



CATARMAN WATER DISTRICT
Catarmán N. Samar

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

	NOTE	2016	2015
Current Assets			
Cash and Cash Equivalents	5	850,932.95	534,914.13
Receivables	6	2,849,876.94	2,760,572.91
Inventories	7	421,723.46	411,376.60
Other Current Assets	8	24,000.00	32,315.00
Total Current Assets		<u>4,146,533.35</u>	<u>3,739,178.64</u>
Non-Current Assets			
Property Plant and Equipment	9	19,986,749.39	20,326,597.05
Intangible Assets	10	39,600.00	55,800.00
Total Non-Current Assets		<u>20,026,349.39</u>	<u>20,382,397.05</u>
TOTAL ASSETS		<u>24,172,882.74</u>	<u>24,121,575.69</u>
Current Liabilities			
Financial Liabilities	11	4,353,616.02	2,528,180.49
Inter-Agency Payables	12	80,978.81	25,010.18
Other Payables	13	35,048.03	35,048.03
Total Current Liabilities		<u>4,469,642.86</u>	<u>2,588,238.70</u>
Non-Current Liabilities			
Financial Liabilities	14	<u>12,394,427.66</u>	<u>14,328,764.66</u>
Total Liabilities		<u>16,864,070.52</u>	<u>16,917,003.36</u>
Government Equity		2,577,950.89	2,577,950.89
Retained Earnings		4,730,861.33	4,626,621.44
Total Equity	15	<u>7,308,812.22</u>	<u>7,204,572.33</u>
TOTAL LIABILITIES AND EQUITY		<u>24,172,882.74</u>	<u>24,121,575.69</u>

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Approved by:


GUIDO A. MOLLEJON
General Manager

NOTES TO FINANCIAL STATEMENTS

(All amounts in Philippine Peso unless otherwise stated)

1. Agency Background

The Catarman Water District was created on May 25, 1988, by virtue of Council Resolution No. 88-18(04) approved by the Municipality of Catarman, Province of Northern Samar. After satisfactorily complying with the minimum requirements of the Local Water Utilities Administration (LWUA) certification program, the LWUA Officer the Chairman of the Board of Trustees issued Certificate of Conformance No. 359 dated September 12, 1988 granting the Catarman Water District the right to improve, operate and maintain the whole water system.

The sources of the existing water supply system are two deep wells at Barangay Macagtas and two at Barangay Libjo.

The existing water supply system serves twenty (23) barangays of the Municipality of Catarman. It serves about 2,912 concessionaires as of December 31, 2016.

The CWD is categorized as Category D composed of ten (10) permanent, four (4) casuals and four (4) job orders under the leadership of Mr. Guido A. Mollejon, General Manager. The water district is managed through policies formulated by its Board of Directors in accordance with regulations of LWUA, National Government and other regulatory bodies.

Strategic priorities are as follows:

- To improve the Catarman Water System by providing a good water quality delivered to its concessionaires.
- To deliver sufficient water supply to the municipality of Catarman.
- Expanded services to needed Barangays in the municipality of Catarman.

Mission

The Catarman Water District is committed to provide safe, potable, adequate and affordable water to concessionaires; be a model organization that protects and conserve human and natural resources; and is committed to continuously improve and develop over workforce in the highest degree of professionalism, productivity service and enhance the technical capability of the workers.

Vision

A Water District committed to serve with quality and sufficient water supply needs of the community in the Municipality of Catarman, promoting the interest of its concessionaires with a God-fearing and well-motivated workforce.

Operational Highlights

Comparative Sources and Application of Funds

During the year, the District's level rate in Personal Services increased by 6%. MOOE increased by 7%. Further, Financial Expenses decreased by 48 % due to restructuring of Loans from LWUA and Capital outlay increased by 36%.

Source of Funds	2016	2015	Increase (Decrease)	%
Current Operating Budget	15,838,408.00	14,976,604.00	861,804.00	6%
Application of Funds				
Expenses:				
Personal Services	6,638,788.00	6,200,829.00	437,959.00	7%
MOOE	6,348,052.00	5,036,375.00	1,311,677.00	26%
Financial Expenses	1,500,000.00	2,871,400.00	(1,371,400.00)	(48%)
Capital Outlay	1,351,568.00	868,000.00	483,568.00	36%

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

Catarman Water District has adopted the Philippine Financial Reporting Standards (PFRS). Corollary thereto, it observes the reportorial requirements of regulatory agencies such as the Commercial Practices Systems (CPS), an accounting system prescribed by the Local Water Utilities Administration (LWUA).

With the implementation of the New Government Accounting System (NGAS) under COA Circular No. 2004-002, dated April 29, 2004, the District is required to convert their accounts to NGAS and to revise these chart of account under COA Circular No. 2015-010 dated December 1, 2015 adopting the Revised Chart of Accounts effective January 1, 2016.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. These financial statements have been prepared in the historical cost basis, except for the revaluation of certain financial assets, property, plant and equipment and investment property. The measurement bases are more fully described in the accounting policies that follow.

2.2 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 transactions where accrual basis is impractical or when law requires other methods.

The District adopts the COA Chart of Accounts as provided in COA Circular No. 2015-010 dated December 1, 2015..

2.3 Monetary Denomination Used

These financial statements are presented in Philippine pesos, the District's functional currency, and all values represent absolute amounts except when otherwise indicated.

2.4 Significant accounting policies observed for each account

2.4.1 Cash and Cash Equivalents

Cash includes Cash – Collecting Officer and cash in banks (local currency).

Cash is valued at face value. It includes petty cash fund. Office collections are deposited the following day.

Petty Cash Fund shall be maintained under the Impress System. All replenishments are directly charged to appropriate expense account. The fund shall be sufficient for the non-recurring, emergency, and petty expenses.

2.4.2 Receivables

Accounts Receivable – Customers refers to receivables from customers active and inactive which includes all amounts due arising from services rendered to customers for water sales and incidental services aged over 1 year as per aging of Accounts Receivable.

Periodic evaluation of accounts is conducted to identify those requiring sufficient level of allowance and determine proper level thereof. This account is divided into 7 zone groups to facilitate its reconciliation with the customers' subsidiary ledger accounts.

Allowance for Bad Debts, a contra receivable account, represents amount of accounts receivables which are likely to become uncollectible. It is evaluated every end of the calendar year and is based on the aging of Accounts Receivables - Customers.

Receivables are stated at face value less allowance for uncollectible accounts.

Allowance for probable losses is set up at a level to provide for potential receivables, the collection of which is considered remote.

Periodic evaluation of accounts is conducted to identify those requiring sufficient level of allowance and determine proper level thereof.

The District followed the practice of specific identification in charging bad debts.

2.4.3 Inventories

Inventories are stated at cost which includes purchase price, import duties and taxes, freight, handling and other costs directly attributable to the acquisition of finished goods, materials and services as well as other costs incurred in bringing the inventories to their present location and condition.

Cost of ending inventory of supplies and materials is computed using the moving average method. A physical count is undertaken at least once a year.

Inventories include assets held for transfer and 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, plant materials and operating supplies, electrical supplies, spare parts, and other supplies inventory. (COA Resolution No. 2006-006 dated 31 January 2006).

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

2.4.4 Other Assets - Prepayments

Prepayments are measured at cost.

2.4.5 Property, Plant and Equipment

Property, Plant and Equipment consist of land, buildings and facilities and equipment.

Land is stated at cost less any impairment in value.

Except for land, the District's property and equipment are stated at cost less accumulated depreciation and amortization and impairment in value, if any.

Initial Recognition

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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.

In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its original assessed standard of performance, the expenditures are capitalized as an additional cost of property, plant and equipment.

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

In the computation of depreciation for property, plant and equipment (PPE), follow the provisions in COA Circular No. 2003-007 dated December 11, 2003.

The straight line method of computing depreciation for government property, plant and equipment (PPE) was adopted.

A residual value equivalent to ten percent (10%) of the acquisition cost/appraisal value was deducted before dividing the same by the Estimated Useful Life.

The estimated useful life is based on the LWUA's Commercial Practices Manual.

Adjustments arising from the revision of the assets' useful life were charged to the current and subsequent year's depreciation expenses of the particular assets. (COA Circular No. 2004-005 dated August 9, 2004.)

Assets declared by proper authorities as obsolete and unserviceable, including assets of the agency no longer used, shall be reclassified to "Other Assets" account from the corresponding inventory and property, plant and equipment accounts. These items are not subject to depreciation.

2.4.6 Liabilities

Current liabilities are present obligations of the District arising from past event, the settlement of which is expected to result in an outflow from the District of resources embodying economic benefits. It includes payable accounts, inter-agency payables and

other liability accounts. Other Payables Account includes Current Portion of Long Term Debt.

Long Term Liabilities pertains to the loan of the District that is not due within one year from the date of the balance sheet.

2.4.7 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

The District has adopted the accrual basis of accounting in recording the income except where it is impractical or when other methods are required by law.

Bills are rendered on a monthly cycle based on the meters read. Water Sales are recorded on the cut-off date with no accruals made for bills delivered after the end of the month. Fines and Penalties are recognized as income of the year as these were collected.

2.4.8 Expenses

The District adopts the modified accrual basis of accounting for income and expense recognition in accordance with Paragraph 2.1 (d) of COA Resolution No. 2006-006 dated January 31, 2006. Under this method, all expenses shall be recognized when incurred and reported in the financial statements in the period to which they relate.

2.4.9 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 an adjusting event is disclosed in the notes to financial statements, when material.

2.4.10 Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

2.4.11 Employee benefits

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

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

The District recognizes expenses for accumulating compensated absences when these are paid (commuted or paid as terminal leave benefits). Non-accumulating compensated absences, like special leave privileges, are not recognized.

2.4.12 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.

2.4.13 Correction of Errors

Fundamental errors of prior years are adjusted to the Prior Period Adjustment Account. Errors affecting current year's operations are charged to the current year's accounts.

Some accounts were reclassified to conform with the new Chart of Accounts prescribed under the applicable Chart of 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 Agency'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.

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 Agency's financial statements.

A) Allowance for probable losses of Accounts Receivable

The District assesses whether objective evidence of impairment exist for receivables and due from related parties that are individually significant and collectively for receivables that are not individually significant. Allowance for probable losses is maintained at a level considered adequate to provide for potentially uncollectible receivables.

B) Impairment of Inventory

The District recognizes impairment on inventories whenever net realizable value of inventories become lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. No impairment of inventory is recognized this period.

C) 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 and COA guidelines.

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

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.

5. Cash and Cash Equivalentents

This account consists of the following:

	2016	2015
Cash on Hand	30,685.43	5,233.76
Cash in Bank - Local Currency	820,247.52	529,680.37
Total	850,932.95	534,914.13

5.1 Cash on Hand

This account can be broken down as follows:

	2016	2015
Petty Cash Fund	5,000.00	5,000.00
Total	30,685.43	5,233.76

All collections made for the day are deposited to the assigned bank accounts in the following working day. All deposits made are intact.

5.2 Cash in Bank – Local Currency

This account can be broken down as follows:

	2016	2015
Cash in Bank - Local Currency, Current Account	703,850.32	393,283.17
Cash in Bank - Local Currency, Savings Account	116,397.20	136,397.20
Total	820,247.52	529,680.37

- a. Current accounts represent operating fund of the district.
- b. Savings Account represents the 3% debt service based on total gross collections, opened at the Land Bank of the Philippines, Catarman Branch, in compliance with LWUA requirements in the granting of loans to water Districts.

6. Receivables

This account consists of the following:

	2016	2015
Receivable Accounts	2,758,499.44	2,669,195.41
Other Receivables	91,377.50	91,377.50
Total	2,849,876.94	2,760,572.91

6.1. Receivable Accounts

	2016	2015
Accounts Receivable – Customers	3,430,910.69	3,341,606.66
Allowance for Impairment/ Doubtful Accounts	672,411.25	672,411.25
Total	2,758,499.44	2,669,195.41

Accounts Receivable – Customers refers to receivables from customers . This account is divided into 7 zone groups to facilitate its reconciliation with the customers' subsidiary ledger accounts.

Aging of Accounts Receivable

Classification	Current	Past due (more than 1 year but less than 2 years)	Past due (more than 2 years)
Active	1,830,738.12		
Inactive (Disconnected)	8,558.87	42,342.71	1,549,270.99
Total	1,839,296.99	42,342.71	1,549,270.99

6.4 Other Receivables

This account can be broken down as follows:

	2016	2015
Receivables - Disallowances/Charges	11,657.60	11,657.60
Other Receivables	79,719.90	79,719.90
Total	91,377.50	91,377.50

7. Inventories

This account consists of the following:

	2016	2015
Materials	421,723.46	401,376.60
Office Supplies		10,000.00
Total	421,723.46	411,376.60

1. Materials include the cost of meters, service connection materials and pipes and fittings on hand.

2. Office supplies represents accountable forms on hand.

8. Other Assets

This account can be broken down as follows:

	2016	2015
Advances to Officers & Employees	0.00	8,315.00
Prepaid Rent	24,000.00	24,000.00
Total	0.00	32,315.00

Prepaid rent as advance payment for rental of CWD office building.

9. Property, Plant and Equipment

	2015	Additions	Adjustments	Transfers / capitalization	2016
Cost					
Land	95,999.76				95,999.76
Infrastructure Assets	23,690,534.49	401,874.78			24,092,409.27
Buildings and Other Structures	434,044.98				434,044.98
Machinery and Equipment	8,833,602.82	312,077.60			9,145,680.42
Transportation Equipment	499,940.00				499,940.00
Furniture, Fixtures and Books	237,529.45				237,529.45
Total	33,791,651.50	713,952.38			34,505,603.88
Accumulated Depreciation	13,465,054.45	1,053,800.04			14,518,854.49
	20,326,597.05	(339,847.76)			19,986,749.29

Property, Plant and Equipment consists of land and land improvements, buildings and facilities and equipment. Except for land, the District's property, plant and equipment are stated at cost less accumulated depreciation and amortization and impairment in value, if any. Land is stated at cost less any impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the assets have been put into operation such as repairs and maintenance have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its original assessed standard of performance, the expenditures are capitalized as an additional cost of the property, plant and equipment. When assets are sold and retired, their cost and accumulated depreciation and amortization are eliminated from accounts and any gain or loss resulting from their disposal is included in the statement of income and expenses.

The District depreciates the property, plant and equipment using the straight line depreciation. A residual equivalent to ten percent (10%) of the acquisition cost/appraisal value shall be deducted before dividing the same by the estimated useful life.

The estimated useful life is based on the LWUA's Commercial Practices Manual. 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.

9.1 Land

This account can be broken down as follows:

	2015	Additions	Adjustments	Transfers / capitalization	2016
Cost					
Land	95,999.76		0.00	0.00	95,999.76
Total	95,999.76		0.00	0.00	95,999.76

9.2 Infrastructure Assets

Cost	2015	Additions	Adjustments	Transfers / capitalization	2016
Plant - Utility Plant In Service (UPIS)	274,522.00				274,522.00
Collecting and Impounding Reservoirs	1,170,027.34	222,974.78			1,393,002.12
Supply Mains	20,647,698.32				20,647,698.32
Transmission and Distribution Mains	1,179,432.63				1,179,432.63
Materials for Service Connection	418,854.20	178,900.00			597,754.20
Meters	23,690,534.49	401,874.78			24,092,409.27
Accumulated Depreciation					
Collecting and Impounding Reservoirs	274,521.60				274,521.60
Supply Mains	776,749.36	45,595.20			822,344.56
Transmission and Distribution Mains	4,232,777.14	732,571.23			4,965,348.37
Services	671,935.43	2,219.56			674,154.99
Meters	418,854.20				418,854.20
Total	6,374,837.73	780,385.99			7,155,223.72
Net Book Value	17,315,696.76	(378,511.21)			16,937,185.55

Utility Plant and Service includes properties of relatively permanent character that are used in normal utility operations.

Collecting and Impounding Reservoirs include the cost of structures and improvements for impounding, collecting and storing water.

Supply Mains include the installed cost of supply mains, pipes, aqueducts, canals and other accessories.

Transmission and Distribution Mains include the cost of transmission and distribution mains and appurtenances.

Service connection includes the installed cost of service pipes and accessories leading to customers' premises.

Meters include the cost of meters installed to customers.

9.3 Buildings and Other Structures

This account can be broken down as follows:

	2015	Additions	Adjustments	Transfers / capitalization	2016
Cost					
Water Plant, Structure and Improvements	434,044.98			0.00	434,044.98
Accumulated Depreciation- Water Plant, Structure and Improvements		5,022.36			412,017.69
Net Book Value	27,049.65	(5,022.36)		0.00	22,027.29

Buildings are permanent or temporary structure owned by the District to be used for more than one year. These consist of buildings and other structures at Pumping Stations situated at Bgy. Macagtas and Brgy. Libjo.

9.4 Machineries and Equipment

This account can be broken down as follows:

	2015	Additions	Adjustments	Transfers / capitalization	2016
Cost					
Office Equipment	284,065.00				284,065.00
Information and Communication Technology Equipment	372,118.79	14,479.60			386,598.39
Communication Equipment	49,460.00				49,460.00
Electrical Equipment	7,922,593.23	271,698.00			8,194,291.23
Other Machineries and Equipment	205,365.80	25,900.00			231,265.80
Total	8,833,602.82	312,077.60			9,145,680.42
Accumulated Depreciation					
Office Equipment	64,060.00				64,060.00
Information and Communication Technology Equipment	316,482.45	11,371.66			327,854.11
Communication Equipment	49,460.00				49,460.00
Electrical Equipment	5,732,556.40	238,992.53			5,971,548.93
Other machinery and Equipment	184,062.53	1,844.75			185,907.28
Total	6,346,621.38	252,208.94			6,598,830.32
Net Book Value	2,486,981.44	59,868.66			2,546,850.10

Office Equipment include the cost of typewriters, calculators & laboratory equipment used in the water district's operations.

Communications Equipment includes the cost of hand set radio and cellphone used in Water District's operations.

Electrical Equipment includes pump and motor installed at pumping stations including chlorinator at pumping plant.

Other Machineries and Equipment include the cost of tools, implements and equipment used in the construction, repair work, general shops, and garages not included in the other accounts such as concrete cutter, chain block and other similar equipment.

9.5 Transportation Equipment

This account can be broken down as follows:

	2015	Additions	Adjustments	Transfers / capitalization	2016
Cost					
Motor Vehicles	499,940.00				499,940.00
Accumulated Depreciation Motor Vehicles	124,607.92	7,207.92			131,815.84
Net Book Value	375,332.08	(7,207.92)			368,124.16

Transportation Equipment includes the cost of transportation vehicles.

9.6 Furniture and Fixtures

This account can be broken down as follows:

	2015	Additions	Adjustments	Transfers / capitalization	2016
Cost					
Furniture and Fixtures	237,529.45				237,529.45
Accumulated Depreciation	211,891.90	9,075.02			220,966.92
Net Book Value	25,637.55	(9,075.02)			16,562.53

Furniture and fixtures used in the operation at the district's office.

10. Intangible Assets

This account can be broken down as follows:

	2015	Additions	Adjustments	Transfers / capitalization	2016
Cost					
Computer Software	90,000.00	0.00			90,000.00
Accumulated Depreciation Computer Software	34,200.00	16,200.00			50,400.00
Net Book Value	55,800.00	(16,200.00)			39,600.00

This represents the installed software for preparation of monthly notice of billing and collection reflecting in its customer ledger's accounts.

11. Current Liabilities

This account consists of the following:

	2016	2015
Payable Accounts	105,600.00	43,300.00
Interest Payable	1,675,166.32	1,520,387.49
Other Financial Liabilities	2,572,849.70	964,493.00
Total	4,353,616.02	2,528,180.49

Accounts payable includes payable to suppliers.

Interest Payable on loans from LWUA which were in arrears but been restructured at the current year.

Other Financial Liabilities includes Current Portion on Long Term Debts-LWUA.

¹² ~~13.2~~ Inter - Agency Payables

This account can be broken down as follows:

	2016	2015
Due to BIR	80,778.81	6,479.78
Due to GSIS	200.00	15,866.42
Due to PAG-IBIG		2,663.98
Total	80,978.81	25,010.18

This payables represents Personal and Government share for remittance at the next succeeding month.

13. Other Payables

This account can be broken down as follows:

	2016	2015
Other Payables	35,048.03	35,048.03

Other payables include security deposit of bidders/suppliers of KFW project year 2006 and unrecognized deposits at PNB account.

14. Long-Term Liabilities

This account consists of the following:

	2016	2015
Loans Payable – Domestic		

Details of Loans Payable are as follows:

Date	Grantor	Loan Account (LA) Number	Rate	Terms	Amount Granted	2016	2015
July 1996 to June 2022	Local Water Utilities Administration	3-484 RL	8.2%	25 yrs	1,176,000.00	627,487.54	655,536.26
July 2002 to June 2022	Local Water Utilities Administration	3-484 SL	8.2%	20 yrs	950,384.17	534,881.12	559,574.06
June, 1998 to May, 2024	Local Water Utilities Administration	3-723	8.2%	25 yrs	1,927,138.63	1,241,493.87	1,282,142.43
Sept 2008 to Aug. 2023	Local Water Utilities Administration	4-2221B RL	8.2%	15 yrs	1,969,000.00	1,523,086.00	1,570,201.00
Sept 2008 to Sept 2027	Local Water Utilities Administration	4-2221 RL	8.2%	20 yrs.	12,034,734.50	11,040,328.83	11,255,803.91
Total						14,967,277.36	15,293,257.66
Less:	Current Portion on Long Term Debts					2,572,849.70	964,493.00
Total						12,394,427.66	14,328,764.66

15. Government Equity

This account consists of the following:

	2016	2015
Government Equity	7,204,572.33	8,531,919.53
Balance at the beginning of period		
Additions/deductions	(410,003.42)	(1,415,511.56)
Net Income (loss for the period)	514,243.31	88,164.36
Balance at end of the period	7,308,812.22	7,204,572.33

Income

This account consists of the following:

	2016	2015
Service and Business Income	14,746,145.95	13,651,750.88
Other Non-Operating Income	523.64	1,401.37
Total	14,746,669.59	13,653,152.25

16. Service and Business Income

This account consists of the following:

	2016	2015
Waterworks System Fees	13,744,162.50	12,763,238.44
Interest Income	2,072.09	946.29
Fines & Penalties –Business Income	663,071.36	649,312.15
Other Business & Service Income	336,840.00	238,254.00
Total	14,746,145.95	13,651,750.88

16.1 Waterworks System Fees

This account can be broken down as follows:

	2016	2015
Metered Sales to General Customers	13,747,896.89	12,764,644.06
Unmetered Sales to General Customers	4,948.90	6,892.98
Less: Sales Discounts	(8,683.29)	(8,298.60)
Total	13,744,162.50	12,763,238.44

17. Other Non-Operating Income

This account can be broken down as follows:

	2016	2015
Miscellaneous Income	523.64	1,401.37

Expenses

18. Personnel Services

This account consists of the following:

	2016	2015
Salaries and Wages	4,279,245.45	4,181,898.25
Other Compensation	1,314,856.00	1,331,706.00
Personnel Benefits Contributions	538,728.32	534,028.32
Other Personnel Benefits	411,917.76	253,308.63
Total	6,544,747.53	6,300,941.20

18.1 Salaries and Wages

This account can be broken down as follows:

	2016	2015
Salaries and Wages – Regular	3,303,552.00	3,253,548.00
Salaries and Wages - Casual	559,584.00	536,688.00
Salaries and Wages – Emergency	416,109.45	391,662.25
Total	4,279,245.45	4,181,898.25

Salaries and wages represents the employee's earnings at a particular period. This is the gross amount before deduction of taxes and other statutory and contractual obligations.

18.2 Other Compensation

This account can be broken down as follows:

	2016	2015
Personnel Economic Relief Allowance (PERA)	336,000.00	360,000.00
Representation Allowance (RA)	60,000.00	87,500.00
Transportation Allowance (TA)	60,000.00	87,500.00
Clothing/Uniform Allowance	70,000.00	75,000.00
Year End Bonus	713,856.00	390,853.00
Other Bonuses and Allowances	75,000.00	330,853.00
Total	1,314,856.00	1,331,706.00

Other compensation includes PEI, Loyalty Pay other bonuses granted to employees during a particular period.

18.3 Personnel Benefits Contributions

This account can be broken down as follows:

	2016	2015
Retirement and Life Insurance Premiums	463,578.32	454,828.32
PAG-IBIG Contributions	16,800.00	18,000.00
PHILHEALTH Contributions	41,550.00	43,200.00
ECC Contributions	16,800.00	18,000.00
Total	538,728.32	534,028.32

Personnel Benefits Contributions are statutory and contractual obligations. This represents the government/employer counterpart.

18.4 Other Personnel Benefits

This account can be broken down as follows:

	2016	2015
Terminal Leave Benefits	411,917.76	253,308.63

Terminal Leave benefits include monetization of leave credits.

19. Maintenance and Other Operating Expenses

This account consists of the following:

	2016	2015
Traveling Expenses-Local	223,416.56	132,204.53
Training and Scholarship Expenses	71,684.00	25,700.00
Supplies and Materials Expenses	455,468.45	300,137.79
Utility Expenses	3,718,592.46	3,643,752.80
Communication Expenses	39,180.76	46,290.13
Auditing Services	78,481.30	
Repairs and Maintenance	110,196.35	68,708.60
Taxes, Insurance Premiums and Other Fees	289,254.33	255,934.80
Other Maintenance and Operating Expenses	495,654.50	512,771.00
Total	5,481,928.71	4,985,499.65

19.1 Traveling Expenses

This account can be broken down as follows:

	2016	2015
Traveling Expenses – Local	223,416.56	132,204.53

19.2 Training and Scholarship Expenses

This account can be broken down as follows:

	2016	2015
Training Expenses	71,684.00	25,700.00

Training expenses include personnel attending training programs and/or seminar.

19.3 Supplies and Materials Expenses

This account can be broken down as follows:

	2016	2015
Office Supplies Expenses	82,763.60	88,119.79
Fuel, Oil & Lubricants Expenses	3,430.10	14,858.00
Water Treatment Operations Expense	369,274.75	197,160.00
Total	455,468.45	300,137.79

This includes expenses incurred for office supplies, chlorine, chemical and bacteriological tests and those supplies used by transportation and other equipment of the District.

19.4 Utility Expenses

This account can be broken down as follows:

	2016	2015
Electricity Expenses	3,718,592.46	3,643,752.80

This includes expenses incurred related to water and electricity consumption of the District's offices and facilities.

19.5 Communication Expenses

This account can be broken down as follows:

	2016	2015
Postage and Deliveries	8,037.00	10,113.84
Internet Subscription Expenses	21,835.76	31,743.29
Cable, Satellite, Telegraph, and Radio Expenses	9,308.00	4,433.00
Total	39,180.76	46,290.13

This includes expenses incurred related to delivery of documents/letters to customers, other offices and agencies, telephone - landline connections, telephone - mobile connections, internet communication/connections and for cable connections and radio licensing.

19.6 Professional Services

This account can be broken down as follows:

	2016	2015
Auditing Services	78,481.30	0.00

This includes conduct of audit activities by the Commission on Audit (COA).

19.7 Repairs and Maintenance – Plant (UPIS)

This account can be broken down as follows:

	2016	2015
Repairs & Maintenance of Supply Mains	77,832.15	8,745.85
Repairs and Maintenance of Buildings & Structures	8,118.20	13,446.75
Repairs & Maintenance of Machinery & Equipment	17,316.00	15,309.00
Repairs & Maintenance – Transportation Equipment	6,080.00	31,207.00
Repairs & Maintenance – Other Equipment	850.00	
Total	110,196.35	68,708.60

19.8 Taxes, Insurance Premiums and Other Fees

This account can be broken down as follows

	2016	2015
Taxes, Duties and Licenses	276,985.40	242,670.68
Fidelity Bond Premiums	6,250.00	6,750.00
Insurance Expenses	6,018.93	6,514.12
Total	289,254.33	255,934.80

This includes expenses incurred in the payment of taxes like franchise, bond of officials and employees and payment of insurance vehicle used in the operation.

19.9 Other Maintenance and Operating Expenses

This account can be broken down as follows:

	2016	2015
Representation Expenses	89,303.33	76,656.00
Rent/Lease Expenses	205,228.50	202,698.00
Membership , Dues and Contributions to Organization	1,879.00	0.00
Directors and Committee Members Fees	197,044.00	213,008.00
Other Maintenance and Operating Expenses	2,200.00	20,409.00
Total	495,654.50	512,771.00

20. Financial Expenses

This account can be broken down as follows:

	2016	2015
Interest Expenses	1,135,752.00	1,208,547.00

This interest incurred on Current Portion on Long Term Debts.

21. Non-Cash Expenses

This account can be broken down as follows:

	2016	2015
Depreciation –Plant	780,385.99	780,385.99
	4,922.16	
Depreciation – Buildings and Structures		4,922.16
Depreciation – Machinery & Equipment	254,508.74	254,508.74
Depreciation - Transportation Equipment	7,207.92	2,012,055.04
Depreciation - Furniture, Fixtures & Books	6,775.23	0.00
Depreciation- Computer Software	16,200	16,200
Total	1,070,000.04	1,070,000.04