



**KAPATAGAN WATER DISTRICT
BALANCE SHEET**

As at December 31, 2018

	<u>Notes*</u>		<u>2018</u>		<u>2017</u>
ASSETS					
Current Assets					
Cash and Cash Equivalents	6	₱	9,764,882.84	₱	8,389,029.02
Receivables	8		3,515,428.06		2,749,866.04
Inventories	9		3,888,349.54		3,737,552.41
Other Current Assets	14		20,768.12		9,225.64
Total Current Assets		₱	17,189,428.56	₱	14,885,673.11
Non – Current Assets					
Property, Plant & Equipment	11		57,443,438.35		58,206,156.35
Total Non-Current Assets		₱	57,443,438.35	₱	58,206,156.35
TOTAL ASSETS		₱	74,632,866.91	₱	73,091,829.46
LIABILITIES					
Current Liabilities					
Financial Liabilities	15	₱	389,582.28	₱	609,315.74
Inter-Agency Payables	16		647,854.14		394,912.49
Trust Liabilities	17		225,225.00		163,925.50
Deferred Credits/Unearned Income	18		-		160,441.19
Total Current Liabilities		₱	1,262,661.42	₱	1,328,594.92

Non-Current Liabilities					
Financial Liabilities	15		26,106,731.05		28,462,557.05
Total Non-Current Liabilities			26,106,731.05		28,462,557.05
Total Liabilities			27,369,392.47		29,791,151.97
EQUITY					
Government Equity		₱	4,000,13.34	₱	4,000,13.34
Retained Earnings			432,63461.1		39,300,664.15
Total Equity		₱	47,263,474.44	₱	43,300,677.49
TOTAL LIABILITIES AND EQUITY		₱	74,632,866.91	₱	73,091,829.46



Kapatagan Water District
STATEMENT OF INCOME AND EXPENSES
For the Year Ended December 31, 2018

	NOTE *		2018		2017
Income					
Service and Business Income	22	₱	33,346,022.65	₱	32,024,180.17
Gains			2,150,206.97		-
Total Income		₱	35,496,229.62	₱	32,024,180.17
Expenses					
Personnel Services	24		14,530,501.52		15,023,556.86
Maintenance & Other Operating Expenses	25		12,273,895.49		9,244,576.12
Financial Expenses	26		1,340,138.00		1,500,038.00
Non-Cash Expenses	29		4,021,882.49		4,047,174.12
Total Expenses		₱	32,166,417.50	₱	29,815,345.10
Profit/(Loss) Before Tax		₱	3,329,812.12	₱	2,208,835.07
Net Income/(Loss)		₱	3,329,812.12	₱	2,208,835.07
Comprehensive Income/ (Loss)		₱	3,329,812.12	₱	2,208,835.07



KAPATAGAN WATER DISTRICT
STATEMENT OF CASH FLOWS
 For the Year Ended December 31, 2018

		2018		2017
CASH FLOW FROM OPERATING ACTIVITIES				
Cash Inflows: (note 11)				
Proceeds from sale of goods and services	₱	410,126.25	₱	321,623.01
Collection of Income/Revenue		35,486,336.35		32,412,671.78
Collection of Receivables		384,560.00		92,126.02
Trust Receipts		633,932.20		584,633.17
Other Receipts		291,110.59		280,433.00
Adjustments		-		10,154.56
Total Cash Inflows	₱	37,206,065.39	₱	33,701,641.54
Cash Outflows:				
Payment of expenses	₱	8,453,906.55	₱	7,966,793.84
Purchase of Inventories		2,266,890.71		1,668,145.81
Grant of Cash Advances		12,875,689.57		11,100,605.70
Payments of Accounts Payable		3,965,011.44		3,904,745.24
Remittance of personnel Benefit Contributions and Mandatory Deductions		4,011,391.57		4,748,148.15
Total Cash Outflows	₱	31,572,889.84	₱	29,388,438.74
Net Cash Provided by (Used in) Operating Activities	₱	5,633,175.55	₱	4,313,202.80
CASH FLOW FROM INVESTING ACTIVITIES				
Cash Inflows:				

Proceeds from Sale/Disposal of Property, Plant and Equipment		-		0.00
Receipt of Interest earned		6,010.97		29,334.93
Proceeds from Sale of Other Assets		-		0.00
Total Cash Inflows	₱	6,010.97	₱	29,334.93
Cash Outflows:				
Purchase/Construction of Property, Plant and Equipment	₱	567,368.70	₱	1,494,433.40
Grant of Loans		-		0.00
Total Cash Outflows	₱	567,368.7	₱	1,494,433.40
Net Cash Provided by (Used In) Investing Activities	₱	(561,357.73)	₱	(1,465,098.47)
CASH FLOW FROM FINANCING ACTIVITIES				
Cash Inflows:				
Proceeds from Domestic and Foreign Loans		-		0.00
Total Cash Inflows	₱	-	₱	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
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	₱	1,375,853.82	₱	(847,859.67)
CASH AND CASH EQUIVALENTS, JANUARY 1	₱	8,389,029.02	₱	9,236,888.69
CASH AND CASH EQUIVALENTS, DECEMBER 31	₱	9,764,882.84	₱	8,389,029.02



KAPATAGAN WATER DISTRICT

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

	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, 2017	4,000,013.34		36,091,738.75						40,091,752.09
ADJUSTMENTS:									
Add/(Deduct):									
Prior Period Errors									
Other Adjustments									
RESTATED BALANCE AT JAN 1, 2017	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
CHANGES IN EQUITY FOR 2018									
Add/(Deduct):									
Comprehensive Income for the year			3,329,812.12						3,329,812.12
Other Adjustments:									
Retained earnings – Restricted/Water Meter Maintenance Fee			632984.83						632984.83
BALANCE AT DECEMBER 31, 2018	4,000,013.34		43,263,461.10						47,263,474.44



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:

		2018		2017
<i>Accounts</i>		<i>Amount</i>		<i>Amount</i>
Cash on Hand	₱	286,549.53	₱	109,295.78
Cash in Bank – Local Currency				8,279,733.24
TOTAL AMOUNT	₱		₱	8,389,029.02
<i>Details of the Cash in bank accounts are as follows :</i>				
			2018	
				2017
Cash in Bank-Local Currency, Current Account			₱ 1,561,759.26	₱ 1,085,029.62
Cash in Bank-Local Currency, Savings Account			7,916,574.05	7,194,703.62
Total			₱ 9,478,333.31	₱ 8,279,733.24

- Cash in Bank-Local Currency, Current Account composes the 1st Valley Bank (22-00008-5), LBP Account No. 0802-1078-11 and LBP Account no. 0805-0712-14 are the current bank accounts of the district with different purpose; FVB and LBP 1078-11 are the general funds for daily operations of the district while LBP 0712-14 is intended for electronic remittances of HDMF and BIR.
- Cash in Bank-Local Currency, Savings Account comprises 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

	2018	2017
Accounts Receivable	₱ 1,708,428.06	₱ 909,066.04
Allowance for Impairment – Accounts Receivable	0.00	0.00
Receivables – Disallowances/Charges	1,807,000.00	1,820,800.00
Due from Officers and Employees	-	20,000.00
TOTAL	₱ 3,515,428.06	₱ 2,749,866.04

9. Inventories

	2018	2017
Inventory Held for consumption		
- Office Supplies Inventory	8,595.00	19,610.00
- Accountable Forms, Plates & Stickers Inventory	136,000.00	6,500.00
- Non – Accountable Forms Inventory	236,670.00	53,750.00
- Chemical and Filtering Supplies Inventory	590,981.76	28,791.62
- Other Supplies and Materials Inventory	207,7135.3	2,831,046.95
Semi-Expendable Machinery and Equipment		
- Semi – Expendable Machinery	-	0.00
- Semi – Expendable Office Equipment	113,614.54	61,699.00
- Semi – Expendable Communication Equipment	28,1475.00	247,875.00
- Semi – Expendable Other Machinery and Equipment	218,963.67	125,447.00
Semi-Expendable Furniture, Fixtures & Books	224,914.27	181,556.82
TOTAL	₱ 3,888,349.54	₱ 3,737,552.41

11. Property, Plant and Equipment

	2018		2017	
Land	₱	3,529,309.23	₱	3,529,309.23
Land Improvements		1,094,542.47		1,094,542.47
Infrastructure Assets				
<i>Water Supply Systems</i>		6,465,749.45		6,465,749.45
Accumulated Depreciation		(3,240,923.28)		(2,911,911.17)
<i>Plant – Utility Plant in Service (UPIS)</i>		59,820,150.14		58,768,142.79
Accumulated Depreciation		(16,113,169.76)		(14,117,720.30)
Buildings & Other Structures		3,522,907.63		3,522,907.63
Other Structures		506,709.03		-
Accumulated Depreciation		-		
Machinery and equipment				
- Office Equipment		1,085,497.63		1,059,089.63
Accumulated Depreciation		(203,465.80)		(203,465.80)
- Communication equipment		28,191.49		0.00
Accumulated Depreciation		-		0.00
- Other Equipment		961,320.00		961,320.00
Accumulated Depreciation		(241,071.70)		(241,071.70)
Transportation Equipment		902,292.00		908,292.00
Accumulated Depreciation		(674,600.18)		(674,600.18)
Construction in Progress - UPIS		-		45,572.30
Total Property, Plant and Equipment	₱	57,443,438.35	₱	58,206,156.35

14. OTHER CURRENT ASSETS

	2018	2017
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	20,768.12	9,225.64
TOTAL	₱ 20,768.12	₱ 9,225.64

15. Financial Liabilities

<i>Accounts</i>	<i>2018</i>		<i>2017</i>	
	<i>Amount</i>		<i>Amount</i>	
Payable				
- Accounts Payable	₱	389,582.28	₱	609,315.74
- Due to Officers & Employees		-		0.00
Bills/Bonds/Loans Payable				
- Loans Payable - Domestic		26,106,731.05		28,462,557.05
TOTAL FINANCIAL LIABILITIES	₱	<u>26,432,931.00</u>	₱	<u>29,071,872.79</u>

26,432,931.00

16. Inter – Agency Payables

		2018		2017
- Due to BIR	₱	255,716.38	₱	99,443.79
- Due to GSIS		241,978.27		223,027.17
- Due to Pag-ibig		123,066.00		53,591.53
- Due to Philhealth		27,093.49		18,850.00
TOTAL INTER – AGENCY PAYABLES	₱	<u>647,854.14</u>	₱	<u>394,912.49</u>

17. Trust Liabilities

		2018		2017
Trust Liabilities	₱	<u>225,225.00</u>	₱	<u>163,925.50</u>

18. Deferred Credits/Unearned Income

		2018		2017
Deferred Credits to Income	₱	-	₱	160,441.19

22. Income

		2018		2017
SERVICE AND BUSINESS INCOME				
<i>Business Income</i>				
- Waterworks System Fees		32,427,736.1		30,378,684.40
- Interest Income		7,633.43		11,292.05
- Fines & Penalties – Business Income		831,503.12		569,914.09
- Other Business Income		79,150.00		1,064,289.63
- Other Gains		2,150,206.97		
TOTAL BUSINESS INCOME	₱	35,496,229.62	₱	32,024,180.17

Expenses

24. Personnel services

		2018		2017
Salaries and Wages - Regular		7,658,984.5		7,792,683.98
Salaries and Wages - Casual		1,277,521.39		1,225,654.64
Other Compensation				
- Personnel Economic Relief Allowance (PERA)		1,098,000.00		1,057,000.00
- Representation Allowance (RA)		119,500.00		147,000.00
- Transportation Allowance (TA)		119,500.00		147,000.00
- Clothing/Uniform Allowance		276,000.00		220,000.00
- PEI		230,000.00		224,500.00
- Overtime & Night Pay		179,547.12		768,925.33
- Year – end Bonus		1,497,521.00		1,533,204.41
- Cash Gift		230,000.00		222,916.70
Personnel Benefit Contribution				
- Retirement and Life Insurance Premiums		1,077,498.3		1,089,843.18
- Pag-IBIG Contributions		55,200.00		53,400.00
- PhilHealth Contributions		118,184.12		102,487.50
- Employees Compensation Insurance Premiums		55,197.72		53,386.51
Other Personnel Benefits		537,847.37		385,554.61
TOTAL PERSONNEL BENEFITS	₱	14,530,501.52	₱	15,023,556.86

25. Maintenance & Other Operating Expenses

		2018		2017
Traveling Expenses	₱	998,566.04	₱	414,641.84
Training and Scholarship expenses		439,190.00		149,420.00
Supplies & Materials Expenses				
- Office Supplies Expenses		63,860.30		126,499.70
- Accountable Forms Expenses		-		71,500.00
- Non-Accountable Forms Expenses		-		93,550.00
- Fuel, Oil & Lubricants expenses		430,284.66		165,675.20
- Chemical & Filtering Supplies expenses		81,214.56		417,566.66
TOTAL SUPPLIES & MATERIALS EXPENSES		575,359.52		874,791.56
Utility Expenses				
- Water expenses		31,869.66		31,471.36
- Electricity		237,571.05		81,805.84
TOTAL UTILITY EXPENSES		269,440.71		113,277.20
Communication Expenses				
- Postage & Courier Services		8,116.00		15,125.00
- Telephone expenses		36,973.72		49,322.17
- Internet Subscription Expenses		41,262.00		30,076.26
TOTAL COMMUNICATION EXPENSES		86,351.72		94,523.43
Generation, Transmission & Distribution expenses		4,684,064.74		373,909.11
Extraordinary & Miscellaneous expenses		631,135.55		491,866.02
Professional Services				

- Legal Services		41,600.00		1,000.00
- Other Professional Services		8,000.00		21,900.00
TOTAL PROFESSIONAL FEES		49,600.00		22,900.00
General Services		466,491.00		224,537.50
Repairs & Maintenance				
- Repairs & Maintenance - Infrastructure Assets		1,416,488.56		4,384,300.60
- Repairs & Maintenance - Machinery & Equipment		149,778.88		103,206.00
- Repairs & Maintenance - Transportation Equipment		343,855.44		177,373.30
- Repairs and Maintenance-Other Property, Plant and Equipment		298,201.74		
TOTAL REPAIRS & MAINTENANCE		2,208,324.62		4,664,879.90
Taxes, Insurance Premiums & Other Fees				
- Taxes, Duties & Licenses		666,313.53		567,817.91
- Insurance expenses		106,653.06		133,801.10
TOTAL TAXES, INSURANCE PREMIUMS & OTHER FEES		772,966.59		701,619.01
Other Maintenance and Operating Expenses				
- Advertising, Promotional & Marketing Expenses		-		61,500.00
- Representation Expenses		327,570.00		95,128.12
- Transportation & Delivery expenses		-		4,529.50
- Rent expenses		-		90,000.00
- Donations		39,800.00		7,800.00
- Directors & Committee Member's Fees		725,035.00		846,955.93
- Other Maintenance & Operating expenses				12,297.00
TOTAL OTHER MAINTENANCE & OTHER OPERATING EXPENSES		1,092,405.00		1,118,210.55
TOTAL MAINTENANCE & OTHER OPERATING EXPENSES	₱	12,273,895.49	₱	9,244,576.12

26. Financial Expenses

		2018		2017
Interest Expenses	₱	1,340,138.00	₱	1,500,038.00
Bank Charges		-		0.00
TOTAL FINANCIAL EXPENSES	₱	1,340,138.00	₱	1,500,038.00

26. Non-Cash Expenses

		2018		2017
Depreciation	₱	399,6243.12	₱	4,012,275.72
Impairment Loss – Other Receivables				0.00
Discounts & Rebates		25,639.37		34,898.40
TOTAL NON – CASH EXPENSES	₱	4,021,882.49	₱	4,047,174.12