



Republic of the Philippines
COMMISSION ON AUDIT
Regional Office No. VIII
Candahug, Palo, Leyte

ANNUAL AUDIT REPORT

on the

**CALBAYOG CITY
WATER DISTRICT**
Calbayog City, Samar

For the Year Ended December 31, 2016



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WATER DISTRICT
Calbayog City, Samar**

For the Year Ended December 31, 2016



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Candahug, Palo, Leyte

RECEIVED
MA. CRISPINA Y. SAPINT
Date June 1, 2017
for Mrs

April 27, 2017

The Board of Directors
Calbayog City Water District
Calbayog City, Samar

Gentlemen/Mesdames:

RECEIVED
CALBAYOG CITY WATER DISTRICT
DATE: 06/01/17
TIME: 11:40 A.M.
SIG: *[Signature]*
BONITA C. YILGAN, MPM
CALBAYOG GENERAL MANAGER

Pursuant to Section 2, Article IX-D of the Philippine Constitution and Section 43(2) of Presidential Decree No. 1445, otherwise known as the "Government Auditing Code of the Philippines," and in line with the Commission's continuing efforts to inform management on how fiscal responsibility has been discharged, we are pleased to transmit the report of our Audit Team on the results of the audit on the accounts and operations of the Calbayog City Water District, Calbayog City, Samar for the year ended December 31, 2016.

The audit was conducted to ascertain the propriety of financial transactions and compliance of the Calbayog City Water District to prescribed rules and regulations. It was also made to ascertain the accuracy of financial records and reports, as well as the fairness of presentation of the financial statements.

Accordingly, a qualified opinion was rendered on the fairness of the presentation of the financial statements due to the effects thereon of the noted deficiencies mentioned in Part II and the partially implemented as well as the unimplemented audit recommendations contained in Part III of the report which may have effects on certain accounts in the financial statements, specifically, the non-determination of the existence, condition and reliability of the Property, Plant and Equipment with a net book balance of P300,908,473.86 as presented in the financial statements as of December 31, 2016, because the physical count of properties was not completely undertaken and the corresponding report of the physical count of property, plant and equipment did not provide sufficient data and information. In addition the absence of property and accounting records do not permit the application of alternative procedures to determine the validity of this account.

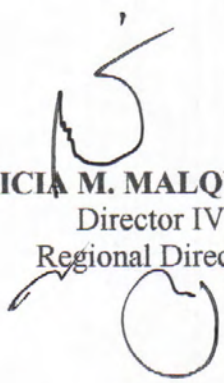
In our transmittal letter of even date to the General Manager of Calbayog City Water District, we requested her to act on the audit recommendations contained in the report and to inform this Commission through our Auditor, of the action(s) taken thereon within sixty (60) days from receipt hereof.

We acknowledge the cooperation and support extended to our Audit Team during the audit.

Very truly yours,

FOR THE COMMISSION ON AUDIT:

By:



ALICIA M. MALQUISTO
Director IV
Regional Director

EXECUTIVE SUMMARY

A. Introduction

1. Agency Background/Profile

The formation of the Calbayog City Water District (CCWD) began in 1986 when the Sangguniang Panglungsod of the Calbayog City passed City Resolution No. 169 dated July 22, 1986. It was on March 4, 1987, when the Local Water Utilities Administration (LWUA) issued a "Conditional Certificate of Conformance No. 284", signaling the formal creation of CCWD by authority of Presidential Decree No. 198, as amended. As of December 31, 2016, the District had a total service connections of 15,572 with active connections of 13,021, serving the different barangays of Calbayog City and five (5) barangays in nearby Municipality of Sta. Margarita. The Calbayog City Water District has three (3) main water sources, namely; Pan-as Falls, Harmonini River and Pasungon and four (4) pumping stations.

The CCWD was categorized as Category C effective March 2012 and it was re-categorized as Category B on October, 2014 and employs in its operation 51 regular employees and 51 casual employees. The District's primary office is located at J.D. Avelino St., Calbayog City, Samar.

Vision

Calbayog City Water District (CCWD) envision itself as: The Leading Water Utility in Samar by 2025.

Mission

The Calbayog City Water District (CCWD) is committed to provide safe, potable and adequate water, ensuring environmental protection, and providing technical as well as professional advancement to its employees, thus, promoting consumers' satisfaction even to the less privileged.

2. Scope of Audit and Audit Methodology

A financial and compliance audit was conducted on the accounts and operation of the agency for the year ended December 31, 2016. The audit consisted of review of operating procedures and such other procedures considered necessary to ascertain the fairness of presentation of the financial statements.

B. Financial Highlights

1. The following is the District's comparative financial conditions and results operations for calendar years 2016 and 2015:

	2016	2015	Increase (Decrease)	% Increase (Decrease)
Total Assets	354,928,059.23	344,058,838.31	10,869,220.92	3.16%
Total Liabilities	307,035,269.56	326,755,740.19	(19,720,470.63)	(6.04%)
Total Equity	47,892,789.67	17,303,098.12	30,589,691.55	176.79%
Total Income	117,636,778.54	108,571,828.13	9,064,950.41	8.35%
Total Expenses	86,694,495.93	90,695,571.85	(4,001,075.92)	(4.41%)
Comprehensive Income (Loss)	30,942,282.61	17,876,256.28	13,066,026.33	73.09%

2. The following are the District's comparative budget and actual expenditures:

a. Comparative Budget -

Particulars	2016	2015	Increase (Decrease)	% Increase (Decrease)
Personal Services	25,839,020.24	20,651,679.09	5,187,341.15	25.12%
Maintenance & Other Operating Expenses	26,120,444.15	30,589,765.53	(4,469,321.38)	(14.61%)
Financial Expenses	46,596,497.90	40,712,232.00	5,884,265.90	14.45%
Capital Outlay	12,559,911.71	9,461,312.66	3,098,599.05	32.75%
Total	111,115,874.00	101,414,989.28	9,700,884.72	9.57%

b. Comparative Actual Expenditures -

Particulars	2016	2015	Increase (Decrease)	% Increase (Decrease)
Personal Services	22,007,450.80	22,486,898.55	(479,447.75)	(2.13%)
Maintenance & Other Operating Expenses	33,912,091.57	28,832,928.46	5,079,163.11	17.62%
Financial Expenses	17,268,785.19	26,060,967.74	(8,792,182.55)	(33.74%)

Non-Cash Expenses	13,325,853.75	13,129,553.60	196,300.15	1.50%
Discounts & Rebates	180,314.62	185,223.50	(4,908.88)	(2.65%)
Total	86,694,495.93	90,695,571.85	(4,001,075.92)	(4.41%)

C. State Auditor's Opinion on the Financial Statements

We rendered a qualified opinion on the fairness of the presentation of the financial statements due to the effects thereon of the noted deficiencies mentioned in Part II and the partially implemented as well as the unimplemented audit recommendations contained in Part III of the report which may have effects on certain accounts in the financial statements, specifically, the non-determination of the existence, condition and reliability of the Property, Plant and Equipment with a net book balance of P300,908,473.86 as presented in the financial statements as of December 31, 2016, because the physical count of properties was not completely undertaken and the corresponding report of the physical count of property, plant and equipment did not provide sufficient data and information. In addition the absence of property and accounting records do not permit the application of alternative procedures to determine the validity of this account.

D. Summary of Significant Observations and Recommendations

This year's audit disclosed the following significant observations and the corresponding recommendations:

1. The Report of the Physical Count of Property, Plant and Equipment (RPCPPE) did not provide sufficient and important data and information because the actual inventory of properties was not completely undertaken by the inventory team, hence existence and condition of PPE cannot be ascertained nor its balance as reflected in the financial statement ending December 31, 2016 in the total amount of P300,908,473.86 is accurate and reliable.

We recommend that the physical count of PPE must be exhaustively and completely undertaken by the inventory committee taking into consideration the sufficient time to be allotted and with the coordination, assistance and full support of the management. We further recommend that the accounting and supply sections be strictly required to maintain appropriate and complete records of all the properties. Property Acknowledgement Receipt of Equipment (PARE) must be issued to end-users whenever property and equipment is purchased or acquired by the agency. Likewise, previous issued PAREs must be renewed accordingly, and updated every three years thereafter in order that existence and condition of the properties under the custody of the end-users shall be regularly monitored and determined.

2. Rice allowance, financial assistance and medical allowance totaling P420,000.00, P320,000.00, and P215,000.00, respectively, covering the months of January to August 2016 were granted to the agency personnel. The payment of these allowances and benefits are without legal basis, thus disallowable in audit.

We recommend that the granting of rice allowance, financial assistance and medical allowance to the district's personnel should be stopped pending the outcome of COA resolution or decision to the Appeal filed by the aggrieved party on previously disallowed similar transactions. This recommendation is without prejudice to the issuance of Notice of Disallowance on the above transactions, if warranted.

3. Management failed to strictly implement existing rules and regulations pertaining to the grant and liquidation of cash advances of officials and employees of the District resulting in unliquidated balance of cash advances at year-end amounting to P334,555.50.

We recommend that management should serve a written notice of demand to the accountable officers and employees concerned for the immediate settlement and/or liquidation of their respective outstanding cash advances, and withhold the salaries of the accountable personnel concerned who continuously ignore to settle their obligations. We further recommend to stop the grant of additional cash advance to any official or employee unless the previous cash advance granted to him is first settled or a proper accounting thereof is made in accordance with Section 4.1.2 of COA Circular 97-002. Henceforth, strictly observed and comply the prescribed period of liquidation of cash advance for travel which must be within 30 days after the date of return to official station and within 20 days from the date the activity or undertaking is accomplish for special and time bound cash advance.

4. The District's average level of non-revenue water (NRW) in CY 2016 of 27.71 per cent was beyond the maximum acceptable NRW level of 20 per cent prescribed by the Local Water Utilities Administration (LWUA) because NRW reduction efforts may not have been sufficient, hence resulting in estimated annual revenue loss of P8,902,510.40.

We recommend that management enhance the District's NRW measures and programs in order to reduce the NRW level to the maximum acceptance level of 20 percent, hence generate additional revenue for the agency.

E. Summary of Total Suspensions, Disallowances and Charges as of Year-End

As of December 31, 2016, the Statement of Audit Suspensions, Disallowances and Charges (SASDC) showed balances of P-0-, P1,792,100.00 and P-0-, respectively. Post audit of transactions for calendar year 2016 yielded results that require the issuance of pertinent Audit Decisions.

F. Status of Implementation of Prior Years' Unimplemented Audit Recommendations

Out of the thirty two (32) audit recommendations contained in the previous year's Annual Audit Reports, twenty seven (27) were fully implemented, three (3) were partially implemented, and two (2) were not implemented.

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PART I – AUDITED FINANCIAL STATEMENTS

Republic of the Philippines
COMMISSION ON AUDIT
Regional Office No. VIII
Corporate Government Sector-Water Districts
Candahug, Palo, Leyte

INDEPENDENT AUDITOR'S REPORT

The General Manager
The Board of Directors
Calbayog City Water District
Calbayog City, Samar

Pursuant to Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, we have audited the accompanying combined financial statement of Calbayog City Water District, Calbayog City, Samar, which comprise the Statement of Financial Position as of December 31, 2016, and the Statement of Financial Performance, Statement of Changes in Net Assets/Equity, Statement of Comparative Budget and Actual and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

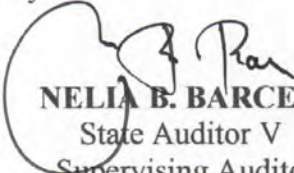
We rendered a qualified opinion on the fairness of the presentation of the financial statements due to the effects thereon of the noted deficiencies mentioned in Part II and the partially implemented as well as the unimplemented audit recommendations contained in Part III of the report which may have effects on certain accounts in the financial statements, specifically, the non-determination of the existence, condition and reliability of the Property, Plant and Equipment with a net book balance of P300,908,473.86 as presented in the financial statements as of December 31, 2016, because the physical count of properties was not completely undertaken and the corresponding report of the physical count of property, plant and equipment did not provide sufficient data and information. In addition the absence of property and accounting records do not permit the application of alternative procedures to determine the validity of this account.

Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, there is reasonable assurance that the financial statements referred to above present fairly in all material respects, the financial position of the Calbayog City Water District as of December 31, 2016, the results of its operations, its cash flows and changes in equity for the year then ended, in conformity with generally accepted state accounting principles.

COMMISSION ON AUDIT

By:


NELIA B. BARCENA
State Auditor V
Supervising Auditor

April 27, 2017

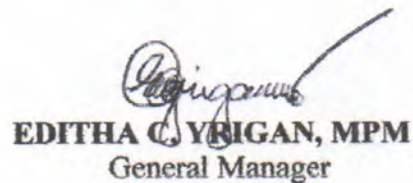
CALBAYOG CITY WATER DISTRICT
J.D Avelino St., Calabayog City Samar

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR
FINANCIAL STATEMENTS**

The management of Calbayog City Water District is responsible for all information and representations contained in the accompanying Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement as of December 31, 2016 in conformity with the Philippine Financial Reporting Standard and generally accepted state accounting principles and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure the transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.


NICANDRO B. COQUILLA
OIC - Finance Services Department


EDITHA C. YRIGAN, MPM
General Manager

CALBAYOG CITY WATER DISTRICT
CONDENSED STATEMENT OF FINANCIAL POSITION
ALL FUNDS
AS AT DECEMBER 31, 2016

Account Title	Note	2016	2015	1-Jan-15
ASSETS				
Current Assets				
Cash & Cash Equivalents	2	30,732,439.38	18,227,774.20	15,368,263.07
Accounts Receivables - Net	3	14,223,842.18	14,274,919.95	15,082,033.81
Inventories	4	5,109,121.39	5,468,017.22	4,597,823.02
Total Current Assets		50,065,402.95	37,970,711.37	35,048,119.90
Non-Current Assets				
Investments	5	-	-	-
Property Plant & Equipment	6	300,908,473.86	305,916,782.87	304,038,262.67
Intangible Assets	7	340,516.00	28,375.40	38,029.52
Other Assets	8	3,613,666.42	142,968.67	331,365.17
Total Non-Current Assets		304,862,656.28	306,088,126.94	304,407,657.36
TOTAL ASSETS		354,928,059.23	344,058,838.31	339,455,777.26
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities	9	1,597,593.41	1,893,299.73	13,199,078.14
Inter-Agency Payables	10	710,073.58	7,104.75	1,814.88
Trust Liabilities	11	6,322,171.91	5,501,061.75	4,709,345.17
Other Payables	12	227,962.85	400.00	395,328.01
Deferred Credits	13	336,382.37	339,355.28	221,118.89
Total Current Liabilities		9,194,184.12	7,741,221.51	18,526,685.09
Non-Current Liabilities				
Financial Liabilities	14	297,841,085.44	319,014,518.68	258,216,303.43
Total Non-Current Liabilities		297,841,085.44	319,014,518.68	258,216,303.43
TOTAL LIABILITIES		307,035,269.56	326,755,740.19	276,742,988.52
EQUITY				
Government Equity	15	10,135,866.56	10,135,866.56	10,135,866.56
Retained Earnings	16	37,756,923.11	7,167,231.56	52,576,922.18
TOTAL EQUITY		47,892,789.67	17,303,098.12	62,712,788.74
TOTAL LIABILITIES AND EQUITY		354,928,059.23	344,058,838.31	339,455,777.26

**CALBAYOG CITY WATER DISTRICT
CONDENSED STATEMENT OF COMPREHENSIVE INCOME
ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Account Title	Note	2016	2015
INCOME			
Service & Business Income	17	117,253,248.75	103,923,051.37
Shares, Grants & Donations	17		3,541,846.00
Other Non-Operating Income	17	383,529.79	1,106,930.76
Total Income		117,636,778.54	108,571,828.13
EXPENSES			
Personnel Services	18	22,007,450.80	22,486,898.55
Maintenance & Other Operating Expenses	19	33,307,098.55	28,452,451.25
Other Maintenance and Operating Expenses	20	604,993.02	380,477.21
Financial Expenses	21	17,268,785.19	26,060,967.74
Non-Cash Expenses	22	13,325,853.75	13,129,553.60
Discounts and Rebates	23	180,314.62	185,223.50
Total Expenses		86,694,495.93	90,695,571.85
Profit/(Loss) Before Tax		30,942,282.61	17,876,256.28
Income Tax Expense		-	-
Net Income/(Loss)		30,942,282.61	17,876,256.28
Other Comprehensive Income/(Loss) for the Period		-	-
Comprehensive Income/(Loss)		30,942,282.61	17,876,256.28

**CALBAYOG CITY WATER DISTRICT
STATEMENT OF CHANGES IN EQUITY
ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Contributed Capital	Retained Earnings/ (Deficit)	TOTAL
BALANCE AT JANUARY 1, 2015	10,178,366.56	52,576,922.18	62,755,288.74
ADJUSTMENTS:			
Add/(Deduct):			
Changes in Accounting Policy			-
Prior Period Errors			-
Other Adjustments	(42,500.00)	(63,285,946.90)	(63,328,446.90)
RESTATED BALANCE AT JANUARY 1, 2015	10,135,866.56	(10,709,024.72)	(573,158.16)
CHANGES IN EQUITY FOR 2015			
Add/(Deduct):			
Issuance of Share Capital			-
Additional Capital from National Government			-
Members Contribution			-
Comprehensive Income for the year		17,876,256.28	17,876,256.28
Dividends			-
Other Adjustment			-
BALANCE AT DECEMBER 31, 2015	10,135,866.56	7,167,231.56	17,303,098.12
CHANGES IN EQUITY FOR 2016			
Add/(Deduct):			
Issuance of Share Capital			-
Additional Capital from National Government			-
Members Contribution			-
Comprehensive Income for the year		30,942,282.61	30,942,282.61
Dividends			-
Other Adjustment		(352,591.06)	(352,591.06)
BALANCE AT DECEMBER 31, 2016	10,135,866.56	37,756,923.11	47,892,789.67

CALBAYOG CITY WATER DISTRICT
Cash Flow Statement
For the Year Ended December 31, 2016
(Amounts in Philippine Peso)

<u>Cash Flows from Operating Activities</u>	<u>2016</u>	<u>2015</u>
Cash Inflows:		
Collection of Water Bills	112,103,321.70	99,678,244.80
Collection of Other Water Revenues	4,243,505.60	4,698,855.20
Collection of Customer's Deposit	925,888.83	888,061.84
Settlement Account Receivable - Illegal Fees	418,346.08	455,908.96
Refund of overpayment of expenses and Cash Advances	13,603.29	42,667.49
Sale of tapping materials	1,601,006.02	1,413,735.66
Settlement of Account Receivable - Materials	3,325.66	13,482.68
Settlement of Other Receivable - Miscellaneous Fees	125.00	2,285.00
Settlement of Other Receivable/ Advance payment (water sales)	163,604.48	237,381.32
Settlement Account Receivable - Meter Maintenance	115,809.89	250,773.62
Other Receipts/Scrap/Bidding fees/INLIP/ cash bond/LWUA :PAN-AS	25,500.69	6,849,737.00
Liquidation of payroll fund/Working Fund/Cash Fund	72,810.31	29,966.74
Total Cash Inflows	119,686,847.55	114,561,100.31
Cash Outflows:		
Payment of Operating Expenses:		
Salaries	6,359,795.28	6,491,844.57
Wages	4,962,642.42	4,875,390.84
Benefits and Allowances	8,452,531.29	6,781,238.86
Fuel and Lubricants	1,873,399.02	3,949,676.27
Power/Electricity	13,917,365.32	10,831,393.82
Chemicals	2,215,595.21	1,304,272.67
Other Operation and Maint. Expenses	14,509,527.11	27,094,526.24
CAPEX	1,456,166.12	1,815,940.19
Remittance of Withholding Taxes	4,401,534.68	5,512,192.82
Remittance of CRIS/PAG-IBIG/Philhealth & other loans of employees	9,765,271.30	7,536,530.44
Total Cash Outflows	67,913,827.75	76,193,006.72
Total Cash Provided (used) by Operating Activities	51,773,019.80	38,368,093.59
Cash Flows from Investing Activities:		
Cash Inflows:		
Deposit for reserved funds	6,308,379.00	3,414,553.56
Fund transfer to current account	0.00	0.00
Interest Earned from deposits	5,124.10	51,925.01
Total Cash Inflows	6,313,503.10	3,466,478.57
Cash Outflows:		
Fund transfer to/from time deposit accounts	6,308,379.00	
Total Cash Outflows	6,308,379.00	3,414,553.56
Total Cash Provided (Used) by Investing Activities	5,124.10	3,414,553.56
Cash Flows from Financing Activities		
Cash Inflows:		
Proceeds from Borrowing (Loans Payable)		
Cash Outflows:		
Cash payment of interest on loans payable and other fin. Charges	18,380,098.59	29,581,968.01
Payments of Principal loans(DBP)	20,062,119.84	10,499,775.77
Total Cash Outflows	38,442,218.43	40,081,743.78
Total Cash Provided (used) by Financing Activities	38,442,218.43	40,081,743.78
Cash Provided by Operating, Investing and Financing Activities	13,335,925.47	(1,661,725.18)
Add: Cash and Cash Equivalents-Beginning	18,233,795.61	15,492,112.44
Add/Less :Adjustment(Add/and unliquidated payroll/Charge to Retained Earning	(837,281.70)	4,397,386.94
Cash and Cash Equivalents, Ending	30,732,439.38	18,227,774.20

**CALBAYOG CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

1. Company Profile

The formation of the Calbayog City Water District (CCWD) begun in 1986 when the Sanguniang Panglunsod of the Calbayog City passed City Resolution No. 169 dated July 22, 1986, in accordance with Presidential Decree No. 198, as amended by the Presidential Decree No. 769, known as the Provincial Water Utilities Act of 1978, declaring a national policy favoring local operation and control of water system; authorizing the formulation of local water district. The purpose is to improve the entire water system and to provide safe, potable, reliable and sufficient water supply to the constituent of the city.

On March 4, 1987, a Conditional Certificate of Conformance No. 284 was issued to newly formed water district by the Local Water Utilities Administration (LWUA) and operate as a quasi-public entity.

On September 13, 1991, a decision/resolution was rendered by the Supreme Court declaring all local water districts as government-owned and controlled corporation (G.R. No. 95237-38). The CCWD is located within the city proper and has been operational 29 years. Its primary objective is to install, improve, maintain, and operate the water supply and distribution system and provide safe, potable, and sustainable water supply for residential, commercial, and industrial consumers with commitment of efficient service and ensuring the protection and preservation of our natural resources in the watershed area.

The Calbayog City Water District has three (3) sources, namely Pan-As, Pasungon, and Hamonini River. The District has total service connections of 15,572, active connections 13,021 as of December 31, 2016. Calbayog City Water District is a non-profit oriented and receives no subsidy from the national government. The revenue raised is solely from the concessionaire's monthly payments of water bills other installation costs.

VISION

Calbayog City Water District (CCWD) envisioned itself as: The Leading Water Utility in Samar by 2025.

MISSION

The Calbayog City Water District (CCWD) is committed to provide safe, potable and adequate, water, ensuring environmental protection, and providing

technical as well as professional advancement to its employees, thus, promoting consumers' satisfaction even to the less privileged.

GOALS

- a. Increase service coverage
- b. Increase active service connection to 15,000 by year 2018
- c. Improve water supply and customer service
- d. Reduce Non-Revenue-Water (NRW)
- e. Improve financial viability
- f. Environmental Protection and Rehabilitation in Watershed area
- g. Improve Organizational Efficiency and Productivity

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Statement of the CCWD are presented in accordance with the Philippine Financial Reporting Standards (PFRS) which are adopted by the Commission on Audit. Accounting Policies applied by the District are set out below.

Statement of Compliance

The Financial Statement of the District has been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) as per COA Circular No. 2015-010 dated December 01, 2015.

Basis of Measurement

These Financial Statements are prepared in accordance with the Historical Cost Convention.

Functional and Presentation Currency

The Districts Financial Statement are presented in Philippine Peso (Php) which is the CCWD functional currency.

Current vs Noncurrent Classification

The District presents Assets and Liabilities in the Statement of Financial Position in liquidation based on current/non-current classification. Assets are current when it is: Expected to be realized or intended to be sold or consumed in the normal operating cycle held primarily for the purpose of trading expected to be realized within 12 months after the end of the reporting period, or

Cash on hand and cash in banks unless restricted from being exchanged or used to settle a liability for at least 12 months after the end of the reporting period. All other assets are classified as non-current. A liability is current when it is: Expected to be settled in normal operating cycle Held primarily for the purpose of trading due to be settled within 12 months after the end of the reporting period, or there is no unconditional right to defer the settlement of the liability for at least 12 months after the end of the reporting period. The District classifies all other liabilities as non-current.

Cash

Cash includes cash on hand and deposits held by banks. Cash is carried in the Statement of Financial Position at face value or nominal amount. Cash in banks earn interest at the respective bank deposit.

Receivables

Receivables are recognized initially at the transaction price. A provision for impairment of receivables is established when there is objective evidence that CCWD will not be able to collect all amounts due according to the original terms of the receivables. Receivables that are classified as current assets in the statement of financial position are measured at the undiscounted amount of the cash or other consideration expected to be received.

Property Plant and Equipment

Items of Property Plant and Equipment (PPE) are initially recognized at cost less any subsequent accumulated depreciation and any impairment in value. Initial cost includes the purchase price and other directly attributable cost of bringing the asset to its working condition for intended use. Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that an increase of future economic benefits in excess of the originally assessed standard performance of the existing assets will flow to the District and the cost of the item can be measured reliably. Expenditures for repairs and maintenance are charged to profit and loss during the financial period in which they are incurred. Depreciation is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method. The following estimated useful lives are used for the depreciation of PPE:

Category	Estimated Useful Life
Building	10 years
Office equipment	2 - 3 years

Transportation equipment	2 - 3 years
Machinery and equipments	2 - 3 years
Tools and other equipments	3 years

The asset's estimated useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of significant changes since the last reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount. An item of PPE is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the profit or loss in the year the asset is derecognized. Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge to depreciation is made with respect to those assets.

Payables

Payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method. Payables that are classified as current liabilities in the statement of financial position are measured at the undiscounted amount of the cash and other consideration expected to be paid.

Government Equity

Government equity pertains to the monetary contributions made by the National Government, Local Government Unit and other related parties. The contribution is not available for distribution since the primary purpose of such is to be used in the District's operation.

Retained Earnings includes all current period results as disclosed in the Income Statement and prior period adjustments.

Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the District and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of the business.

Metered Sales (Water Sales) - revenue is recognized when water consumptions for a particular period are billed to the concessionaires.

Other Business Income - revenue is recognized when other service fees are charged and paid by the concessionaires for availing of other services.

Service Income - revenue is recognized when interest/surcharges are charged and paid by the concessionaires for overdue accounts and illegal fees imposed.

Miscellaneous Income - are recognized upon delivery of other services or goods not in the ordinary course of the District's operation.

Expense Recognition

The District adopts the accrual basis of accounting for expense recognition. Under this method, all expenses shall be recognized when incurred and reported in the financial statements in the period to which they relate.

2. CASH EQUIVALENTS

Cash on Hand is composed of the following:

Cash Collecting Officer - represents the undeposited collections on the last working day of the year, which were deposited on the first working day of the following year.

Petty Cash Fund - composes the working fund and cash fund of the District for emergency and petty expenses.

	2016	2015
Cash & Cash Equivalentents	30,732,439.38	18,227,774.20
Cash on Hand		
Cash Collecting Officer	688,835.89	596,352.22
Petty Cash	5,000.00	5,000.00
Total	693,835.89	601,352.22

Cash in Bank - represents the actual cash deposits from various bank in the City of Calbayog and Catbalogan in the province of Samar.

Cash in Banks - Local Currency	Account No.	2016	2015
Cash in Banks - Local Currency, Current Account			
PNB Current Account	341666000010	566,542.77	683,062.95
LBP Current Account	2172103823	9,097,974.74	3,585,965.01
		1,948,164.65	2,133,335.50
LBP Current Acct (Pan-as)	2172106849		
DBP Current Account	0730-038232-030	1,000,000.00	1,000,000.00
Sub-total		12,612,682.16	7,402,363.46
Cash in Banks - Local Currency, Savings Account			
PNB Savings Account	342136900017	1,056,734.76	223,760.46
PNB Waterbill Payment	341666000028	253,155.07	197,769.66
Sub-total		1,309,889.83	421,530.12
Total		13,922,571.99	7,823,893.58

Cash Equivalents - represents short-term investments which are highly liquid in the form of Time Deposits.

Cash Equivalents	2016	2015
Time Deposits - Local Currency		
<i>DBP Time Deposit</i>	5,474,739.96	5,474,739.96
<i>DBP Time Deposit (7%)</i>	8,808,379.00	2,500,000.00
<i>PNB Time Deposit (3%)</i>	1,832,912.54	1,827,788.44
Total	16,116,031.50	9,802,528.40

3. Receivables

This account represents the unpaid water sales for the given period which remains Outstanding.

	2016	2015
Receivables	14,223,842.18	14,274,919.95
Accounts Receivable		
Customers - Regular	9,676,498.57	9,726,172.11
Illegal Fees	637,610.11	629,193.69
sub-total	10,314,108.68	10,355,365.80
Allowance for Doubtful Accounts	(2,222,764.84)	(2,222,764.84)
Accounts Receivable - Net	8,091,343.84	8,132,600.96
Inter-Agency Receivables		
Due from National Government Agencies		

Non LWUA Initiated Fund (NILF)	4,537,938.72	4,537,938.72
Cash Bond - DPWH	141,584.56	141,584.56
Total	4,679,523.28	4,679,523.28

Other Receivables		
Disallowance/Charges	1,092,877.83	1,092,877.83
Due from Officers & Employees		
Rosemay Felices	16,972.72	16,972.72
Allan Pelotos	3,166.65	3,166.65
Nerissa Uy	11,222.52	11,222.52
Jessel Biliran	(1,693.56)	373.82
Ma. Teresa G. Ygrubay	41,916.15	41,916.15
Erwin Rojas (200)/ Saturnino	5,179.14	200.00
Other Receivables		
Materials	46,598.03	48,572.85
Meter Maintenance	234,920.30	245,552.89
Miscellaneous Fees	1,815.28	1,940.28
Total	1,452,975.06	1,462,795.71

4. Inventory

This consists of various materials and supplies intended for the concessionaires and for future use of the District.

	2016	2015
Other Supplies & Materials for Distribution	5,109,121.39	5,468,017.22

5. Investments

The District has no investment in any money markets or financial institution this period.

6. Property, Plant and Equipment (PPE)

	2016	2017
Property, Plant & Equipments	300,908,473.86	305,916,782.87
Land	8,725,312.11	6,955,362.11
Land Improvements		
Other Land Improvements	-	-

Infrastructure Assets		
Water Supply System		
Plant (UPIS)		
<i>Springs and Tunnels</i>	-	-
<i>Other Pumping Plant</i>	644,010.63	644,010.63
<i>Transmission and Distribution Mains</i>	342,303,756.85	341,656,146.85
<i>Meters</i>	13,193,655.48	10,754,392.40
<i>Meter Installation</i>	243,945.75	227,999.54
<i>Hydrants</i>	-	-
Less: Accumulated Depreciation - Plant (UPIS)	93,194,336.65	81,333,506.49
Net	263,191,032.06	271,949,042.93
Building and Other Structures		
<i>Building</i>	1,468,290.50	1,281,053.00
<i>Water Plant, Structures & Improvements</i>		
<i>Pumping Plant Structures and Improvements</i>	610,651.25	607,753.52
<i>Water Treatment Structures and Improvements</i>	717,268.00	717,268.00
Transmission & Dist. Struct. Equity	824,812.07	10,950.00
sub-total	3,621,021.82	2,617,024.52
Less: Accumulated Depreciation -Buildings and Other Structures	2,218,658.45	2,135,695.77
Net	1,402,363.37	481,328.75
Machinery & Equipment		
Office Equipment	3,174,914.83	2,866,056.20
Less: Accumulated Depreciation -Office Equipment	2,059,641.81	1,696,600.42
Net	1,115,273.02	1,169,455.78
Technical & Scientific Equipment		
Laboratory Equipments	1,324,073.44	1,324,073.44
Less: Accumulated Depreciation -Laboratory Equipment	848,044.61	720,491.57
Net	476,028.83	603,581.87
Other Machinery and Equipment		
<i>Pumping Equipment</i>	4,519,388.00	4,376,416.00
<i>Water Treatment Equipment/Other Machinery</i>	440,830.00	440,830.00
<i>Communication Equipment</i>	916,377.53	913,237.53
<i>Electrical Equipment</i>	1,582,879.75	1,582,879.75
<i>Tools, Shop and Garage Equipment</i>	229,639.50	227,541.50
sub-total	7,689,114.78	7,540,904.78
Less: Accumulated Depreciation -Other Machinery and Equipment	2,971,339.50	2,397,488.11

Net	4,717,775.28	5,143,416.67
Transportation Equipment		
Motor Vehicles	3,959,481.34	3,052,433.34
Less: Accumulated Depreciation -Land Transport Equipment	2,191,716.93	1,946,382.81
Net	1,767,764.41	1,106,050.53
Furniture, Fixtures & Books		
Furniture's & Fixtures	776,273.06	615,251.12
Less: Accumulated Depreciation-Furniture and Fixtures	492,224.97	427,793.40
Books	-	-
Less: Accumulated Depreciation-Books	-	-
Net	284,048.09	187,457.72

CCWD management believes that there is no indication of impairment on the District's property and equipment and that its carrying amount can be recovered through use in operation.

Construction in Progress

Construction in-progress is stated at cost, project costs are accrued base on contractor's accomplishment reports and billings. These represent cost incurred for technical services and capital work program contracted by the District to facilitate the implementation of the project.

Construction in-progress is transferred to the related PPEs account when the construction and installation and related activities necessary to prepare the assets for their intended use have been completed and ready for service.

	2016	2015
Construction in Progress	19,228,876.69	18,321,086.51
Construction in Progress-Infrastructure Assets		
<i>Construction in Progress - Pumping Vertical</i>	85,423.50	85,423.50
<i>Construction in Progress - Façade</i>	86,873.90	86,873.90
<i>Construction in Progress - China Leak Repair</i>	67,160.00	67,160.00
<i>Construction in Progress - Obrero</i>	153,183.36	153,183.36
<i>Construction in Progress - Cagbilwang</i>	56,110.00	56,110.00
<i>Construction in Progress - San Policarpo/Plant</i>	70,900.00	70,900.00

<i>Construction in Progress - San Policarpo/Plant</i>	70,900.00	70,900.00
<i>Construction in Progress- Pan as/Pasungon Plant</i>	4,812,848.47	4,812,848.47
<i>Repair L-300</i>	32,500.00	32,500.00
	165,000.00	-
Total	5,529,999.23	5,364,999.23
Construction in Progress-Buildings & Structures		
<i>Building-Capoocan</i>	1,277,480.29	1,277,480.29
<i>Warehouse/Stockyard</i>	333,007.21	333,007.21
<i>Labiyao Bridge</i>	2,354,274.92	2,354,274.92
<i>Bunkhouse- panlayahan</i>	47,940.21	16,227.01
<i>Bankhouse - Rawis</i>	4,344.70	4,344.70
<i>Pagsangjan Pipe Bridge Crossing / Support</i>	1,176,000.00	1,176,000.00
<i>Pan-as Rehabilitation</i>	7,933,800.13	7,386,878.15
<i>Expansion at San Policarpo (Caruyan)</i>	102,280.00	-
Total	13,229,127.46	12,548,212.28
Development in Progress		
<i>Computerization System</i>	426,000.00	386,000.00
<i>Website</i>	43,750.00	21,875.00
Total	469,750.00	407,875.00

7. Intangible Assets

Intangible Assets

Computer Software - are initially recognized at cost, purchase price (net of any discounts and rebates) and any attributable cost of preparing the asset for its intended use. Any expenditures incurred which enhances the assets is capitalized, other cost incurred for maintaining the asset are expensed in the period in which such expenditure arises.

	2016	2015
Intangible Assets		
Computer Software	708,692.70	388,692.70
Accumulated Amortization - IT Software	(368,176.70)	(360,317.30)
Net	340,516.00	28,375.40

8. Other Assets

Other assets consist of the following accounts:

Advance for Payroll - represents the amount granted to the Disbursing Officer for payments of salaries, wages, honoraria, allowances and other personnel benefits and bonuses. This account is closed upon liquidation of the payroll fund.

Advances to Officers and Employees - this represents the cash advances of officers and Employees of the District incurred during approved official travels for various purposes in connection with the Districts operation.

Other Deferred Charges - this account represents the taxes withheld by the District from Government Entities, LGU's and Government Owned or Controlled Corporations.

	2016	2015
Other Assets	3,613,666.42	142,968.67
Advances		
Advances for Payroll	3,276,400.00	6,021.41
Advances to Officers and Employees	334,555.50	137,130.50
Total	3,610,955.50	143,151.91
Other Deferred Charges		
Preliminary Survey and Investigation Charges	29,400.00	29,400.00
Deferred Charges - Franchise Tax Withheld	(29,210.70)	(32,104.86)
Deferred Charges-Franchise (Senior Citizen)	2,521.62	2,521.62
Total	2,710.92	(183.24)

Prepayments

The District has no prepaid expenses this period.

9. Financial Liabilities

This account represents the current obligation of the District which is expected to mature within a year from the balance sheet date.

Payments for expenditures and other payables are temporarily charged to Accounts Payable until actual payments are made.

	2016	2015
Payables	1,597,593.41	1,893,299.73
Accounts Payable	1,593,276.29	1,888,982.61
Due to Officers & Employees (SSS Refund)	3,317.12	3,317.12
Bond Payable	1,000.00	1,000.00

10. Inter-Agency Payables

This account represents unremitted taxes, contributions, employee's loans and other payables to the concerned Government Agencies.

	2016	2015
Inter-Agency Payables	710,073.58	7,104.75
Due to BIR	261,029.33	6,021.41
Withholding Tax on Compensation (Employees)	105,542.93	6,021.41
Expanded Withholding Tax (Suppliers)	155,486.40	-
Due to GSIS	292,707.51	1,083.34
<i>Life and Retirement Premium</i>	142,735.46	-
<i>UOLI Premium Payable</i>	496.92	-
<i>ECC</i>	-	-
<i>GSIS Salary Loans Payable</i>	105,350.49	-
<i>GSIS Policy Loan Payable</i>	5,600.00	100.00
<i>GSIS Emergency Loan Payable</i>	33,533.56	983.34
<i>GSIS Housing Loan Payable</i>	4,651.08	-
<i>GSIS - SOS Loan</i>	-	-
<i>GSIS Cash Advance Payable</i>	-	-
<i>GSIS - Educational Loan</i>	340.00	-
<i>UOLI Loans Payable</i>	-	-
Due to Pag-IBIG	63,125.48	-
<i>Pag-IBIG Premium</i>	31,718.99	-
<i>Pag-IBIG Multi-Purpose Loan</i>	31,406.49	-
<i>Pag-IBIG Housing Loan</i>	-	-
Due to PhilHealth	17,912.50	-
Due to Government Corporations	75,298.76	-
<i>DBP Loans Payable</i>	75,298.76	-
<i>Due to SSS</i>	-	-
Value Added Tax Payable	-	-
Income Tax Payable	-	-

11. Trust Liabilities

Customer's Deposit

This account represents the advances collected from customers/concessionaires in the event that any outstanding receivables could not be collected on time.

The amount of advance payments is based on the initial assessment upon initial registration/ new connections equivalent in two (2) months worth of deposit.

	2016	2015
Customers' Deposits Payable	6,322,171.91	5,501,061.75

12. Other Payables

This account represents the District liabilities which cannot be classified as current and noncurrent and other payables from non Government Entities which are short term in nature.

	2016	2015
Other Payables		
CFI Loans	63,494.43	250.00
CCWDEA Premium	(31,100.00)	-
CCWDEA Loans	19,338.11	-
Provident Funds Premium	23,250.00	150.00
Provident Loans	78,858.10	-
OCCCI Loans	74,122.21	-
Total	227,962.85	400.00

13. Deferred Credits

This account represents other liabilities of the District which are not classified to specific group of accounts.

	2016	2015
Other Deferred Credits		
Advance Payment	44,019.39	15,814.61
Paid Materials	237,001.30	240,663.02
PN Materials	59,905.76	58,537.51
Water Sales	(9,544.08)	19,340.14
Surety bond/cash bond	5,000.00	5,000.00
Total	336,382.37	339,355.28

14. Financial Liabilities - Noncurrent

This account represents the long term loans granted by Government Agencies or Government Owned or Controlled Corporations (GOCC) to the District for its operation and related projects.

	2016	2015
Loans Payable - Domestic		
LWUA PAN -AS	3,541,846.00	3,541,846.00
DBP	294,299,239.44	315,472,672.68
Total	297,841,085.44	319,014,518.68

Total loan refinanced by Development Bank of the Philippines (DBP) amounts to 317,237,125.45 last November 16, 2015. CCWD started paying the said loan last December 16, 2015, with a total principal payment of 22,937,886.01 and total interest paid amounting to 18,737,328.62 as of December 31, 2016.

No payments were made for LWUA account this year.

15. Government Equity

	2016	2015
Government Equity	10,135,866.56	10,135,866.56
Accumulated Surplus/(Deficit)	(42,500.00)	(42,500.00)
Contributed Capital	10,178,366.56	10,178,366.56
<i>Capital Contribution - National Govt.</i>	5,760,287.56	5,760,287.56
<i>Capital Contribution - LGU</i>	3,418,079.00	3,418,079.00
<i>Capital Contribution - LINGAP</i>	1,000,000.00	1,000,000.00

16. Retained Earnings

This account represents the Districts total income/earnings as a result of past operation base on the income statement for the current period.

	2016	2015
Retained Earnings - Dec. 31, 2015	7,167,231.56	52,576,922.18
Prior period errors/adjustments	(352,591.06)	(63,285,946.90)

Change in Accounting Policy		
Corrected Beg Balance	6,814,640.50	(10,709,024.72)
Add: Comprehensive Income	30,942,282.61	17,876,256.28
Dividends	-	-
Appropriated for Contingencies	-	-
Retained Earnings – Dec 31, 2016	37,756,923.11	7,167,231.56

17. Income

This account pertains to the charges billed to the concessionaires which amounted to 117,636,778.54 for CY 2016.

	2016	2015
Income		
Service and Business Income		
Business Income		
Waterworks System Fees		
Metered Sales Regular	110,711,931.60	97,605,951.05
Other Waterworks System Fees	34,248.57	12,490.94
sub-total	110,746,180.17	97,618,441.99
Other Business Income		
Misc. Service Revenue	2,147,383.58	2,151,317.23
Rent of Water Property	2,638.78	-
Meter Rental Maintenance	1,973,086.36	1,668,329.31
sub-total	4,123,108.72	3,819,646.54
Service Income		
Fines/Penalties-Business Service Income		
Penalty Charges-Overdue Water		
Bills	1,955,197.36	1,977,962.84
Penalty Charges-Illegal Connections	428,762.50	507,000.00
sub-total	2,383,959.86	2,484,962.84
Total Service and Business Income	117,253,248.75	103,923,051.37
Grant/Donations (Pan-as)		3,541,846.00
Other Non-Operating Income		
Interest Income		
Due from Other Banks	5,124.10	51,925.01
Miscellaneous Income		
Materials	310,291.71	217,259.92
Bidding fees	30,766.54	27,000.00

Scrap/ Insurance refund strada	30,043.56	785,445.97
OCCCI	-	15,867.49
Cfl Incentive	7,303.88	9,432.37
sub-total	378,405.69	1,055,005.75
Total Non-operating Income	383,529.79	1,106,930.76
Total Income	117,636,778.54	108,571,828.13

18. Personnel Services

This account pertains to the salaries and wages paid to the employees of the CCWD for the CY 2016, which includes all remuneration, allowances bonuses and honorariums to the top management of the District.

	2016	2015
Personnel Services	22,007,450.80	22,486,898.55
Salaries & Wages - Regular	12,263,524.16	10,176,596.11
Salaries & Wages - Casual/Contractual	1,011,751.48	661,013.04
Personnel Economic Relief Allowance (PERA)	608,500.07	262,738.63
Additional Compensation (ADCOM)	547,500.00	790,022.73
Representation Allowance	340,750.00	282,000.00
Transportation Allowance	340,750.00	282,000.00
Clothing and Uniform Allowance	215,000.00	215,000.00
Honoraria (Director's fees & Remuneration)	797,868.00	782,316.00
Year End Bonus	2,192,108.00	1,070,421.00
Other Bonuses & Allowances	915,000.00	5,622,382.54
Personnel Benefit Contribution		
<i>Retirement & Life Insurance</i>		
<i>Premiums (GSIS)</i>	1,507,770.63	1,207,195.24
<i>Pag-ibig Contribution</i>	68,746.95	52,650.00
<i>Phil. Health Contribution</i>	138,637.50	117,206.25
<i>Employees Compensation Insurance</i>		
<i>Premiums</i>	67,461.44	52,004.57
<i>Provident/Welfare Fund Contribution</i>	25,800.00	157,950.00
Other Personnel Benefits		
<i>Pension Benefits - Regular</i>		
<i>Retirement Benefits - Regular</i>	-	-
<i>Terminal Leave Benefits</i>	639,990.49	601,813.83
<i>Other Personnel Benefits (Overtime/Holiday)</i>	326,292.08	153,588.61

19. Maintenance and Other Operating Expenses

This account represents the direct cost incurred by the District in its normal operation for the CY 2016.

	2016	2015
Maintenance and Other Operating Expenses	33,307,098.55	28,452,451.25
Traveling Expenses-Local	335,787.78	188,691.95
Training/Scholarship Expense	208,133.00	58,800.00
Supplies & Materials Expenses	740,239.94	805,284.85
Office Supplies Expense	323,056.64	302,794.99
Medical, Dental and Laboratory Supplies	-	-
Fuel, Oil & Lubricants	408,308.05	491,399.52
Textbooks & Instructional Materials Exp.	-	-
Chemical & Filtering Supplies Expenses	-	-
Other Supplies & Materials Expenses	8,875.25	11,090.34
Utility Expense	610,181.35	532,308.20
<i>Water Expenses</i>	79,588.95	79,106.20
<i>Electricity Expenses</i>	530,592.40	453,202.00
Communication Expenses	178,008.74	156,180.18
<i>Postage & Deliveries</i>	34,290.22	21,241.81
<i>Telephone Expenses</i>	124,930.65	117,454.30
<i>Internet Expenses</i>	16,627.87	13,474.07
<i>Cable, Satellite, Telegraphs, Radio Exp.</i>	2,160.00	4,010.00
Awards and Rewards	75,000.00	25,000.00
Indemnities	-	-
Survey Expenses	-	-
Research, Exploration and Development Exp.	-	-
Generation, Transmission & Distribution Exp.	20,526,267.34	17,677,374.02
Confidential, Intelligence & Extraordinary Exp.	324,560.48	195,208.60
<i>Extra Ordinary/ Misc. Expense</i>	324,560.48	195,208.60
Professional Services	174,355.85	131,000.00
<i>Legal Services</i>	100.00	60,000.00
<i>Auditing Services</i>	79,435.85	30,000.00
<i>Other Professional Services</i>	94,820.00	41,000.00
General Services	1,715,696.64	1,689,009.28
<i>Security Services</i>	1,715,696.64	1,644,209.28
<i>Other General Services</i>	-	44,800.00
Repairs & Maintenance	6,179,425.69	4,143,488.77
<i>Repairs & Maintenance - Infrastructure Assets</i>	4,328,534.21	2,008,148.91
<i>Repairs & Maintenance - Buildings & Other Structures</i>	628,785.65	337,856.07
<i>Repairs and Maintenance-Machinery and</i>		

<i>Equipment</i>	814,753.16	1,373,099.09
<i>Repairs & Maintenance - Transportation Equipment</i>	406,552.67	423,184.70
<i>Repairs and Maintenance - Furniture and Fixtures</i>	800.00	1,200.00
Taxes, Insurance Premiums and Other Fees	2,239,441.74	2,850,105.40
<i>Taxes, Duties & Licenses</i>	2,128,522.20	2,790,377.98
<i>Fidelity Bond Premiums</i>	-	-
<i>Insurance Expenses</i>	110,919.54	59,727.42

20. Other Maintenance and Operating Expenses

	2016	2015
Other Maintenance and Operating Expenses	604,993.02	380,477.21
Advertising, Promotional & Mktg. Exp.	5,218.00	60,041.20
Printing Expense	5,005.00	-
Representation Expense	106,868.00	119,917.00
Transportation & Delivery Expenses	-	-
Rent and Lease Expense	-	6,722.00
Membership Dues & Contributions to Organizations	16,149.00	13,301.00
Donation	1,770.00	7,300.00
Other Maintenance & Operating Exp.	469,983.02	173,196.01

21. Financial Expense.

This account represent the interest expense on loans availed by the District which are long term in nature.

	2016	2015
Financial Expenses	17,268,785.19	26,060,967.74
Interest Expenses	17,268,785.19	26,059,180.53
Bank Charges	-	1,787.21

22. Non-cash Expenses

This account represents the non-cash expenses recognized by the District for the given period.

	2016	2015
Non-Cash Expenses	13,325,853.75	13,129,553.60
Depreciation	13,317,994.35	13,111,211.94
<i>Depreciation - Plant (UPIS)</i>	11,860,820.16	11,747,464.97

<i>Depreciation - Buildings and Other Structures</i>	82,962.68	72,927.32
<i>Depreciation - Machinery and Equipment</i>	1,064,445.82	976,682.99
<i>Depreciation - Transportation Eqpt.</i>	245,334.12	249,786.12
<i>Depreciation - Furniture and Fixtures</i>	64,431.57	64,350.54
<i>NRP</i>		8,687.54
Amortization	7,859.40	9,654.12
<i>Amortization - Intangible Assets</i>	7,859.40	9,654.12

23. Discounts and Rebates

This account represents the discounts from water sales charged/billed to government agencies and charitable institutions.

	2016	2015
Discounts and Rebates		
Other Discounts	180,314.62	185,223.50

24. Tax Remittances

Total tax dues paid by the District:

	2016	2015
Franchise Tax	2,054,360.38	1,186,930.03
Income Taxes Withheld (Employees)	1,367,726.98	1,205,355.48
VAT & Percentage Tax (Suppliers)	1,211,496.70	2,067,700.57
Total	4,633,584.06	4,459,986.08