



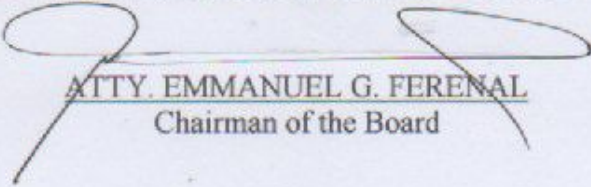
Republic of the Philippines
Province of Cotabato
Municipality of Pikit
PIKIT WATER DISTRICT

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS


The Management of the Pikit 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 statement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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

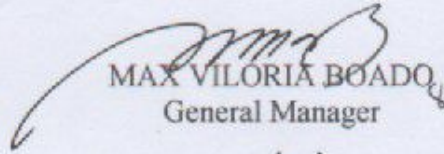
The Commission on Audit has audited the financial statements of the Pikit Water District in accordance with the Philippine Public Sector Standards on Auditing and has expressed its opinion on the fairness of presentation upon completion of such audit, in its report to the Board of Directors.


ATTY. EMMANUEL G. FERENAL
Chairman of the Board

Date Signed


GINA FONTANOSA – MARISCAL
Corporate Accounts Analyst

01/12/21
Date Signed


MAX VILORIA BOADO
General Manager

1/19/21
Date Signed

PIKIT WATER DISTRICT

Notes to Financial Statements

1. Agency Background

The Pikit Water District was established thru Sanguniang Bayan Resolution No. 71 dated May 8, 1990 of the then Sanguniang Bayan of the Municipality of Pikit, Province of Cotabato with Presidential Decree No. 198, as amended, as the enabling law to the creation of water districts. On May 22, 1991, the District was issued the Conditional Certificate of Conformance (CCC No. 495) by the Local Water Utilities Administration (LWUA). The mandates of the District 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 the boundaries of the district;
- To provide, maintain and operate waste water collection treatment and disposal facilities; and
- To conduct such other functions and operations incidental to water resource development, utilization and disposal within the district, as are necessary or incidental to said purpose.

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

Chairman	-	Atty. Emmanuel G. Ferenal
Vice Chairman	-	Anita O. Nuesa
Treasurer	-	Luz R. Damo
Secretary	-	Rogelio D. Eleazar
Member	-	Gregorio R. Guerrero

Day to day activities is executed by its General Manager, Max V. Boado together with the other nineteen (19) permanent employees.

2. Summary of Significant Accounting Policies

- The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the Philippines.
- Property, Plant and Equipment are carried at cost less accumulated depreciation which is computed using the straight-line method based on the estimated service lives of the property ranging from 2 to 30 years. The cost of maintenance and repairs are charged to operations as incurred. Major renewals and betterments which extend the lives of the equipment are capitalized. The cost and related depreciation are removed from the accounts when assets are retired and disposed of and any resulting gain or loss is credited or charged to current operations.
- Allowance for doubtful accounts is set-up to provide for estimated losses due to non-collection of accounts from customers based on past experiences.
- The District uses accrual basis of accounting. Revenues are recorded during the period in which the services are given/rendered and expenses are recorded at the times these are incurred.

3. Cash & Cash Equivalents

This consists of the following accounts:

	2020	2019
Cash – Collecting Officers	₱ 21,193.38	₱ 53,052.47
Cash in Bank – Local Currency, CA ^(a)	10,688,982.67	3,629,892.00
Cash in Bank – Local Currency, SA ^(b)	4,731,228.22	4,383,275.84
Time Deposits – Local Currency ^(c)	242,520.00	242,520.00
Total	₱ 15,683,924.27	₱ 8,308,740.31

- (a) This account consists of the following: General Fund under CA No. 1002-1046-83 amounting to ₱9,225,498.83 and ₱3,622,719.16 in CY 2020 and CY 2018, respectively and Pikit WD – LWUA Joint Account for the well-drilling project amounting to ₱1,463,483.84 and ₱7,172.84 in CY 2020 and CY 2019.
- (b) The accounts maintained under savings account are the following: (1) one at the LBP – Midsayap Branch which is intended for the General Reserve Fund (LBP HYSA No. 1001-1466-68) amounting to ₱1,566,315.28; (2) the Employees' Leave Credits Reserves (LBP HYSA No. 1001-1462-26) amounting to ₱2,010,459.23; (3) water maintenance fee collected from the concessionaires @ ₱15 per month amounting to ₱965,879.70; and (4) one maintained at the Cooperative Bank of Cotabato for the interest earned from the Time Deposit maintained at the same Bank amounting to ₱188,574.01.
- (c) The account was maintained at the Cooperative Bank of Cotabato as reserve for the Guaranty Deposits of ₱242,520.00.

4. Investments

Sinking Fund-This represents the Pikit WD and LWUA Joint Savings Account as cash reserves required by the LWUA which is intended for loan repayments, capital expenditures and/or maintenance expenses in view of the terms and conditions of the MOA entered with the LWUA for the loan availed with LWUA amounting to P1,288,349.02 and P981,933.85 for year 2020 and 2019 respectively.

5. Receivables

This consists of the following accounts:

	2020	2019
Accounts Receivable ^(d)	P 2,003,932.64	P 2,102,845.17
Allowance for Impairment-Accounts Receivable ^(e)	(127,031.02)	(127,031.02)
Receivables - Disallowances/Charges	0.00	0.00
Due from Officers and Employees ^(d)	0.00	0.00
Due from Government Corporations	16,452.46	16,452.46
Other Receivables ^(d)	134,450.82	135,450.82
Total	<u>P 2,027,804.90</u>	<u>P 2,127,717.43</u>

(d) The Accounts Receivable - represents the water and other incidental services rendered to Customers. Due from Officers and Employees - represents the cash advances unliquidated as of December 31. Other Receivables are collectibles from customers for their unpaid application fee balances.

(e) The provision for the Allowance for Impairment is 6% of the AR previous years outstanding balance and 2% of the AR current year.

6. Inventories

This consists of the following accounts:

	2020	2019
Office Supplies Inventory	P 58,822.65	P 41,443.27
Accountable Forms, Plates and Stickers Invty.	80,223.47	60,844.46
Chemical and Filtering Supplies Inventory	57,600.00	48,800.00
Construction Materials Inventory	1,233,868.36	1,212,798.26
Other Supplies and Materials Inventory	6,060.00	6,804.00
Semi-Expendable Machinery and Equipment	51,634.40	43,772.40
Total	<u>P 1,488,208.88</u>	<u>P 1,414,462.39</u>

7. Property, Plant and Equipment

This consists of the following accounts:

	2020	2019
Infrastructure Assets		
Utility Plant In Service	P 21,098,210.53	P 22,309,544.88
Accum. Depreciation – Utility Plant In Service	(15,055,515.49)	(14,927,904.38)
Machinery and Equipment		
Office Equipment	125,495.00	109,695.00
Accum. Depreciation – Office Equipment	(47,717.47)	(27,972.31)
Information and Communication Technology Equipment	818,085.00	734,085.00
Accum. Depreciation – ICT Equipment	(468,621.39)	(392,162.79)
Other Machinery & Equipment	190,290.00	190,290.00
Accumulated Depreciation-Other Equipment	(92,120.23)	(75,044.47)
Transportation Equipment		
Motor Vehicles	2,505,554.40	2,505,554.40
Accumulated Depreciation – Motor Vehicles	(798,364.31)	(667,780.67)
Furniture, Fixtures and Books		
Furniture and Fixtures	51,847.00	51,847.00
Accum. Depreciation – Furniture & Fixtures	(35,524.80)	(33,742.80)
Construction in Progress		
Construction In Progress-Infrastructure Assets	3,087,663.80	2,908,283.80
Construction in Progress – Buildings and Other Structures	6,048,000.00	2,548,000.00
Total	P 17,427,282.04	P 15,232,692.66

8. Other Non – Current Assets:

This represents the Other Assets account which consist of unserviceable assets or properties no longer used by the District amounting to P2,846,057.44 and P1,961,797.83 for CY 2020 and CY 2019, respectively.

9. Current Liabilities:

This represents the Accounts and Inter-Agency Payables Accounts which the amounts due to other government agencies, such as the BIR for franchise tax for the fourth quarter & withholdings from payments made for purchases of supplies and materials, office rental, directors' fees and employees' salary and Due to Government Corporations - Metro Kidapawan Water District.

10. Financial Liabilities:

Loans Payable - Domestic

This consists of loans availed from the LWUA for the different water system projects, as follows:

	2020	2019
Fort Pikit (3-551 - Regular)	P 765,604.41	P 1,103,984.41
Fort Pikit (3-551 – Soft)	302,764.11	436,595.11
Poblacion (4-1883 – Regular)	0.00	68,015.61
Inug – ug (4-2287 – Regular)	0.00	0.00
Inug – ug (9-0061-Regular NLIF)	977,788.00	1,111,120.00
Poblacion(office)(4-2952 – Regular)	7,456,311.00	0.00
Total	<u>P 9,502,467.52</u>	<u>P 2,719,715.13</u>

And Other Financial Liabilities:

This represents the proceeds from the 3M well drilling project which is 50% loan, 50% grant from the Sagana at Ligtas na Tubig sa Lahat (Salintubig) thru the LWUA.

11. Trust Liabilities:

This represents the customers deposit previously collected from the customers.

12. Provisions

Leave Benefits Payable is the money value of the accumulated leave credits earned by the employees, backed – up with a time deposit at the LBP – Midsayap branch.

13. Equity

	Contributed Capital	Retained Earnings	Total
Balance as of December 31, 2019	9,846,503.01	12,619,801.73	22,466,304.74
Previous Year's Adjustment		166,077.27	166,077.27
Net Income (Loss) for the Year		3,410,031.16	3,410,031.16
Balance as of December 31, 2020	9,846,503.01	16,195,910.16	26,042,413.17

14. Service and Business Income:

This account consists of the following accounts:

	2020	2019
Service Income	P 547,000.00	P 420,100.00
Business Income	16,653,786.32	15,171,382.13
Total	<u>P 17,200,786.32</u>	<u>P 15,591,482.13</u>

15. Other Non – Operating Income;

This represents the Miscellaneous Income which is the water meter maintenance fee collected from the customers and sale of plumbing materials (fittings) to customers amounting to P 473,139.75 and P 436,235.00 for year 2020 and 2019, respectively.

16. Personnel Benefit Services:

This account consists of the following:

	2020	2019
Salaries and Wages	P 4,274,677.00	P 4,619,653.00
Other Compensation	2,233,121.08	1,900,958.78
Personnel Benefit Contributions	608,329.02	544,038.38
Other Personnel Benefits	442,779.16	472,096.09
Total	<u>P 7,558,906.26</u>	<u>P 7,536,746.25</u>

17. Maintenance and Other Operating Income

This account consists of the following:

	2020	2019
Traveling Expenses	P 187,369.64	P 461,828.99
Training Expenses	105,350.00	402,003.02
Supplies and Materials Expenses	743,977.39	821,175.13
Electricity Expenses	1,467,096.84	1,166,459.07
Communication Expenses	102,483.00	95,684.00
Professional Services	766,415.00	64,132.00
Repairs and Maintenance	1,123,304.53	1,265,963.13
Taxes, Insurance and Other Fees	387,020.24	362,536.29
Other MOOE	341,955.25	432,310.00
Total	<u>P 5,224,971.89</u>	<u>P 5,053,864.78</u>

18. Financial Expenses

This account comprises the following:

	2020	2019
Interest Expenses	P 232,802.15	P 163,110.00
Internet Subscription Expenses	1,100.00	1,100.00
Total	P 233,902.15	P 164,210.00


19. Non - Cash Expenses

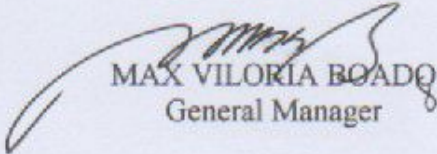
This account consists of the following:

	2020	2019
Depreciation	P 1,246,114.61	P 1,284,056.03
Impairment Loss	0.00	0.00
Total	P 1,246,114.61	P 1,284,056.03

Prepared by:

Approved by:



GINA FONTANOSA - MARISCAL
Corporate Budget Officer B


MAX VILORIA BADO
General Manager

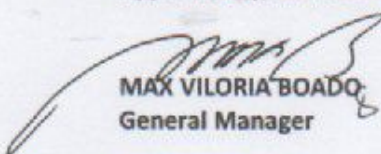
**PIKIT WATER DISTRICT
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Retained Earnings/ (Deficit)	Contributed Capital	TOTAL
BALANCE AT JANUARY 1, 2020	<u>12,619,801.73</u>	<u>9,846,503.01</u>	<u>22,466,304.74</u>
CHANGES IN EQUITY FOR 2018			
Add/(Deduct):			
Issuances of Share Capital			-
Additional Capital from National Government			-
Members' Contribution			-
Comprehensive Income for the year	3,410,031.16		3,410,031.16
Dividends			-
Other Adjustments:			-
(Adjusting entry)			-
(PYA)	166,077.27		166,077.27
##	<u>16,195,910.16</u>	<u>9,846,503.01</u>	<u>26,042,413.17</u>

Prepared by:


GINA FONTANOSA - MARISCAL
Corporate Budget Officer B

Approved by/Certified Correct by:


MAX VILORIA BOADO
General Manager

PIKIT 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		
Proceeds from Sale of Goods and Services	17,060,549.96	15,447,099.44
Collection of Income/Revenue	537,900.00	429,900.00
Receipt of Assistance/Subsidy	-	-
Collection of Receivables	-	-
Receipt of Inter-Agency Fund Transfers	-	-
Receipt of Intra-Agency Fund Transfers	-	-
Trust Receipts	-	-
Other Receipts	42,596.96	59,594.01
Total Cash Inflows	17,641,046.92	15,936,593.45
Adjustments	-	-
Adjusted Cash Inflows	17,641,046.92	15,936,593.45
Cash Outflows		
Payment of Expenses	11,576,201.87	11,215,435.77
Purchase of Inventories	797,397.78	1,056,432.65
Grant of Cash Advances	117,739.64	84,523.48
Prepayments	-	-
Refund of Deposits	-	-
Payments of Accounts Payable	-	-
Remittance of Personnel Benefit Contributions and Mandatory Deductions	-	-
Release of Intra-Agency Fund Transfers	-	-
Other Disbursements	305,705.24	428,922.54
Total Cash Outflows	12,797,044.53	12,785,314.44
Adjustments	-	-
Adjusted Cash Outflows	12,797,044.53	12,785,314.44
Net Cash Provided by/(Used in) Operating Activities	4,844,002.39	3,151,279.01
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Inflows		
Proceeds from Sale/Disposal of Property, Plant and Equipment	-	-
Receipt of Interest Earned	42,411.33	46,529.10
Proceeds from Sale of Other Assets	-	-
Total Cash Inflows	42,411.33	46,529.10
Adjustments	-	-
Adjusted Cash Inflows	42,411.33	46,529.10

Cash Outflows		
Purchase/Construction of Investment Property	-	-
Purchase/Construction of Property, Plant and Equipment	4,061,180.00	4,158,258.12
Purchase of Intangible Assets	-	140,400.00
Total Cash Outflows	4,061,180.00	4,298,658.12
Adjustments	-	-
Adjusted Cash Outflows	4,061,180.00	4,298,658.12
Net Cash Provided By/(Used In) Investing Activities	(4,018,768.67)	(4,252,129.02)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Inflows		
Proceeds from Domestic and Foreign Loans	7,456,311.00	501,497.00
Total Cash Inflows	7,456,311.00	501,497.00
Adjustments	-	-
Adjusted Cash Inflows	7,456,311.00	501,497.00
Cash Outflows		
Payment of Long-Term Liabilities	673,558.61	827,178.00
Payment of Interest on Loans and Other Financial Charges	232,802.15	163,110.00
Total Cash Outflows	906,360.76	990,288.00
Adjustments	-	-
Adjusted Cash Outflows	906,360.76	990,288.00
Net Cash Provided By/(Used In) Financing Activities	6,549,950.24	(488,791.00)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,375,183.96	(1,589,641.01)
Effects of Exchange Rate Changes on Cash and Cash Equivalents	-	-
CASH AND CASH EQUIVALENTS, JANUARY 1	8,308,740.31	9,898,381.32
CASH AND CASH EQUIVALENTS, DECEMBER 31	15,683,924.27	8,308,740.31

Prepared by:

GINA FONTANOSA - MARISCAL
Corporate Budget Officer B


Approved by/Certified Correct by:

MAX VILORIA BOADO
General Manager

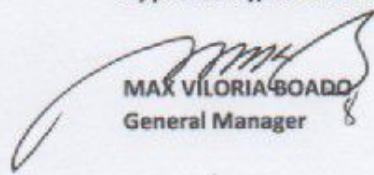
PIKIT WATER DISTRICT
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>NOTE*</u>	<u>2020</u>	<u>2019</u>
Income			
Service and Business Income	14	17,200,786.32	15,591,482.13
Other Non-Operating Income	15	<u>473,139.75</u>	<u>436,235.00</u>
Total Income		<u>17,673,926.07</u>	<u>16,027,717.13</u>
Expenses			
Personnel Services	16	7,558,906.26	7,536,746.25
Maintenance and Other Operating Expenses	17	5,224,971.89	5,053,864.78
Financial Expenses	18	233,902.15	164,210.00
Non-Cash Expenses	19	<u>1,246,114.61</u>	<u>1,284,056.03</u>
Total Expenses		<u>14,263,894.91</u>	<u>14,038,877.06</u>
Profit/(Loss) Before Tax		3,410,031.16	1,988,840.07
Income Tax Expense/(Benefit)		<u>-</u>	<u>-</u>
Profit/(Loss) After Tax		3,410,031.16	1,988,840.07
Net Assistance/Subsidy/(Financial Assistance/Subsidy/Contribution)		<u>-</u>	<u>-</u>
Net Income/(Loss)		3,410,031.16	1,988,840.07
Other Comprehensive Income/(Loss) for the Period		<u>-</u>	<u>-</u>
Comprehensive Income/(Loss)		<u>3,410,031.16</u>	<u>1,988,840.07</u>

Prepared by:


GINA FONTANOSA - MARISCAL
 Corporate Budget Officer B


Approved by/Certified Correct by:


MAX VILORIA BOADO
 General Manager

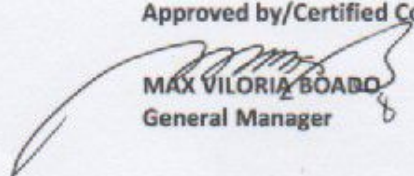
**PIKIT WATER DISTRICT
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020**

	<u>NOTE*</u>	<u>2020</u>	<u>2019</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	3	15,683,924.27	8,308,740.31
Other Investments	4	1,288,349.02	981,933.85
Receivables	5	2,027,804.90	2,127,717.43
Inventories	6	1,488,208.88	1,414,462.39
Non-Current Assets Held for Sale		-	-
Other Current Assets		-	-
Total Current Assets		<u>20,488,287.07</u>	<u>12,832,853.98</u>
Non-Current Assets			
Property, Plant and Equipment	7	17,427,282.04	15,232,692.66
Other Non-Current Assets	8	2,846,057.44	1,961,797.83
Total Non-Current Assets		<u>20,273,339.48</u>	<u>17,194,490.49</u>
Total Assets		<u>40,761,626.55</u>	<u>30,027,344.47</u>
LIABILITIES			
Current Liabilities			
Financial Liabilities		-	-
Inter-Agency Payables	9	201,514.51	160,796.85
Other Payables		-	-
Total Current Liabilities		<u>201,514.51</u>	<u>160,796.85</u>
Non-Current Liabilities			
Financial Liabilities	10	12,167,609.52	5,384,857.13
Trust Liabilities	11	242,520.00	242,520.00
Provisions	12	2,107,569.35	1,772,865.75
Other Payables		-	-
Total Non-Current Liabilities		<u>14,517,698.87</u>	<u>7,400,242.88</u>
Total Liabilities		<u>14,719,213.38</u>	<u>7,561,039.73</u>
EQUITY			
Contributed Capital		9,846,503.01	9,846,503.01
Retained Earnings/(Deficit)	13	16,195,910.16	12,619,801.73
Total Equity		<u>26,042,413.17</u>	<u>22,466,304.74</u>
Total Liabilities and Equity		<u>40,761,626.55</u>	<u>30,027,344.47</u>

Prepared by:


GINA FONTANOSA - MARISCAL
Corporate Budget Officer B

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MAX VILORIA BOADO
General Manager