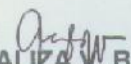


BALIWAG WATER DISTRICT
BALANCE SHEET
As of December 31, 2013
(With comparative figures for 2012)

	2013	2012
ASSETS		
Current Assets		
Cash and Cash Equivalents (Note 3)	P 8,197,984.43	P 8,546,542.25
Receivables, Net (Note 4)	16,310,563.76	14,038,720.67
Inventories (Note 5)	6,636,290.14	6,848,892.25
Other Deferred Debits (Note 6)	544,197.19	544,197.19
Total Current Assets	31,689,035.52	29,978,352.36
Non-Current Assets		
Investments (Note 7)	3,613,178.73	3,568,490.36
Intangible Assets	1,121,188.25	1,121,188.25
Property, Plant and Equipment, Net (Note 8)	258,940,479.52	222,575,806.91
Total Non-Current Assets	263,674,846.50	227,265,485.52
TOTAL ASSETS	295,363,882.02	257,243,837.88
LIABILITIES AND EQUITY		
Current Liabilities		
Payable Accounts	2,512,082.44	2,342,528.67
Inter-Agency Payables (Note 9)	2,622,660.65	1,516,109.43
Other Current Liabilities (Note 10)	3,497,549.29	2,783,178.55
Total Current Liabilities	8,632,292.38	6,641,816.65
Non-Current Liabilities		
Loans Payable (Note 11)	112,413,230.32	31,325,562.02
Deferred Credits	915,112.73	57,340,268.83
Total Non-Current Liabilities	113,328,343.05	88,665,830.85
TOTAL LIABILITIES		
Equity		
Government Equity (Note 12)	24,304,396.52	24,304,396.52
Retained Earnings (Note 13)	149,098,850.07	137,631,793.86
TOTAL EQUITY	173,403,246.59	161,936,190.38
TOTAL LIABILITIES & EQUITY	P 295,363,882.02	P 257,243,837.88

(See accompanying Notes to Financial Statements.)

Certified Correct:


ANALIZA W. BULAON
 OIC - Acctg. & Bdtg. Division

Recommending Approval:


MA. TERESA F. RAMOS
 OIC - Finance Department

Approved by:



ARTEMIO F. BAYLOSIS
 General Manager

BALIWAG WATER DISTRICT
STATEMENT OF INCOME AND EXPENSES
As of December 31, 2013
(With comparative figures for 2012)

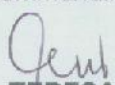
	2013	2012
INCOME		
Income from Waterworks	P 119,712,686.11	P 111,063,536.27
Other Service Income	6,936,012.75	6,471,257.97
Fines and Penalties-Business Income	4,163,777.98	3,500,162.41
Gross Income	130,812,476.84	121,034,956.65
EXPENSES		
Personal Services (Note 14)	43,715,350.40	38,229,173.44
Maintenance and Other Operating Expenses (Note 15)	68,609,866.79	61,610,717.84
Financial Expenses (Note 16)	7,155,542.11	4,359,798.80
Total Expenses	119,480,759.30	104,199,690.08
INCOME (LOSS) FROM OPERATION	11,331,717.54	16,835,266.57
ADD: OTHER INCOME		
Other General Income (Note 17)	287,217.42	77,463.10
Gain/Loss on Sale of Disposed Assets	41,314.04	38,522.50
Other Non-Operating Income	-	293,200.00
Total Other Income (Expenses)	328,531.46	409,185.60
NET INCOME (LOSS)	P 11,660,249.00	P 17,244,452.17

(See accompanying Notes to Financial Statements.)

Certified Correct:


ANALIZA V. BULAON
 OIC - Acctg. & Bdtg. Division

Recommending Approval:


MA. TERESA F. RAMOS
 OIC - Finance Department

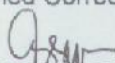
Approved by:


ARTEMIO F. BAYLOSIS
 General Manager

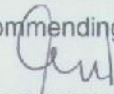
BALIWAG WATER DISTRICT
STATEMENT OF CASH FLOWS
As of December 31, 2013
(With comparative figures for 2012)

	2013	2012
Cash Flows from Operating Activities		
Cash Inflows		
Collection of Account Receivables	P 122,185,688.71	P 110,972,637.42
Collection of Service Fees & Charges	3,637,772.75	3,737,266.22
Collection of Advanced Payment	-	114,296.01
Collection of Other Receivables	3,060,309.00	2,636,148.92
Proceeds from Sale of Materials	146,137.10	126,096.00
Refund of Cash Advances	168,959.99	267,367.32
Miscellaneous Receipts	559,249.18	344,059.26
Cash Debit Adjustment	1,057,012.47	1,284,201.00
Total Cash Inflows	130,815,129.20	119,482,072.15
Cash Outflows		
Payment of Personal Services	23,587,516.80	44,629,849.71
Payment of MOOE	41,588,401.58	14,937,822.21
Payment of Accounts Payable	19,157,738.15	16,160,565.68
Payment of Cash Advances	1,121,760.00	1,595,306.00
Replenishment of Working Fund	252,230.34	214,672.38
Remittances - GSIS, BIR, Philhealth	15,987,335.27	14,939,802.51
Contribution to Provident Fund	5,125,096.25	6,005,220.82
Miscellaneous Disbursements	1,704,350.60	616,140.97
Cash Credit Adjustment	33,199.75	2,456,470.30
Total Cash Outflows	108,557,628.69	101,555,850.58
Net Cash Provided (used) in Operating A	22,257,500.51	17,926,221.57
Cash Flows from Investing Activities		
Cash Inflows		
Interest on Savings Deposits	12,801.61	12,259.80
Total Cash Inflows	12,801.61	12,259.80
Cash Outflows		
Purchase/Construction of PPE	39,564,586.87	50,211,736.68
Total Cash Outflows	39,564,586.87	50,211,736.68
Net Cash Provided (used) in Investing A	(39,551,785.26)	(50,199,476.88)
Cash Flows from Financing Activities		
Cash Inflows		
Proceeds from Borrowings	37,098,422.38	48,185,502.49
Total Cash Inflows	37,098,422.38	48,185,502.49
Cash Outflows		
Finance Charges	-	-
Payment of Principal/Interest	20,152,695.45	9,707,611.68
Total Cash Outflows	20,152,695.45	9,707,611.68
Net Cash Provided (used) in Financing A	16,945,726.93	38,477,890.81
Net Cash Provided by Operating, Investing and Financing Activities	(348,557.82)	6,204,635.50
Cash & Cash Equivalents, Beginning	8,546,542.25	2,341,506.51
CASH & CASH EQUIVALENTS, END	P 8,197,984.43	P 8,546,142.01


Certified Correct:


ANALIZA V. BULAON
 OIC - Acctg. & Bdtg. Division

Recommending Approval:


MA. TERESA F. RAMOS
 OIC - Finance Department

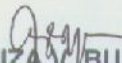
Approved by:


ARTEMIO F. BAYLOSIS
 General Manager

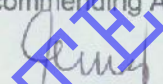
BALIWAG WATER DISTRICT
STATEMENT OF CHANGES IN EQUITY
As of December 31, 2013
(With comparative figures for 2012)

		2013		2012
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		137,631,799.86		120,473,454.41
Prior Period Adjustments		0.00		(86,112.72)
Changes during the Year		(193,192.79)		0.00
Net Income (Loss) for the Year		11,660,249.00		17,244,452.17
GOVERNMENT EQUITY END	P	173,403,246.59	P	161,936,190.38

Certified Correct:


ANALIZA V. BULAON
 OIC - Acctg. & Bdtg. Division

Recommending Approval:


MA. TERESA F. RAMOS
 OIC - Finance Department

Approved by:


ARTEMIO F. BAYLOUSIS
 General Manager

BALIWAG WATER DISTRICT

BALIWAG WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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, 2013, the District has twenty (20) pumping stations which serve twenty seven (27) barangays with 24,370 total active service connections. The District is categorized as "big" water district pursuant to the Local Water District Manual on Re-categorization on August 2005.

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, 2013, the District's Board of Directors was composed of the following:

Rogelio R. Munsayac (Business)	- Chairman
Zenaida R. Salao (Women)	- Vice-Chairman
Juanito F. Gregorio (Civic)	- Secretary
Conrado E. Evangelista (Education)	- Member
Maria Lourdes C. Sablan (Professional)	- Member

The District has ninety two (92) personnel as of December 31, 2013, 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:

	2013	2012	Increase / (Decrease)
Cash - Undeposited Collections	P 1,045,921.71 P	841,131.47 P	204,790.24
Cash - Petty Cash Fund	19,000.00	19,000.00	-
Cash in Bank - PNB	2,071,275.32	6,709,181.00	(4,637,905.68)
Cash in Bank - LBP	4,995,948.59	977,229.78	4,018,718.81
Cash in Bank - DBP	65,838.81	-	65,838.81
Total	P 8,197,984.43 P	8,546,542.25	(414,396.63)

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.

	2013	2012	Increase / (Decrease)
Accounts Receivable - Customer	P 11,942,094.52 P	11,365,703.91 P	576,390.61
Notes Receivable	1,522,911.68	1,475,476.68	47,435.00
Due from Officers and Employees	-	2,934.42	(2,934.42)
Other Receivable	4,039,664.01	2,331,176.06	1,708,487.95
Allowance for Bad Debts	(1,194,106.45)	(1,136,570.40)	(57,536.05)
Total	P 16,310,563.76 P	14,038,720.67 P	2,271,843.09

5. INVENTORIES

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

		2013		2012	Increase / (Decrease)
Office Supplies	P	288,430.35	P	544,638.74	(256,208.39)
Materials Inventory		5,954,059.79		6,021,653.51	(67,593.72)
Chemical Supplies Inventory		393,800.00		282,600.00	111,200.00
Total	P	6,636,290.14	P	6,848,892.25	(212,602.11)

6. OTHER DEFERRED DEBITS

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

		2013		2012	Increase / (Decrease)
Bal. as of 1998	P	1,398.00	P	1,398.00	-
Bond Deposit to DPWH		216,838.00		216,838.00	-
Meter Deposit to Meralco		185,800.00		185,800.00	-
For Adjustment		140,161.19		140,161.19	-
Total	P	544,197.19	P	544,197.19	-

7. INVESTMENTS

This includes excess cash deposited with authorized government depository banks and Financing Institutes as time deposits and acquisition of securities held as permanent or long-term investment.

		2013		2012	Increase / (Decrease)
Investments in Time Deposit	P	1,697,101.60	P	1,652,413.23	P 44,688.37
Other Investment		691,077.13		691,077.13	-
Reserve Funds (PNB)		1,225,000.00		1,225,000.00	-
Total	P	3,613,178.73	P	3,568,490.36	P 44,688.37

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:

		2013		2012		Increase / (Decrease)
Land	P	18,265,176.76	P	17,487,546.76	P	777,630.00
Waterworks Structures and Facilities		230,255,103.58		214,757,400.87		15,497,702.71
Office Buildings		31,585,459.14		22,559,855.36		9,025,603.78
IT Equipment and Software		14,396,959.04		6,880,151.02		7,516,808.02
Communication Equipment		1,945,388.27		1,471,370.27		474,018.00
Construction and Heavy Equipment		1,846,286.71		1,846,286.71		-
Other Machineries and Equipment		5,314,783.00		4,008,687.50		1,306,095.50
Land Transportation Eqt.		24,925,403.50		9,099,803.50		15,825,600.00
Other Property, Plants and Equipment		420,056.16		420,056.16		-
Office Equipment/Furniture and Fixtures		8,095,962.34		5,781,906.76		2,314,055.58
Accumulated Depreciation		(115,730,983.89)		(102,641,939.28)		(13,089,044.61)
Construction in Progress		37,620,884.91		40,904,681.28		(3,283,796.37)
Total	P	258,940,479.52	P	222,575,806.91	P	36,364,672.61

9. INTER-AGENCY PAYABLES

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

		2013		2012		Increase / (Decrease)
Due to BIR	P	476,909.80	P	607,462.32		(130,552.52)
Due to GSIS		403,032.28		392,441.21		10,591.07
Due to Pag-ibig		55,974.04		78,305.51		(22,331.47)
Due to Philhealth		19,750.00		18,925.00		825.00
Due to Provident Fund		1,664,199.26		418,975.39		1,245,223.87
Due to Socolife Insurance		2,795.27		-		2,795.27
Total	P	2,622,660.65	P	1,516,109.43	P	1,106,551.22

10. OTHER CURRENT LIABILITY

Consist of the indebtedness of the District arising from trade or business.

		2013		2012		Increase / (Decrease)
Guarranty Deposits Payable		-		-		-
Contractors Security Deposit		3,497,549.29		2,783,178.55		714,370.74
Total	P	3,497,549.29	P	2,783,178.55	P	714,370.74

11. LOANS PAYABLE

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

		2013		2012	Increase / (Decrease)
Loans Payable - LWUA	P	8,322,512.20	P	10,083,168.51	(1,760,656.31)
Loans Payable - LBP		43,013,578.05		20,176,293.41	P 22,837,284.64
Loans Payable - PNB		60,545,839.89		-	P 60,545,839.89
Other Long Term Debt		531,300.18		1,066,100.10	(534,799.92)
Total	P	112,413,230.32	P	31,325,562.02	P 81,087,668.30

12. GOVERNMENT EQUITY

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

		2013		2012	Increase / (Decrease)
Equity from Municipal Government	P	3,420,845.00	P	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	P	24,304,396.52	P	24,304,396.52	-

13. RETAINED EARNINGS

This account consist of all earnings by the BWD derived from operations.

		2013		2012	Increase / (Decrease)
Retained Earnings, Beginning	P	137,631,793.86	P	120,473,454.41	P 17,158,339.45
Add(Deduct):		-		-	-
Net Income		11,660,249.00		17,244,452.17	(5,584,203.17)
Prior Year Adjustment		(193,192.79)		(86,112.72)	(107,080.07)
Total	P	149,098,850.07	P	137,631,793.86	P 11,467,056.21

14. PERSONAL SERVICES

		2013		2012		Increase / (Decrease)
Salaries and Wages - Regular	P	22,759,016.41	P	18,649,528.97	P	4,109,487.44
Employee Benefits		15,170,017.48		13,809,415.98		1,360,601.50
Honoraria		752,544.00		1,052,490.00		(299,946.00)
Overtime and Night Pay		429,450.53		459,293.23		(29,842.70)
Life and Retirement Insurance		2,522,112.00		2,142,036.84		380,075.16
Pag-Ibig Contribution		401,317.14		339,733.35		61,583.79
PhiHealth Contributions		234,525.00		195,375.00		39,150.00
Provident Fund		1,446,367.84		1,581,300.07		(134,932.23)
Total	P	43,715,350.40	P	38,229,173.44	P	5,486,176.96

15. MAINTENANCE AND OTHER OPERATING EXPENSES

		2013		2012		Increase / (Decrease)
Travelling Expenses		779,542.60		1,805,776.92		(1,026,234.32)
Training Expenses		1,210,388.52		1,602,627.93		(392,039.41)
Office Supplies Expenses		2,379,208.08		1,948,527.64		430,680.44
Laboratory/Chemicals		1,761,350.00		1,629,420.00		131,930.00
Gasoline, Oil and Lubricants		3,814,397.83		2,735,666.62		1,078,731.21
Electricity Expenses		21,527,595.78		21,290,219.33		237,376.45
Communication Expenses		414,807.19		403,970.70		10,836.49
Advertising Expenses		297,697.15		138,005.65		159,691.50
Rent Expenses		151,339.45		178,076.60		(26,737.15)
Representation Expenses		200,720.26		168,775.75		31,944.51
Professional Services		435,190.42		341,230.00		93,960.42
Other Operation & Maint. Exps.		7,002,649.53		5,977,693.39		1,024,956.14
Donations		34,450.00		127,823.15		(93,373.15)
Taxes, Duties and Licenses		2,908,563.40		2,353,351.53		555,211.87
Insurance Expenses		519,792.35		207,465.31	P	312,327.04
Bad Debts Expenses		57,536.05		321,256.04		(263,719.99)
Repairs and Maintenance Expenses		9,973,105.11		6,432,591.66	P	3,540,513.45
Depreciation Expenses		15,141,333.07		13,948,239.62		1,193,093.45
Total	P	68,609,866.79	P	61,610,717.84	P	5,175,083.14

16. FINANCIAL EXPENSES

	2013	2012	Increase / (Decrease)
Bank Charges	P 188,513.44	P 260,178.18	(71,664.74)
Interest Expenses	6,967,028.67	4,099,620.62	2,867,408.05
Total	P 7,155,542.11	P 4,359,798.80	P 2,795,743.31

17. OTHER GENERAL INCOME

	2013	2012	Increase / (Decrease)
Dividend Income	- P	200.00	(200.00)
Interest Income	71,862.42	77,263.10	(5,400.68)
Miscellaneous Non- Operating Income	215,355.00	-	215,355.00
Total	P 287,217.42	P 77,463.10	P 209,754.32

BALIWAG WATER DISTRICT