

BALIWAG WATER DISTRICT
STATEMENT OF FINANCIAL POSITION
As of December 31, 2016
(With comparative figures for 2015)

| | 2016 | 2015 |
|---|-------------------------|-------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalents (Note 3) | P 9,371,764.96 | P 7,329,824.04 |
| Receivables, Net (Note 4) | 20,684,599.82 | 20,557,122.62 |
| Inventories (Note 5) | 8,727,958.70 | 8,694,915.15 |
| Other Deferred Debits (Note 6) | 544,197.19 | 1,034,247.19 |
| Total Current Assets | 39,328,520.67 | 37,616,109.00 |
| Non-Current Assets | | |
| Investments (Note 7) | 703,210.37 | 2,427,227.98 |
| Property, Plant and Equipment, Net (Note 8) | 382,317,095.07 | 332,147,281.71 |
| Total Non-Current Assets | 383,020,305.44 | 334,574,509.69 |
| TOTAL ASSETS | 422,348,826.11 | 372,190,618.69 |
| LIABILITIES AND EQUITY | | |
| Current Liabilities | | |
| Payable Accounts | 2,615,740.93 | 2,827,767.14 |
| Inter-Agency Payables (Note 9) | 6,045,342.09 | 2,922,266.63 |
| Total Current Liabilities | 8,661,083.02 | 5,750,033.77 |
| Non-Current Liabilities | | |
| Loans Payable (Note 10) | 193,645,524.07 | 164,559,864.72 |
| Deferred Credits | 17,287,180.98 | 11,845,190.92 |
| Total Non-Current Liabilities | 210,932,705.05 | 176,405,055.64 |
| TOTAL LIABILITIES | 219,593,788.07 | 182,155,089.41 |
| Equity | | |
| Government Equity (Note 11) | 24,304,396.52 | 24,304,396.52 |
| Retained Earnings | 178,450,641.52 | 165,731,132.76 |
| TOTAL EQUITY | 202,755,038.04 | 190,035,529.28 |
| TOTAL LIABILITIES & EQUITY | P 422,348,826.11 | P 372,190,618.69 |

(See accompanying Notes to Financial Statements.)

Certified Correct:


ANALIZA W. BULAON
 Manager, Acctg. & Bdtg. Division

Recommending Approval:


LORENZA H. FERNANDO
 OIC - Finance Department

Approved by:


ARTEMIO F. BAYLOSIS
 General Manager

11. GOVERNMENT EQUITY

These are contributions by government agencies and private corporation which becomes part of BWD equity.

| | 2016 | 2015 |
|----------------------------------|------------------------|------------------------|
| Equity from Municipal Government | ₱ 3,420,845.00 | ₱ 3,420,845.00 |
| From NPC | 1,495,000.00 | 1,495,000.00 |
| Other Paid-In Capital | 19,388,551.52 | 19,388,551.52 |
| Total | ₱ 24,304,396.52 | ₱ 24,304,396.52 |

12. PERSONAL SERVICES

| | 2016 | 2015 |
|-------------------------------|------------------------|------------------------|
| Salaries and Wages | ₱ 29,279,716.87 | ₱ 25,347,516.57 |
| Employee Benefits | 17,233,781.00 | 16,485,189.82 |
| Honoraria | 746,514.00 | 715,158.00 |
| Overtime and Night Pay | 979,054.05 | 889,604.95 |
| Life and Retirement Insurance | 3,471,634.59 | 2,961,976.90 |
| Pag-Ibig Contribution | 146,200.00 | 335,342.36 |
| PhiHealth Contributions | 315,025.00 | 276,800.00 |
| Provident Fund | 2,655,522.09 | 2,229,636.08 |
| Total | ₱ 54,827,447.60 | ₱ 49,241,224.68 |

13. MAINTENANCE AND OTHER OPERATING EXPENSES

| | 2016 | 2015 |
|----------------------------------|------------------------|------------------------|
| Travelling Expenses | ₱ 1,578,116.37 | ₱ 1,472,137.48 |
| Training Expenses | 1,427,686.34 | 1,475,329.52 |
| Office Supplies Expenses | 901,282.56 | 1,422,285.71 |
| Gasoline, Oil and Lubricants | 1,241,199.34 | 1,334,609.08 |
| Laboratory/Chemicals | 8,882,010.50 | 2,538,963.80 |
| Electricity Expenses | 21,713,249.92 | 22,325,991.46 |
| Communication Expenses | 604,467.76 | 557,727.49 |
| Advertising Expenses | 473,613.11 | 232,543.95 |
| Rent Expenses | 73,999.36 | 41,740.72 |
| Representation Expenses | 277,245.80 | 187,214.35 |
| Professional Services | 566,606.69 | 336,598.96 |
| Other Operation & Maint. Exps. | 16,546,784.06 | 14,768,804.61 |
| Donations | 24,830.00 | 52,873.70 |
| Taxes, Duties and Licenses | 3,456,061.33 | 3,453,884.82 |
| Insurance Expenses | 837,499.64 | 838,771.71 |
| Bad Debts Expenses | - | - |
| Repairs and Maintenance Expenses | 5,252,521.03 | 5,087,990.16 |
| Depreciation Expenses | 26,373,797.76 | 25,591,899.95 |
| Total | ₱ 90,230,971.57 | ₱ 81,719,367.47 |

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14. FINANCIAL EXPENSES

| | 2016 | 2015 |
|-------------------|------------------------|------------------------|
| Bank Charges | ₱ 314,615.90 | ₱ 564,258.56 |
| Interest Expenses | 10,354,013.48 | 9,437,025.84 |
| Total | ₱ 10,668,629.38 | ₱ 10,001,284.40 |

15. OTHER GENERAL INCOME

| | 2016 | 2015 |
|-------------------------------------|---------------------|---------------------|
| Seminar Fees | ₱ 60,088.80 | - |
| Interest Income | 37,340.40 | 19,807.96 |
| Miscellaneous Non- Operating Income | 159,240.00 | 606,313.50 |
| Total | ₱ 256,669.20 | ₱ 626,121.46 |

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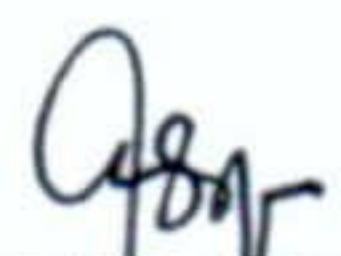
BALIWAG WATER DISTRICT

BALIWAG WATER DISTRICT
STATEMENT OF COMPREHENSIVE INCOME
As of December 31, 2016
(With comparative figures for 2015)

| | 2016 | 2015 |
|--|------------------------|------------------------|
| INCOME | | |
| Income from Waterworks | P 159,300,266.02 | P 147,485,609.17 |
| Other Service Income | 8,521,784.00 | 7,016,773.00 |
| Fines and Penalties-Business Income | 5,935,763.35 | 5,733,174.55 |
| Gross Income | 173,757,813.37 | 160,235,556.72 |
| EXPENSES | | |
| Personal Services (Note 12) | 54,827,447.60 | 49,241,224.68 |
| Maintenance and Other Operating Expenses (Note 13) | 90,230,971.57 | 81,719,367.47 |
| Financial Expenses (Note 14) | 10,668,629.38 | 10,001,284.40 |
| Total Expenses | 155,727,048.55 | 140,961,876.55 |
| INCOME (LOSS) FROM OPERATION | 18,030,764.82 | 19,273,680.17 |
| ADD: OTHER INCOME | | |
| Other General Income (Note 15) | 256,669.20 | 626,121.46 |
| Gain/Loss on Sale of Disposed Assets | 83,316.56 | 259,041.00 |
| Total Other Income (Expenses) | 339,985.76 | 885,162.46 |
| NET INCOME (LOSS) | P 18,370,750.58 | P 20,158,842.63 |

(See accompanying Notes to Financial Statements.)

Certified Correct:


ANALIZA V. BULAON
 Manager, Acctg. & Bdtg. Division

Recommending Approval:


LORENZA H. FERNANDO
 OIC - Finance Department

Approved by:


ARTEMIO F. BAYLOSIS
 General Manager

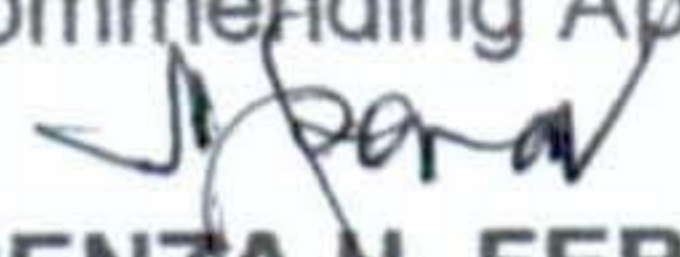
BALIWAG WATER DISTRICT
STATEMENT OF CASH FLOWS
As of December 31, 2016
(With comparative figures for 2015)

| | 2016 | 2015 |
|---|------------------------|------------------------|
| Cash Flows from Operating Activities | | |
| Cash Inflows | | |
| Collection of Account Receivables | P 164,456,618.48 | P 150,792,401.67 |
| Collection of Service Fees & Charges | 3,808,008.25 | 3,826,039.00 |
| Collection of Other Receivables | 4,944,949.00 | 3,553,194.67 |
| Proceeds from Sale of Materials | 354,514.00 | 208,631.00 |
| Refund of Cash Advances | 334,116.01 | 427,879.56 |
| Miscellaneous Receipts | 2,688,843.72 | 930,227.54 |
| Cash Debit Adjustment | 1,418,184.99 | 1,267,231.16 |
| Restoration of Unreleased Check | 1,445,558.93 | - |
| Total Cash Inflows | 179,450,793.38 | 161,005,604.60 |
| Cash Outflows | | |
| Payment of Personal Services | 28,559,302.79 | 24,359,041.49 |
| Payment of MOOE | 56,767,829.02 | 54,011,663.37 |
| Payment of Accounts Payable | 14,721,232.49 | 14,890,111.46 |
| Payment of Cash Advances | 1,664,277.83 | 1,826,350.00 |
| Replenishment of Working Fund | 207,788.44 | 206,958.34 |
| Remittances - GSIS, BIR, Philhealth | 19,538,092.22 | 17,225,652.62 |
| Contribution to Provident Fund | 7,044,238.63 | 7,916,350.95 |
| Miscellaneous Disbursements | 2,383,340.52 | 43,148.00 |
| Cash Credit Adjustment | 55,039.51 | 10,815.04 |
| Total Cash Outflows | 130,941,141.45 | 120,490,091.27 |
| Net Cash Provided (used) in Operating Activities | 48,509,651.93 | 40,515,513.33 |
| Cash Flows from Investing Activities | | |
| Cash Inflows | | |
| Interest on Savings Deposits | 19,357.35 | 8,494.25 |
| Total Cash Inflows | 19,357.35 | 8,494.25 |
| Cash Outflows | | |
| Purchase/Construction of PPE | 63,008,799.74 | 58,227,617.34 |
| Total Cash Outflows | 63,008,799.74 | 58,227,617.34 |
| Net Cash Provided (used) in Investing Activities | (62,989,442.39) | (58,219,123.09) |
| Cash Flows from Financing Activities | | |
| Cash Inflows | | |
| Proceeds from Borrowings | 50,562,114.90 | 46,918,164.33 |
| Total Cash Inflows | 50,562,114.90 | 46,918,164.33 |
| Cash Outflows | | |
| Finance Charges | 54,189.40 | 380,733.33 |
| Payment of Principal/Interest | 33,986,194.12 | 25,953,271.30 |
| Total Cash Outflows | 34,040,383.52 | 26,334,004.63 |
| Net Cash Provided (used) in Financing Activities | 16,521,731.38 | 20,584,159.70 |
| Net Cash Provided by Operating, Investing and Financing Activities | 2,041,940.92 | 2,880,549.94 |
| Cash & Cash Equivalents, Beginning | 7,329,824.04 | 4,449,274.10 |
| CASH & CASH EQUIVALENTS, END | P 9,371,764.96 | P 7,329,824.04 |

Certified Correct:


ANALIZA V. BULAON
 Manager, Acctg. & Bdtg. Division

Recommending Approval:


LORENZA H. FERNANDO
 OIC - Finance Department

Approved by:


ARTEMIO F. BAYLOSIS
 General Manager

BALIWAG WATER DISTRICT
STATEMENT OF CHANGES IN EQUITY
As of December 31, 2016
(With comparative figures for 2015)

| | 2016 | 2015 |
|---------------------------------------|-------------------------|-------------------------|
| GOVERNMENT EQUITY | | |
| Balance at the Beginning of the Year | P 24,304,396.52 | P 24,304,396.52 |
| Additions/Deductions | - | - |
| Balance at the end of the Year | 24,304,396.52 | 24,304,396.52 |
| RETAINED EARNINGS | | |
| Balance at the Beginning of the Year | 165,731,132.76 | 148,695,602.10 |
| Prior Period Adjustments | 0.00 | 0.00 |
| Changes during the Year | (5,651,241.82) | (3,123,311.97) |
| Net Income | 18,370,750.58 | 20,158,842.63 |
| GOVERNMENT EQUITY END | P 202,755,038.04 | P 190,035,529.28 |

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BALIWAG WATER DISTRICT

BALIWAG WATER DISTRICT
STATEMENT OF FINANCIAL POSITION
As of December 31, 2016
(With comparative figures for 2015)

| | 2016 | 2015 |
|---|-------------------------|-------------------------|
| ASSETS | | |
| Current Assets | | |
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| TOTAL LIABILITIES & EQUITY | ₱ 422,348,826.11 | ₱ 372,190,618.69 |

(See accompanying Notes to Financial Statements.)

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Recommending Approval:


LORENZA H. FERNANDO
 OIC - Finance Department

Approved by:


ARTEMIO F. BAYLOSIS
 General Manager

BALIWAG WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

1. AGENCY BACKGROUND

Pursuant to Presidential Decree No. 198, otherwise known as the "Local Water Utilities Act of 1973" as amended by P.D. Nos. 768 and 1479, and by virtue of the Local Sangguniang Bayan Resolution No.011 series of 1988, the Baliwag Water District was created. On July 1, 1989, the Conditional Certificate of Conformance No. 407 was issued by Local Water Utilities Administration to formalize its establishment. This CCC is the accreditation of LWUA to a newly-formed water district to operate under the standard specification.

Since 1992, by virtue of the Supreme Court En Banc decision, GR No. 95237-38 (Davao City Water District, et al. vs. CSC et al.), water districts were declared government owned and/or controlled corporation (GOCC) with original charter, and as such they are placed under the jurisdiction of the Civil Service Commission and Commission on Audit.

As of December 31, 2015, the District has twenty-two (22) pumping stations which serve twenty seven (27) barangays with 30,076 total active service connections. The District is categorized as Category "B" water district pursuant to the Local Water District Manual on Re-categorization on March 21, 2012.

The Baliwag Water District was formed for the purpose of acquiring, installing, improving, maintaining and operating water supply and distribution system for the residents of Baliwag, Bulacan.

As of December 31, 2016, the District's Board of Directors was composed of the following:

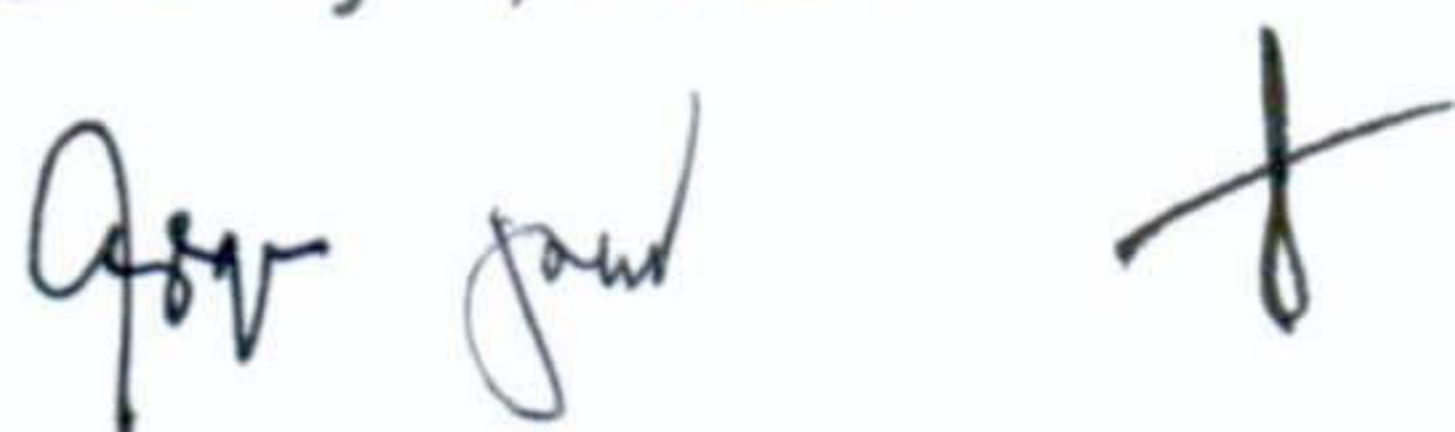
| | |
|--|-----------------|
| Conrado E. Evangelista (Education) | - Chairman |
| Maria Lourdes C. Sablan (Professional) | - Vice-Chairman |
| Florido S. Santos (Business) | - Secretary |
| Zenaida R. Salao (Women) | - Member |
| Maria Manolita C. Cruz (Civic) | - Member |

The District has one hundred twenty five (125) personnel as of December 31, 2016, and headed by its General Manager, Mr. Artemio F. Baylosis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Accounting System

The Corporation adopts the prescribed New Government Accounting System (NGAS) for Government -Owned and/or Controlled Corporations effective January 1, 2009.



b. Materials and Supplies Inventory

The inventories on hand are stated at cost based on the first in - first out method.

c. Property, Plant and Equipment

PPE is carried at cost less accumulated depreciation. Depreciation is computed on a straight-line method over the estimated useful lives of the property, and commences on the month subsequent to acquisition.

Major repairs that prolong the life of the property are capitalized while minor repairs and maintenance costs are expensed as incurred.

d. Income and Expense Recognition

The accrual method of accounting is adopted in the recognition of earnings and expenses.

3. CASH AND CASH EQUIVALENTS

This account is composed of cash on hand and in banks available for general expenditures and for fixed deposits, viz:

| | 2016 | 2015 |
|--------------------------------|-----------------------|-----------------------|
| Cash - Undeposited Collections | ₱ 383,696.55 | ₱ 731,911.70 |
| Cash - Petty Cash Fund | 19,000.00 | 19,000.00 |
| Cash in Bank - PNB | - | 1,861,283.92 |
| Cash in Bank - LBP | 2,399,051.66 | 1,382,517.77 |
| Cash in Bank - LBP2 | 477,891.96 | 1,310,331.40 |
| Cash in Bank - LBP3 | 1,765,262.77 | - |
| Cash in Bank - DBP | 4,326,862.02 | 2,024,779.22 |
| Total | ₱ 9,371,764.96 | ₱ 7,329,824.01 |

4. ACCOUNTS RECEIVABLE

This includes all amounts due on open accounts arising from services rendered to the customers for water sales and incidental services. Other Receivables pertain to the balance of loan of Bill Deposit to Meralco of various Pump Stations of BWD.

| | 2016 | 2015 |
|--------------------------------|------------------------|------------------------|
| Accounts Receivable - Customer | ₱ 14,887,221.93 | ₱ 14,791,835.39 |
| Notes Receivable | 2,367,249.21 | 2,177,737.46 |
| Other Receivable | 4,713,590.50 | 4,871,011.59 |
| Allowance for Bad Debts | (1,283,461.82) | (1,283,461.82) |
| Total | ₱ 20,684,599.82 | ₱ 20,557,122.62 |

Asst. Gen. Mgr.

5. INVENTORIES

This account pertains to unissued materials and supplies, which are kept in stock and held for future use.

| | 2016 | 2015 |
|-----------------------------|-----------------------|-----------------------|
| Office Supplies | ₱ 1,039,578.45 | ₱ 1,244,862.02 |
| Materials Inventory | 7,198,580.25 | 7,259,153.13 |
| Chemical Supplies Inventory | 489,800.00 | 190,900.00 |
| Total | ₱ 8,727,958.70 | ₱ 8,694,915.15 |

6. OTHER DEFERRED DEBITS

This represents amount of other expenses which were paid for but remained unconsumed at the end of the accounting period.

| | 2016 | 2015 |
|--------------------------|---------------------|-----------------------|
| Bal. as of 1998 | ₱ 1,398.00 | ₱ 1,398.00 |
| Bond Deposit to DPWH | 216,838.00 | 216,838.00 |
| Meter Deposit to Meralco | 185,800.00 | 185,800.00 |
| Advances to Contractors | - | 490,050.00 |
| For Adjustment | 140,161.19 | 140,161.19 |
| Total | ₱ 544,197.19 | ₱ 1,034,247.19 |

7. INVESTMENTS

This includes excess cash deposited with authorized government depository banks and Financing Institutes as time deposits and acquisition of securities held as

| | 2016 | 2015 |
|-----------------------------|---------------------|-----------------------|
| Investments in Time Deposit | ₱ 703,210.37 | ₱ 1,736,150.85 |
| Other Investment | - | 691,077.13 |
| Reserve Funds (PNB) | - | - |
| Total | ₱ 703,210.37 | ₱ 2,427,227.98 |

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8. **PROPERTY, PLANT & EQUIPMENT**

This includes all properties of the District of relatively permanent character that are used in normal operations. The breakdown of this account is as follows:

| | 2016 | 2015 |
|---|-------------------------|-------------------------|
| Land | ₱ 19,141,676.76 | ₱ 19,141,676.76 |
| Waterworks Structures and Facilities | 391,848,089.63 | 325,562,939.64 |
| Office Buildings | 70,646,825.57 | 32,715,934.64 |
| IT Equipment and Software | 31,202,067.65 | 25,914,385.65 |
| Communication Equipment | 2,248,737.27 | 2,047,112.27 |
| Construction and Heavy Equipment | 1,846,286.71 | 1,846,286.71 |
| Other Machineries and Equipment | 7,504,913.00 | 6,563,633.00 |
| Land Transportation Eqt. | 25,884,339.90 | 25,344,039.90 |
| Other Property, Plants and Equipment | 156,122.00 | 156,122.00 |
| Office Equipment/Furniture and Fixtures | 14,590,081.95 | 8,779,168.19 |
| Accumulated Depreciation | (188,748,370.64) | (162,374,572.88) |
| Construction in Progress | 5,996,325.27 | 46,450,555.83 |
| Total | ₱ 382,317,095.07 | ₱ 332,147,281.71 |

9. **INTER-AGENCY PAYABLES**

This represents contributions due, collections received, amounts withheld for remittance to the following government agencies:

| | 2016 | 2015 |
|-----------------------|-----------------------|-----------------------|
| Due to BIR | ₱ 825,604.10 | ₱ 658,712.37 |
| Due to GSIS | 794,867.59 | 660,766.60 |
| Due to Pag-ibig | 94,754.42 | 89,490.72 |
| Due to Philhealth | 54,575.00 | 49,075.00 |
| Due to LBP Loans | 6,195.30 | - |
| Due to Provident Fund | 4,269,345.68 | 1,464,221.94 |
| Total | ₱ 6,045,342.09 | ₱ 2,922,266.63 |

10. **LOANS PAYABLE**

These are long term indebtedness of the District from domestic creditors covered by a contract or agreement to finance its various projects.

| | 2016 | 2015 |
|------------------------------|-------------------------|-------------------------|
| Loans Payable - LWUA | ₱ 5,845,946.65 | ₱ 6,729,432.65 |
| Loans Payable - LBP | 186,863,260.59 | 156,247,207.85 |
| Loans Payable - Vehicle Loan | 936,316.83 | 1,583,224.22 |
| Total | ₱ 193,645,524.07 | ₱ 164,559,864.72 |

Assn *Jan* *f*