



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

ANNUAL AUDIT REPORT

ON THE

KAPATAGAN WATER DISTRICT
Kapatagan, Lanao del Norte

For the Year Ended December 31, 2022



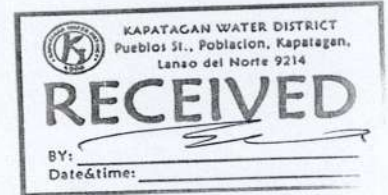
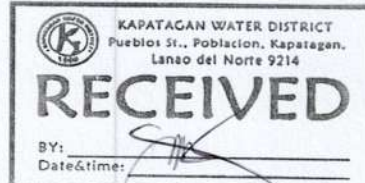
Republic of the Philippines
COMMISSION ON AUDIT
Regional Office No. 10
J.V. Serifa Street, Carmen, Cagayan de Oro City

OFFICE OF THE REGIONAL DIRECTOR

March 17, 2023

Ms. ANGELITA P. ROBLES
Chairperson, Board of Directors

Mr. CLAIR GREBERN U. ELUMIR
General Manager
Kapatagan Water District
Kapatagan, Lanao del Norte



Madam/Sir:

We are pleased to transmit the Annual Audit Report on the audit of **Kapatagan Water District**, Kapatagan, Lanao del Norte as of December 31, 2022, pursuant to Section 2, Article IX-D of the Philippine Constitution and pertinent provisions of Section 43 of the Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines.

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

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

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


A Modified-Qualified Opinion was rendered on the fairness of the presentation of the financial statements of the Kapatagan Water District for the year ended December 31, 2022, as discussed in the Independent Auditor's Report in Part I hereof.

We expressed Modified-Qualified Opinion on the fairness of the presentation of the financial statements of the Kapatagan Water District for the year 2022 due to the existence and accuracy of the Property, Plant and Equipment (PPE) account with net value of P65,131,027.48 as at December 31, 2022 cannot be ascertained due to the inability of the agency to fully implement the guidelines and procedures in the one-time cleansing of PPE account balances contrary to COA Circular No. 2020-006 dated January 31, 2020.

We request that the remedial measures be immediately implemented, and we will appreciate being informed, through our Auditors, of the actions, plan and status of implementation thereon by submitting the duly accomplished Agency Action Plan and Status of Implementation (AAPSI) form to the Audit Team within 60 days from receipt hereof, pursuant to Section 97 of the General Provisions of the General Appropriations Act FY 2022.

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

Very truly yours,


MATHEW REY M. MAGNO
Director III
OIC- Regional Director

Copy furnished:

*The President of the Philippines
Malacañang Palace, Manila*

*The Vice-President of the Philippines
Quezon City Reception House
Barangay Mariana, New Manila, Quezon City*

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

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

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

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

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

*The Chairman
Governance Commission for Government-Owned or Controlled Corporations
Paseo de Roxas Avenue, Makati City*

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

*The Undersecretary (e-copy)
Presidential Management Staff
New Executive Building, J. P. Laurel St., San Miguel, Manila*

*The Director (e-copy)
National Library of the Philippines
T.M. Kalaw, Ermita, Manila*

*The Chief of Office (e-copy)
UP Law Center, UP, Diliman, Quezon City*

File



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

OFFICE OF THE SUPERVISING AUDITOR
R10 - CGAS Water Districts and Other Stand-Alone Agencies

March 16, 2023

MATHEW REY M. MAGNO
Regional Director
COA - Regional Office No. X
Cagayan de Oro City

Sir:

In compliance with Section 2, Article IX-D of the Philippine Constitution and pertinent provisions of Presidential Decree No. 1445 otherwise known as the Government Auditing Code of the Philippines, we audited the accounts and operations of the **Kapatagan Water District**, Kapatagan, Lanao del Norte for the year ended December 31, 2022.

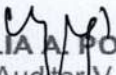
The audit was conducted to: (a) ascertain the fairness of presentation of the Financial Statements; (b) ascertain the propriety of financial transactions and compliance with prescribed rules and regulations; (c) recommend agency improvement opportunities; and (d) determine the extent of implementation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

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

Except for the effects of the matters discussed in Part II of this Report, there is reasonable assurance that the financial statements are free from material misstatement(s) and were prepared in accordance with applicable laws, rules and regulations and in conformity with generally accepted state accounting principles.

Our audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs), and we believe these standards provided reasonable basis for the results of the audit. We rendered a Modified-Qualified Opinion on the fairness of presentation of the financial statements.

Very truly yours,


CECILIA A. PONTILLAS
State Auditor V
Supervising Auditor



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

OFFICE OF THE AUDIT TEAM LEADER

R10 - CGAS Water Districts and Other Stand-Alone Agencies - Team 05

March 16, 2023

Ms. CECILIA A. PONTILLAS

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

Ma'am:

In compliance with Section 2, Article IX-D of the Philippine Constitution and pertinent provisions of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines, we conducted an audit on the accounts and operations of **Kapatagan Water District**, Kapatagan, Lanao del Norte, for the year ended December 31, 2022.

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

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

Except for the effects of the matters discussed in Part II of this Report, there is reasonable assurance that the financial statements are free from material misstatement(s) and were prepared in accordance with applicable laws, rules and regulations and in conformity with generally accepted state accounting principles.

Our audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs), and we believe these standards provided a reasonable basis for the results of the audit. We rendered a modified-qualified opinion on the fairness of presentation of the financial statements.

Very truly yours,

A handwritten signature in black ink, appearing to read "Fatimah Suzzane A. Disamburun".

FATIMAH SUZZANE A. DISAMBURUN
State Auditor III
OIC- Audit Team Leader

EXECUTIVE SUMMARY

A. INTRODUCTION

The Kapatagan Water District (KAPWD) was created under a special law, Presidential Decree 198 as amended by PD Nos. 768 and 1479 better known as the "Provincial Water Utilities Act of 1973." KAPWD was awarded with the Certificate of Conditional Conformance No. 228 by the Local Water Utilities Administration (LWUA) on November 8, 1982.

The KAPWD is presently categorized as "Category C" Water District serving 6,487 total active service connections as of December 31, 2022.

As of December 31, 2022, the governing board is composed of personalities representing the different sectors and organizations within the Municipality of Kapatagan who were appointed by the Local Chief Executive. They exercise corporate powers and determine policies for the operations of the District. They are as follows:

Chairperson:	Angelita P. Robles
Members:	Jocelyn N. Orlanes
	Lito P. Castellano, Sr.
	Manolito Pactol
	Romulo R. Insoy

All local water districts were declared as Government-Owned and Controlled Corporations (GOCC) by the Supreme Court on September 13, 1991, in the case docketed as GR Nos. 95237-38.

An audit was conducted on the accounts and operations of Kapatagan Water District for the calendar year 2022.

The audit consisted of testing the adequacy of the related systems and controls set by the agency, verification of the accuracy, legality and completeness of its financial transactions, and the application of the other audit procedures considered necessary under the circumstances. It was also made to determine whether the district's financial statements present fairly its financial position and results of operations and cash flows, and whether applicable laws, rules and regulations were followed. Further, it was also conducted to determine whether the agency managed and utilized its resources economically, efficiently, and effectively in the implementation of its programs, projects, and activities.

B. FINANCIAL HIGHLIGHTS

Financial Condition

As of December 31, 2022, there was an increase of 5.08 per cent in assets, decrease of 2.25 per cent in liabilities and increase of 10.67 per cent in government equity, summarized as follows:

	2022	2021	Increase/(Decrease)
Assets	₱ 84,479,940.36	₱ 80,394,330.57	₱ 4,085,609.79
Liabilities	₱ 33,965,691.43	₱ 34,748,871.22	₱ (783,179.79)
Equity	₱ 50,514,248.93	₱ 45,645,459.35	₱ 4,868,789.58

Results of Operations

The operation of the agency for CY2022 yielded a decrease of ₱2.877 Million in net income resulting from an increase of ₱1.309 Million in net of sales revenue and an increase of ₱4.187 Million in expenses.

	2022	2021	Increase/(Decrease)
Income	₱ 45,474,535.46	₱ 44,164,693.42	₱ 1,309,842.04
Expenditures	₱ 45,292,077.32	₱ 41,105,069.82	₱ 4,187,007.50
Net Operating Income	₱ 182,458.14	₱ 3,059,623.60	₱ (2,877,165.46)

C. SCOPE OF AUDIT

The audit covered the examination of the accounts and operations of Kapatagan Water District, Kapatagan, Lanao del Norte for the period January 1 to December 31, 2022. The audit consisted of review of operating procedures, inspection of programs and projects, testing the adequacy of the related systems and controls set by the agency, verification of the accuracy, legality and completeness of its financial transactions, interview with concerned officials and employees, and the application of other audit procedures considered necessary under the circumstances.

D. INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

A Modified-Qualified Opinion was rendered on the fairness of presentation of the financial statements due to the existence and accuracy of the Property, Plant and Equipment (PPE) account with net value of P65,131,027.48 as at December 31, 2022 cannot be ascertained due to the inability of the agency to fully implement the guidelines and procedures in the one-time cleansing of PPE account balances contrary to COA Circular No. 2020-006 dated January 31, 2020.

E. SUMMARY OF SIGNIFICANT OBSERVATIONS AND RECOMMENDATIONS

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

1. Past due and dormant Receivables aging one to more than three years amounting P3,410,866.07 remained uncollected and were classified under current assets contrary to Philippine Accounting Standards (PAS) 1 and 39 and COA Circular No. 2016-005 dated December 19, 2016.

We recommended that Management:

- a. Require the Accountant to classify these past-due and dormant accounts receivable, aging one year and over, as non-current in the financial statements pursuant to PAS 1;
 - b. Exert efforts to collect the receivables thru demand letters; and
 - c. File the request for authority to write-off dormant receivable accounts following the provisions of COA Circular No. 2016-005 dated December 19, 2016.
2. The District remains non-compliant with the requirement under Section 22 of the Philippine Disaster Risk Reduction and Management Act of 2010 (RA 10121) and Section 37 of General Appropriations Act of 2021 (RA 11518) to adopt and implement a Disaster Risk Reduction and Management Program.

We recommended the management to:

- a. Develop a DRRM Program and have a framework for disaster preparedness, response, prevention and mitigation, and rehabilitation and recovery, pursuant to RA 10121; and
 - b. Prepare and submit to the Audit Team a Disaster Risk Reduction and Management (DRRM) Plan and Budget for CY 2022.
3. The effectiveness of the District's GAD programs and activities cannot be properly evaluated due to deficiencies in GAD Planning procedures and the allocation of GAD Budget below five percent (5%) of the District's Corporate Operating Budget for the year.

We recommended that the agency:

- a. Assess and identify gender and development issues within the organization and those of the outside stakeholders;
 - b. Establish policies, strategies, and initiatives to address the identified gender and development issues whether within or outside the organization;
 - c. Allocate at least 5% of the total budget of the agency for the implementation of gender and development programs, project and activities for every fiscal year either by specific appropriation or by attribution;
 - d. Formulate annual GAD Plan and Budget within the context of the District's mandate and submit the same together with the GAD Accomplishment Report for the previous year to PCW for review and endorsement to DBM;
 - e. Implement gender and development programs, project and activities within the bounds of economy, efficiency and effectiveness; and
 - f. Establish performance indicators which will serve as bases for evaluating gender and development programs, project and activities; and
 - g. Evaluate implemented gender and development programs, project and activities using set performance indicators and existing standards on gender and development.
4. The Non-Revenue Water (NRW) of the District is equivalent to 29.55 per cent which exceeded the 20 per cent maximum acceptable NRW prescribed by LWUA resulting to unaccounted water losses, which is not in accord with LWUA Memorandum Circular No. 014-10 dated December 2, 2010 and LWUA Resolution No. 444 series of 2009, hence, resulting to additional losses to the District.

We recommended the management to:

- a. Conduct regular performance audit on all its water meters (i.e., flow meters and service meters) and pipes to be able to detect and replace all those that are defective and prepare a report for easier monitoring; and
- b. Ensure that the NRW level is reduced and shall not exceed the 20 per cent maximum acceptable performance level set by LWUA.

F. SUMMARY OF TOTAL SUSPENSION, DISALLOWANCE AND CHARGES AS OF YEAR-END

Particulars	Balance, 01/01/2022	CY 2022 Issuances	CY 2022 Settlement	Balance, 12/31/2022
Suspensions	P 1,189,289.41	P 0.00	P 0.00	P 1,189,289.41
Disallowances	P 2,385,376	P 0.00	P 0.00	P 2,385,376
Charges	P 0.00	P 0.00	P 0.00	P 0.00

G. STATUS OF IMPLEMENTATION OF PRIOR YEARS' AUDIT RECOMMENDATIONS

Out of the thirty-seven (37) audit recommendations embodied in the CYs 2021, 2020 and 2019 Annual Audit Report (AAR), twenty-four (24) or 64.9 per cent were fully implemented, eleven (11) or 29.7 per cent were partially implemented, and two (2) or 5.4 per cent were not implemented. Of the partially and not implemented audit recommendations, six (6) recommendations were reiterated in CY 2022 audit.

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**PART I –
AUDITED FINANCIAL STATEMENTS**



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

OFFICE OF THE SUPERVISING AUDITOR
R10 - CGAS Water Districts and Other Stand-Alone Agencies

INDEPENDENT AUDITOR'S REPORT

MS. ANGELITA P. ROBLES

Chairperson, Board of Directors
Kapatagan Water District
Kapatagan, Lanao del Norte

Mr. CLAIR GREBERN U. ELUMIR

General Manager
Kapatagan Water District
Kapatagan, Lanao del Norte

Modified-Qualified Opinion

We have audited the financial statements of the **Kapatagan Water District**, Kapatagan, Lanao del Norte which comprise the Statement of Financial Position as at December 31, 2022, and the related Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Bases for Modified-Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Kapatagan Water District as at December 31, 2022, and its comprehensive income and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Bases for Modified-Qualified Opinion

As discussed in Part II- Observations and Recommendations of this report, a Modified-Qualified opinion was rendered due to the existence and accuracy of the Property, Plant and Equipment (PPE) account with net value of P65,131,027.48 as at December 31, 2022 cannot be ascertained due to the inability of the agency to fully implement the guidelines and procedures in the one-time cleansing of PPE account balances contrary to COA Circular No. 2020-006 dated January 31, 2020.

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the *Auditor's Responsibility for the Audit of the Financial Statements* section of our report. We are independent of the agency in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Modified-Qualified Opinion.

Key Audit Matters

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

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

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

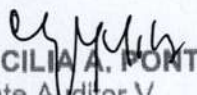
Those charged with governance are responsible for overseeing the District's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain a reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of the financial statements.

COMMISSION ON AUDIT

BY:


CECILIA A. MONTILLAS
State Auditor V
Supervising Auditor

March 16, 2023



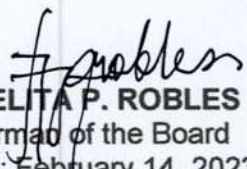
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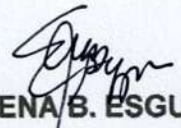
**STATEMENT OF MANAGEMENT RESPONSIBILITY
FOR FINANCIAL STATEMENTS**


The management of the **Kapatagan Water District**, Kapatagan, Lanao del Norte is responsible for the preparation of the financial statements as of December 31, 2022, 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 circumstance.

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 had audited the financial statements of the Kapatagan 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.


ANGELITA P. ROBLES
Chairman of the Board
Date: February 14, 2023


LEEVENA B. ESGUERRA
Accounting Processor – A
Date: February 14, 2023


CLAIR GREBERN UY ELUMIR, MBA
General Manager - C
Date: February 14, 2023



KAPATAGAN WATER DISTRICT
CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	<u>NOTE</u>	<u>2022</u>	<u>2021</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	3	₱ 8,623,097.69	₱ 7,835,624.80
Receivables	4	4,594,496.85	4,674,532.11
Inventories	5	6,085,856.59	3,533,354.91
Other Current Assets	6	20,000.00	30,000.00
Total Current Assets		₱ 19,323,451.13	₱ 16,073,511.82
Non-Current Assets			
Property, Plant and Equipment	7	₱ 65,131,027.48	₱ 64,311,203.40
Other Non-current assets		25,461.75	9,615.35
Total Non-Current Assets		₱ 65,156,489.23	₱ 64,320,818.75
TOTAL ASSETS		₱ 84,479,940.36	₱ 80,394,330.57
LIABILITIES			
Current Liabilities			
Financial Liabilities	8	₱ 4,556,989.27	₱ 2,041,446.86
Inter-Agency Payables	9	1,148,971.36	884,465.67
Trust Liabilities	10	-	296,798.48
Deferred Credits/Unearned Income		139,000.00	133,000.00
Other Payables		9,600.00	-
Total Current Liabilities		₱ 5,854,560.63	₱ 3,355,711.01
Non-Current Liabilities			
Financial Liabilities		₱ 17,469,858.81	₱ 19,825,327.81
Provisions		4,620,187.17	5,287,042.22
Other Payables		6,021,084.82	6,280,790.18
Total Non-Current Liabilities		₱ 28,111,130.80	₱ 31,393,160.21
TOTAL LIABILITIES		₱ 33,965,691.43	₱ 34,748,871.22

	<u>NOTE</u>	<u>2022</u>	<u>2021</u>
EQUITY			
Government Equity		₱ 4,000,013.34	₱ 4,000,013.34
Retained Earnings/(Deficit)		46,514,235.59	41,645,446.01
Members Equity			
Total Equity		<u>₱ 50,514,248.93</u>	<u>₱ 45,645,459.35</u>
TOTAL LIABILITIES AND EQUITY		<u>₱ 84,479,940.36</u>	<u>₱ 80,394,330.57</u>

(See Accompanying Notes to Financial Statements)



KAPATAGAN WATER DISTRICT
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>NOTE</u>	<u>2022</u>	<u>2021</u>
Income			
Service and Business Income	11	₱ 43,986,254.53	₱ 42,465,231.13
Gains		613,576.94	927,094.88
Other Non-Operating Income		874,703.99	772,367.41
Total Income		₱ 45,474,535.46	₱ 44,164,693.42
Expenses			
Personnel Services	12	₱ 23,276,906.78	₱ 19,788,612.95
Maintenance and Other Operating Expenses	13	15,767,905.51	14,664,009.11
Financial Expenses	14	711,779.00	867,183.00
Non-Cash Expenses	15	5,535,486.03	5,785,264.76
Total Expenses		₱ 45,292,077.32	₱ 41,105,069.82
Comprehensive Income/(Loss)		₱ 182,458.14	₱ 3,059,623.60

(See Accompanying Notes to Financial Statements)



**KAPATAGAN WATER DISTRICT
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Retained Earnings/ (Deficit)	Contributed Capital	TOTAL
BALANCE AT JANUARY 1, 2021	₱ 48,191,154.42	₱ 4,000,013.34	₱ 52,191,167.76
ADJUSTMENTS:			
Add/(Deduct):	₱ 0.00	₱ 0.00	₱ 0.00
RESTATED BALANCE AT JANUARY 1, 2021	₱ 48,191,154.42	₱ 4,000,013.34	₱ 52,191,167.76
CHANGES IN EQUITY FOR 2021			
ADJUSTMENTS:			
Add/(Deduct):			
Comprehensive Income for the year	₱ 3,059,623.60	₱ 0.00	₱ 3,059,623.60
Other Adjustments (Restricted/Water Meter Maintenance Fee)	(9,605,332.01)	0.00	(9,605,332.01)
BALANCE AT DECEMBER 31, 2021	₱ 41,645,446.01	₱ 4,000,013.34	₱ 45,645,459.35
CHANGES IN EQUITY FOR 2022			
ADJUSTMENTS:			
Add/(Deduct):			
Comprehensive Income for the year	₱ 182,458.14	₱ 0.00	₱ 182,458.14
Other Adjustments (Restricted/Water Meter Maintenance Fee)	4,686,331.44	0.00	4,686,331.44
BALANCE AT DECEMBER 31, 2022	₱ 46,514,235.59	₱ 4,000,013.34	₱ 50,514,248.93



**KAPATAGAN WATER DISTRICT
CONDENSED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Inflows		
Proceeds from Sale of Goods and Services	₱ 46,848.70	₱ 79,774.80
Collection of Income/Revenue	46,053,373.85	43,921,595.71
Collection of Receivables	128,846.79	259,174.66
Trust Receipts	-	-
Other Receipts	531,197.50	242,231.99
Total Cash Inflows	₱ 46,760,266.84	₱ 44,502,777.16
Adjustments	20,000.00	51,130.97
Adjusted Cash Inflows	₱ 46,780,266.84	₱ 44,553,908.13
Cash Outflows		
Payment of Expenses	₱ 17,027,128.95	₱ 15,827,111.41
Purchase of Inventories	3,223,482.98	2,033,295.55
Grant of Cash Advances	3,668,070.25	3,950,893.37
Payments of Accounts Payable	9,528,819.66	10,277,477.24
Remittance of Personnel Benefit	8,679,999.86	7,148,153.49
Contributions and Mandatory Deductions	-	5,000.00
Other disbursements	-	5,000.00
Total Cash Outflows	₱ 42,127,501.70	₱ 39,241,931.06
Adjustments	10,594.96	-
Adjusted Cash Outflows	₱ 42,138,096.66	₱ 39,241,931.06
Net Cash Provided by/ (Used in) Operating Activities	₱ 4,642,170.18	₱ 5,311,977.07
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Inflows		
Receipt of Interest Earned	₱ 0.00	₱ 0.00
Total Cash Inflows	₱ 0.00	₱ 0.00
Adjustments	0.00	0.00
Adjusted Cash Inflows	₱ 0.00	₱ 0.00

Cash Outflows		
Purchase/Construction of Property, Plant and Equipment	₱ 787,449.29	₱ 1,175,167.02
Total Cash Outflows	₱ 787,449.29	₱ 1,175,167.02
Adjustments	0.00	0.00
Adjusted Cash Outflows	₱ 787,449.29	₱ 1,175,167.02
Net Cash Provided By/ (Used In) Investing Activities	₱ (787,449.29)	₱ (1,175,167.02)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Inflows		
Total Cash Inflows	₱ 0.00	₱ 0.00
Adjustments	₱ 0.00	₱ 0.00
Adjusted Cash Inflows	₱ 0.00	₱ 0.00
Cash Outflows		
Payment of Long-Term Liabilities	₱ 3,067,248.00	₱ 3,067,248.00
Total Cash Outflows	₱ 3,067,248.00	₱ 3,067,248.00
Adjustments	0.00	0.00
Adjusted Cash Outflows	₱ 3,067,248.00	₱ 3,067,248.00
Net Cash Provided By/ (Used In) Financing Activities	₱ (3,067,248.00)	₱ (3,067,248.00)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	₱ 787,472.89	₱ 1,069,562.05
Effects of Exchange Rate Changes on Cash and Cash Equivalents	₱ 0.00	₱ 0.00
CASH AND CASH EQUIVALENTS, JANUARY 1, 2022	₱ 7,835,624.80	₱ 6,766,062.75
CASH AND CASH EQUIVALENTS, DECEMBER 31, 2022	₱ 8,623,097.69	₱ 7,835,624.80