



**KAPATAGAN WATER DISTRICT
BALANCE SHEET**

As at December 31, 2017

	<u>Notes*</u>		<u>2017</u>		<u>2016</u>
ASSETS					
Current Assets					
Cash and Cash Equivalents	6	₱	8,389,029.02	₱	9,236,888.69
Receivables	8		2,749,866.04		2,823,537.33
Inventories	9		3,737,552.41		3,253,825.41
Other Current Assets	14		9,225.64		3,910.68
Total Current Assets		₱	14,885,673.11	₱	15,318,162.11
Non – Current Assets					
Property, Plant & Equipment	11		58,206,156.35		60,047,372.22
Total Non-Current Assets		₱	58,206,156.35	₱	60,047,372.22
TOTAL ASSETS		₱	73,091,829.46	₱	75,365,534.33
LIABILITIES					
Current Liabilities					
Financial Liabilities	15	₱	609,315.74	₱	3,238,061.38
Inter-Agency Payables	16		394,912.49		410,258.53
Trust Liabilities	17		163,925.50		810,230.81
Deferred Credits/Unearned Income	18		160,441.19		45,000.00
Total Current Liabilities		₱	1,328,594.92	₱	4,503,550.72

Non-Current Liabilities					
Financial Liabilities	15		28,462,557.05		30,770,231.52
Total Non-Current Liabilities			28,462,557.05		30,770,231.52
Total Liabilities			29,791,151.97		35,273,782.24
EQUITY					
Government Equity		₱	4,000,13.34	₱	4,000,013.34
Retained Earnings			39,300,664.15		36,091,738.75
Total Equity		₱	43,300,677.49	₱	40,091,752.09
TOTAL LIABILITIES AND EQUITY		₱	73,091,829.46	₱	75,365,534.33



Kapatagan Water District
STATEMENT OF INCOME AND EXPENSES
For the Year Ended December 31, 2017

	NOTE *		2017		2016
Income					
Service and Business Income	22	₱	32,024,180.17	₱	31,522,050.47
Total Income		₱	32,024,180.17	₱	31,522,050.47
Expenses					
Personnel Services	24		15,023,556.86		12,878,312.48
Maintenance & Other Operating Expenses	25		9,244,576.12		9,337,218.34
Financial Expenses	26		1,500,038.00		1,647,661.00
Non-Cash Expenses	29		4,047,174.12		3,060,977.18
Total Expenses		₱	29,815,345.10	₱	26,924,416.90
Profit/(Loss) Before Tax		₱	2,208,835.07	₱	4,597,881.47
Net Income/(Loss)		₱	2,208,835.07	₱	4,597,881.47
Comprehensive Income/ (Loss)		₱	2,208,835.07	₱	4,597,881.47



KAPATAGAN WATER DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2017

		2017		2016
CASH FLOW FROM OPERATING ACTIVITIES				
Cash Inflows: (note 11)				
Proceeds from sale of goods and services	₱	321,623.01	₱	322,623.83
Collection of Income/Revenue		32,412,671.78		31,953,755.21
Collection of Receivables		92,126.02		131,319.57
Trust Receipts		584,633.17		547,757.05
Other Receipts		280,433.00		217,246.26
Adjustments		10,154.56		0.00
Total Cash Inflows	₱	33,701,641.54	₱	33,172,701.92
Cash Outflows:				
Payment of expenses	₱	7,966,793.84	₱	9,096,414.48
Purchase of Inventories		1,668,145.81		2,169,916.16
Grant of Cash Advances		11,100,605.70		9,355,464.74
Payments of Accounts Payable		3,904,745.24		3,879,840.53
Remittance of personnel Benefit Contributions and Mandatory Deductions		4,748,148.15		2,823,131.96
Total Cash Outflows	₱	29,388,438.74	₱	27,324,767.87
Net Cash Provided by (Used in) Operating Activities	₱	4,313,202.80	₱	5,824,823.09
CASH FLOW FROM INVESTING ACTIVITIES				
Cash Inflows:				

Proceeds from Sale/Disposal of Property, Plant and Equipment		0.00		0.00
Receipt of Interest earned		29,334.93		23,110.96
Proceeds from Sale of Other Assets		0.00		0.00
Total Cash Inflows	₱	29,334.93	₱	23,110.96
Cash Outflows:				
Purchase/Construction of Investments Property	₱	0.00	₱	0.00
Purchase/Construction of Property, Plant and Equipment		1,494,433.40		501,430.37
Grant of Loans		0.00		0.00
Payment of Interests		0.00		0.00
Total Cash Outflows	₱	1,494,433.40	₱	501,430.37
Net Cash Provided by (Used In) Investing Activities	₱	(1,465,098.47)	₱	(478,319.41)
CASH FLOW FROM FINANCING ACTIVITIES				
Cash Inflows:				
Proceeds from Domestic and Foreign Loans		0.00		0.00
Total Cash Inflows	₱	0.00	₱	0.00
Cash Outflows:				
Payment of Long-Term Liabilities	₱	3,695,964.00	₱	3,695,964.00
Payment of Interest on Loans and Other Financial Charges		0.00		0.00
Total Cash Outflows	₱	3,695,964.00	₱	3,695,964.00
Net Cash Provided by (Used in) Financing Activities	₱	(3,695,964.00)	₱	(3,695,964.00)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	₱	(847,859.67)	₱	1,650,539.68
CASH AND CASH EQUIVALENTS, JANUARY 1	₱	9,236,888.69	₱	7,586,349.01
CASH AND CASH EQUIVALENTS, DECEMBER 31	₱	8,389,029.02	₱	9,236,888.69



KAPATAGAN WATER DISTRICT
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

	Contributed Capital	Revaluation Surplus	Retained Earnings/ (Deficit)	Share Capital	Share Premium	Cumulative Translation Adjustment	Cumulative Changes in Fair Value of Investments	Member's Equity	Total
Balance at January 1, 2016	4,000,013.34		31,493,857.28						35,493,870.62
ADJUSTMENTS:									
Add/(Deduct):									
Prior Period Errors									
Other Adjustments									
RESTATED BALANCE AT JAN 1, 2016	4,000,013.34		31,493,857.28						35,493,870.62
CHANGES IN EQUITY FOR 2016									
Add/(Deduct):									
Comprehensive Income for the year			4,597,881.47						4,597,881.47
BALANCE AT DECEMBER 31, 2016	4,000,013.34		36,091,738.75						40,091,752.09
CHANGES IN EQUITY FOR 2017									
Add/(Deduct):									
Comprehensive Income for the year			2,208,835.07						2,208,835.07
Other Adjustments:									
Retained earnings – Restricted/Water Meter Maintenance Fee			1,000,090.33						1,000,090.33
BALANCE AT DECEMBER 31, 2017	4,000,013.34		39,300,664.15						43,300,677.49



KAPATAGAN WATER DISTRICT

Kapatagan, Lanaodel Norte

Notes to Financial Statement

1. General/Brief Historical Background

The Kapatagan Water District (KAPWD) is a Government-Owned & Controlled Corporation (GOCC) that was officially created on September 12, 1988 by virtue of SB Res. No. 177-C in accordance with Sec. 6 P.D. 198 of the Provincial Water Utilities Act of 1973.

On October 24, 1989 KAPWD was issued a Certificate of Conditional Conformance (CCC418) by the Local Water Utilities Administration (LWUA).

2. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles and standards and pertinent provisions contained in the Commercial Practices Manual for Local Water Utilities Administration and the New Government Accounting system (NGAS).

The accrual method of accounting is adopted for both income and expenses.

In recording expenditures, the voucher system is followed in which vouchers is credited prior to payment and debited when paid.

Property, Plant and Equipment is carried at cost less accumulated depreciation. Depreciation is computed on a straight line method based on the estimated useful life ranging from five (5) to ten (10) years in accordance with COA Circular No. 2003-007 dated December 11, 2003.

6. Cash and Cash Equivalents

This account consists of:

		2017		2016
<i>Accounts</i>		<i>Amount</i>		<i>Amount</i>
Cash on Hand	₱	109,295.78	₱	139,496.49
Cash in Bank – Local Currency		8,279,733.24		9,097,392.20
TOTAL AMOUNT	₱	8,389,029.02	₱	9,236,888.69
<i>Details of the Cash in bank accounts are as follows :</i>				
			2017	2016
Cash in Bank – LCCA (FVB)	22-00008-5	₱	65,881.70	₱ 277,699.91
Cash in Bank – LCCA (LBP)	0802-1078-11		1,009,134.76	2,506,779.04
Cash in Bank – LCCA (LBP)	0805-0712-14		10,013.16	10,013.16
Cash in Bank – LCSA (LBP)	0801-0610-87		5,620,884.36	5,467,032.62
Cash in Bank – LCSA (FVB)	102-051-121235		973,819.26	385,867.47
Cash in Bank – LCSA (LBP)	0802-1169-18		600,000.00	450,000.00
Total		₱	8,279,733.24	₱ 9,097,392.20

- The 1st Valley Bank (22-00008-5) is the depository bank of the district pertaining to daily deposit of collections and withdrawal of funds for operations;
- LBP Account No. 0802-1078-11 is also a depository bank of the district where the amount of total deposits at 1st Valley Bank that exceeds to P500,000 will be transferred to this account;
- LBP Account no. 0805-0712-14 is a bank account intended for the electronic payment/remittances for PAG-IBIG/HDMF contributions which they call EFPS.
- LBP Account No. 0801-0610-87 served as the joint savings account between LWUA and KAPWD.
- FVB Account No. 102-051-121-235 served as trust fund for the amount collected from concessionaires for Water Meter Maintenance fee.
- LBP Account no. 0802-1169-18 is a savings account for Terminal Leave.

8. Receivables

	2017	2016
Accounts Receivable	₱ 909,066.04	₱ 828,737.33
Allowance for Impairment – Accounts Receivable	0.00	0.00
Receivables – Disallowances/Charges	1,820,800.00	1,994,800.00
Due from Officers and Employees	20,000.00	0.00
TOTAL	₱ 2,749,866.04	₱ 2,823,537.33

9. Inventories

	2017	2016
Inventory Held for consumption		
- Office Supplies Inventory	19,610.00	19,636.00
- Accountable Forms, Plates & Stickers Inventory	6,500.00	78,000.00
- Non – Accountable Forms Inventory	53,750.00	102,700.00
- Chemical and Filtering Supplies Inventory	28,791.62	57,539.72
- Other Supplies and Materials Inventory	2,831,046.95	2,101,131.72
Semi-Expendable Machinery and Equipment		
- Semi – Expendable Machinery	0.00	0.00
- Semi – Expendable Office Equipment	61,699.00	66,782.33
- Semi – Expendable Information and Communication Technology Equipment	0.00	181,276.02
- Semi – Expendable Communication Equipment	247,875.00	264,505.00
- Semi – Expendable Other Machinery and Equipment	125,447.00	235,367.80
Semi-Expendable Furniture, Fixtures & Books	181,556.82	146,886.82
TOTAL	₱ 3,737,552.41	₱ 3,253,825.41

11. Property, Plant and Equipment

	2017		2016	
Land	₱	3,529,309.23	₱	3,529,309.23
Land Improvements		1,094,542.47		928,463.47
Infrastructure Assets				
<i>Water Supply Systems (pOW)</i>		6,465,749.45		6,280,563.45
Accumulated Depreciation		(2,911,911.17)		(2,528,452.04)
<i>Plant – Utility Plant in Service (UPIS)</i>				
- Reservoir & Tanks		3,826,444.12		3,826,444.12
Accumulated Depreciation		(1,628,267.18)		(1,457,157.19)
- Transmission & Distribution mains		53,443,237.66		53,363,129.31
Accumulated Depreciation		(11,615,409.97)		(8,711,141.43)
<i>Other Infrastructure Assets</i>		1,498,461.01		1,590,661.01
Accumulated Depreciation		(874,043.15)		(799,114.13)
Buildings & Other Structures		3,522,907.63		2,458,631.00
Machinery and equipment				
- Office Equipment		1,059,089.63		323,401.34
Accumulated Depreciation		(203,465.80)		(151,997.98)
- Information and Communication Technology Equipment		0.00		447,801.34
Accumulated Depreciation		0.00		(305,155.87)
- Communication equipment		0.00		50,600.00
Accumulated Depreciation		0.00		(12,297.75)
- Other Equipment		961,320.00		1,060,028.13
Accumulated Depreciation		(241,071.70)		(141,613.25)
Transportation Equipment		908,292.00		933,475.89
Accumulated Depreciation		(674,600.18)		(638,206.43)
Construction in Progress - UPIS		45,572.30		
Total Property, Plant and Equipment	₱	58,206,156.35	₱	60,047,372.22

14. OTHER CURRENT ASSETS

	2017	2016
Advances		
- Advances for Operating expenses	0.00	0.00
- Advances for Payroll	0.00	0.00
- Advances to Special Disbursing Officer	0.00	0.00
- Advances to Officers & Employees	0.00	0.00
Prepayments	9,225.64	3,910.68
TOTAL		₱ 3,910.68

15. Financial Liabilities

<i>Accounts</i>	2017	2016
	<i>Amount</i>	<i>Amount</i>
Payable		
- Accounts Payable	₱ 609,315.74	₱ 3,090,297.90
- Due to Officers & Employees	0.00	147,763.48
Bills/Bonds/Loans Payable		
- Loans Payable - Domestic	28,462,557.05	30,770,231.52
TOTAL FINANCIAL LIABILITIES	₱ <u>29,071,872.79</u>	₱ <u>34,008,292.90</u>

16. Inter – Agency Payables

		2017		2016
- Due to BIR	₱	99,443.79	₱	140,228.77
- Due to GSIS		223,027.17		204,186.29
- Due to Pag-ibig		53,591.53		55,393.47
- Due to Philhealth		18,850.00		10,450.00
TOTAL INTER – AGENCY PAYABLES	₱	<u>394,912.49</u>	₱	<u>410,258.53</u>

17. Trust Liabilities

		2017		2016
Trust Liabilities	₱	<u>163925.5</u>	₱	<u>810,230.81</u>

18. Deferred Credits/Unearned Income

		2017		2016
Deferred Credits to Income	₱	<u>160,441.19</u>	₱	<u>45,000.00</u>

22. Income

	2017	2016
SERVICE AND BUSINESS INCOME		
<i>Business Income</i>		
- Waterworks System Fees	30,378,684.40	30,820,434.02
- Interest Income	11,292.05	28,627.68
- Fines & Penalties – Business Income	569,914.09	588,231.32
- Other Business Income	1,064,289.63	84,757.45
TOTAL BUSINESS INCOME	₱ 32,024,180.17	₱ 31,522,050.47

Expenses

24. Personnel services

		2017		2016
Salaries and Wages		9,018,338.62		7,665,675.86
Other Compensation				
- Personnel Economic Relief Allowance (PERA)		1,057,000.00		868,000.00
- Representation Allowance (RA)		147,000.00		156,000.00
- Transportation Allowance (TA)		147,000.00		156,000.00
- Clothing/Uniform Allowance		220,000.00		180,000.00
- Overtime & Night Pay		768,925.33		615,455.97
- Year – end Bonus		1,533,204.41		1,280,466.00
- Cash Gift		222,916.70		182,500.00
- Other Bonuses & Allowances		224,500.00		182,500.00
Personnel Benefit Contribution				
- Retirement and Life Insurance Premiums		1,089,843.18		917,522.44
- Pag-IBIG Contributions		53,400.00		44,000.00
- PhilHealth Contributions		102,487.50		82,437.50
- Employees Compensation Insurance Premiums		53,386.51		43,872.94
Other Personnel Benefits		385,554.61		503,881.77
TOTAL PERSONNEL BENEFITS	₱	15,023,556.86	₱	12,878,312.48

25. Maintenance & Other Operating Expenses

		2017		2016
Traveling Expenses	₱	414,641.84	₱	350,004.26
Training and Scholarship expenses		149,420.00		143,865.96
Supplies & Materials Expenses				
- Office Supplies Expenses		126,499.70		265,286.00
- Accountable Forms Expenses		71,500.00		0.00
- Non-Accountable Forms Expenses		93,550.00		0.00
- Fuel, Oil & Lubricants expenses		165,675.20		154,762.17
- Chemical & Filtering Supplies expenses		417,566.66		418,971.31
<i>TOTAL SUPPLIES & MATERIALS EXPENSES</i>		874,791.56		839,019.48
Utility Expenses				
- Water expenses		31,471.36		28,488.86
- Electricity		81,805.84		8,303.19
<i>TOTAL UTILITY EXPENSES</i>		113,277.20		36,792.05
Communication Expenses				
- Postage & Courier Services		15,125.00		19,670.00
- Telephone expenses		49,322.17		48,002.00
- Internet Subscription Expenses		30,076.26		18,264.15
<i>TOTAL COMMUNICATION EXPENSES</i>		94,523.43		85,936.15
Generation, Transmission & Distribution expenses		373,909.11		167,046.47
Extraordinary & Miscellaneous expenses		491,866.02		537,792.69
Professional Services				
- Legal Services		1,000.00		2,300.00

- Auditing Services		0.00	158,984.00
- Other Professional Services		21,900.00	14,700.00
TOTAL PROFESSIONAL FEES		22,900.00	175,984.00
General Services		224,537.50	664,915.87
Repairs & Maintenance			
- Repairs & Maintenance - Infrastructure Assets		4,384,300.60	3,434,817.99
- Repairs & Maintenance - Buildings & Other Structures		0.00	0.00
- Repairs & Maintenance - Machinery & Equipment		103,206.00	77,154.68
- Repairs & Maintenance - Transportation Equipment		177,373.30	116,616.73
TOTAL REPAIRS & MAINTENANCE		4,664,879.90	3,628,589.40
Taxes, Insurance Premiums & Other Fees			
- Taxes, Duties & Licenses		567,817.91	738,839.77
- Insurance expenses		133,801.10	121,393.84
TOTAL TAXES, INSURANCE PREMIUMS & OTHER FEES		701,619.01	860,233.61
Other Maintenance and Operating Expenses			
- Advertising, Promotional & Marketing Expenses		61,500.00	250,571.00
- Representation Expenses		95,128.12	112,368.14
- Transportation & Delivery expenses		4,529.50	14,875.00
- Rent expenses		90,000.00	120,000.00
- Donations		7,800.00	17,000.00
- Directors & Committee Member's Fees		846,955.93	1,073,772.01
- Other Maintenance & Operating expenses		12,297.00	258,452.25
TOTAL OTHER MAINTENANCE & OTHER OPERATING EXPENSES		1,118,210.55	1,847,038.40
TOTAL MAINTENANCE & OTHER OPERATING EXPENSES	₱	<u>9,244,576.12</u>	<u>₱ 9,337,218.34</u>

26. Financial Expenses

		2017		2016
Interest Expenses	₱	1,500,038.00	₱	1,647,661.00
Bank Charges		0.00		0.00
TOTAL FINANCIAL EXPENSES	₱	1,500,038.00	₱	1,647,661.00

26. Non-Cash Expenses

		2017		2016
Depreciation	₱	4,012,275.72	₱	3,023,967.84
Impairment Loss – Other Receivables		0.00		0.00
Discounts & Rebates		34,898.40		37,009.34
TOTAL NON – CASH EXPENSES	₱	4,047,174.12	₱	3,060,977.18