



Republic of the Philippines  
**CITY OF KORONADAL WATER DISTRICT**  
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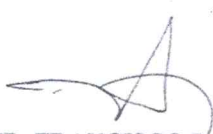


## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of the **CITY OF KORONADAL WATER DISTRICT** is responsible for the preparation of the financial statements as at December 31, 2018, 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 statement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements before such statements are issued to the regulators, creditors and other users.

The Commission on Audit has audited the financial statements of the **City of Koronadal 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.

  
**DIR. FRANCISCO D. SABLON**

Chairman of the Board

**February 20, 2019**

Date Signed

  
**JOSEPHINE J. COSEP**

Division Manager B  
Accounting Budget & Cash Management

**February 20, 2019**

Date Signed

  
**REY J. VARGAS**

General Manager

**February 20, 2019**

Date Signed



**CITY OF KORONADAL WATER DISTRICT**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2018**  
*(With Comparative Figures for CY 2017)*



	NOTE*	2018	2017
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	4	Php43,813,722.47	Php 32,787,458.56
Receivables	5	18,679,864.14	17,031,591.35
Inventories	6	12,035,815.81	7,717,990.54
Other Current Assets		18,661.43	18,661.43
<b>Total Current Assets</b>		<b>74,548,063.85</b>	<b>57,555,701.88</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	9	209,929,225.10	167,200,642.59
Construction in Progress			18,621,677.03
Other Non-Current Assets		3,766,277.01	3,607,435.79
<b>Total Non-Current Assets</b>		<b>213,695,502.11</b>	<b>189,429,755.41</b>
<b>Total Assets</b>	-	<b>Php288,243,565.96</b>	<b>Php 246,985,457.29</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>	10		
Financial Liabilities		Php17,440,470.19	Php6,056,453.08
Inter-Agency Payables		1,231,411.30	81,333.66
Trust Liabilities		391,081.52	658,375.91
Unearned Revenue/Income		135,279.97	68,853.33
Other Payables		73,815.21	-
<b>Total Current Liabilities</b>		<b>19,272,058.19</b>	<b>6,865,015.98</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities		38,073,867.06	40,793,840.32
Provisions		4,218,684.57	
<b>Total Non-Current Liabilities</b>		<b>42,292,551.63</b>	<b>40,793,840.32</b>
<b>Total Liabilities</b>	-	<b>61,564,609.82</b>	<b>47,658,856.30</b>
<b>Government Equity</b>	12	10,655,540.38	10,655,540.38
<b>Retained Earnings/(Deficit)</b>		216,023,415.76	188,671,060.61
<b>Total Equity</b>	-	<b>226,678,956.14</b>	<b>199,326,600.99</b>
<b>Total Liabilities and Equity</b>	-	<b>Php288,243,565.96</b>	<b>Php246,985,457.29</b>

( See accompanying Notes to Financial Statements)



**CITY OF KORONADAL WATER DISTRICT  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2018**  
*(With Comparative Figures for CY 2017)*



	<u>NOTE*</u>	<u>2018</u>	<u>2017</u>
<b>Income</b>	<b>13</b>		
Service and Business Income		Php 131,232,295.11	Php 114,364,517.59
Gains		836,183.75	1,037,830.82
Other Non-Operating Income		913,899.28	538,696.81
<b>Total Income</b>		<b>132,982,378.14</b>	<b>115,941,045.22</b>
<b>Expenses</b>	<b>14</b>		
Personnel Services		32,461,930.36	40,110,738.17
Maintenance and Other Operating Expenses		56,882,220.29	39,202,012.31
Financial Expenses		2,922,539.11	3,498,702.08
Non-Cash Expenses		9,692,475.61	8,162,590.58
Other Losses		5,275.00	-
<b>Total Expenses</b>		<b>101,964,440.37</b>	<b>90,974,043.14</b>
<b>Profit/(Loss) Before Tax</b>		<b>31,017,937.77</b>	<b>24,967,002.08</b>
<b>Income Tax Expense/(Benefit)</b>		<b>-</b>	
<b>Profit/(Loss) After Tax</b>		<b>31,017,937.77</b>	<b>24,967,002.08</b>
<b>Net Assistance/Subsidy/(Financial Assistance/Subsidy/ Contribution)</b>		<b>-</b>	
<b>Net Income/(Loss)</b>		<b>31,017,937.77</b>	<b>24,967,002.08</b>
<b>Other Comprehensive Income/(Loss) for the Period</b>		<b>-</b>	
<b>Comprehensive Income/(Loss)</b>		<b>Php 31,017,937.77</b>	<b>Php 24,967,002.08</b>

*( See accompanying Notes to Financial Statements)*





**CITY OF KORONADAL WATER DISTRICT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(With Comparative Figures for CY 2017)**



	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash Inflows</b>		
Proceeds from Sale of Goods and Services	9,671,343.23	8,454,854.41
Collection of Receivables	123,237,737.47	104,803,316.08
Collection of Income/Revenue	132,600.00	527,609.38
Trust Receipt	42,466.50	343,612.70
Other Receipts	1,830,401.89	469,923.15
<b>Total Cash Inflows</b>	<b>134,914,549.09</b>	<b>114,599,315.72</b>
Adjustments	1,320.00	-
<b>Adjusted Cash Inflow</b>	<b>134,915,869.09</b>	<b>114,599,315.72</b>
<b>Cash Outflows</b>		
Payment of Expenses	67,811,685.51	76,425,221.11
Purchase of Inventories	1,672,871.40	8,621,505.90
Grant of Cash Advances	776,179.00	-
Payments of Accounts Payable	3,729,262.98	5,535,985.28
Remittance of Personnel Benefit Contributions and Mandatory Deductions	11,571,640.30	-
Refund of Deposits	319,760.89	-
Other Disbursements	9,502.95	-
<b>Total Cash Outflows</b>	<b>85,890,903.03</b>	<b>90,582,712.29</b>
Adjustments	19,490.57	-
<b>Adjusted Cash Outflows</b>	<b>85,910,393.60</b>	<b>90,582,712.29</b>
<b>Net Cash Provided by/(Used in) Operating Activities</b>	<b>49,005,475.49</b>	<b>24,016,603.43</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Cash Inflows</b>		
Receipt of Interest Earned	48,851.96	179,979.67
<b>Total Cash Inflows</b>	<b>48,851.96</b>	<b>179,979.67</b>
<b>Cash Outflows</b>		
Purchase/Construction of Property, Plant and Equipment	32,867,284.00	21,183,226.59
Other long-term investments	98,516.52	3,607,435.79
<b>Total Cash Outflows</b>	<b>32,965,800.52</b>	<b>24,790,662.38</b>
<b>Net Cash Provided By/(Used In) Investing Activities</b>	<b>(32,916,948.56)</b>	<b>(24,610,682.71)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Cash Inflows</b>	-	-
<b>Total Cash Inflows</b>	-	-
<b>Cash Outflows</b>		
Payment of Long-Term Liabilities	2,130,005.91	1,652,612.00
Payment of Interest on Loans and Other Financial Charges	2,932,257.11	3,498,302.08
<b>Total Cash Outflows</b>	<b>5,062,263.02</b>	<b>5,150,914.08</b>
<b>Net Cash Provided By/(Used In) Financing Activities</b>	<b>(5,062,263.02)</b>	<b>(5,150,914.08)</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>11,026,263.91</b>	<b>(5,744,993.36)</b>
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<b>32,787,458.56</b>	<b>38,532,469.92</b>
<b>CASH AND CASH EQUIVALENTS ENDING BALANCE</b>	<b>43,813,722.47</b>	<b>32,787,476.56</b>



**CITY OF KORONADAL WATER DISTRICT  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2018**  
*(With Comparative Figures for CY 2017)*



	Retained Earnings/ (Deficit)	Contributed Capital	TOTAL
<b>BALANCE AT JANUARY 1, 2017</b>	<b>164,252,121.36</b>	<b>10,655,540.38</b>	<b>174,907,661.74</b>
<b>ADJUSTMENTS:</b>			
Add/(Deduct):			
Changes in Accounting Policy			
Prior Period Errors			
Other Adjustments			
<b>RESTATED BALANCE AT JANUARY 1, 2017</b>	<b>164,252,121.36</b>	<b>10,655,540.38</b>	<b>174,907,661.74</b>
<b>CHANGES IN EQUITY FOR 2017</b>			
Add/(Deduct):			
Issuances of Share Capital			
Additional Capital from National Government			
Members' Contribution			
Comprehensive Income for the year	24,967,002.08		24,967,002.08
Dividends			
Other Adjustments	(548,062.83)		(548,062.83)
<b>BALANCE AT DECEMBER 31, 2017</b>	<b>188,671,060.61</b>	<b>10,655,540.38</b>	<b>199,326,600.99</b>
<b>CHANGES IN EQUITY FOR 2018</b>			
Add/(Deduct):			
Issuances of Share Capital			
Additional Capital from National Government			
Members' Contribution			
Comprehensive Income for the year	31,017,937.77		31,017,937.77
Dividends			
Other Adjustments	(3,665,582.62)		(3,665,582.62)
<b>BALANCE AT DECEMBER 31, 2018</b>	<b>216,023,415.76</b>	<b>10,655,540.38</b>	<b>226,678,956.14</b>



**CITY OF KORONADAL WATER DISTRICT  
NOTES TO FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2018**



**1.0 Agency Background**

With Presidential Decree No. 198 as the enabling law, the Koronadal Water District (KWD) created through the Municipality of Koronadal Sangguniang Bayan Resolution No. 92, Series of 1980 and was issued the Conditional Certificate of Conformance (CCC No. 156) by the Local Water Utilities Administration (LWUA) on July 17, 1981. The mandates of the District are:

- To acquire, install, improve, maintain and operate water supply system for municipal uses for domestic and industrial within the boundaries of the District;
- To consider the sanitation of water for a sufficient, safe and potable water source by providing, maintaining and operating waste water collection treatment and disposal facilities; and
- To conduct such other functions and operations incidental to water resource development, utilization and disposal within the District, as are necessary or incidental to said purpose.

Koronadal Water District (KWD) was changed into the City of Koronadal Water District (CKWD), by virtue of the Interim Board of Directors Resolution No. 26, series of 2008 in consonance with the change in the “Municipality of Koronadal” to “City of Koronadal”. CKWD is classified as “Category C” but is re-categorized as “B” effective July 2015. The District is headed by General Manager Rey J. Vargas with the same set of Board of Directors as follows:

Chairperson	-	<i>Francisco D. Sablon, Jr</i> Business Sector Re-appointed, January 2015 to December 31, 2020
Vice-chairperson	-	<i>Engr. Danilo B. Araquil</i> Education Sector (until 2022) (replaced Vice Chairman Francisco D. Sablon, Jr.)
Secretary	-	<i>Engr. Lovi A. Ladera</i> Civic Sector (until December 31, 2018)
Members	-	<i>Atty. Benjie G. Espinosa</i> Professional Sector (until December 31, 2018)
	-	<i>Rosario Ruiz</i> Women Sector (until December 31, 2022)



Starting off with 101 employees in January 2019, the District has 49 regular and 67 job orders or a total of 116 workforces by the end of the year, excluding those who were hired for specific projects like the laborers for the expansion projects.

In the quest of further improvements in terms of customer service, and for the compliance with MC 2016-1 issued by the Department of Budget and Management, the City of Koronadal Water District implemented its Quality Management System for ISO 9001:2015 last November 2018 and was duly certified by the end of the year. This accreditation will provide guidance and tools to the district to ensure that services will consistently meet the customers' requirements, and quality is consistently improve.

The District has 19,681 active connections and serves an estimated population of 98,405 and a total growth of 2,094 as of December 31, 2018.

## **2.0 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

### **2.1 Statement of Compliance**

The City of Koronadal Water District's financial statements were previously prepared in accordance with the uniform and standard accounting prescribed by the Local Water Utilities Administration (LWUA).

Commission on Audit issued COA Circular No. 2015-010 dated December 1, 2015 prescribed the adoption of revised chart of accounts for all Government Owned and Controlled Corporation which includes Water Districts. With the issuance of COA Circular No. 2016-006 dated December 29, 2016, which is the implementing guidelines of COA Circular No. 2015-010, the District's financial statements for the year ended December 31, 2016 have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS).

Lastly, COA Circular No. 2017-004 dated December 13, 2017, prescribed the adoption of preparation of financial statement and other financial reports using Philippine Financial Reporting Standards by Government Corporation classified as Government Business Enterprise to which the CKWD complied.

## **3.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 Basis of recording**

The District adopts the accrual method of accounting. Under the accrual basis, the effects of transactions and other events are recognized when they occur and not as cash or its equivalent

is received or paid, and they are recorded in the accounting records and reported in the financial statements of the period to which they relate.

**3.2 Cash and Cash Equivalents**

*Cash on hand* - This includes undeposited collections and other cash items awaiting deposit such as customer’s checks, money orders and petty cash fund.

*Cash in bank* - this includes demand deposit or checking account which are unrestricted as to withdrawal.

*Cash Equivalents* - are short term, highly liquid investment that are readily convertible to known amount of cash with original maturities of three months or less from dates of acquisition and that are subject to an insignificant risk of changes in values.

**3.3 Receivables**

Receivables are financial assets that represent a contractual right to receive cash or another financial asset from another entity.

Trade Receivables shall be valued at their face amount minus, whenever appropriate, allowance for doubtful accounts (Allowance for Impairment-Accounts Receivables) and/or any anticipated adjustments which, in the normal course of events will reduce the amount of receivables from debtors to estimated realizable values, shall be set up at the end of accounting period. Receivables from government agencies are not subject to bad debts.

The Allowance for Doubtful Accounts shall be provided in an amount based on the collectability of receivable balances and evaluation of such factors as aging of the accounts, collection experiences of the agency, expected loss experiences and identified doubtful accounts.

The determination of bad debt expense shall be derived from computations based on percentages and aging of accounts receivables as follows:

<u>Age of Accounts</u>	<u>Percentage</u>
1-180 days	0%
181-1 year	1%
1-2 years	2%
2-3 years	3%
3-4 years	4%
More than 4 years	5%



### **3.4 Inventories**

Inventories are assets that are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventory is measured at cost upon initial recognition. The Water District Inventories are stated at a weighted average cost method. Under the weighted average cost formula, the cost of each item is determined from the weighted average of the cost of similar items at the beginning of the period and the cost of similar items purchased or produced during the period.

Inventories are recognized as an expense when deployed for the utilization or consumption in the ordinary course of operation of the Water District.

The CKWD use perpetual system for accounting for inventories, this system requires the maintenance of stock cards that usually offer a running summary of the inventory inflow and outflow. Inventory increases and decreases are reflected in the stock cards and the resulting balance represents the inventory.

### **3.5 Prepayments**

Prepaid Expenses are individually measured at transaction costs and are subsequently amortized as they are used in operations or as they expire with the passage of time. These typically include prepayments on insurance, subscription and other prepaid expenses.

### **3.6 Property Plant and Equipment**

Property Plant and Equipment are tangible assets that are held for use in production or supply of goods or services, for rental to others, or for the administrative purposes, and are expected to be used during more than one periods.

An item of property plant and equipment shall be recognized as an asset when:

- a. It is probable that the future economic benefits or service potential associated with the item will flow to the entity; and
- b. The cost or fair value of the item can be measured reliably.

The Water District uses the cost model as its accounting policy, and the straight-line method of depreciation has been used unless another method is more appropriate for districts' operation. The estimated residual value of 10% is being applied for the determination of the salvage value of the PPE.

Cost include the following:

- a. Its purchase price, including import duties and nonrefundable purchase taxes, after deducting trade discounts and rebates
- b. Expenditures that is directly attributable to the bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and;
- c. Initial Estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during the period.

COA Circular No.2017-004 stated that the estimation of the useful life of the asset is a matter of judgement based on the experience of the entity with similar assets. The agency/entity is in the best position to estimate the expected useful life of its PPE. As a guideline, PPE be depreciated over the following lifespan.

<u>Item of PPE</u>	<u>Estimated Useful Life</u>
Land Improvements	-Over the useful life of the asset to which the improvement was made the useful life of the improvement if significantly shorter
Infrastructure Assets	20-50 years
Building and Other Structure	30-50 years
Machinery and Equipment	5-15 years
<u>Transportation Equipment</u>	
Motor Vehicles	5-15 years
Motor Vehicles (Military Vehicles)	3-20 years
Trains	10-20 years
Aircrafts	10-20 years
Watercrafts	10-25 years
Furniture, Fixtures and Books	2-15 years

### 3.7 Liabilities

Liabilities are present obligation of an entity arising from past transaction or events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

PAS 39 provides that an entity shall recognize initially a financial liability at fair value plus transaction costs that are directly attributable to the issue of the financial liability.

After initial recognition, an entity shall measure a financial liability at amortized cost.

Current Liabilities are short term obligations that are not discounted but measured, recorded and reported at their face amount.

Noncurrent liabilities or long term obligation are measured at face amount or present value depending on whether they are interest bearing or noninterest bearing.

3.8 Provisions

Provisions is an existing liability of uncertain timing or uncertain amount. The essence of a provision is there is uncertainty about timing or amount of the future expenditure. It is this uncertainty that distinguishes provision from other liabilities.

3.9 Revenue and Expense Recognition

Revenue is the gross inflow of economic benefits arising from the ordinary operating activities of an entity. Revenue is recognized when it is probable that the economic benefit associated with the transaction will flow to the Water District and the amount of revenue can be measured reliably.

Expense is recognized when it is probable that a decrease in future economic benefits related to decrease in an asset or an increase in liability has occurred and that the decrease in economic benefits can be measured reliably

4.0 Cash and Cash Equivalents

This includes the following:

Particulars	2018	2017
<b>Cash on Hand</b>		
Cash Collecting Officer	299,518.05	171,968.77
<b>Cash in Bank</b>		
Cash in Bank - PVB (0059-006394-01)	11,362,401.73	3,180.82
Cash in Bank - LBP (0752-1089-86)	127,725.82	127,651.95
Cash in Bank - LBP (1752-1091-92)	3,472,038.99	2,034,002.40
Cash in Bank - DBP (0935-037087-030)	27,452,022.30	30,450,645.61
Cash in Bank - DBP (0935-037087-080)	15.58	9.01
Cash in Bank - DBP (0935-037087-530)	1,100,000.00	
<b>Total</b>	<b>43,813,722.47</b>	<b>32,787,458.56</b>



All collections of the water district are promptly deposited in the depository banks. The cash on hand at the end of the year are those undeposited cash collection and remain as deposit in transit, crediting to the bank accounts at the beginning of the succeeding year.

**5.0 Receivables**

This includes the following:

Particulars	2018	2017
Accounts Receivable	15,973,518.23	14,954,572.10
Allowance for Impairment-Accounts Receivable	(234,184.66)	(840,091.12)
Receivable-Disallowances/Charges	235,136.00	326,736.00
Due from Officers and Employees	53,562.12	92,193.86
Other Receivables	2,651,832.45	2,498,180.51
Allowance for Impairment-Other Receivable	-	-
<b>Total</b>	<b>18,679,864.14</b>	<b>17,031,591.35</b>

5.1 Accounts Receivable –includes all amounts due from active and inactive customers arising from current water sales and those arrearages.

5.2 The Impairment Loss-Loans and Receivables were based on the collectability of receivables balances and evaluation of such factors as aging. The determination of Bad Debt Expense has been derived from computations based on percentages and aging of accounts receivables shown below:

Age of Accounts Receivable	Amount	%	Provisions
1-180 days	9,045,957.24	0%	-
181 days- 1 year	1,082,087.44	1%	10,820.97
1 year- 2 years	1,660,626.88	2%	33,212.59
2 years - 3 years	692,992.23	3%	20,789.77
3 years - 4 years	523,139.57	4%	20,925.59
More than 4 years	2,968,714.87	5%	148,435.74
<b>Total Provision for Doubtful Accounts as of December 31, 2018</b>	<b>15,973,518.23</b>		<b>234,184.66</b>

5.3 Receivables – Disallowances and Charges – are the outstanding balance of the disallowed allowances released to the Interim Board of Directors, to wit:

Name	2018	2017
Daniel L. Landingin	66,700.00	66,700.00
Almer Zerrudo	-	61,700.00
Gigi Serafica	43,500.00	43,500.00
Joselito T. Reyes	62,392.75	66,392.75
Carlito Y. Uy	62,543.25	64,543.25
Fred F. Fabellon	-	18,900.00
Benjamin B. Cuanan	-	5,000.00
<b>TOTAL</b>	<b>235,136.00</b>	<b>326,736.00</b>

5.4 Other Receivables amounting to P 2,651,832.45- This amount refers to the receivable from SOCOTECO, and Receivables from concessionaires for service connection fee and loaned materials.

6.0 Inventories

This includes the following:

Particulars	2018	2017
<b>Inventory Held for Sale</b>		
Merchandise Inventory	8,017,699.21	
<b>Inventory Held for Distribution</b>		
Other Supplies and Materials for Distribution	3,370,130.00	7,717,990.54
<b>Inventory Held for Consumption</b>		
Other Supplies and Materials for Consumption	647,986.60	
Chemical and Filtering Supplies Inventory		
<b>Total</b>	<b>12,035,815.81</b>	<b>7,717,990.54</b>

Other Supplies and Materials held for Distribution includes materials for transmission and distribution lines and those materials loaned to concessionaires such as service connection materials, and water meters. Maintenance Supplies Inventories are supplies and materials for transmission and distribution lines, for service connections used by Maintenance Sections in their repairs and rehab of service connections.

7.0      **Prepayments, Deposits & Other Deferred Charges**

This includes the following:

Particulars	2018	2017
Advances to Officers and Employees		
Prepaid Rent	10,000.00	10,000.00
Other Deposits	8,661.43	8,661.43
<b>Total</b>	<b>18,661.43</b>	<b>18,661.43</b>

Prepaid Rent - P10, 000.00 is a deposit for the CKWD garage, representing one month deposit and one month advance based on the old/ initial rate at 5000/ month.

Other Payments and Deposits - P 8,661.43 includes deposit to Marbel Shell Station for gasoline withdrawals (P7, 000.00), NDD connection to DOTC, (P1, 500.00) and the remaining amount was the balance of prepayment made with SOCOTECO-1 which was deducted monthly to electric bills (P161.43 ).

8.0      **Investment**

	2018	2017
Sinking Fund	3,766,277.01	3,607,435.79
<b>Total</b>	<b>3,766,277.01</b>	<b>3,607,435.79</b>

As of December 31, 2018 Sinking Fund Account balance pertain to CKWD/LWUA joint account deposited at Development Bank of the Philippines,Koronadal branch.

9.0      **Property, Plant and Equipment**

9.1      Land account is composed of the following:

Location	Area in sqm.	Status of Title	Purpose	Cost
Purok M. Forro brgy. GPS	244	Owned TCT- T-99501	Pumping Station	122,000.00
Aguinaldo. St. Brgy. Sta. Cruz	669	Owned TCT- T-115581	Stockyard	1,400,000.00
Aguinaldo. St. Brgy. Sta. Cruz	555	Owned TCT- T-115582	Stockyard	



Location	Area in sqm.	Status of Title	Purpose	Cost
Casa Subd. Zone III	750	Owned TCT- T-132741	CKWD Admin Office	813,000.00
Purok Matibay, Brgy. Sta. Cruz	430	Owned TCT- T-132591	Pumping Station	301,000.00
Prk. Mabuhay, Brgy. Isidro	300	Owned TCT- T-141471	Pumping Station	130,000.00
Agreville Phase 1, Purok Bayanihan	139	Owned TCT- T-144508	Pumping Station	43,924.00
Agreville Phase 1, Purok Bayanihan	139	Owned TCT- T-150363	Pumping Station	39,970.84
Prk. Mabuhay, Brgy. Isidro	336	Owned TCT- T-151512	Pumping Station	300,000.00
Purok Bagong Silang, Brgy. Carpernter Hill	300	Owned TCT- T-148862	Pumping Station	340,000.00
Purok Pagasa, Brgy. Paraiso	300	Owned TCT- T-145- 2016001445	Pumping Station	13,050.67
<b>TOTAL</b>				<b>3,502,945.51</b>

	Land	Infrastructure Assets	Building and Other Structures	Machinery and Equipment	Transportatio n Equipment	Furnitures and Fixtures	Other Property Plant & Equipment	Construction in Progress
Carrying amount as of January 1, 2018	3,502,945.51	129,076,610.25	17,838,767.38	11,319,528.80	5,115,214.24	345,373.71	2,202.70	18,621,677.03
Acquisitions				5,211,091.00	1,424,115.00		1,004,540.00	21,796,055.83
Total	3,502,945.51	129,076,610.25	17,838,767.38	16,530,619.80	6,539,329.24	345,373.71	1,006,742.70	40,417,732.86
Disposal/Reclassification		1,488,139.53	289,611.62					(2,537,778.60)
Misposting								
Depreciation		(5,656,764.37)	(616,170.59)	(2,060,516.60)	(1,237,104.34)	(73,870.20)		
<b>Carrying amount as of Deceber 31, 2018</b>	<b>3,502,945.51</b>	<b>124,907,985.41</b>	<b>17,512,208.41</b>	<b>14,470,103.20</b>	<b>5,302,224.90</b>	<b>271,503.51</b>	<b>1,006,742.70</b>	<b>42,955,511.46</b>
Gross Cost	3,502,945.51	165,324,403.39	20,828,631.10	27,011,990.47	11,463,167.00	820,779.77	1,026,567.00	42,955,511.46
Accumulated Depreciation		(40,416,417.98)	(3,316,422.69)	(12,541,887.27)	(6,160,942.10)	(549,276.26 )	(19,824.30)	
<b>Net Book Value</b>	<b>3,502,945.51</b>	<b>124,907,985.41</b>	<b>17,512,208.41</b>	<b>14,470,103.20</b>	<b>5,302,224.90</b>	<b>271,503.51</b>	<b>1,006,742.70</b>	<b>42,955,511.46</b>

10.0 Payables

This account is composed of the following:

Particulars	2018	2017
Accounts Payable	15,476,100.57	3,906,425.36
Due to officers and Employees	10,303.72	10,303.72
Loans Payable-Domestic(Current Portion)	1,954,065.90	2,139,724.00
Due to BIR	1,167,199.26	16,894.56
Due to GSIS	27,897.70	27,246.87
Due to Pag-Ibig	37,243.61	38,122.64
Due to Philhealth	(2,139.27)	(2,140.41)
Due to SSS	1,210.00	1,210.00
Trust Liabilities	391,081.52	658,375.91
Unearned Revenue/Income	135,279.97	68,853.33
Other Payables	73,815.21	
<b>Total</b>	<b>19,272,058.19</b>	<b>6,865,015.98</b>

Due to Officers and Employees includes P4,500 representing the amount paid by BOD Carlito Uy (P1,000) and BOD Francisco D. Sablon (P3,500) for the disallowed benefits, but still under appeal. This amount will be adjusted when final decision will be issued by the proper authority. Remaining amount of P5,803.72 is favored balances being verified for correction/reclassification.

11.0 Loans Payable

This covers all loans availed from the LWUA since 1996, payable until 2026 with an interests rates range from 8.5% to 14.5%. During the year, LWUA notified the district about adjustments on interest rates to be lowered to 8.2% effective January 2015.



Loan Account	Outstanding Balance as of December 31, 2018	Non Current Portion of the Long Term Debt	Current Portion of the Long Term Debt	Interest Rate	Term of Payment	Maturity Date
LWUA Loan Account # 3-476	4,934,261.83	3,993,408.83	940,853.00	8.2%	26 Years	June, 2023
LWUA Loan Account # 4-2379	14,000.88	14,000.88	-			
LWUA Loan Account # 3-786	2,955,044.71	2,654,364.71	300,680.00	8.2%	26 Years	May, 2026
LWUA Loan Account # 4-2509	341,323.90	-	341,323.90	8.2%	10 Years	June, 2019
LWUA Loan Account # 9-0026-A	900,004.00	800,008.00	99,996.00	No Interest	10 Years	December, 2027
LWUA Loan Account # 9-0026-B	30,883,297.64	30,612,084.55	271,213.00	8.2%	30 Years	December, 2047
Total	40,027,932.96	38,073,867.06	1,954,065.90			

**12.0 Government Equity**

This is composed of restricted/paid-in government capital, contributed capital, and the retained earnings account.

<b>Government Equity</b>	<b>2018</b>	<b>2017</b>
Government Capital	380,419.38	380,419.38
Contributed Capital	10,275,121.00	10,275,121.00
Retained Earnings	216,023,415.76	188,671,060.61
<b>Total Equity</b>	<b>226,678,956.14</b>	<b>199,326,600.99</b>

**13.0 Business & Service Income**

This is composed of the following:

<b>Particulars</b>	<b>2018</b>	<b>2017</b>
<b>Service Income</b>		
Legal Fees	132,500.00	130,550.00
Fines & Penalties	4,335,021.41	3,706,200.11
Other Service Income	6,173,100.00	5,609,050.00
<b>Business Income</b>		
Waterworks System Fees	120,540,966.50	104,830,382.12
Interest Income	50,707.20	88,335.36
<b>Other Gains</b>	836,183.75	1,037,830.82
<b>Miscellaneous Income</b>	913,899.28	538,696.81
<b>Total</b>	<b>132,982,378.14</b>	<b>115,941,045.22</b>

**14.0 Expenses**

This is composed of the following:

**Personnel Expenses**

<b>Particulars</b>	<b>2018</b>	<b>2017</b>
Salaries & Wages - Regular	13,923,892.13	12,122,791.89
Salaries & Wages - Casual/Contractual		8,021,218.49
Personal Economic Relief Allowance	1,176,000.00	1,037,545.45
Representation Allowances	435,125.00	375,863.64

<b>Particulars</b>	<b>2018</b>	<b>2017</b>
Transportation Allowance	435,125.00	375,863.64
Clothing / Uniform Allowance	526,760.00	281,666.69
Honoraria	2,007,941.40	2,108,106.16
Year End Bonus	2,565,341.00	2,164,931.00
Other Bonuses & Allowances	9,309,325.85	11,730,201.72
Life & Retirement Insurance Contribution	1,671,365.10	1,446,202.99
Pag-ibig Contributions	58,800.00	51,950.00
Philhealth Contributions	165,574.75	126,987.50
Employees Insurance Premiums	58,700.00	52,000.00
Other Personnel Benefits	127,980.13	215,409.00
<b>Total</b>	<b>32,461,930.36</b>	<b>40,110,738.17</b>

#### **Maintenance and Other Operating Expenses**

<b>Particulars</b>	<b>2018</b>	<b>2017</b>
Travel Expenses	912,700.33	906,121.15
Training & Scholarship	381,600.00	510,250.00
Office Supplies Expenses	479,406.90	856,292.77
Accountable Form Expenses	10,100.00	4,220.00
Medical, Dental & Lab. Supplies Expense	27,424.25	19,400.00
Fuel, Oil & Lubricants	915,572.45	572,381.18
Chemical & Filtering Supplies Expenses	1,579,368.00	1,656,672.50
Other Supplies & Materials Expense	5,184,607.42	4,189,449.87
Electricity	718,025.88	868,221.81
Postage & Deliveries	8,527.40	6,877.05
Telephone Expense	171,024.77	175,737.22
Internet Expenses	71,500.00	63,110.68
Cable, Sat., Telegraph & Radio	4,560.00	4,560.00
Survey Expenses		
Gen., Transmission & Distribution Expenses	19,396,133.04	17,245,410.73
Extraordinary & Miscellaneous Expenses	6,000.00	10,050.00
Legal Services	250,800.00	126,300.00
Auditing Services		250,160.88
Security Services	1,254,824.72	1,159,444.24
Consultancy Services	544,805.00	
Repairs & Maintenance-Infrastructure Assets	2,522,718.65	3,468,700.70
Repairs. & Main.- Buildings & Other Structures	130,536.76	101,949.51
Repairs & Maintenance- Machinery & Equipment	559,751.26	150,445.00
Repairs & Maintenance- Transportation Equipment	377,936.75	409,242.73



<b>Particulars</b>	<b>2018</b>	<b>2017</b>
Taxes, Duties & Licenses	3,430,152.46	2,105,570.98
Fidelity Bond Premiums	70,627.50	69,127.50
Labor and Wages	8,963,972.44	
Advertising, Promotional & Mktg. Expenses	65,700.00	17,000.00
Representation Expense	78,460.35	173,239.98
Rent / Lease Expense	83,460.00	78,000.00
Membership Dues & Contributions	38,028.00	56,003.00
Donations	98,623.55	85,112.45
Other Maintenance & Operating Expense	8,545,326.41	3,862,960.38
<b>Total</b>	<b>56,882,220.29</b>	<b>39,202,012.31</b>

#### **Financial Expenses**

<b>Particulars</b>	<b>2018</b>	<b>2017</b>
Bank Charges	250.00	400.00
Interest Expense	2,922,289.11	3,498,302.08
<b>Total</b>	<b>2,922,539.11</b>	<b>3,498,702.08</b>

#### **Non-Cash Expenses**

<b>Particulars</b>	<b>2018</b>	<b>2017</b>
Depreciation -Infrastructure Assets	5,656,764.37	4,764,567.71
Depreciation - Buildings & Other Structures	616,170.59	255,588.03
Depreciation - Machinery & Equipment	2,060,516.60	1,954,829.15
Depreciation - Transportation Equipment	1,237,104.34	1,117,779.93
Depreciation - Furniture & Fixtures	73,870.20	69,825.76
Impairment Loss-Loans and Receivables	48,049.51	
Other Losses	5,275.00	
<b>Total</b>	<b>9,697,750.61</b>	<b>8,162,590.58</b>