



Republic of the Philippines
COMMISSION ON AUDIT
Regional Office No. 10
J.V. Serifa Street, Carmen, Cagayan de Oro City

OFFICE OF THE REGIONAL DIRECTOR

February 22, 2021

Ms. ELSA P. PANORIL

Chairperson of the Board of Directors

Engr. NOEL L. RESABAL

General Manager

Bacolod Water District

Bacolod, Lanao del Norte

Madam/Sir:

We are pleased to transmit the Annual Audit Report on the audit of **Bacolod Water District (BWD)**, Bacolod, Lanao del Norte for Calendar Year 2020 pursuant to Section 2, Article IX-D of the Philippine Constitution and pertinent provisions of Section 43 of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines.

The audit was conducted to (a) ascertain the fairness of presentation of the financial statements; (b) ascertain the propriety of financial transactions and compliance with law, rules and regulations; (c) recommend agency improvement opportunities and; (d) determine the extent of implementation of prior years' audit recommendations.

The audit report consists of Part I- Audited Financial Statements, Part II-Observations and Recommendations, and Part III- Status of Implementation of Prior Years' Audit Recommendations, which were discussed with the officials and staff concerned.

We conducted our audit in accordance with the International Standards of Supreme Audit Institutions and we believe that these standards provided a reasonable basis for the audit results.

A Modified-Qualified Opinion was rendered on the Financial Position of the Bacolod Water District as of December 31, 2020, and the results of operations and cash flows for the year then ended, as presented in the financial statements accompanying this report.

We expressed Modified-Qualified Opinion on the fairness of the presentation of the financial statements of the Bacolod Water District for the year 2020 due to the following exceptions:

1. Physical count of Property, Plant and Equipment was not conducted as provided for in Section 5 of COA Circular No. 2020-006 thus placing the amount of the fixed assets account balances reflected in the financial statements in the amount of ₱22,354,849.69 in doubtful validity.
2. Non-submission of the Result of Physical Count of Inventory duly reconciled with Stock Cards kept by the Property and Supply Unit and Supplies Ledger Cards kept by the Accounting Unit as provided by Section D and E, Appendix 66, Volume II of the


Government Accounting Manual, puts in doubt the validity of the amount of Inventory as reflected in the financial statements of in the amount of ₱ 1,704,553.81.

The above and other observations, together with the recommended courses of action which were discussed by the Audit Team with you and other officials of the agency in the exit conference are discussed in detail on Part II of the Report.

We request that a status report, by accomplishing the attached Agency Action Plan and Status of Implementation form, on the actions taken on the audit recommendations be submitted within 60 days from receipt of this report, pursuant to Section 89 of the General Provisions of the General Appropriations Act FY 2020.

We appreciate the invaluable support and cooperation extended by the officials of that Agency to the Audit Team which facilitated the completion of the report.

Very truly yours,



CELSO L. VOCAL
Director IV
Regional Director

Copy furnished

*The President of the Philippines
Malacañang Palace, Manila*

*The Vice-President of the Philippines
Coconut Palace, F. Maria Guerrero St.
CCP Complex, Pasay City*

*The President of the Senate
Senate of the Philippines
Roxas Boulevard, Pasay City*

*The Chairman-Senate Finance Committee
Senate of the Philippines
Roxas Boulevard, Pasay City*

*The Speaker of the House of Representatives
HOR Complex, Constitutional Hills, Quezon City*

*The Chairman-Appropriations Committee
House of Representatives
HOR Complex, Constitutional Hills, Quezon City*

*The Secretary of the Budget and Management
Department of Budget and Management
G. Solano St., San Miguel, Manila*

*The Administrator
Local Water Utilities Administration (LWUA)
MWSS-LWUA Complex, Katipunan Avenue
Balara, Quezon City*

*The Director
National Library of the Philippines
T.M. Kalaw, Ermita, Manila*

*The Chief of Office
UP Law Center, UP, Diliman, Quezon City*

File



Republic of the Philippines
COMMISSION ON AUDIT
 Provincial Satellite Auditing Office
 Iligan City
 R10-05, Water Districts

BACOLOD WATER DISTRICT
 For Calendar Year 2020
 Agency Action Plan and Status of Implementation

Ref.	Audit Observation	Audit Recommendation(s)	Agency Action Plan				Status of Implementation	Reason for Partial/ Delay/ Non-Implementation	Action to be Taken
			Action Plan	Person / Dept. Responsible	Target Implementation Date				
					From	To			
AOM – 2021 - 001	Physical count of Property, Plant and Equipment was not conducted as provided for in Section 5 of COA Circular No. 2020-006 thus placing the amount of the fixed assets account balances reflected in the financial statements in the amount of ₱22,354,849.69 in doubtful validity.	We recommended that the District comply strictly with Section 5 of COA Circular No. 2020-006 in the conduct of inventory taking for its PPE accounts.							
AOM-2021-002	Non-submission of the Result of Physical Count of Inventory duly reconciled with	We recommended the submission to the Office of the Auditor a copy of							

	<p>Stock Cards kept by the Property and Supply Unit and Supplies Ledger Cards kept by the Accounting Unit as provided by Section D and E, Appendix 66, Volume II of the Government Accounting Manual, puts in doubt the validity of the amount of Inventory as reflected in the financial statements of in the amount of ₱ 1,704,553.81.</p>	<p>Report on the Physical Count of Inventory to the Office of the Auditor, duly reconciled with the Supply Ledger Cards maintained by the Accounting unit and Stock Cards maintained by the Property and Supply unit as provided by Sections C, D and E of Appendix 66, Government Accounting Manual, Volume II.</p>							
AOM – 2021-003	<p>The Agency did not undertake preliminary actions on the development of a Water Safety Plan as required in LWUA Memorandum Circular No. 010.14 and DOH Administrative Order No. 2014-0027, as a consequence, risks that threaten the safe quality of drinking water and public health may not have been properly</p>	<p>We recommended that Management carry out the necessary steps in the preparation and development of a Water Safety Plan this CY 2020 as provided under DOH Administrative Order No. 2014-0027.</p>							

	addressed by appropriate control measures.								
AOM – 2021-004	The Annual Procurement Plan (APP) prepared by the District is incomplete, inadequate and lacked the necessary information on the mode of procurement, schedule of each procurement activity, brief description of the programs/projects, source of funds, among others, as required under Section 7 of the Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184 and Government Procurement Policy Board (GPPB) Circular No. 07-2015 dated July 16, 2015, thus relevance and	We recommend that the District require the personnel in charge to: a) Formulate the APP in accordance with Section 7 of the Revised IRR of RA No. 9184; b) Ensure that all the necessary information required in the APP and its amendments are reflected therein for its continuous relevance and usefulness as a planning and control tool; c) Submit the duly approved copy of APP to the GPPB in accordance with Section 1(a) of Executive Order No. 662, series of 2007, as amended; d) Attach a copy of the APP to the disbursement vouchers for the payment of all types of procurement, in compliance to COA Circular 2012-001 dated							

	usefulness of APP as a planning and control tool was not attained, resulting in uncoordinated procurements that do not promote efficiency, economy and transparency.	June 14, 2012; and e) Include in the APP, provisions for foreseeable emergencies based on historical records as well as the manner of procurement thereof.							
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Note: Status of Implementation may either be (a) Fully Implemented, (b) On-going, (c) Not Implemented, (d) Partially implemented or (e) Delayed

Prepared by:

ENGR. NOEL L. RESABAL
General Manager



Republic of the Philippines
COMMISSION ON AUDIT
Regional Office No. 10
Cagayan de Oro City

OFFICE OF THE SUPERVISING AUDITOR
CGS -Water Districts and Other CGS Stand-Alone Agencies

February 19, 2021

ATTY. CELSO L. VOCAL

Regional Director
COA - Regional Office No. X
Cagayan de Oro City

Sir:

We are submitting the Annual Audit Report on the Bacolod Water District for the year ended December 31, 2020 pursuant to Section 2, Article IX-D of the Philippine Constitution and Section 43(2) of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines.


The audit was conducted to (a) ascertain the fairness of presentation of the financial statements; (b) ascertain the propriety of financial transactions and compliance with laws, rules and regulations (c) recommend agency improvement opportunities; and (d) determine the extent of implementation of prior years' audit recommendations.

The audit report consists of three parts, namely: Part I - Audited Financial Statements; Part II – Observations and Recommendations; and Part III - Status of Implementation of Prior Years' Audit Recommendations. The observations and recommendations were communicated to Management thru Audit Observation Memorandum and discussed with management officials and staff. Their comments are included in the appropriate portion of this report.

A modified-qualified opinion was rendered on the fairness of the presentation of the financial statements of which the observations affecting the financial statements were discussed in Part II of the report.

Our audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and we believe that it provided a reasonable basis for the audit results.

Very truly yours,


CECILIA A. PONTILLAS
State Auditor V
Supervising Auditor



Republic of the Philippines
COMMISSION ON AUDIT
Regional Office No. 10
Cagayan de Oro City

OFFICE OF THE AUDIT TEAM LEADER

R10-05, CGS – Water Districts and Other CGS Stand-Alone Agencies

February 19, 2021

Ms. CECILIA A. PONTILLAS

Supervising Auditor
CGS – Water Districts and Other CGS Stand-Alone Agencies
COA - Regional Office No. X
Cagayan de Oro City

Ma'am:

In compliance with Section 2, Article IX-D of the Philippine Constitution and pertinent provisions of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines, we audited the accounts and operations of **Bacolod Water District**, Bacolod, Lanao del Norte, as of December 31, 2020.

The audit was conducted to (a) ascertain the fairness of presentation of the financial statements; (b) ascertain the propriety of financial transactions and compliance with laws, rules and regulations (c) recommend agency improvement opportunities; and (d) determine the extent of implementation of prior years' audit recommendations.

The audit report consists of three parts, namely: Part I - Audited Financial Statements; Part II – Observations and Recommendations; and Part III - Status of Implementation of Prior Year's Audit Recommendations. The observations and recommendations were communicated to Management thru Audit Observation Memorandum and discussed with management officials and staff during the exit conference held in March 18, 2021. Their comments are included in the appropriate portion of this report.

A modified-qualified opinion was rendered on the fairness of the presentation of the financial statements of which the observations affecting the financial statements were discussed in Part II of the report.

Our audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and we believe that it provided a reasonable basis for the audit results.

Very truly yours,

A handwritten signature in black ink, appearing to read "Amado Peter A. Garbanzos".

AMADO PETER A. GARBANZOS
State Auditor IV
Audit Team Leader



Republic of the Philippines
COMMISSION ON AUDIT
Regional Office No. 10
Carmen, Cagayan de Oro City

ANNUAL AUDIT REPORT

ON THE

BACOLOD WATER DISTRICT
Bacolod, Lanao del Norte

For the Year Ended December 31, 2020

EXECUTIVE SUMMARY

A. INTRODUCTION

The Bacolod Water District (BWD), a government-owned and controlled corporation was created on May 23, 1994 by the Sangguniang Bayan of Bacolod, Lanao del Norte by virtue of Sangguniang Bayan Resolution No. 225. It inherited the water system from the Local Government of Bacolod which was constructed by NAWASA in 1976. On December 6, 1994, the Local Water Utilities Administration (LWUA) issued a Certificate of Conditional Conformance (CCC) No. 543.

Some of the major functions of the BWD include the following:

- a. Acquiring, installing, improving, maintaining and operating water supply and distribution systems for domestic, industrial, municipal and agricultural uses for residents and lands within the boundaries of such districts;
- b. Providing, maintaining and operating waste water collection, treatment and disposal facilities; and
- c. Conducting such other functions and operations incidental to water resource development, utilization and disposal within such districts, as are necessary or incidental to said purpose.

As of December 31, 2020, the governing board of BWD is composed of directors representing the different sectors and organization within the municipality of Bacolod, who were appointed by the Local Chief Executive. They exercise corporate powers and determine policies for the operations of the BWD. They are as follows:

Chairperson	:	Ms. Elsa P. Panoril	-	Business Sector
Members	:	Dr. Lerma C. Daraman	-	Professional Sector
		Ms. Leah A. Marcera	-	Women's Sector
		Ms. Godilla V. Lao	-	Civic Sector
		Mr. Alejandro Q. Visitacion	-	Education Sector

The audit covered the examination of the accounts and financial transactions and operations of Bacolod Water District, Bacolod, Lanao del Norte as of December 31, 2020.

The audit consisted of review of operating procedures, inspection of programs and projects, testing the adequacy of the related systems and controls set by the agency, verification of the accuracy, legality and completeness of its financial transactions, interview with concerned officials and employees, and the application of other audit procedures considered necessary under the circumstances.

It was also made to determine whether the District's financial statements (FS) present fairly its financial position and results of financial performance and cash flows, and whether applicable laws, rules and regulations were followed.

B. FINANCIAL HIGHLIGHTS

The financial position and the results of operation of BWD for the year ended December 31, 2020, with the comparative figures for CY 2019, are presented below:

Comparative Financial Position

As of December 31, 2020, there was an increase of 11.34% in assets, increase of 9.81% in liabilities and an increase of 13.16% in government equity, summarized as follows:

	2020	2019	Increase (Decrease)	Percentage
Total Assets	₱47,633,078.03	₱42,233,249.56	₱5,399,828.47	11.34%
Total Liabilities	₱25,950,180.71	₱23,403,461.11	₱2,546,719.60	9.81%
Total Equity	₱21,682,897.32	₱18,829,788.45	₱2,853,108.87	13.16%

Comparative Results of Operations

For the Calendar Year 2020, the Water District generated a total income of ₱18, 847,904.61 from water sales, other businesses, fines and penalties, interest and miscellaneous income. An increase of ₱1, 687,248.90 or 8.95% was noted compared to previous year's income of ₱17, 160,655.7. Net income, on the other hand, increased by 45.36% compared to last year's. Details of its results of operations are presented below.

	2020	2019	Increase (Decrease)	Percentage
Income	₱18,847,904.61	₱17,160,655.71	₱ 1,687,248.90	8.95%
Expenses	₱15,989,408.09	₱15,598,703.88	₱ 390,704.21	2.44%
Net Income	₱ 2,858,496.52	₱ 1,561,951.83	₱ 1,296,544.69	45.36%

C. INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

A Modified-Qualified Opinion was rendered on the fairness of presentation of the financial statements due to:

- a) Physical count of Property, Plant and Equipment was not conducted as provided for in Section 5 of COA Circular No. 2020-006 thus placing the amount of the fixed assets account balances reflected in the financial statements in the amount of ₱22,354,849.69 in doubtful validity.
- b) Non-submission of the Result of Physical Count of Inventory duly reconciled with Stock Cards kept by the Property and Supply Unit and Supplies Ledger Cards kept by the Accounting Unit as provided by Section D and E, Appendix 66, Volume II of the Government Accounting Manual, puts in doubt the validity of the amount of Inventory as reflected in the financial statements of in the amount of ₱ 1,704,553.81.

D. SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

In addition to the aforementioned reasons for a Modified-Qualified Opinion, the following were noted:

1. The Agency did not undertake preliminary actions on the development of a Water Safety Plan as required in LWUA Memorandum Circular No. 010.14 and DOH Administrative Order No. 2014-0027, as a consequence, risks that threaten the safe quality of drinking water and public health may not have been properly addressed by appropriate control measures.

We recommended that Management carry out the necessary steps in the preparation and development of a Water Safety Plan this CY 2020 as provided under DOH Administrative Order No. 2014-0027.

2. The Annual Procurement Plan (APP) prepared by the District is incomplete, inadequate and lacked the necessary information on the mode of procurement, schedule of each procurement activity, brief description of the programs/projects, source of funds, among others, as required under Section 7 of the Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184 and Government Procurement Policy Board (GPPB) Circular No. 07-2015 dated July 16, 2015, thus relevance and usefulness of APP as a planning and control tool was not attained, resulting in uncoordinated procurements that do not promote efficiency, economy and transparency.

We recommend that the District to formulate the APP in accordance with Section 7 of the Revised IRR of RA No. 9184; Ensure that all the necessary information required in the APP and its amendments are reflected therein for its continuous relevance and usefulness as a planning and control tool. Submit the duly approved copy of APP to the GPPB in accordance with Section 1(a) of Executive Order No. 662, series of 2007, as amended; Attach a copy of the APP to the disbursement vouchers for the payment of all types of procurement, in compliance to COA Circular 2012-001 dated June 14, 2012 and include in the APP, provisions for foreseeable emergencies based on historical records as well as the manner of procurement thereof.

A. STATUS OF SUSPENSIONS, DISALLOWANCES AND CHARGES

Particulars	Balance, 12/31/2019	CY 2020 Issuances	Settlement	Balance, 12/31/2020
Suspension	₱ 10,319.00	₱ 0.00	₱ 1,319.00	₱ 9,000.00
Disallowances	₱ 0.00	₱ 0.00	₱ 0.00	₱ 0.00
Charges	₱ 0.00	₱ 0.00	₱ 0.00	₱ 0.00

B. STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Of the 11 audit recommendations embodied in the Annual Audit Report of the Water District for the CY 2019, 9 were fully implemented, 1 was partially implemented and 1 remained unimplemented.

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**PART I –
AUDITED FINANCIAL STATEMENTS**



Republic of the Philippines
COMMISSION ON AUDIT
Regional Office No. 10
Cagayan de Oro City

OFFICE OF THE SUPERVISING AUDITOR
Audit Group CGS - Water Districts and Other CGS Stand-Alone Agencies

INDEPENDENT AUDITOR'S REPORT

MS. ELSA P. PANORIL

Chairperson of the Board of Directors
Bacolod Water District
Bacolod, Lanao del Norte

ENGR. NOEL L. RESABAL

General Manager
Bacolod Water District
Bacolod, Lanao del Norte

Modified-Qualified Opinion

We have audited the financial statements of the **Bacolod Water District**, Bacolod Lanao del Norte which comprise the Statement of Financial Position as at December 31, 2020 and the related Statements of Comprehensive Income, Cash Flows and Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Bases for Modified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Bacolod Water District as at December 31, 2020 and of its comprehensive income and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRS).

Bases for Modified-Qualified Opinion

As discussed in Part II- Observations and Recommendations of this report, a modified opinion was rendered due to the following:

- a) Physical count of Property, Plant and Equipment was not conducted as provided for in Section 5 of COA Circular No. 2020-006 thus placing the amount of the fixed assets account balances reflected in the financial statements in the amount of ₱22,354,849.69 in doubtful validity.
- b) Non-submission of the Result of Physical Count of Inventory duly reconciled with Stock Cards kept by the Property and Supply Unit and Supplies Ledger Cards kept by the Accounting Unit as provided by Section D and E, Appendix 66, Volume II of the Government Accounting Manual, puts in doubt the validity of the amount of Inventory as reflected in the financial statements of in the amount of ₱ 1,704,553.81.

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAI). Our responsibilities under those standards are further described in the *Auditor's Responsibility 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 modified opinion.

Key Audit Matters

Except for the matter described in the *Bases for Modified Opinion* section, we have determined that there are no other key audit matters to communicate in our report.

Responsibilities of Management and those Charged with Governance for the Financial Statements

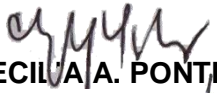
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the District's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain a 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 a 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 aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of the financial statements.

COMMISSION ON AUDIT


CECILIA A. PONTILLAS
State Auditor V
Supervising Auditor

February 22, 2021



Republic of the Philippines
BACOLOD WATER DISTRICT
Bacolod, Lanao del Norte
TIN 004-367-022
CCC No. 543
Tel. No. (063) 227-2041

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of the Bacolod Water District is responsible for the preparation of the financial statements as at December 31, 2020, 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 misstatement 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 the Bacolod 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 the Board of Directors.

ELSA P. PANORIL
Chairman of the Board
Date: February 15, 2021

ALMA S. MAGLANA
Bookkeeper Designate
Date: February 15, 2021

ENGR. NOEL L. RESABAL
General Manager
Date: February 15, 2021



**BACOLOD WATER DISTRICT
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020**

	<u>NOTE</u>	<u>2020</u>	<u>2019</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	₱ 9,652,532.19	₱ 10,854,034.47
Receivables	6	1,332,388.51	1,239,116.93
Inventories	7	1,704,553.81	1,200,713.89
Other Current Assets	8	802,088.39	20,758.06
Total Current Assets		₱ 13,491,562.90	₱ 13,314,623.35
Non-Current Assets			
Property, Plant and Equipment	9	₱ 30,266,858.29	₱ 28,520,694.64
Investment Property		3,780,044.58	303,254.25
Other Non-Current Assets	10	94,677.32	94,677.32
Total Non-Current Assets		₱ 34,141,580.19	₱ 28,918,626.21
TOTAL ASSETS		₱ 47,633,143.09	₱ 42,233,249.56
LIABILITIES			
Current Liabilities			
Financial Liabilities	11	₱ 403,026.00	₱ 305,974.39
Inter-Agency Payables	12	255,305.63	208,535.32
Deferred Credits/Unearned Income		17,077.72	12,000.00
Other Payables	13	359,595.18	456,444.34
Total Current Liabilities		₱ 1,035,004.53	₱ 976,881.44
Non-Current Liabilities			
Financial Liabilities	14	₱ 24,877,077.18	₱ 22,382,408.06
Trust Liabilities	15	38,099.00	38,099.00
Total Non-Current Liabilities		₱ 24,915,176.18	₱ 22,420,507.06
TOTAL LIABILITIES		₱ 25,950,180.71	₱ 23,403,461.11
EQUITY			
Government Equity	16	₱ 325,542.96	₱ 325,542.96
Retained Earnings/(Deficit)	17	21,357,419.42	18,504,245.49
Total Equity		₱ 21,682,962.38	₱ 18,829,788.45
TOTAL LIABILITIES AND EQUITY		₱ 47,633,143.09	₱ 42,233,249.56

(See Accompanying Notes to Financial Statements)



**BACOLOD WATER DISTRICT
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>NOTE</u>	<u>2020</u>	<u>2019</u>
Income			
Service and Business Income	18	₱ 18,470,537.53	₱ 16,772,403.93
Other Non-Operating Income	19	377,432.14	388,251.78
Total Income		₱ 18,847,969.67	₱ 17,160,655.71
Expenses			
Personnel Services	20	₱ 7,234,447.82	₱ 5,968,903.47
Maintenance and Other Operating Expenses	21	6,307,445.56	7,173,686.98
Financial Expenses	22	1,021,546.34	1,064,420.18
Non-Cash Expenses	23	1,425,968.37	1,391,693.25
Total Expenses		₱ 15,989,408.09	₱ 15,598,703.88
Profit/(Loss) Before Tax		₱ 2,858,561.58	₱ 1,561,951.83
Income Tax Expense/(Benefit)		₱	₱ 0.00
Profit/(Loss) After Tax		₱ 2,858,561.58	₱ 1,561,951.83
Net Assistance/Subsidy/(Financial Assistance/Subsidy/Contribution)		₱	₱ 0.00
Net Income/(Loss)		₱ 2,858,561.58	₱ 1,561,951.83
Other Comprehensive Income/(Loss) for the Period			0.00
COMPREHENSIVE INCOME/(LOSS)		₱ 2,858,561.58	₱ 1,561,951.83

(See Accompanying Notes to Financial Statements)



**BACOLOD WATER DISTRICT
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Cumulative Translation Adjustment	Retained Earnings/ (Deficit)	TOTAL
BALANCE AT JANUARY 1, 2019	₱ 325,542.96	₱ 16,976,987.23	₱ 17,302,530.19
CHANGES IN EQUITY FOR 2019			
Comprehensive Income for the year	₱ 0.00	1,561,951.83	0.00
Other Adjustments	0.00	(34,693.57)	0.00
BALANCE AT DECEMBER 31, 2019	₱ 325,542.96	₱ 18,504,245.49	₱ 18,829,788.45
CHANGES IN EQUITY FOR 2020			
Comprehensive Income for the year	₱ 0.00	2,858,561.58	0.00
Other Adjustments	0.00	(5,387.65)	0.00
BALANCE AT DECEMBER 31, 2020	₱ 325,542.96	₱ 21,357,419.42	₱ 21,682,962.38



**BACOLOD WATER DISTRICT
CONDENSED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Inflows		
Collection of Income/Revenue	₱ 19,045,150.47	₱ 17,132,156.75
Collection of Receivables	466,033.13	597,562.70
Other Receipts	305,164.04	12,620.83
Total Cash Inflows	₱ 19,816,347.64	₱ 17,742,340.28
Adjustments	₱	₱ 0.00
Adjusted Cash Inflows	₱ 19,816,347.64	₱ 17,742,340.28
Cash Outflows		
Payment of Expenses	₱ 10,201,953.21	₱ 8,775,646.44
Purchase of Inventories	461,221.22	784,859.20
Grant of Cash Advances	174,700.00	490,922.24
Prepayments	22,775.68	21,761.34
Payments of Accounts Payable	1,497,007.73	1,583,931.45
Remittance of Personnel Benefit Contributions and Mandatory Deductions	2,721,413.49	2,306,733.24
Other disbursements	934,757.00	0.00
Total Cash Outflows	₱ 16,013,828.33	₱ 13,963,853.91
Adjustments	₱ 0.00	₱ 0.00
Adjusted Cash Outflows	₱ 16,013,828.33	₱ 13,963,853.91
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	₱ 3,802,519.31	₱ 3,778,486.37
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Inflows		
Receipt of Interest Earned	₱ 6,201.21	₱ 7,597.05
Total Cash Inflows	₱ 6,201.21	₱ 7,597.05
Adjustments	₱	₱ 0.00
Adjusted Cash Inflows	₱ 6,201.21	₱ 7,597.05
Cash Outflows		
Purchase/Construction of Investment Property	₱ 5,737,529.08	₱ 303,254.25
Purchase/Construction of Property, Plant and Equipment	612,012.50	2,167,391.00
Purchase of Intangible Assets	0.00	150,000.00
Total Cash Outflows	₱ 6,349,541.58	₱ 2,620,645.25

	<u>2020</u>	<u>2019</u>
Adjustments	0.00	0.00
Adjusted Cash Outflows	₱ 6,349,541.58	₱ 2,620,645.25
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	₱ (6,343,340.37)	₱ (2,613,048.20)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Inflows		
Proceeds from Domestic and Foreign Loans	₱ 4,095,845.00	₱ 1,986,695.00
Total Cash Inflows	₱ 4,095,845.00	₱ 1,986,695.00
Adjustments	₱ 0.00	₱ 0.00
Adjusted Cash Inflows	₱ 4,095,845.00	₱ 1,986,695.00
Cash Outflows		
Payment of Long-Term Liabilities	₱ 1,734,979.88	₱ 1,669,236.88
Payment of Interest on Loans and Other Financial Charges	1,021,546.34	1,063,397.35
Total Cash Outflows	₱ 2,756,526.22	₱ 2,732,634.23
Adjustments	0.00	0.00
Adjusted Cash Outflows	₱ 2,756,526.22	₱ 2,732,634.23
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	₱ 1,339,318.78	₱ (745,939.23)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	₱ (1,201,502.28)	₱ 419,498.94
Effects of Exchange Rate Changes on Cash and Cash Equivalents	₱ 0.00	₱ 0.00
CASH AND CASH EQUIVALENTS, JANUARY 1	₱ 10,854,034.47	₱ 10,434,535.53
CASH AND CASH EQUIVALENTS, DECEMBER 31	₱ 9,652,532.19	₱ 10,854,034.47



Republic of the Philippines
BACOLOD WATER DISTRICT
Bacolod Lanao del Norte
TIN 004-367-022
CCC No. 543

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

1. Brief Historical Background:

Bacolod Water District (BWD) was formed on May 23, 1994 by virtue of Sangguniang Bayan Resolution No. 225. As a consequence, it inherited from the local government the water system which was constructed by NAWASA in 1976. The District's Certificate of Conditional Conformance (CCC) numbered 543 was subsequently issued by the Local Water Utilities Administration (LWUA) on December 6, 1994.

All Local Water Districts were declared as government-owned and controlled corporations (GOCC's) by the Supreme Court on September 13, 1991 in case docketed as GR Nos. 95237-38.

The Board of Directors had diligently assisted in managing the operation of the district. Since August 1995, the District is actively headed by the General Manager in attaining its objectives, mission and vision.

Mission

Committed to provide adequate, safe, sustainable, potable and affordable water and outstanding services in a financially responsible manner through an excellent operation and development.

Vision

To be an effective partner of the community in sustaining life and development through excellent water services with utmost concern of a good management.

The policy-making body of the Bacolod (LDN) Water District is the Board of Directors, composed of the five members:

<u>Name</u>	<u>Designation</u>	<u>Sector</u>
Mrs. Elsa P. Panoril	Chairman	Business
Mrs. Lerma C. Daraman M.D.	Vice-Chairman	Professional
Mrs. Godilla V. Lao	Secretary	Civic
Mrs. Leah A. Marcera	Member	Women
Mr. Alejandro Visitacion	Member	Education

2020 Operational and Financial Highlights

A comparative financial condition and results of operations for CY 2020 and 2019 is presented below

Financial Condition

	2020	2019	Increase (Decrease)	Percentage
Total Assets	₱47,633,078.03	₱42,233,249.56	₱ 5,399,828.47	11.34%
Total Liabilities	₱25,950,180.71	₱23,403,461.11	₱ 2,546,719.60	9.81%
Total Equity	₱21,682,897.32	₱18,829,788.45	₱ 2,853,108.87	13.158%

Results of Operations

	2020	2019	Increase (Decrease)	Percentage
Income	₱ 18,847,904.61	₱17,160,655.71	₱ 1,687,248.90	8.95%
Expenses	₱ 15,989,408.09	₱15,598,703.88	₱ 390,704.21	2.44%
Net Income	₱ 2,858,496.52	₱ 1,561,951.83	₱ 1,296,544.69	45.357%

The District is operating profitably and maintains a good financial position, indicating its capability to recover the cost invested to the system operation. As of December 31, 2020, it has 4,051 service connections and serves an estimated population of 18,190.

2. Summary of Significant Accounting Policies

The significant accounting policies that have been used in the preparation of these financial statements are summarized below.

2.1 Basis of Financial Statement Presentation

The financial statements have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) and the Revised Chart of Accounts (RCA) for Government Corporations (GC.) classified as Government Business Enterprises (GBEs) under COA Circular No. 2015-010.

2.2 Significant Accounting Judgments and Estimates

The preparation of the financial statements are in accordance with the PFRS which require the use of certain critical accounting estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires management to exercise its judgment in applying the district's accounting policies. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

2.3 Basis of Recording

The District adopts the accrual method of accounting. All expenses are recognized when incurred and reported in the financial statements in the period to which they relate. Income is on accrual basis except for transactions where accrual basis is impractical or when law requires other methods.

2.4 Monetary Denomination Used

The financial statements are presented in Philippine Peso as its monetary denomination used to facilitate proper recording and reporting of the transactions except when otherwise indicated.

2.5 Method of Accounting

The District uses the Revised Chart of Accounts prescribed under COA Circular No. 2015-010 dated December 01, 2015 effective January 01, 2016.

2.6 Significant accounting policies observed for each account

2.6.1 Cash and Cash Equivalents

Cash includes cash on hand and cash in banks. Cash is valued at face value. Petty Cash Fund is maintained under the Imprest system. All replenishment is directly charged to appropriate expense account.

2.6.2 Receivables

Receivables are stated at face value less allowance for impairment.

2.6.3 Inventories

Regular purchases are coursed thru the inventory account and issuances thereof are recorded as they take place except those purchased out of Petty Cash which shall be for immediate use and not for stock. Such case shall be charged immediately to the appropriate expense accounts.

Purchase of supplies and materials for stock, regardless of whether or not they are consuming within the accounting period is recorded as inventory following the perpetual inventory method.

Inventories include assets for consumption in the normal course of operations. Inventories of the District include materials and supplies that are kept in stock for future use in operations. These are grouped into office supplies inventory, accountable forms, plates and stickers inventory and other supplies and materials inventory.

2.6.4 Property, Plant and Equipment

Property, Plant and Equipment consist of infrastructure assets, machinery and equipment, transportation equipment and construction in progress. The District's PPE are recorded at cost.

Initial Recognition

The initial cost of property and equipment consists of its purchase price, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use like transportation, freight, installation costs, etc. In the books of accounts, the purchase is immediately recorded as asset.

Subsequent recognition

Expenditures incurred after the assets have been put into operation, such as repairs and maintenance, are normally charged to Maintenance and Other Operating Expenses (MOOE) in the period in which the costs are incurred.

Derecognition

When assets are sold and retired, their cost and accumulated depreciation and amortization are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of income and expenses.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets.

Depreciation

The straight-line method of depreciation is used over the estimated useful lives of the assets. A residual value equivalent to ten percent (10%) of the cost is set-up and depreciation starts on the second month after purchase/completion of the property, plant and equipment.

2.6.5 Construction in Progress

Construction in-progress is stated at cost. While the construction of the project is in progress, no provision for depreciation is recognized.

Construction in-progress is transferred to the related Property, Plant and Equipment account when the construction or installation and related activities necessary to prepare the property, plant and equipment for their intended use have been completed, and the property, plant and equipment are ready for service.

2.6.6 Other Assets

2.6.7 Liabilities

Liabilities are recognized only when goods are delivered and/or services rendered or when suppliers' bills are received.

2.6.8 Revenue

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise. However, when an uncertainty arises about the collectability of an amount already included in revenue, the uncollectable amount, or the

amount in respect of which recovery has ceased to be probable, is recognized as an expense, rather than as an adjustment of the amount of revenue originally recognized. When bill is imposed and not paid on time or after the lapse of due date, the district recognizes such delay as Fines and Penalties-Business Income.

2.6.9 Expenses

All expenses shall be recognized when incurred and reported in the financial statements in the period to which they relate.

2.6.10 Events after the Balance Sheet Date

Any post year-end events that provide additional information about the District's position at balance sheet date (adjusting events) are reflected in the financial statements. Any post year-end event that is not adjusting event is disclosed in the notes to financial statements, when material.

2.6.11 Employee benefits

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

The District recognizes the undiscounted amount of short term employee benefits, such as salaries, wages, bonuses, allowances, etc., as expense.

2.6.12 Changes in accounting policies and estimates

The District 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 District recognizes the effects of changes in accounting estimates prospectively by including in surplus or deficit.

2.6.13 Correction of Errors

Fundamental errors of prior years were corrected using the Prior Year's Adjustment account while errors affecting the current year's operations were affected to the current year accounts.

3. Significant Management's Accounting Judgments and Estimates

The preparation of the District's financial statements in conformity with Philippine Financial Reporting Standards requires Management to make judgments, estimates and assumptions that affect the amounts reported in the District's financial statements and accompanying notes.

The estimates and assumptions used in the District's financial statements are based upon Management's evaluation of relevant facts and circumstances as of the date of the District's financial statements.

Actual results could differ from such estimates. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Key Sources of Estimation Uncertainty

In the application of the District’s accounting policies, Management is required to make, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following represents a summary of the significant estimates and judgments and related impact and associated risks in the District’s financial statements.

Estimated Useful Lives of Property and Equipment

The District estimates the useful lives of property, plant and equipment based on the LWUA’s Commercial Practices Manual-COA.

Depreciation and amortization are calculated on a straight-line basis, and assets are depreciated over the following estimated useful lives as follows:

PROPERTY, PLANT AND EQUIPMENT

Account	Depreciation Method	Useful Life
Office Equipment	Straight-line method	10 years
Motor Vehicles	Straight-line method	10 years
Communication Equipment	Straight-line method	5 years
Other Equipment	Straight-line method	10-15 years
Water Plant, Structures & Improvements	Straight-line method	30 years
Other Property, Plant & Equipment	Straight-line method	10-30 years

4. Budget Information

Section 3.3 of DBM Corporate Circular No. 20 dated April 27, 2005 states that any increase in the approved principal corporate operating budget in the course of the budget year, as may be warranted by additional corporate receipts, shall require submission and approval of a supplemental corporate budget to cover the additional expenditures in line with the national government decentralization policy.

The Department of Budget and Management authorized augmentation of funds or realignment of savings within the expense class without the need of prior approval.

5. Cash and Cash Equivalents

Particulars	Account Number	2020	2019
Cash –Collecting Officer		₱ 30,753.08	₱ 83,982.98
Cash in Bank- Local Currency, Current Account	C/A#0322106653	1,831,967.67	3,687,448.51
Cash in Bank- Local Currency, Savings Account	S/A#0321116515	4,291,039.89	3,808,449.12
Cash in Bank- Local Currency, Savings Account	S/A#0321223303	1,891,322.19	1,590,213.11
Cash in Bank- Local Currency, Current Account	C/A#4382100234	1,545,127.63	0.00
Cash in Bank- Local Currency, Current Account	C/A#0322119160	62,256.67	1,683,940.75
TOTAL		₱ 9,652,467.13	₱10,854,034.47

6. Receivables

This account can be broken down as follows:

Particulars	2020	2019
Accounts Receivable	₱ 1,315,032.56	₱ 1,243,797.21
Allowance for Impairment-Accounts Receivables	(329,365.36)	(295,607.94)
Other Receivables:	325,165.98	262,053.33
Allowance for Impairment-Other Receivables	(10,616.30)	(10,616.30)
Betty Bago	32,171.63	39,490.63
TOTAL	₱ 1,332,388.51	₱ 1,239,116.93

Accounts Receivables are open receivables arising from services rendered to customers for water sales and other incidental services. The concessionaires are categorized as Residential, Government and Commercial.

7. Inventories

This account consists of the following:

Particulars	2020	2019
Other Supplies and Materials Inventory	₱ 1,207,616.63	₱ 813,404.19
Office Supplies Inventory	16,975.33	14,781.91
Accountable Forms, Plates and Stickers Inventory	23,300.89	38,371.79
Sub -total	₱ 1,247,892.85	₱ 866,557.89
Semi-Expendable Machinery and Equipment	₱ 86,951.56	₱ 43,700.00

Particulars	2020	2019
Semi-Expendable Office Equipment	106,229.40	67,145.00
Semi-Expendable Furniture ,Fixtures& Books	223,790.00	182,531.00
Semi-Expendable Sports Equipment	28,900.00	28,900.00
Semi-Expendable DRRE	4,800.00	4,800.00
Semi-Expendable Communication Equipment	5,990.00	7,080.00
Sub -total	₱ 456,660.96	₱ 334,156.00
TOTAL	₱ 1,704,553.81	₱ 1,200,713.89

Inventories are stated at cost using the moving average method required under existing COA regulations (COA Circular 2005-001)

8. Other Current Assets

Particulars	2020	2019
Prepaid Insurance	₱ 27,242.91	₱ 20,758.06
Accrued Income	774,845.48	0.00
TOTAL	₱ 802,088.39	₱ 20,758.06

9. Property, Plant and Equipment

This account includes the following:

Cost	Jan 1,2020	Additions	Adjustments	Dec. 31,2020
LOT-Esperanza	₱ 61,021.00	₱ 0.00	₱ 0.00	₱ 61,021.00
LOT-Poblacion	632,900.00	0.00	0.00	632,900.00
LOT- Binuni	1,974,150.00	0.00	0.00	1,974,150.00
Land Improvement	173,100.00	0.00	0.00	173,100.00
Buildings	3,500,000.00	0.00	0.00	3,500,000.00
Buildings –other Structures	199,249.00	0.00	0.00	199,249.00
Water Plant, Structures & Improvements	12,290,835.76	2,682,750.00	0.00	14,973,585.76
Machinery and Equipment	4,175,544.04	362,549.00	0.00	4,538,093.04
Transportation Equipment	2,166,606.00	0.00	0.00	2,166,606.00
Other Property, Plant & Equipment	15,253,849.43	93,075.60	0.00	15,346,925.03
Computer System	150,000.00	0.00	0.00	150,000.00
TOTAL	₱40,577,255.23	₱ 3,138,374.60	₱ 0.00	₱43,715,629.83

Accumulated Depreciation	Jan 1,2020	Additions	Adjustments	Dec. 31,2020
Computer Software	₱ 0.00	₱ 13,500.00	₱ 0.00	₱ 13,500.00
Land Improvements	57,715.20	31,158.00		88,873.20
Buildings	210,000.00	105,000.00	0.00	315,000.00
Buildings-Other Structures	23,435.09	13,630.92	0.00	37,066.01
Water Plant, Structures & Improvements	2,447,589.86	362,888.46	0.00	2,810,478.32
Machinery and Equipment	2,401,824.73	269,718.65		2,671,543.38
Transportation Equipment	714,645.30	164,589.00		879,234.30
Other Property ,Plant & Equipment	6,201,350.41	431,725.92	0.00	6,633,076.33
Total Accumulated Depreciation	₱12,056,560.59	₱ 1,392,210.95	₱ 0.00	₱13,448,771.54
NET BOOK VALUE	₱28,520,694.64	₱ 1,746,163.65	₱ 0.00	₱30,266,858.29

10. Other Assets

These are assets which are included in Inventory and Inspection Report of Unserviceable Property.

Particulars	Cost	Accumulated Depreciation	Book Value
PPE-Water Plant Structures & Improvement	₱ 5,275.00	₱ 1,360.54	₱ 3,914.46
PPE-Office Equipment	110,204.75	88,813.47	21,391.28
PPE-Communication Equipment	48,024.50	42,275.91	5,748.59
PPE-Other Equipment	119,986.50	57,540.28	62,446.22
PPE-Transportation Equipment	8,799.34	7,622.57	1,176.77
TOTAL	₱ 292,290.09	₱ 197,612.77	₱ 94,677.32

11. Current Liabilities

Financial Liabilities

Accounts Payable-This account composes the following:

Particulars	2020	2019
Iligan Datavision	₱ 0.00	₱ 44,714.00

Particulars	2020	2019
GTSG	5,250.00	50,040.00
GTSG	14,000.00	0.00
GTSG	15,750.00	0.00
GTSG	46,400.00	0.00
MIE Oro Plast Corporation	47,556.00	35,201.00
MIE Oro Plast Corporation	44,820.00	49,202.00
Pinche Enterprises	0.00	48,102.00
AVK Philippines	0.00	78,715.39
CQ PRINTING	81,750.00	0.00
LANECO	147,500.00	0.00
TOTAL	₱ 403,026.00	₱ 305,974.39

Accounts Payables represent liabilities from suppliers and other payables which are due and demandable within one year from the reporting date.

12. Inter-Agency Payables

Particulars	2020	2019
Due to BIR	₱ 48,778.18	₱ 37,567.58
Due to GSIS	153,064.40	122,463.00
Due to PAG-IBIG	41,705.96	38,422.87
Due to Philhealth	8,742.09	7,066.87
Guaranty/Security Deposit Payable	3,015.00	3,015.00
TOTAL	₱ 255,305.63	₱ 208,535.32

13. Other Payables-

This account composes the following:

Particulars	2020	2019
R.Uy Shell Station	₱ 13,369.01	₱ 24,215.41
CQ Printing Press	0.00	79,500.00
PLDT	1,150.50	2,602.60
Representation Expenses	0.00	4,100.00
Other M & O Expenses	0.00	5,930.00
Electricity	225,777.11	206,675.19
Taxes, Dues & Licenses	95,001.23	88,921.14
Dawn Garden	0.00	44,500.00
Travel Expense	2,400.00	0.00
Security Expenses	21,897.33	0.00
TOTAL	₱ 359,595.18	₱ 456,444.34

14. Non-Current Liabilities

Financial Liabilities

Loan Number	2020	2019
3-766	₱ 1,167,436.08	₱ 1,322,988.08
4-2258A	4,731,502.00	5,318,200.00
4-2258B	770,201.00	865,710.00
9-0488	9,658,260.74	10,166,592.74
4-2859	6,216,344.00	1,986,695.00
Landbank-Office Building	2,333,333.36	2,722,222.24
TOTAL	₱ 24,877,077.18	₱ 22,382,408.06

Loans Payable-Domestic represents the financial assistance/grant from the Local Water Utilities Administration (LWUA) and the Non-LWUA Initiated funds (NLIF).

15. Trust Liabilities

Particulars	2020	2019
Customers' Deposits Payable	₱ 38,099.00	₱ 38,099.00

16. Government Equity

Contributed Capital. This account includes the following donations:

Particulars	Cost
LGU's piping system installed at Upper Demologan in CY2000	₱ 200,000.00
Distribution pipes donated by Barangay Binuni	15,978.16
Pipes donated by Senator Loren Legarda	94,564.80
LCD TV with cable donated by contractor	15,000.00
TOTAL	₱ 325,542.96

17. Retained Earnings is composed of the following:

Particulars	2020	2019
Balance at beginning of period	₱ 18,504,245.49	₱ 16,976,987.23
Erroneous entry	(5,387.65)	0.00
Prior period adjustment	0.00	(45,012.57)
Disallowances	0.00	10,319.00
Net Income/(Loss)	2,858,496.52	1,561,951.83
TOTAL	₱ 21,357,354.36	₱ 18,504,245.49

18. Business Income

Particulars	2020	2019
Income from Waterworks System	₱ 17,692,876.21	₱ 15,892,464.02
Fines & Penalties-Business Income	509,370.95	597,562.65
Interest Income	6,136.15	7,596.74
Other Business Income	262,089.16	274,780.52
TOTAL	₱ 18,470,472.47	₱ 16,772,403.93

19. Other Non-Operating Income

Particulars	2020	2019
Miscellaneous Income	₱ 377,432.14	₱ 388,251.78

Miscellaneous Income is the result of the customer billing amount less the cost of materials used during the installation of new connection.

20. Personnel Services

This account consists of the following:

Particulars	2020	2019
Salaries & Wages		
Salaries & Wages-Regular	₱ 4,061,082.66	₱ 3,539,513.92
Other Compensation		
Personnel Economic Relief Allowance	352,000.00	294,000.00
Representation Allowance	70,500.00	60,000.00
Transportation Allowance	70,500.00	60,000.00
Clothing Allowance	90,000.00	90,000.00
Honoraria	398,268.00	367,380.00
Longevity Pay	15,000.00	15,000.00
Overtime & Holiday Pay	186,418.39	179,532.00
Hazard Pay	244,500.00	0.00
Year-end Bonus	349,428.00	267,364.00
Cash Gift	80,000.00	75,000.00
Other Bonuses & Allowances	127,083.57	0.00
Personnel Benefit Contribution		
Retirement and Life Insurance Premium	470,856.24	389,895.60
PAG-IBIG Contribution	17,600.00	14,700.00
Philhealth Contribution	53,062.42	37,289.73
Employees Compensation Insurance	17,600.00	14,700.00

Particulars	2020	2019
Other Personnel Benefits		
Terminal Leave Benefits	100,059.54	72,164.22
Other Personnel Benefits	530,489.00	492,364.00
TOTAL	₱ 7,234,447.82	₱ 5,968,903.47

21. Maintenance and Other Operating Expenses

This account consists of the following:

Particulars	2020	2019
Travel Expenses-Local	₱ 278,174.00	₱ 382,683.84
Training Expense	14,800.00	72,930.00
Office Supplies Expenses	94,970.83	99,330.47
Accountable Forms Expenses	54,070.90	48,628.21
Fuel, Oil, & Lubricant Expenses	290,145.32	244,957.12
Chemical and Filtering Supplies	95,000.00	32,086.00
Water Expenses	8,934.15	15,517.50
Electricity Expenses	2,650,342.85	2,383,462.18
Postage and Courier Services	2,739.46	8,124.80
Telephone Expenses	48,288.64	45,656.65
Internet Subscription Expenses	19,356.25	21,375.00
Cable, Satellite, Telegraph and Radio Expenses	2,500.00	3,150.00
Legal Services	0.00	4,300.00
Auditing Services	62,581.48	86,594.60
Security Services	547,433.25	458,946.60
Survey Expenses	0.00	14,500.00
Fidelity Bond Premium	7,950.00	5,625.00
Repairs & Maintenance-Buildings & Other Structures	2,971.00	0.00
Repairs & Maintenance-Machinery & Equipment	44,946.70	64,015.45
Repairs & Maintenance-Transportation Equipment	116,554.47	78,526.94
Repairs & Maintenance-Other PPE	410,858.27	481,142.47
Repairs & Maintenance-Infrastructure Assets	354,159.91	1,123,281.08
Repairs & Maintenance-Semi-Expendable Machinery & Equipment	0.00	4,576.92
Taxes, Duties & Licenses	395,206.10	388,533.84
Semi-Expendable Machinery & Equipment Expense	0.00	5,564.00
Insurance Expenses	36,812.74	19,579.49
Advertising, Promotional & Marketing Expenses	138,175.39	119,733.80
Prizes	36,105.30	36,528.30

Particulars	2020	2019
Printing and Publication Expenses	9,442.35	9,397.70
Representation Expenses	106,465.25	134,204.53
Transportation & Delivery Expenses	100.00	9,211.49
Donation	15,000.00	10,000.00
Membership Dues & Contribution	13,792.00	17,059.50
Other Maintenance & Operating Expenses	438,634.95	683,280.96
Extraordinary & Misc. Expenses	10,934.00	61,182.54
TOTAL	₱ 6,307,445.56	₱ 7,173,686.98

23. Financial Expenses

Particulars	2020	2019
Interest Expenses	₱ 1,021,546.34	₱ 1,064,420.18

Interest Expenses are interests paid to Local Water Utilities Administration (LWUA) and Non-LWUA Initiated Funds. Bank charges are the amount paid to Landbank for the processing of the office building loan.

24. Non-Cash Expenses

This account is consists of the following:

Particulars	2020	2019
Depreciation-Building & Other Structures	₱ 481,519.38	₱ 478,961.88
Depreciation-Machinery and Equipment	269,718.65	252,730.16
Depreciation-Transportation Equipment	164,589.00	163,074.39
Depreciation-Other PPE	431,725.92	428,119.66
Depreciation- Other Land Improvement	31,158.00	31,158.00
Impairment Loss-Loans and Receivables	33,757.42	37,649.16
Amortization-Computer Software	13,500.00	0.00
TOTAL	₱ 1,425,968.37	₱ 1,391,693.25

PART II –

**OBSERVATIONS AND
RECOMMENDATIONS**

PART II - AUDIT OBSERVATIONS AND RECOMMENDATIONS

A. FINANCIAL AND COMPLIANCE AUDIT

1. Physical count of Property, Plant and Equipment was not conducted as provided for in Section 5 of COA Circular No. 2020-006 thus placing the amount of the fixed assets account balances reflected in the financial statements in the amount of ₱22,354,849.69 in doubtful validity.

Section 5 of COA Circular No. 2020-006 prescribes the general guidelines and procedures on inventory taking which includes among other things:

1. Each government agency shall conduct physical count of all its PPE, whether acquired through purchase or donation, including those constructed by administration and found at station (*Section 5.1*).
2. The Head of the Agency shall create an Inventory Committee composed of adequate number of members to be able to complete the physical inventory in three months or less. The Inventory Committee shall have at least one member each from the Accounting and Property Divisions/Units of the agency (*Section 5.2*).
3. The entire inventory taking shall be witnessed by the Commission on Audit (COA) Auditor. The Audit Team Leader and/or any of his/her audit team members may be assigned for the purpose (*Section 5.3*).
4. The PIP shall be approved by the Head of the Agency (*Section 5.10*).
5. The Inventory Committee shall submit the approved PIP to the COA Audit Team at least ten (10) calendar days before the scheduled start of inventory (*Section 5.11*).
6. Property records shall be updated based on the results of the physical inventory and reconciled with accounting records to come up with the reconciled balances of PPE accounts to be considered as the correct balance of the agency's PPEs (*Section 5.12*).

The District have undertaken inventory count on December 29, 2020 but failed to submit the PIP on the required deadline. In addition, there was no invitation from the District to the COA Auditor or his representative to witness the said inventory. The audit team has to resort to alternative means of validating the existence of the items in the PPE. Of the total PPE items amounting to P25,048,528.45, only ₱2,693,678.76 can be validated thus, P22,354,849.69 is of doubtful validity.

Due to non-submission/delayed submission of PIP, analysis of the accounts as to existence and propriety of items composing the respective asset accounts cannot be undertaken as the inventory report submitted does not include the specific locations where the properties are located. Inquiry with the District personnel about the location of specific items cannot be verified due to its inaccessibility.

The actual physical count of assets and its corresponding reconciliation with the accounting records is of paramount importance not only to comply with laws, rules and regulations but

also to determine that assets recorded in the books actually exist. It also ensures that they are utilized and maintained properly.

As inventory taking is an indispensable procedure considering the materiality of the amount of the PPE Accounts, the presence of the COA Auditor or his representative to witness the inventory taking is necessary for the confirmation of the declared PPE account in the financial statements.

Recommendation:

We recommended that the District comply strictly with Section 5 of COA Circular No. 2020-006 in the conduct of inventory taking for its PPE accounts.

Management Comments:

Management has submitted Property Plant and Equipment Ledger Card (PPELC) from the Accounting Unit reconciled with the Property Card from the Property and Supply unit together with the Report on the Physical Count of Property Plant and Equipment (RPCPPE). The Property Custodian made renewal of Property Accountability Receipt (PAR) for these assets every three (3) years.

Auditor's Rejoinder:

We will reevaluate and validate the management's response. We require submission of reconciliation reports from the accounting section and property section, duly reflecting therein any variance between the accounting records and property records. Copies of JEVs reflecting adjustments, if any, will be required as well.

2. Non-submission of the Result of Physical Count of Inventory duly reconciled with Stock Cards kept by the Property and Supply Unit and Supplies Ledger Cards kept by the Accounting Unit as provided by Section D and E, Appendix 66, Volume II of the Government Accounting Manual, puts in doubt the validity of the amount of Inventory as reflected in the financial statements of in the amount of ₱ 1,704,553.81.

In filling out the Report of Physical Count of Inventory (RPCI), Section D and E, Appendix 66 of Volume II of the Government Accounting Manual (GAM) provides:

- C. *The report shall be reconciled with the Supply Ledger Cards (SLCs) and Stock Cards (SCs) maintained by the accounting Division/Unit and Proper and /or Supply Division/Unit, respectively. Any discrepancy shall be verified and/or adjusted accordingly.*
- D. *The reports shall be prepared in four (4) copies and certified correct by the Inventory Committee, approved by the Head of Agency or his/her authorized representative, and verified by the COA Auditor. This shall be distributed as follows:*

- Original* - *COA Auditor, through the Accounting Division/Unit*
- Copy 2* - *Supply and/or Property Division/Unit*
- Copy 3* - *Inventory Officer/Committee*
- Copy 4* - *Accounting Division/Unit*

E. The report shall be submitted to the COA Auditor concerned not later than July 31 and January 31 of each year for the first and second semesters, respectively.

As of December 31, 2020, the balance of Inventory as reflected in the financial statements amounted to ₱ 1,704,553.81 as shown below:

Particulars	2020
Other Supplies and Materials Inventory	₱ 1,207,616.63
Office Supplies Inventory	16,975.33
Accountable Forms, Plates and Stickers Inventory	23,300.89
Semi-Expendable Machinery and Equipment	86,951.56
Semi-Expendable Office Equipment	106,229.40
Semi-Expendable Furniture ,Fixtures& Books	223,790.00
Semi-Expendable Sports Equipment	28,900.00
Semi-Expendable DRRE	4,800.00
Semi-Expendable Communication Equipment	5,990.00
TOTAL	₱ 1,704,553.81

The RPCI indicating therein the reconciliation made was not submitted to this office on the above-mentioned deadlines and therefore verification and analysis of the accounts as to valuation and propriety of items composing the respective inventory accounts cannot be undertaken. In addition, no invitation was received was received by this office in connection with their inventory-taking.

The District maintains that they have indeed undertaken physical count of their inventory but because of intervening events or activities, they have not yet reconciled it to the individual SLC and PC and therefore did not submit it to the Office of the Auditor.

The actual physical count of inventory and its corresponding reconciliation with the accounting records and property/supply records is of paramount importance not only to comply with laws, rules and regulations, ensuring that they are utilized and maintained properly, but also to determine that assets recorded in the books actually exist. As inventory taking is an indispensable procedure for checking the integrity of property and supply custodianship, reconciliation of said RPCI with the Property and Supply Unit's PC and the Accounting Units SLC is equally indispensable for accuracy of the account and acts as check and balance or internal control to the said account. Considering the materiality of the amount of the inventory accounts in the financial statements and the risk of misstatement attached thereto, reconciliation of the inventory accounts should be given utmost importance in addition to its inventory taking.

Recommendation:

We recommended the submission to the Office of the Auditor a copy of Report on the Physical Count of Inventory to the Office of the Auditor, duly reconciled with the Supply Ledger Cards maintained by the Accounting unit and Stock Cards maintained by the Property and Supply unit as provided by Sections C, D and E of Appendix 66, Government Accounting Manual, Volume II.

Management Comment:

The Property and Supply unit and the Accounting unit have been reconciling both copies of the each report each year.

Auditor's Rejoinder:

We will reevaluate and validate the management's response. We require submission of reconciliation reports from the accounting section and supply section duly reflecting therein any variance between the accounting records and supply records. Copies of JEVs reflecting adjustments, if any, will be required as well. We reiterate that auditor's presence be required in conducting inventory.

3. The Agency did not undertake preliminary actions on the development of a Water Safety Plan as required in LWUA Memorandum Circular No. 010.14 and DOH Administrative Order No. 2014-0027, as a consequence, risks that threaten the safe quality of drinking water and public health may not have been properly addressed by appropriate control measures.

LWUA Memorandum Circular No. 010.14 provides that:

"The Department of Health (DOH) has issued on September 4, 2014, Administrative Order (AO) No. 2014-0027 declaring the development and implementation of Water Safety Plan (WSP) by all drinking-water service providers as a national policy for drinking-water quality management. In support of the objectives of the DOH and in compliance with the AO, LWUA is Adopting the 11-step process of the World Health Organization (WHO) as the main guideline in developing WSP for all WD and RWSA; and directing all water districts and RWSA to develop and implement WSP and comply with the provisions of DOH AO No. 2014-0027."

Also, Item VI.A of DOH Administrative Order No. 2014-0027 dated September 4, 2014 provides the guidelines that:

"All drinking water service providers shall develop water safety plan for their water supply systems within three years after the issuance of this Order and ensure its implementation after its approval."

Water supply system is vulnerable to contamination due to extreme weather events brought by global warming and climate change and occurrences of disasters. These threaten the safe quality of water, thus, DOH in accordance with its mandate of being primarily responsible for the formulation, planning, implementation and coordination of policies and programs in the field of health, strongly supports the application of a risk management approach, known as Water Safety Plan, by all water service providers.

The WSP is a management tool that can be applied to all types of water systems to ensure the safe quality of supplied water. The WSP uses a comprehensive risk assessment and risk management approach encompassing all steps in water supply from water source to consumer.

Inquiry with Management revealed that the Agency did not undertake the initial steps in the development of the Water Safety Plan as required by the above stated provisions.

The Agency has its water sample undergo a monthly bacteriological test to ensure that the water supply passes the requirements set by the Philippine National Standards for Drinking Water for bacteriological quality, however, this will not guaranty a 100% safe quality of water due to the uncontrolled risk brought by current environmental changes, human activities and natural events that threaten the safe quality of water.

The WSP aims to prevent or minimize contamination of water source, remove contamination thru treatment and prevent re-contamination during storage, distribution and handling of drinking-water. The preparation and development of the WSP, together with the application of the appropriate control measures, will properly address the risks that threaten the safe quality of water and public health.

Recommendation:

We recommended that Management carry out the necessary steps in the preparation and development of a Water Safety Plan this CY 2020 as provided under DOH Administrative Order No. 2014-0027.

Management comment:

The management had ongoing finalization of the piping diagram of the whole water system.

4. The Annual Procurement Plan (APP) prepared by the District is incomplete, inadequate and lacked the necessary information on the mode of procurement, schedule of each procurement activity, brief description of the programs/projects, source of funds, among others, as required under Section 7 of the Revised Implementing Rules and Regulations (IRR) of Republic Act (RA) No. 9184 and Government Procurement Policy Board (GPPB) Circular No. 07-2015 dated July 16, 2015, thus relevance and usefulness of APP as a planning and control tool was not attained, resulting in uncoordinated procurements that do not promote efficiency, economy and transparency.

Section 7 of the Revised IRR of RA No. 9184 provides, among others, the following regulations pertinent to procurement planning and budgeting linkage:

Section 7.1 states:

"All procurement shall be within the approved budget of the procuring entity and should be meticulously and judiciously planned by the procuring entity. Consistent with government fiscal discipline measures, only those considered crucial to the efficient discharge of governmental functions shall be included in the Annual Procurement Plan (APP). For purposes of this IRR, a procurement project shall be considered crucial to the efficient discharge of governmental functions if it is required for the day to day operations or is in the pursuit of the principal mandate of the procuring entity concerned. The APP shall include provisions for foreseeable emergencies based on historical records. In the case of infrastructure projects, the APP shall consider the appropriate timing/phasing of related project activities, such as, engineering design and acquisition of right of way, to reduce lower project costs. "

Section 7.2 also provides:

"No procurement shall be undertaken unless it is in accordance with the approved APP of the procuring entity. The APP shall bear the approval of the Head of the Procuring Entity or second-ranking official designated by the Head of the Procuring Entity to act on his behalf, and must be consistent with its duly approved yearly budget."

Section 7.3 enumerates the data that should be included in the PPMP for their different programs, activities, and projects (PAPs).

In addition, COA Circular 2012-001 dated June 14, 2012 provides that one of the basic requirements for all types of procurement is authenticated photocopy of the approved Annual Procurement Plan (APP) and any amendment thereto.

On July 16, 2015, GPPB issued Circular No. 07-2015 to reiterate the requirement in the preparation of the APP and inform all procuring entities to prepare the APP in the format approved by the GPPB.

The APP shall contain the following information, among others:

1. Name of the project/procurement;
2. Project management office/end-user unit;
3. General description of the project/procurement;
4. Procurement methods to be adopted;
5. Time schedule for:
 - a) advertisement/posting;
 - b) submission and receipt/opening of bids;
 - c) award of contract; and
 - d) contract signing,
6. Source of funds; and
7. Approved Budget for the Contract

The APP is a requisite document that the agency must prepare to reflect the entire procurement activity (i.e., goods, services, and civil works to be procured) that it plans to undertake within the calendar year. It should be submitted to the GPPB on or before the end of January of the budget year, and shall be posted in accordance with Section 1(a) of EO No. 662, series of 2007, as amended.

The APP for CY 2020 prepared and submitted by the District lacked the necessary information on the mode of procurement, schedule of each procurement activity, brief description of the programs/projects, source of funds, among others, without considering regular office supplies, equipment requirements, infrastructure projects and other provisions for foreseeable emergencies based on historical records including the method of procurement. A copy of APP was also not attached to the vouchers, contrary to COA Circular 2012-001 dated June 14, 2012.

The absence of the mode of procurement to be adopted for the projects included in the APP defeated its purpose. It was as if the APP was prepared for purposes of compliance only and not as per actual requirement in every procurement. The same shall be updated every six (6) months or as often as maybe required by Head of Procuring Entity to suit to the actual needs of the agency.

Recommendation:

We recommend that the District require the personnel in charge to:

- a) Formulate the APP in accordance with Section 7 of the Revised IRR of RA No. 9184;
- b) Ensure that all the necessary information required in the APP and its amendments are reflected therein for its continuous relevance and usefulness as a planning and control tool;
- c) Submit the duly approved copy of APP to the GPPB in accordance with Section 1(a) of Executive Order No. 662, series of 2007, as amended;
- d) Attach a copy of the APP to the disbursement vouchers for the payment of all types of procurement, in compliance to COA Circular 2012-001 dated June 14, 2012; and
- e) Include in the APP, provisions for foreseeable emergencies based on historical records as well as the manner of procurement thereof.

Management comment:

The management had prepared APP annually and had submitted copy to the GPPB annually. Whatever missing or lacking data and/or requirements thereof will be fulfilled according

PART III –

**STATUS OF IMPLEMENTATION OF PRIOR
YEAR'S AUDIT RECOMMENDATIONS**

STATUS OF IMPLEMENTATION OF PRIOR YEAR'S AUDIT RECOMMENDATIONS

We made a follow-up on the action taken by the District to implement the recommendations of CY 2018 AAR and noted the following:

Status of Implementation	No. of Recommendations
Fully Implemented	6
Partially Implemented	5
Not Implemented	0

Reference	Audit Observations	Audit Recommendations	Status of Implementation
AOM NO:2020-001 BWD	Water sales for the month of December 2019 amounting to P50,173.30 were not accrued and recognized as income contrary to the Philippine Accounting Standards (PAS) 1 and PAS 18, thus resulting to understatement of income from water sales and related accounts receivable accounts.	We recommend that Management start recognizing their accrued income from water sales and to adjust the necessary accounts to reflect a more accurate and reliable balance in the financial statements.	Fully Implemented
AOM NO: 2020-002 BWD	The failure of the District to collect long outstanding and inactive Accounts Receivables amounting to P494,234.55 contravenes Sec. 5 of the District's Service Connection Contract and unfavorably affects the Water District operations.	We recommend that Management closely monitor the receivables and intensify its collection, otherwise, file the appropriate request for authority to write-off for the dormant accounts duly supported with the relevant documents.	Partially Implemented
AOM NO: 2020-003 BWD	The Agency did not comply with Section 4 of the Implementing Rules and Regulations of Republic Act 10121 and Section 37 of the General Appropriations Act (GAA) for FY 2019 to implement programs, projects	We recommend that plans, programs, projects and other activities should be implemented to address this need in compliance with Section 4 of the IRR of	Fully Implemented

	and activities to address the adverse effects of climate change and disaster risk reduction and mitigation.	RA 10121 and Section 35 of the FY 2019 General Appropriations Act.	
AOM NO: 2020-004 BWD	Bacolod Water District did not use not use gender statistics and sex-disaggregated data and the existing gender analysis tools such as the Harmonized GAD Guidelines to determine the extent of the gender-responsiveness of its programs, activities, and projects in the prepared GAD Plan and Budget for calendar year 2019, thereby making the attribution of the GAD budget doubtful.	We recommend management to: Prioritize gender mainstreaming efforts in GAD planning and budgeting to be headed by its GAD Focal Point System by using existing gender analysis tools such as the HGDG in the identification, design, implementation, management, and monitoring and evaluation stages of the various PAPs of the District to determine the extent of their gender-responsiveness and amount to be attributed to the GAD budget; If the district is not yet trained on the use of the tool, or the GFPS is not capacitated to conduct such gender analysis, it is recommended to seek the assistance of an expert or make representation through the Board of Directors to request for training and workshop from accredited institutions; Improve and develop the existing GAD Database or Sex-Disaggregated Data for proper utilization in the planning, budgeting, programming, and	Fully Implemented

		policy formulation of the District, as well as proper charging of the object of expenditures on actual accomplishments.	
AOM NO: 2020-005 (BWD)	Non-submission of the Report on Physical Count of Property, Plant and Equipment as duly reconciled with records kept by the Supply Unit and Accounting Unit as provided for in Section 38 and 42, Volume I of the Government Accounting Manual (GAM), was not adhered to thus placing the amount of the fixed assets account balances reflected in the financial statements in the amount of ₱28,520,694.64 in of doubtful validity.	We recommend that reconciliation of Report on the Physical Count of Property Plant and Equipment (RPCPPE) to the Accounting unit's Property Plant and Equipment Ledger Card (PPELC) and to the Property and Supply unit's Property Card (PC) be conducted and its results be submitted to be submitted to the Office of the Auditor as provided by Section 38 and 42, Volume 1 of the Government Accounting Manual (GAM). Property Accountability Receipt (PAR) for these assets should be renewed every three (3) years.	Fully Implemented
AOM NO: 2020-006 (BWD)	Non-submission of the Result of Physical Count of Inventory duly reconciled with Stock Cards kept by the Property and Supply Unit and Supplies Ledger Cards kept by the Accounting Unit as provided by Section D and E, Appendix 66, Volume II of the Government Accounting Manual, puts in doubt the validity of the amount of Inventory as reflected in the financial statements of in the	We recommend the submission to the Office of the Auditor a copy of Report on the Physical Count of Inventory to the Office of the Auditor, duly reconciled with the Supply Ledger Cards maintained by the Accounting unit and Stock Cards maintained by the	Partially Implemented

	amount of ₱ 1,200,713.89.	Property and Supply unit as provided by Sections C, D and E of Appendix 66, Government Accounting Manual, Volume II.	
AOM NO: 2020-007 (BWD)	The District did not adhere to Republic Act No. 656 (Property Insurance Law) and Section 5.1e of COA Circular 2018-004 dated May 31, 2018 to insure their properties with a book value or replacement value of ₱ 25,429,492.78 thus exposing District property to unindemnifiable damage, loss due to fire, earthquake, storm, or other casualty brought by fortuitous events (Acts of God) and/or force majeure.	We recommend that adherence to Republic Act 656 for all properties that the District have insurable interest to protect it from damage and loss due to force majeure and/or fortuitous events (Acts of God).	Partially Implemented
AOM No. 2019-001 BWD	Unserviceable properties totaling P 95,268.22 remained undisposed for as long as 14 years and were still carried under the PPE account in the Books of Account contrary to Section 79 of PD 1445.	We recommend to the Management to (1) Strictly adhere to the provisions of Section 79 of PD 1445 on the disposal of unserviceable properties, and (2) Form an Inventory & Disposal Committee in charge of (a) sorting out the serviceable and unserviceable assets to prevent its accumulation and consistent recording in the Books of Account and (b) disposal or divestment of the properties through any of the following modes: public auction, sale thru negotiation, barter, transfer to	Partially Implemented The management made an invitation letter to COA personnel to attend for the disposal of the unserviceable properties.

		other government agencies and destruction/condemnation. (Refer to COA Circular No. 89-296)	
2019-004 BWD	Bacolod Water District did not use not use gender statistics and sex-disaggregated data and the existing gender analysis tools such as the Harmonized GAD Guidelines to determine the extent of the gender-responsiveness of its programs, activities, and projects in the prepared GAD Plan and Budget for calendar year 2018, thereby making the attribution of the GAD budget doubtful.	<p>We recommend management to:</p> <p>Prioritize gender mainstreaming efforts in GAD planning and budgeting to be headed by its GAD Focal Point System by using existing gender analysis tools such as the HGDG in the identification, design, implementation, management, and monitoring and evaluation stages of the various PAPs of the District to determine the extent of their gender-responsiveness and amount to be attributed to the GAD budget;</p> <p>If the district is not yet trained on the use of the tool, or the GFPS is not capacitated to conduct such gender analysis, it is recommended to seek the assistance of an expert or make representation through the Board of Directors to request for training and workshop from accredited institutions;</p>	Fully Implemented

		<p>Improve and develop the existing GAD Database or Sex-Disaggregated Data for proper utilization in the planning, budgeting, programming, and policy formulation of the District, as well as proper charging of the object of expenditures on actual accomplishments.</p>	
2019-003 BWD	<p>The Agency did not comply with Section 4 of the Implementing Rules and Regulations of Republic Act 10121 and Section 35 of the General Appropriations Act (GAA) for FY 2017 to implement programs, projects and activities to address the adverse effects of climate change and disaster risk reduction and mitigation.</p>	<p>We recommend that plans, programs, projects and other activities should be implemented to address this need in compliance with Section 4 of the IRR of RA 10121 and Section 35 of the FY 2017 General Appropriations Act.</p>	<p>Fully Implemented</p>
2018-006 BWD	<p>The Agency did not undertake preliminary actions on the development of a Water Safety Plan as required in LWUA Memorandum Circular No. 010.14 and DOH Administrative Order No. 2014-0027, as a consequence, risks that threaten the safe quality of drinking water and public health may not have been properly addressed by appropriate control measures.</p>	<p>We recommended that Management carry out the necessary steps in the preparation and development of a Water Safety Plan this CY 2017 as provided under DOH Administrative Order No. 2014-0027.</p>	<p>Partially Implemented</p> <p>The Water District is on the process of formulating the WSP and yet the concerned personnel will be attending training seminar on June 18-20, 2019 sponsored by LWUA.</p>