	143,336	17,831	20,898	196,076
Additions/Acquisitions	3,515	-	9,283	535	5,461	18,794
Total	17,483	43	152,619	18,366	26,359	214,870
Disposals	-	-	-	-	-	-
Depreciation (As per Statement of Financial Performance)	-	4	4,419	724	2,747	7,894
Impairment Loss (As per Statement of Financial Performance)	-	-	-	-	-	-
Carrying Amount, December 31, 2018 (As per Statement of Financial Position)	17,483	39	148,200	17,642	23,612	206,976

Gross Cost (Asset Account Balance per Statement of Financial Position)	17,483	168	190,591	26,116	38,660	273,018
Accumulated Depreciation	-	130	42,391	8,474	14,937	65,932
Accumulated Impairment Losses	-	-	-	-	-	-
Carrying Amount, December 31, 2018 (As per Statement of Financial Position)	17,483	38	148,200	17,642	23,723	207,086

As at December 31, 2017

	Land	Land Improvements	Infrastructure Assets	Buildings and Other Structures	Machinery and Equipment	Total
Carrying Amount, January 1, 2017	11,938	168	166,424	25,289	25,925	229,744
Additions/Acquisitions	2,030	-	14,884	292	7,274	24,480
Total	13,968	168	181,308	25,581	33,199	254,224
Disposals						

	Land	Land Improvements	Infrastructure Assets	Buildings and Other Structures	Machinery and Equipment	Total
Depreciation (As per Statement of Financial Performance)	-	4	3,947	674	2,612	7,237
Impairment Loss (As per Statement of Financial Performance)	-	-	-	-	-	-
Carrying Amount, December 31, 2017 (As per Statement of Financial Position)	<u>13,968</u>	<u>164</u>	<u>177,361</u>	<u>24,907</u>	<u>30,587</u>	<u>246,987</u>

Gross Cost (Asset Account Balance per Statement of Financial Position)	<u>13,968</u>	<u>168</u>	<u>181,308</u>	<u>25,581</u>	<u>33,199</u>	<u>254,244</u>
Accumulated Depreciation		125	37,972	7,750	12,301	58,148
Accumulated Impairment Losses	-	-	-	-	-	-
Carrying Amount, December 31, 2017 (As per Statement of Financial Position)	<u>11,938</u>	<u>43</u>	<u>143,336</u>	<u>17,831</u>	<u>20,898</u>	<u>196,076</u>

As at December 31, 2018

	Transportation Equipment	Furniture Fixtures and Books	Leased Assets	Other Property, Plant and Equipment	Total
Carrying Amount, January 1, 2018	7,655	6,257	2,399	23,399	39,710
Additions/Acquisitions	24	151	-	261	436
Total	7,631	6,106	2,399	23,138	39,274
Disposals					
Depreciation (As per Statement of Financial Performance)	152	318	-	982	1,452
Impairment Loss (As per Statement of Financial Performance)					
Carrying Amount, December 31, 2018 (As per Statement of Financial Position)	<u>7,479</u>	<u>5,788</u>	<u>2,399</u>	<u>22,156</u>	<u>37,822</u>

Gross Cost (Asset Account Balance per Statement of Financial Position)	<u>13,968</u>	<u>168</u>	<u>181,308</u>	<u>25,581</u>	<u>33,199</u>	<u>254,244</u>
<i>Accumulated Depreciation</i>		125	37,972	7,750	12,301	58,148
<i>Accumulated Impairment Losses</i>	-	-	-	-	-	-
Carrying Amount, December 31, 2018 (As per Statement of Financial Position)	<u>11,938</u>	<u>43</u>	<u>143,336</u>	<u>17,831</u>	<u>20,898</u>	<u>196,076</u>

As at December 31, 2017

	Transportation Equipment	Furniture Fixtures and Books	Leased Assets	Other Property, Plant and Equipment	Total
Carrying Amount, January 1, 2017	5,850	5,792	2,399	22,729	36,770
<i>Additions/Acquisitions</i>	1,805	465	-	670	2,940
Total	7,655	6,257	2,399	23,399	39,710
<i>Disposals</i>					
<i>Depreciation (As per Statement of Financial Performance)</i>	177	306	-	991	1,474
<i>Impairment Loss (As per Statement of Financial Performance)</i>					
Carrying Amount, December 31, 2017 (As per Statement of Financial Position)	<u>7,478</u>	<u>5,951</u>	<u>2,399</u>	<u>22,408</u>	<u>38,236</u>

Gross Cost (Asset Account Balance per Statement of Financial Position)	7,655	6,257	2,399	23,399	39,710
<i>Accumulated Depreciation</i>	1,009	1,484	951	15,602	19,046
<i>Accumulated Impairment Losses</i>	-	-	-	-	-
Carrying Amount, December 31, 2017 (As per Statement of Financial Position)	<u>6,646</u>	<u>4,773</u>	<u>1,448</u>	<u>7,797</u>	<u>20,664</u>

Disclosure of carrying amount of temporarily idle PPE, fully depreciated PPE still in use and PPE retired from active use and held for disposal, and the fair value of PPE when this is materially different from the carrying amount.

11. Intangible Assets

Particulars	2018 (in thousand pesos)		
	Computer Software	Other Intangible Assets	Total
Carrying Amount, January 1, 2018	-	-	-
Additions-Internally Developed	-	-	-
Additions-Purchased/Acquired thru exchange on non-exchange transaction	1,158	-	1,158
Impairment Loss Reversed (As per Statement of Financial Performance)	-	-	-
Total			
Disposals	-	-	-
Amortization recognized (As per Statement of Financial Performance)	147	-	147
Impairment Loss (As per Statement of Financial Performance)	-	-	-
Other Changes	-	-	-
Carrying Amount, December 31, 2018 (As per Statement of Financial Position)	1,011	=	1,011

Gross Cost (Balance per Statement of Financial Position)	1,158	-	1158
Less : Accumulated Amortization (including accumulated impairment loss)	267	-	267
Carrying Amount, December 31, 2018 (As per Statement of Financial Position)	891	=	891

Intangible asset amounting to ₱1,157,914.80 were assessed to have an indefinite useful life based on the contract with the SRDP Consulting Inc.

IT/Computer Software for Geographical Information System, the carrying amount and remaining amortization period of any individual intangible asset that is material to the GMAWD financial statements.

12. OTHER ASSETS

12.1 Current and Non-Current Other Assets

Particulars	2018 (in thousand pesos)			2017 (in thousand pesos)		
	Current	Non-Current	Total	Current	Non-Current	Total
Prepayments	-	-	-	126	-	126
Deposits	2,658	-	-	2,224	-	-
Total	2,658	=	126	2,350	=	126

Guaranty Deposits- this account represents amounts paid to Meralco as meter and service deposits, Smart Communication and to PLDT.

13. FINANCIAL LIABILITIES

13.1 Payables

Particulars	2018 (in thousand pesos)		2017 (in thousand pesos)	
	Current	Non-Current	Current	Non-Current
Payables				
Accounts Payable	14,106	-	17,112	-
Accrued Benefits Payable	-	-	-	-
Insurance/Reinsurance Premium Payable	-	-	-	-
Total	14,106	=	17,112	=

13.2 Bills/Bonds/Loans Payable

Particulars	2018 (in thousand pesos)		2017 (in thousand pesos)	
	Current	Non-Current	Current	Non-Current
Loans Payable-Domestic	30,092	-	32,882	-
Loans Payable-Foreign	-	-	-	-
Total	30,092	=	32,882	=

The Loans payable are measured at amortized cost. The fair value of Loans payable is ₱30,092,130.41. The valuation of loans reported at fair value is based on amortization schedule issued by LWUA.

14. INTER-AGENCY PAYABLES

Particulars	2018 (in thousand pesos)		2017 (in thousand pesos)	
	Current	Non-Current	Current	Non-Current
Due to BIR	538	-	327	-
Due to GSIS	115	-	1	-
Due to Pag-IBIG	38	-	27	-
Due to PhilHealth	60	-	56	-
Total	751	=	411	=

15. INTRA-AGENCY PAYABLES

Particulars	2018 (in thousand pesos)		2017 (in thousand pesos)	
	Current	Non-Current	Current	Non-Current
Due to Other Funds	784	-	462	-
Total	784	=	462	=

16. TRUST LIABILITIES

Particulars	2018 (in thousand pesos)		2017 (in thousand pesos)	
	Current	Non-Current	Current	Non-Current
Trust Liabilities	1,924	-	1,354	-
Total	1,924	=	1,354	=

Trust Liabilities in the amount of Performance/bidders/Bail Bonds Payable withheld from payments due to the contractors to assure fulfillment of their contracts.

17. SERVICE AND BUSINESS INCOME

Particulars	2018 (in thousand pesos)	2017 (in thousand pesos)
Service Income		
Fines and Penalties-Service Income	5,621	5,131
Other Service Income	6,748	5,023
Total Service Income	12,369	10,154
Rent/Lease Income	51	65
Waterworks System Fees	148,493	133,660
Interest Income	15	30
Miscellaneous Income	71	20
Total Business Income	148,630	133,755
Total	<u>160,999</u>	<u>143,929</u>

18. PERSONNEL SERVICES

18.1 Salaries and Wages

Particulars	2018 (in thousand pesos)	2017 (in thousand pesos)
Salaries and Wages-Regular	18,022	17,038
Salaries and Wages-Casual/Contractual	9,790	7,859
Total	<u>27,812</u>	<u>24,897</u>

18.2 Other Compensation

Particulars	2018 (in thousand pesos)	2017 (in thousand pesos)
Personnel Economic Relief Allowance (PERA)	2,956	2,771
Representation Allowance (RA)	522	522
Transportation Allowance (TA)	522	522
Clothing/Uniform Allowance	690	560
Honoraria	55	25
Overtime and Night Pay	3,126	2,482
Year End Bonus	4,127	3,750
Cash Gift	647	580
Other Bonuses and Allowances	5,954	4,749
Total	<u>18,599</u>	<u>15,961</u>

18.3 Personnel Benefit Contributions

Particulars	2018 (in thousand pesos)	2017 (in thousand pesos)
Retirement and Life Insurance Premiums	3,083	2,701
Pag-IBIG Contributions	148	139
PhilHealth Contributions	320	257
Employees Compensation Insurance Premiums	148	139
Provident/Welfare Fund Contributions	1,050	2,022
Total	<u>4,749</u>	<u>5,258</u>

18.4 Other Personnel Benefits

Particulars	2018 (in thousand pesos)	2017 (in thousand pesos)
Pension Benefits	-	-
Retirement Gratuity	-	270
Terminal Leave Benefits	1,002	867
Other Personnel Benefits	3,053	16,620
Total	<u>4,055</u>	<u>17,757</u>

19. MAINTENANCE AND OTHER OPERATING EXPENSES

19.1 Traveling Expenses

Particulars	2018 (in thousand pesos)	2017 (in thousand pesos)
Traveling Expenses-Local	640	585
Traveling Expenses-Foreign	517	
Total	<u>1,157</u>	<u>924</u>

19.2 Training and Scholarship Expenses

Particulars	2018 (in thousand pesos)	2017 (in thousand pesos)
Training Expenses	846	709
Scholarship Grants/Expenses	-	-
Total	<u>846</u>	<u>709</u>

19.3 Supplies and Materials Expenses

Particulars	2018 (in thousand pesos)	2017 (in thousand pesos)
Office Supplies Expenses	1,339	1,194
Accountable Forms Expenses	40	-
Fuel, Oil and Lubricants Expenses	3,132	3,044
Chemical and Filtering Supplies Expenses	979	889
Other Supplies and Materials Expenses	2,882	1,758
Total	<u>8,372</u>	<u>6,885</u>

19.4 Utility Expenses

Particulars	2018 (in thousand pesos)	2017 (in thousand pesos)
Water Expenses	121	156
Electricity Expenses	37,248	30,057
Total	<u>37,369</u>	<u>30,213</u>

19.5 Communication Expenses

Particulars	2017 (in thousand pesos)	2017 (in thousand pesos)
Postage and Courier Services	-	-
Telephone Expenses	555	548
Internet Subscription Expenses	12	2

Particulars	2018 (in thousand pesos)	2017 (in thousand pesos)
Cable, Satellite, Telegraph and Radio Expenses	-	5
Total Communication Expenses	567	555

19.6 Confidential, Intelligence and Extraordinary Expenses

Particulars	2018 (in thousand pesos)	2017 (in thousand pesos)
Confidential Expenses	-	-
Intelligence Expenses	-	-
Extraordinary and Miscellaneous Expenses	-2,814	2,814
Total	2,814	2,476

19.7 Professional Services

Particulars	2018 (in thousand pesos)	2017 (in thousand pesos)
Legal Services	55	60
Auditing Services	-	-
Consultancy Services	96	96
Other Professional Services	372	294
Total	523	450

19.8 General Services

Particulars	2018 (in thousand pesos)	2017 (in thousand pesos)
Environment/Sanitary Services	-	-
Janitorial Services	-	-
Security Services	1,069	898
Other General Services	1,031	1,228
Total	2,100	2,126

19.9 Repairs and Maintenance

Particulars	2018 (in thousand pesos)	2017 (in thousand pesos)
Repairs and Maintenance-Infrastructure Assets	3,502	2,685
Repairs and Maintenance-Buildings and Other Structures	727	317
Repairs and Maintenance-Machinery and Equipment	528	301
Repairs and Maintenance-Transportation Equipment	429	322
Repairs and Maintenance-Furniture and Fixtures	49	-
Repairs and Maintenance-Semi-Expendable Machinery and Equipment	-	117
Repairs and Maintenance-Other Property, Plant and Equipment	7	6
Total	5,242	3,749

19.10 Taxes, Insurance Premiums and Other Fees

Particulars	2018 <i>(in thousand pesos)</i>	2017 <i>(in thousand pesos)</i>
Taxes, Duties and Licenses	50	109
Fidelity Bond Premiums	178	28
Insurance Expenses	278	31
Total	<u>506</u>	<u>168</u>

19.11 Other Maintenance and Operating Expenses

Particulars	2018 <i>(in thousand pesos)</i>	2017 <i>(in thousand pesos)</i>
Advertising Expenses	154	139
Representation Expenses	444	430
Rent/Lease Expenses	108	72
Membership Dues and Contributions to Organizations	55	47
Donations	125	141
Directors and Committee Members' Fees	1,113	1,032
Other Maintenance and Operating Expenses	-	9
Total	<u>1,999</u>	<u>1,870</u>

19.12 FINANCIAL EXPENSES

Particulars	2018 <i>(in thousand pesos)</i>	2017 <i>(in thousand pesos)</i>
Interest Expenses	2,593	2,812
Bank Charges	6	6
Other Financial Charges	9	-
Total	<u>2,608</u>	<u>2,818</u>

20. NON-CASH EXPENSES

20.1 Depreciation

Particulars	2018 <i>(in thousand pesos)</i>	2017 <i>(in thousand pesos)</i>
Depreciation-Investment Property	-	-
Depreciation-Land Improvements	4	4
Depreciation-Infrastructure Assets	4,419	3,947
Depreciation-Buildings and Other Structures	724	674
Depreciation-Machinery and Equipment	2,747	2,612
Depreciation-Transportation Equipment	152	177
Depreciation-Furniture, Fixtures and Books	318	306
Depreciation-Other Property, Plant and Equipment	982	990
Total	<u>9,346</u>	<u>8,710</u>

20.2 Impairment Loss

Particulars	2018 <i>(in thousand pesos)</i>	2017 <i>(in thousand pesos)</i>
Impairment Loss-Other Receivables	305	301
Total	<u>305</u>	<u>301</u>

21.1 Key Management Personnel

The key management personnel of the GMAWD are the General Manager, the members of the governing body, and the members of the senior management group. The governing body consists of members appointed by Municipal Mayor. The senior management group consists of the General Manager, Commercial Department Manager, Division Manager's for Production and Engineering, Budget Officer and Officer-in-Charge for Customer Accounts, Administrative and Finance Division.

21.2 Key Management Personnel Compensation

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

Particulars	Aggregate Remuneration (in thousand pesos)
Salaries and Wages	5,824
Other Compensation	1,736
Personnel Benefit Contributions	558
Other Personnel Benefits	1,181
Total Other Personnel Benefits	9,299



JULIET M. NACITA
General Manager