



Republic of the Philippines
CATARMAN WATER DISTRICT

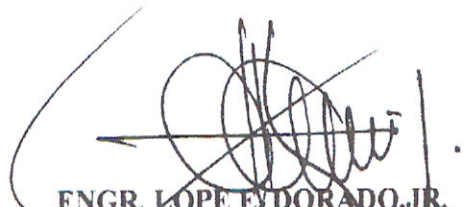
Catarman N. Samar
Tel. No. (055) 500-93-21
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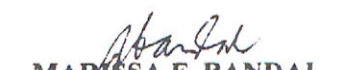
**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

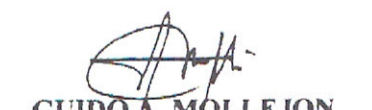
The Management of the Catarman Water District is responsible for the preparation of the financial statements as at December 31, 2017, including the additional components attached thereto in accordance with the prescribed financial reporting framework indicated therein. The responsibility includes designing 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 Catarman 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.


ENGR. LOPE E. DORADO, JR.
Chairman of the Board
Jan. 31, 2018
Date Signed


MARISSA F. BANDAL
Accountant
Jan. 31, 2018
Date Signed


GUIDO A. MOLLEJON
General Manager
01-31-2018
Date Signed



Republic of the Philippines
CATARMAN WATER DISTRICT
Cataraman N. Samar

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT December 31, 2017

	NOTE	2017	2016
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	367,105.87	850,932.95
Receivables	6	4,077,394.52	2,849,876.94
Inventories	7	664,489.23	421,723.46
Other Current Assets	8	57,525.00	24,000.00
Total Current Assets		<u>5,166,514.62</u>	<u>4,146,533.35</u>
Non-Current Assets			
Property Plant and Equipment	9	18,822,488.63	19,986,749.39
Intangible Assets	10	32,100.00	39,600.00
Total Assets		<u>24,021,103.25</u>	<u>24,172,882.74</u>
LIABILITIES			
Current Liabilities			
Financial Liabilities	11	3,991,192.43	4,353,616.02
Inter Agency Payables	12	221,929.34	80,978.81
Other Payables	13		35,048.03
Total Current Liabilities		<u>4,213,121.77</u>	<u>4,469,642.86</u>
Non-Current Liabilities			
Financial Liabilities	14	11,302,031.66	12,394,427.66
Total Liabilities		<u>15,515,153.43</u>	<u>16,864,070.52</u>
EQUITY			
Government Equity	15	2,577,950.89	2,577,950.89
Retained Earnings		5,927,998.93	4,730,861.33
Total Equity		<u>8,505,949.82</u>	<u>7,308,812.22</u>
Total Liabilities and Equity		<u>24,021,103.25</u>	<u>24,172,882.74</u>



Republic of the Philippines
CATARMAN WATER DISTRICT
Cataraman N. Samar

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended December 31 , 2017

	NOTE*	CY 2017	CY 2016
Income			
Service and Business Income	16	15,996,200.43	14,746,145.95
Other Non-Operating Income	17	2,396.00	523.64
Total Income		<u>15,998,596.43</u>	<u>14,746,669.59</u>
Expenses			
Personnel Services	18	7,398,276.93	6,544,745.53
Maintenance and Other Operating Expenses	19	5,464,130.14	5,481,928.71
Financial Expenses	20	1,056,759.00	1,135,752.00
Non-Cash Expenses	21	1,280,169.67	1,070,000.04
Total Expenses		<u>15,199,335.74</u>	<u>14,232,426.28</u>
Comprehensive Income		<u>799,260.69</u>	<u>514,243.31</u>



CATARAMAN WATER DISTRICT
Cataraman N. Samar

COMPARATIVE STATEMENT OF CHANGES IN EQUITY
For the Year Ended December 31, 2017

	Retained Earnings	Contributed Capital	TOTAL
BALANCE AT JANUARY 1, 2016	4,626,621.44	2,577,950.89	7,204,572.33
ADJUSTMENTS			-
Add			-
Other Adjustments			-
RESTATED BALANCE AT JANUARY, 2016	4,626,621.44	2,577,950.89	7,204,572.33
CHANGES IN EQUITY FOR 2016			
Add/(Deduct):			
Comprehensive Income for the Year	514,243.31		514,243.31
Other Adjustments	(410,003.42)		
BALANCE AT DECEMBER 31, 2016	4,730,861.33	2,577,950.89	7,308,812.22
CHANGES IN EQUITY FOR 2017			
Add:			
Comprehensive Income for the year	799,260.69		799,260.69
	397,876.91		397,876.91
BALANCE AT DECEMBER 31, 2017	5,927,998.93	2,577,950.89	8,505,949.82

CATARMAN WATER DISTRICT
CONDENSED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Inflows		
Proceeds from Sale of Goods and Services		-
Collection of Income/Revenue	15,274,865.05	14,664,503.10
Collection of Receivables	9,000.00	-
Other Receipts	36,635.36	35,124.53
Total Cash Inflows	<u>15,320,500.41</u>	<u>14,699,627.63</u>
Adjustments	-	-
Adjusted Cash Inflows	<u>15,320,500.41</u>	<u>14,699,627.63</u>
Cash Outflows		
Payment of Expenses	11,359,358.02	10,901,741.40
Purchase of Inventories	-	507,148.60
Payments of Accounts Payable	102,800.00	43,300.00
Remittance of Personnel Benefit Contributions and Mandatory Deductions	1,547,125.47	1,353,476.81
Total Cash Outflows	<u>13,009,283.49</u>	<u>12,805,666.81</u>
Adjustments	-	-
Adjusted Cash Outflows	<u>13,009,283.49</u>	<u>12,805,666.81</u>
Net Cash Provided by/(Used in) Operating Activities	<u>2,311,216.92</u>	<u>1,893,960.82</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Inflows		
Total Cash Inflows	-	-
Adjustments	-	-
Adjusted Cash Inflows	-	-
Cash Outflows		
Purchase/Construction of Property, Plant and Equipment	242,689.00	181,730.00
Purchase of Intangible Assets	8,700.00	-
Total Cash Outflows	<u>251,389.00</u>	<u>181,730.00</u>
Adjustments	-	-
Adjusted Cash Outflows	<u>251,389.00</u>	<u>181,730.00</u>
Net Cash Provided By/(Used In) Investing Activities	<u>(251,389.00)</u>	<u>(181,730.00)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Inflows		
Total Cash Inflows	-	-
Adjustments	-	-
Adjusted Cash Inflows	-	-
Cash Outflows		
Payment of Long-Term Liabilities	1,092,396.00	611,962.38
Payment of Interest on Loans and Other Financial Charges	1,451,259.00	784,249.62
Total Cash Outflows	<u>2,543,655.00</u>	<u>1,396,212.00</u>
Adjustments	-	-
Adjusted Cash Outflows	<u>2,543,655.00</u>	<u>1,396,212.00</u>
Net Cash Provided By/(Used In) Financing Activities	<u>(2,543,655.00)</u>	<u>(1,396,212.00)</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(483,827.08)</u>	<u>316,018.82</u>
Effects of Exchange Rate Changes on Cash and Cash Equivalents	-	-
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>850,932.95</u>	<u>534,914.13</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>367,105.87</u>	<u>850,932.95</u>

**CATARMAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017**

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 system serves twenty seven (27) barangays of the Municipality of Catarman. It serves about 2,933 concessionaires as of December 31, 2017.

The Catarman Water District (CWD) is categorized as Category D composed of ten (10) permanent employees, four (4) casuals and four (2) 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:

1. To improve the Catarman Water System by providing a good water quality delivered to its concessionaires
2. To deliver sufficient water supply to the municipality of Catarman.
3. To expand 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 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 increase by 9.74% and MOOE increase by 5.26%. Further, financial expenses increased by 82.18% due to payment of loans from LWUA and capital outlay decreased by 69.79%.

Source of Funds	2017	2016	Increase/ (Decrease)	Percent
Current Operating Budget	17,972,885.00	15,838,408.00	2,134,477.00	13.48%
Application of Funds				
Personal Services	7,398,277.00	6,741,790.00	656,487.00	9.74%
MOOE	5,464,130.00	5,190,914.00	273,216.00	5.26%
Financial Expenses	2,543,655.00	1,396,212.00	1,147,443.00	82.18%
Capital Outlay	251,389.00	832,174.00	(580,785.00)	(69.79%)

2. Summary of Significant Accounting Policies

The significant accounting policies that have been used in the preparation of these financial statement 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 System (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 assets, 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 basis 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 related 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 amount except when otherwise indicated.

2.4 Significant accounting policies observed for each accounts

2.4.1 Cash and Cash Equivalents

Cash includes Cash-Collecting Officer, Petty Cash, and Cash in Banks (Local Currency) Cash is valued at face value. Office collections is deposited the following day. Petty Cash shall be maintained under the Imprest System. All replenishments of Petty Cash are directly charged to appropriate expense accounts. The fund shall be sufficient for the non-recurring, emergency, and petty expenses.

2.4.2 Receivables

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

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 reconciliation with the customers subsidiary ledger accounts.

Allowance for impairment-Account Receivables, a contra account, represents amount of 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. Receivables are stated at face value less allowance for impairment.

2.4.3 Inventories

Purchase of supplies and materials for stock, regardless of whether or not consumed within the accounting period shall be recorded following the perpetual inventory method. Inventories are stated at cost. Inventories consist of items held for transfer and for consumption in the normal course of operations of the district. These are grouped into

office supplies, plant materials and operating supplies, electrical supplies, spare parts, and other supplies inventory items (COA Resolution No. 2006-006 dated January 31, 2006). The cost of the ending inventory is computed using the moving average method. A physical count of inventory is undertaken at least once a year.

2.4.4 Prepayments

Prepayments are measured at cost.

2.4.5 Property, Plant and Equipment

Property, Plant and Equipment consist of land buildings and other structures, machinery 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 impairment losses, if any.

Initial Recognition

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

Subsequent Recognition

Expenditures incurred after the assets have been put to 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 situation 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 addition cost of property, plant and equipment.

Derecognition

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

The straight line method of computing depreciation of 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.

Assets determined by the appraisal committee to be obsolete and unserviceable including asset no longer used shall be reclassified to "Other Assets" account from the corresponding PPE account. These are no longer subject to depreciation.

2.4.6 Liabilities

Current liabilities are present obligation of the District arising from past event, the settlement of which is expected to result of an outflow of the District resources embodying economic benefit. It includes payables accounts, inter-agency payables and other liability accounts. Other payables account includes Current Portion of Long-Term Debt.

2.4.7 Revenue

Revenue is recognized only when it is probable that the economic benefit 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 uncollectible 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 and regulation.

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 after the end of the month. Fines and penalties are recognized as income of the year it 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 Employees 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 it surplus or deficit.

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 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 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 Impairment of Accounts Receivables

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

B) Impairment of Inventory

The District recognizes impairment 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 recognize thus period.

C) Estimated Useful lives of Property, Plant 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 its 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 Equivalent

This account consist of the following:

Particulars	2017	2016
Cash on Hand	26,150.31	30,685.43
Cash in Bank-Local Currency	340,955.56	820,247.52
Total	367,105.87	850,932.95

5.1 Cash on Hand

This account is broken down as follows:

Particulars	2017	2016
Cash - Collecting Officer	26,150.31	25,685.43
Petty Cash	0.00	5,000.00
Total	26,150.31	30,685.43

All collections for the day are deposited intact to the bank depository accounts in the following working day.

5.2 Cash in Bank-Local Currency

This account is broken down as follows:

Particulars	2017	2016
Cash in Bank-Local Currency Current Account	223,847.53	703,850.32
Cash in Bank-Local Currency Savings Account	117,108.03	116,397.20
Total	340,955.56	820,247.52

- a. Current Account represent operating fund of the district.
- b. Savings Account represent the 3% debt service based on total gross collections maintained with 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 consist of the following:

Particulars	2017	2016
Account Receivable	3,930,240.69	2,758,195.41
Other Receivables	147,153.83	91,377.50
Total	4,077,394.52	2,760,572.91

6.1 Accounts Receivable

This account consist of the following

Particulars	2017	2016
Account Receivable	4,065,840.33	3,430,910.69
Allowance for Impairment-Accounts Receivables	(135,599.64)	(672,411.25)
Total	3,930,240.69	2,758,499.44

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

Aging of Accounts Receivable

Classification	Current	Past Due (less than 1 year)	Past due (more than 1 year)
Active	1,520,449.19	1,520,449.19	
Inactive	2,545,391.14	350,212.00	2,195,179.14
Total	4,065,840.33	1,870,661.19	2,195,179.14

6.2 Other Receivables

This account is broken down as follows:

Particulars	2017	2016
Receivables-Disallowances/Charges	101,000.00	11,657.60
Other Receivables	46,153.83	79,719.90
Total	147,153.83	91,377.50

7. Inventories

This account consist of the following:

Particulars	2017	2016
Accountable Forms Inventory	10,000.00	
Other Supplies & Materials Inventory	435,047.68	421,723.46
Semi-Expendable-IT Equipment	121,294.55	
Semi-Expendable-Other Machinery Equipt.	5,800.00	
Semi-Expendable-Furniture, Fixtures & Books	92,347.00	
Total	664,489.23	421,723.46

- Other supplies & Materials Inventory includes the cost of meters, service connection materials and pipes and fittings on hand.
- Semi-expendable materials and supplies represents cost of equipment P15,000 below classified in Property, Plant and Equipment as IT Equipment, Other Machinery Equipment and Furniture, Fixtures and Books.
- Accountable forms inventory represents accountable forms on hand.

8. Other Current Assets

This account is broken down as follows:

Particulars	2017	2016
Advances to Officers & Employees	33,525.00	0.00
Prepaid Rent	24,000.00	24,000.00
Total	57,525.00	24,000.00

- Advances to Officers & Employees represents unliquidated cash advance for travel.
- Prepaid rent represent as advance payment for rental of CWD office building.

9. Property, Plant and Equipment

Cost	2017	Additions	2016
Land	120,999.76	25,000.00	95,999.76
Infrastructure Assets	24,147,725.05	55,315.78	24,092,409.27

Cost	2017	Additions	2016
Buildings & Other Structures	340,460.48	(93,584.50)	434,044.98
Electrical Equipment	5,220,963.90	(3,924,716.52)	9,145,680.42
Transportation Equipment	421,040.00	(78,900.00)	499,940.00
Furniture, Fixtures & Books	31,699.25	(205,830.20)	237,529.45
Total	30,282,888.44	(4,222,715.44)	34,505,603.88
Less: Total Accumulated Depreciation	(11,460,399.81)	3,058,454.68	(14,518,854.49)
Total	18,822,488.63	1,164,260.76	19,986,749.39

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

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

The district depreciates the property, plant and equipment using the straight line method of depreciation. A residual value 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.

9.1 Land

Cost	2017	Additions	2016
Land	120,999.76	25,000.00	95,999.76
Total	120,999.76	25,000.00	95,999.76

Land includes an adjustment of P25,000.00 erroneously recorded in the UPIS accounts which was acquired thru loan fund under KFW project in 2007.

9.2 Infrastructure Assets

Cost	2017	Additions	2016
Water Supply Systems	24,147,725.05	55,315.78	24,092,409.27
Accumulated Depreciation	7,126,347.63	(28,876.09)	7,155,223.72
Net Book Value	17,021,377.42	84,191.87	16,937,185.55

Infrastructure assets represents water supply systems , properties of relatively permanent in character that are used in normal utility operations such as collecting and impounding reservoirs, transmission and distribution mains. Also includes supply mains such as cost of materials installed and water meters in every service connection.

9.3 Buildings and Other Structures

This account is broken down as follows.

Cost	2017	Additions	2016
Water Plant, Structure & Improvements	340,460.48	(93,584.50)	434,044.98
Accumulated Depreciation	306,460.48	(105,557.21)	412,017.69
Net Book Value	34,000.00	11,972.71	22,027.29

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

9.4 Machineries and Equipment

This account is broken down as follows:

Particulars	2017	Additions	2016
- Office Equipment	238,000.00	(46,065.00)	284,065.00
- Information & Communication Technology Equipment	126,929.00	(259,669.39)	386,598.39
- Communication Equipment	0.00	(49,460.00)	49,460.00
- Electrical Equipment	4,739,479.90	(3,454,811.33)	8,194,291.23
- Other Machinery & Equipment	116,555.00	(114,710.80)	231,265.80
Total	5,220,963.90	(3,924,716.52)	9,145,680.42
Accumulated Depreciation			
- Office Equipment	214,200.00	150,140.00	64,060.00
- Information & Communication Technology Equipment	80,015.20	(247,638.91)	327,854.11
- Communication Equipment	0.00	(49,460.00)	49,460.00
- Electrical Equipment	3,227,751.25	(2,743,797.68)	5,971,548.93
- Other Machinery & Equipment	94,556.00	(91,351.28)	185,907.28
Total	3,616,522.45	(2,982,107.87)	6,598,830.32
Net Book Value	1,604,441.45	(942,608.65)	2,546,850.10

Office Equipment includes the cost of typewriters and laboratory equipment used in the water district operations.

Communication Equipment includes the cost of hand set radios and cellphones used to water district operations.

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

9.5 Transportation Equipment

This account is broken down as follows

Cost	2017	Additions	2016
Motor Vehicles	421,040.00	(78,900.00)	499,940.00
Accumulated Depreciation	382,540.00	250,724.16	131,815.84
Net Book Value	38,500.00	(329,624.16)	368,124.16

Transportation Equipment includes the purchase price or cost of motor vehicles.

9.6 Furniture and Fixtures

This account is broken down as follows

Cost	2017	Additions	2016
Furniture and Fixtures	31,699.25	(205,830.20)	237,529.45
Accumulated Depreciation	28,529.25	(192,437.67)	220,966.92
Net Book Value	3,170.00	(13,392.53)	16,562.53

Furniture and Fixture are used in the operations at the District office.

10. Intangible Assets

This account is broken down as follows

Cost	2017	Additions	2016
Computer Software	98,700.00	8,700.00	90,000.00
Accumulated Impairment Losses	66,600.00	16,200.00	50,400.00
Net Book Value	32,100.00	(7,500.00)	39,600.00

This represents the installed software for the preparation of monthly notice of billings and collections reflecting in the district customer's ledger accounts.

11. Financial Liabilities

This account consist of the following

Particulars	2017	2016
Accounts Payable	0.00	105,000.00
Interest Payable	1,304,787.97	1,675,166.32
Other Financial Liabilities	2,686,404.46	2,572,849.70
Total	3,991,192.43	4,353,616.02

Accounts Payable includes payable to suppliers.

Interest Payable represents interest to be paid on loans granted by LWUA which were in arrears which have been applied for restructuring in the current year.

Other Financial Liabilities includes the Current Portion of the long term debts from LWUA.

12. Inter-Agency Payables

This is broken down as follows.

Particulars	2017	2016
Due to NGA - BIR	60,861.51	80,788.81
Due to GSIS	128,602.97	200.00
Due to GOCC - Pag-ibig	24,364.86	0.00
Due to PhilHealth	8,100.00	0.00
Total	221,929.34	80,978.81

Due to BIR represents tax withheld from suppliers and compensation for the month of December, 2017, GSIS payable represents employer share and employees' share including loans for the month of December, 2017, also with the Pag-ibig Payable and Philhealth for remittance to recipient agencies in the succeeding month of January 2018.

13. Other Payables

This is broken down as follows.

Particulars	2017	2016
Other Payables	0.00	35,048.03

14. Long-Term Liabilities

This account consists of the following:

Loans Payable – Domestic

Details of Loans Payable is as follows:

Date	Grantor	Loan Account (LA) Number	Rate	Terms	Amount Granted	2017	2016
July 1996 to June 2022	Local Water Utilities Administration	3-484 RL	8.2%	25 yrs.	1,176,000.00	550,898.37	627,487.54
July 2002 to June 2022	Local Water Utilities Administration	3-484 SL	8.2%	20 yrs.	950,384.17	467,453.89	534,881.12
June 1998 to May 2024	Local Water Utilities Administration	3-723	8.2%	25 yrs.	1,927,138.63	1,130,248.01	1,241,493.87
Sept. 2008 to Aug. 2023	Local Water Utilities Administration	4-2221B RL	8.2%	15 yrs.	1,969,000.00	1,396,184.00	1,523,086.00
Sept. 2008 to Sept. 2027	Local Water Utilities Administration	4-2221 RL	8.2%	20 yrs.	12,034,734.50	10,443,651.85	11,040,328.83
Total						13,988,436.12	14,967,277.36
Less: Current Portion on Long Term Debts						2,686,404.46	2,572,849.70
Total						11,302,031.66	12,394,427.66

15. Equity

This account consist of the following.

Particulars	2017	2016
Government Equity	2,577,950.89	2,577,950.89
Retained Earnings	5,927,998.93	4,730,861.33
- Balance at the Beginning of the period	4,730,861.33	4,626,621.44
- Additions (Deductions)	1,197,137.60	104,239.89
Government Equity – End of the Period	8,505,949.82	7,308,812.22

INCOME

This account consist of the following

Particulars	2017	2016
Service and Business Income	15,996,200.43	14,746,145.95
Other Non-Operating Income	2,396.00	523.64
Total	15,998,596.43	14,746,669.59

16. Service and Business Income

This account consists of the following:

Particulars	2017	2016
Waterworks System Fees	14,815,481.28	13,744,162.50
Interest Income	1,263.10	2,072.09
Fines & Penalties-Business Income	693,249.66	663,071.36
Other Service & Service Income	486,216.39	336,840.00
Total	15,996,210.43	14,746,145.95

16.1 Waterworks System Fees

This account is broken down as follows:

Particulars	2017	2016
Metered Sales to General Customers	14,825,000.29	13,747,896.89
Unmetered Sales to General Customers	0.00	4,948.90
Less: Sales Discounts	(9,519.01)	(8,683.29)
Total	14,815,481.28	13,744,162.50

17. Other Non-Operating Income

This account is broken down as follows:

Particulars	2017	2016
Miscellaneous Income	2,396.00	523.64
Total	2,396.00	523.64

EXPENSES

18. Personnel Services

This account is broken down as follows:

Particulars	2017	2016
Salaries and Wages	4,746,169.40	4,279,245.45
Other Compensation	1,707,464.75	1,314,856.00
Personnel Benefit Contribution	621,675.98	538,726.32
Other Personnel Benefits	322,966.80	411,917.76
Total	7,398,276.93	6,544,747.53

18.1 Salaries and Wages

This account is broken down as follows:

Particulars	2017	2016
Salaries and Wages-Regular	4,487,851.00	3,303,552.00
Salaries and Wages-Casual		559,584.00
Salaries and Wages-Emergency	258,318.40	416,109.45
	4,746,169.40	4,279,245.45

18.2 Other Compensation

This account is broken down as follows:

Particulars	2017	2016
Personnel Economic Relief Allowance (PERA)	384,000.00	336,000.00
Representation Allowance (RA)	60,000.00	60,000.00
Transportation Allowance (TA)	60,000.00	60,000.00
Clothing/Uniform Allowance	80,000.00	70,000.00
Year-End Bonus	831,315.00	713,856.00
Other Bonuses and Allowances	292,149.75	75,000.00
Total	1,707,464.75	1,314,856.00

Other compensation includes PBB, PEI, loyalty pay and such other benefits granted to employees in a particular period.

18.3 Personnel Benefit Contribution

This account is broken down as follows:

Particulars	2017	2016
Retirement & Life Insurance Premiums	535,938.48	463,576.32
Pag-ibig Contribution	19,200.00	16,800.00
PhilHealth Contribution	47,337.50	41,550.00
ECC Contributions	19,200.00	16,800.00
Total	621,675.98	538,726.32

18.4 Other Personnel Benefits

This account represent as follows:

Particulars	2017	2016
Terminal Leave Benefit	322,966.80	411,917.76

Terminal leave benefits includes monetization of earned leave credits of an employee.

19. Maintenance and Other Operating expenses (MOOE)

This account consists of the following:

Particulars	2017	2016
Travelling Expenses-Local	304,179.90	223,416.56
Training and Scholarship Expenses	157,040.00	71,684.00
Supplies and Materials Expenses	635,757.42	455,468.45
Utility Expenses	3,258,220.57	3,718,592.46
Communication Expenses	48,687.14	39,180.76
Professional Services	0.00	78,481.30
Repairs and Maintenance	109,441.50	110,196.35
Taxes, Ins. Premiums & Other Fees	292,241.17	289,254.33
Other Maintenance & Operating Expenses	658,562.44	495,654.50
Total	5,464,130.14	5,481,928.71

19.1 Travelling Expenses

This account is as follow:

Particulars	2017	2016
Travelling Expenses-Local	304,179.00	223,416.56

Travelling expenses includes per diems, transportation fares and related incidental expenses while on official local travel.

19.2 Training and Scholarship Expenses

This account is as follow:

Particulars	2017	2016
Training and Scholarship Expenses	157,040.00	71,684.00

Training Expenses includes expenses incurred of personnel in attending training programs and or seminars.

19.3 Supplies and Materials Expenses

This account is broken down as follow:

Particulars	2017	2016
Office Supplies Expenses	129,960.85	82,763.60
Fuel, Oil & Lubricants Expenses	169,728.57	3,430.10
Water Treatment Operation Expenses	336,068.00	369,274.75
Total	635,757.42	455,468.45

This includes expenses incurred for office supplies, chlorine, chemical and bacteriological tests and supplies used by transportation and other equipment in connection with operation of the district.

19.4 Utility Expenses

This account is as follow:

Particulars	2017	2016
Electricity Expenses	3,258,220.57	3,718,592.46

This includes expenses incurred for electricity consumption to generate water and the district's office and facilities.

19.5 Communication Expenses

This account is broken as follows:

Particulars	2017	2016
Postage and Deliveries	10,654.00	8,037.00

Particulars	2017	2016
Internet Subscription Expenses	34,265.14	21,835.76
Cable, Satellite, Telegraph and Radio Expenses	3,768.00	9,308.00
Total	49,687.14	39,180.76

This includes expenses incurred related to delivery of documents to customers, other offices and agencies, telephone –landline connections, telephone mobile connections, internet communications/connections and for cable connections.

19.6 Professional Services

This account is as follow:

Particulars	2017	2016
Auditing Services	0.00	78,481.30

19.7 Repairs and Maintenance –Plant (UPIS)

This account is as follow:

Particulars	2017	2016
Repairs & Maintenance-Supply Mains	18,132.75	77,832.15
Repairs & Maintenance-Buildings & Structures	190.00	8,118.20
Repairs & Maintenance-Machinery & Equipment	80,187.75	17,316.00
Repairs & Maintenance-Other Equipment	0.00	850.00
Repairs & Maintenance-Transportation Equipment	10,931.00	6,080.00
Total	109,441.50	110,196.35

19.8 Taxes, Insurance Premiums and Other Fees

This account is broken down as follows:

Particulars	2017	2016
Taxes, Duties and Licenses	288,610.98	276,985.40
Fidelity Bond Premiums	0.00	6,250.00
Insurance Expenses	3,630.19	6,018.93
Total	292,241.17	289,254.33

This includes expenses incurred in the payment of taxes like franchise, bonds of accountable officials and employees and payment of insurance of vehicle used in the operations of the district.

19.9 Other Maintenance and Operating Expenses

This account is broken down as follows:

Particulars	2017	2016
Representation Expenses	125,339.00	89,303.00
Rent/Lease Expenses	212,820.00	205,228.50
Membership, Dues and Contributions to Organization	2,379.00	1,879.00
Directors and Committee Membership Fees	313,024.44	197,044.00
Other Maintenance and Operating Expenses	5,000.00	2,200.00
Total	658,562.44	495,654.50

20. Financial Expenses

This account is as follow:

Particulars	2017	2016
Interest Expense	1,056,759.00	1,135,752.00

Interest Expenses is interest incurred on Current Portion on Long Term Debts.

21. Non-Cash Expenses

This account is broken down as follows:

Particulars	2017	2016
Depreciation -Plant		780,385.99
Depreciation -Buildings & Structures		4,922.16
Depreciation-Electrical Equipment	876,013.65	254,508.74
Depreciation-Office Equipment	33,000.01	
Depreciation-Transportation Equipment	329,624.16	7,207.92
Depreciation-Furniture, Fixtures & Books		6,775.23
Amortization-Software	16,200.00	16,200.00
Impairment Loss-Accounts Receivable	25,331.85	
Total	1,280,169.67	1,070,000.04