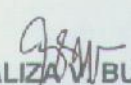


**BALIWAG WATER DISTRICT
BALANCE SHEET
As of December 31, 2014
(With comparative figures for 2013)**

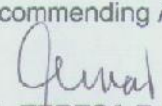
	2014	2013
ASSETS		
Current Assets		
Cash and Cash Equivalents (Note 3)	P 4,449,274.10	P 8,197,984.43
Receivables, Net (Note 4)	18,837,980.91	16,310,563.76
Inventories (Note 5)	8,051,365.99	6,636,290.14
Other Deferred Debits (Note 6)	728,997.19	544,197.19
Total Current Assets	32,067,618.19	31,689,035.52
Non-Current Assets		
Investments (Note 7)	3,644,875.36	3,613,178.73
Intangible Assets	3,810,699.25	1,121,188.25
Property, Plant and Equipment, Net (Note 8)	279,069,278.70	258,940,479.52
Total Non-Current Assets	286,524,853.31	263,674,846.50
TOTAL ASSETS	318,592,471.50	295,363,882.02
LIABILITIES AND EQUITY		
Current Liabilities		
Payable Accounts	2,896,271.48	2,512,082.44
Inter-Agency Payables (Note 9)	2,941,497.11	2,622,660.65
Other Current Liabilities (Note 10)	1,524,207.68	3,497,549.29
Total Current Liabilities	7,361,976.27	8,632,292.38
Non-Current Liabilities		
Loans Payable (Note 11)	130,210,481.20	112,413,230.32
Deferred Credits	8,020,015.41	915,112.73
Total Non-Current Liabilities	138,230,496.61	113,328,343.05
TOTAL LIABILITIES	145,592,472.88	121,960,635.43
Equity		
Government Equity (Note 12)	24,304,396.52	24,304,396.52
Retained Earnings (Note 13)	148,695,602.10	149,098,850.07
TOTAL EQUITY	172,999,998.62	173,403,246.59
TOTAL LIABILITIES & EQUITY	P 318,592,471.50	P 295,363,882.02

(See accompanying Notes to Financial Statements.)


Certified Correct:


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

Recommending Approval:


MA. TERESA F. RAMOS
Department Manager, Finance

Approved by:

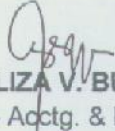

ARTEMIO F. BAYLOSIS
General Manager

BALIWAG WATER DISTRICT
STATEMENT OF INCOME AND EXPENSES
As of December 31, 2014
(With comparative figures for 2013)

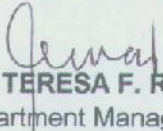
	2014	2013
INCOME		
Income from Waterworks	P 135,384,226.17	P 119,712,686.11
Other Service Income	7,492,164.82	6,936,012.75
Fines and Penalties-Business Income	5,345,573.45	4,163,777.98
Gross Income	148,221,964.44	130,812,476.84
EXPENSES		
Personal Services (Note 14)	44,222,120.58	43,715,350.40
Maintenance and Other Operating Expenses (Note 15)	87,586,587.26	68,609,866.79
Financial Expenses (Note 16)	8,215,266.67	7,155,542.11
Total Expenses	140,003,974.51	119,480,759.30
INCOME (LOSS) FROM OPERATION	8,217,989.93	11,331,717.54
ADD: OTHER INCOME		
Other General Income (Note 17)	278,304.33	287,217.42
Gain/Loss on Sale of Disposed Assets	45,264.35	41,314.04
Other Non-Operating Income	-	-
Total Other Income (Expenses)	323,568.68	328,531.46
NET INCOME (LOSS)	P 8,541,558.61	P 11,660,249.00

(See accompanying Notes to Financial Statements.)


Certified Correct:


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

Recommending Approval:


MA. TERESA F. RAMOS
 Department Manager, Finance

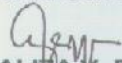
Approved by:


ARTEMIO F. BAYLOSIS
 General Manager

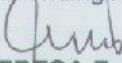
BALIWAG WATER DISTRICT
STATEMENT OF CASH FLOWS
As of December 31, 2014
(With comparative figures for 2013)

	2014	2013
Cash Flows from Operating Activities		
Cash Inflows		
Collection of Account Receivables	P 139,457,895.16	P 122,185,688.71
Collection of Service Fees & Charges	4,335,275.82	3,637,772.75
Collection of Other Receivables	2,715,590.23	3,000,309.00
Proceeds from Sale of Materials	178,537.00	146,137.10
Refund of Cash Advances	266,360.75	168,959.99
Miscellaneous Receipts	791,924.29	559,249.18
Cash Debit Adjustment	722,377.91	1,057,012.47
Total Cash Inflows	148,467,961.16	130,815,129.20
Cash Outflows		
Payment of Personal Services	20,728,259.15	23,587,516.80
Payment of MOOE	55,002,372.99	41,588,401.53
Payment of Accounts Payable	10,206,110.36	19,157,738.15
Payment of Cash Advances	1,583,655.00	1,121,760.00
Replenishment of Working Fund	544,458.18	252,230.34
Remittances - GSIS, BIR, Philhealth	16,601,047.16	15,987,335.27
Contribution to Provident Fund	6,587,057.21	5,125,096.25
Miscellaneous Disbursements	667,434.75	1,704,350.60
Cash Credit Adjustment	708,993.17	33,199.75
Total Cash Outflows	122,630,387.97	108,557,628.69
Net Cash Provided (used) in Operating A	25,837,573.19	22,257,500.51
Cash Flows from Investing Activities		
Cash Inflows		
Interest on Savings Deposits	7,479.96	12,801.61
Total Cash Inflows	7,479.96	12,801.61
Cash Outflows		
Purchase/Construction of PPE	36,482,924.07	39,564,586.87
Total Cash Outflows	36,482,924.07	39,564,586.87
Net Cash Provided (used) in Investing A	(36,475,444.11)	(39,551,785.26)
Cash Flows from Financing Activities		
Cash Inflows		
Proceeds from Borrowings	33,061,172.13	37,098,422.38
Total Cash Inflows	33,061,172.13	37,098,422.38
Cash Outflows		
Finance Charges	386,524.69	-
Payment of Principal/Interest	25,785,486.85	20,152,695.45
Total Cash Outflows	26,172,011.54	20,152,695.45
Net Cash Provided (used) in Financing A	6,889,160.59	16,945,726.93
Net Cash Provided by Operating, Investing and Financing Activities	(3,748,710.33)	(348,557.82)
Cash & Cash Equivalents, Beginning	8,197,984.43	8,546,542.25
CASH & CASH EQUIVALENTS, END	P 4,449,274.10	P 8,197,984.43


Certified Correct:


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

Recommending Approval:


MA. TERESA F. RAMOS
 Department Manager, Finance

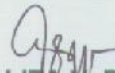
Approved by:


ARTEMIO F. BAYLOSIS
 General Manager

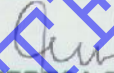
BALIWAG WATER DISTRICT
STATEMENT OF CHANGES IN EQUITY
As of December 31, 2014
(With comparative figures for 2013)

	2014	2013
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	149,098,850.07	137,631,793.86
Prior Period Adjustments	0.00	0.00
Changes during the Year	(8,944,806.58)	(193,192.79)
Net Income (Loss) for the Year	8,541,558.61	11,660,249.00
GOVERNMENT EQUITY END	P 172,999,998.62	P 173,403,246.59


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

BALIWAG WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2014

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, 2014, the District has twenty-one (21) pumping stations which serve twenty seven (27) barangays with 25,373 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, 2014, the District's Board of Directors was composed of the following:

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

The District has ninety two (100) personnel as of December 31, 2014, 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:

	2014		2013		Increase / (Decrease)
Cash - Undeposited Collections	P 1,429,464.47	P	1,045,921.71	P	383,542.76
Cash - Petty Cash Fund	19,000.00		19,000.00		-
Cash in Bank - PNB	1,043,791.64		2,071,275.32		(1,027,483.68)
Cash in Bank - LBP	91,394.38		4,995,948.59		(4,904,554.21)
Cash in Bank - LBP2	1,230,269.00		-		1,230,269.00
Cash in Bank - DBP	635,354.61		65,838.81		569,515.80
Total	P 4,449,274.10	P	8,197,984.43	P	(5,548,495.13)

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.

	2014		2013		Increase / (Decrease)
Accounts Receivable - Customer	P 12,835,648.21	P	11,942,094.52	P	893,553.69
Notes Receivable	2,248,680.98		1,522,911.68		725,769.30
Other Receivable	5,037,113.54		4,039,664.01		997,449.53
Allowance for Bad Debts	(1,283,461.82)		(1,194,106.45)		(89,355.37)
Total	P 18,837,980.91	P	16,310,563.76	P	2,527,417.15

5. INVENTORIES

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

		2014		2013		Increase / (Decrease)
Office Supplies	P	1,573,595.12	P	288,430.35	P	1,285,164.77
Materials Inventory		6,136,692.87		5,954,059.79	P	182,633.08
Chemical Supplies Inventory		341,078.00		393,800.00		(52,722.00)
Total	P	8,051,365.99	P	6,636,290.14	P	1,415,075.85

6. OTHER DEFERRED DEBITS

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

		2014		2013		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		-
Advances to Contractors		184,800.00				184,800.00
For Adjustment		140,161.19		140,161.19		-
Total	P	728,997.19	P	544,197.19	P	184,800.00

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.

		2014		2013		Increase / (Decrease)
Investments in Time Deposit	P	1,728,798.23	P	1,697,101.60	P	31,696.63
Other Investment		691,077.13		691,077.13		-
Reserve Funds (PNB)		1,225,000.00		1,225,000.00		-
Total	P	3,644,875.36	P	3,613,178.73	P	31,696.63

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:

	2014	2013	Increase / (Decrease)
Land	P 19,101,676.76	P 18,265,176.76	P 836,500.00
Waterworks Structures and Facilities	289,973,583.15	230,255,103.58	59,718,479.57
Office Buildings	32,659,974.64	31,585,459.14	1,074,515.50
IT Equipment and Software	17,744,365.04	14,396,959.04	3,347,406.00
Communication Equipment	1,945,388.27	1,945,388.27	-
Construction and Heavy Equipment	1,846,286.71	1,846,286.71	-
Other Machineries and Equipment	6,276,073.00	5,314,783.00	961,290.00
Land Transportation Eqt.	24,978,403.50	24,925,403.50	53,000.00
Other Property, Plants and Equipment	420,056.16	420,056.16	-
Office Equipment/Furniture and Fixtures	8,506,163.19	8,095,962.34	410,200.85
Accumulated Depreciation	(139,347,617.73)	(115,730,983.89)	(23,616,633.84)
Construction in Progress	14,964,926.01	37,620,884.91	(22,655,958.90)
Total	P 279,069,278.70	P 258,940,479.52	P 20,128,799.18

9. INTER-AGENCY PAYABLES

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

	2014	2013	Increase / (Decrease)
Due to BIR	P 716,144.88	P 476,909.80	P 239,235.08
Due to GSIS	5,169.60	403,032.28	(397,862.68)
Due to Pag-ibig	857.44	55,974.04	(55,116.60)
Due to Philhealth	525.00	19,750.00	(19,225.00)
Due to Provident Fund	2,218,800.19	1,664,199.26	554,600.93
Due to Cocolife Insurance	-	2,795.27	(2,795.27)
Total	P 2,941,497.11	P 2,622,660.65	P 318,836.46

10. OTHER CURRENT LIABILITY

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

	2014	2013	Increase / (Decrease)
Contractors Security Deposit	1,524,207.68	3,497,549.29	(1,973,341.61)
Total	P 1,524,207.68	P 3,497,549.29	(1,973,341.61)

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.

	2014	2013	Increase / (Decrease)
Loans Payable - LWUA	P 7,543,489.65	P 8,322,512.20	(779,022.55)
Loans Payable - LBP	67,371,008.92	43,013,578.05	P 24,357,430.87
Loans Payable - PNB	55,237,726.81	60,545,839.89	(5,308,113.08)
Other Long Term Debt	58,255.82	531,300.18	(473,044.36)
Total	P 130,210,481.20	P 112,413,230.32	P 17,797,250.88

12. GOVERNMENT EQUITY

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

	2014	2013	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.

	2014	2013	Increase / (Decrease)
Retained Earnings, Beginning	P 149,098,850.07	P 137,631,793.86	P 11,467,056.21
Add(Deduct):			
Net Income	8,541,558.61	11,660,249.00	(3,118,690.39)
Prior Year Adjustment	(8,944,806.58)	(193,192.79)	(8,751,613.79)
Total	P 148,695,602.10	P 149,098,850.07	(403,247.97)

14. PERSONAL SERVICES

		2014		2013		Increase / (Decrease)
Salaries and Wages - Regular	P	23,621,765.82	P	22,759,016.41	P	862,749.41
Employee Benefits		14,606,586.45		15,170,017.48		(563,431.03)
Honoraria		619,884.00		752,544.00		(132,660.00)
Overtime and Night Pay		572,182.40		429,450.53		142,731.87
Life and Retirement Insurance		2,883,365.69		2,522,112.00		361,253.69
Pag-Ibig Contribution		458,938.47		401,317.14		57,621.33
PhiHealth Contributions		268,000.00		234,525.00		33,475.00
Provident Fund		1,191,397.75		1,446,367.84		(254,970.09)
Total	P	44,222,120.58	P	43,715,356.40	P	506,770.18

15. MAINTENANCE AND OTHER OPERATING EXPENSES

		2014		2013		Increase / (Decrease)
Travelling Expenses		796,613.74		779,542.60	P	17,071.14
Training Expenses		1,976,305.44		1,210,588.52		765,716.92
Office Supplies Expenses		1,467,551.64		2,379,208.08		(911,656.44)
Laboratory/Chemicals		2,636,201.00		1,761,350.00		874,851.00
Gasoline, Oil and Lubricants		2,954,479.40		3,814,397.83		(859,918.43)
Electricity Expenses		23,084,193.47		21,527,595.78		1,556,597.69
Communication Expenses		569,540.15		414,807.19		154,732.96
Advertising Expenses		602,682.85		297,697.15		304,985.70
Rent Expenses		142,115.17		151,339.45		(9,224.28)
Representation Expenses		145,827.94		200,720.26		(54,892.32)
Professional Services		335,200.00		435,190.42		(99,990.42)
Other Operation & Maint. Exps.		15,731,050.43		7,002,649.53		8,728,400.90
Donations		161,000.00		34,450.00		126,550.00
Taxes, Duties and Licenses		3,463,021.69		2,908,563.40		554,458.29
Insurance Expenses		571,299.76		519,792.35	P	51,507.41
Bad Debts Expenses		89,355.37		57,536.05	P	31,819.32
Repairs and Maintenance Expenses		9,247,316.56		9,973,105.11		(725,788.55)
Depreciation Expenses		23,592,832.65		15,141,333.07		8,451,499.58
Total	P	87,566,587.26	P	68,609,866.79	P	8,602,840.35

16. FINANCIAL EXPENSES

		2014		2013	Increase / (Decrease)
Bank Charges	P	186,299.53	P	188,513.44	(2,213.91)
Interest Expenses		8,028,967.14		6,967,028.67	1,061,938.47
Total	P	8,215,266.67	P	7,155,542.11	1,059,724.56

17. OTHER GENERAL INCOME

		2014		2013	Increase / (Decrease)
Interest Income		48,970.70		71,862.42	(22,891.72)
Miscellaneous Non- Operating Income		229,333.63		215,855.00	13,978.63
Total	P	278,304.33	P	287,217.42	(8,913.09)

BALIWAG WATER DISTRICT