

Republic of the Philippines  
LIBMANAN WATER DISTRICT

**Balance Sheet**

December 31, 2006

(With Comparative Data from 2005)

ASSETS		2006		2005
<b>Current Assets</b>				
Cash and Cash Equivalent	( Note 2 ) P	4,263,666.64	P	1,599,114.25
Receivables	( Note 3 )	2,213,055.87		604,445.95
Inventories	( Note 4 )	(53,291.61)		10,173.90
Prepayments		0.00		500.00
<b>Total Current Assets</b>	P	6,423,430.90	P	2,214,234.10
<b>Non-Current Assets</b>				
Property, Plant and Equipment (Net)	( Note 5 ) P	789,210.91	P	567,255.43
Construction in Progress - Agency Assets	( Note 6 )	13,646,479.43		4,742,275.31
Other Assets	( Note 7 )	9,959.78		0.00
<b>Total Non-Current Assets</b>	P	14,445,650.12	P	5,309,530.74
<b>Total Assets</b>	P	<b>20,869,081.02</b>	P	<b>7,523,764.84</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Payable Accounts	( Note 8 ) P	57,046.13	P	2,986.95
Inter-Agency Payables	( Note 9 )	49,369.43		22,086.72
Other Current Liabilities	( Note 10 )	111,419.81		26,639.60
<b>Total Current Liabilities</b>	P	217,835.37	P	51,713.27
<b>Non-Current Liabilities</b>				
Long-Term Liabilities	( Note 11 ) P	15,243,899.56	P	5,575,706.18
Other Long Term Liabilities	( Note 12 )	1,249,497.83		1,249,497.83
<b>Total Non-Current Liabilities</b>	P	16,493,397.39	P	6,825,204.01
<b>Total Liabilities</b>	P	<b>16,711,232.76</b>	P	<b>6,876,917.28</b>
<b>Equity</b>				
Government Equity	P	0.00	P	0.00
Retained Earnings	( Note 13 )	4,157,848.26		646,847.56
<b>Total Government Equity</b>	P	4,157,848.26	P	646,847.56
<b>Total Liabilities and Equity</b>	P	<b>20,869,081.02</b>	P	<b>7,523,764.84</b>

(See accompanying Notes to Financial Statements)

Republic of the Philippines  
LIBMANAN WATER DISTRICT

**Statement of Income and Expenses**

For the year ended December 31, 2006

			2006		2005
<b>INCOME</b>		(Note 14)	P 4,705,094.94	P	1,244,880.30
<b>OPERATING EXPENSES</b>					
Personal Services					
Salaries and Wages		(Note 15)	P 457,021.66	P	317,075.00
Other Compensation		(Note 16)	297,116.54		138,020.00
Total Personal Services			P 754,138.20	P	455,095.00
Maintenance & Operating Expenses					
Traveling Expenses			P 17,311.10	P	11,566.16
Training and Scholarship Expenses			9,350.00		12,416.50
Supplies and Materials		(Note 17)	174,769.54		83,364.50
Utility Expenses		(Note 18)	2,060.00		0.00
Communication Expenses		(Note 19)	15,724.16		12,977.39
Membership Dues & Cont. to Organization			0.00		11,200.00
Advertising Expenses			4,224.00		2,210.00
Printing and Binding Expenses			0.00		2,086.13
Representation Expenses			27,922.15		5,920.00
Transportation and Delivery Expenses			192.50		360.00
Professional Expenses		(Note 20)	32,650.00		0.00
Repair and Maintenance		(Note 21)	46,507.20		49,587.85
Miscellaneous Expenses			3,675.00		0.00
Taxes, Insurance Premiums and Other Fees		(Note 22)	10,158.21		3,335.82
Depreciation		(Note 23)	124,707.90		274,880.64
Total Maintenance & Operating Expenses			P 469,251.76	P	469,904.99
Other Maintenance and Operating Expenses			P 0.00	P	9,533.40
Financial Expenses			P 3,175.00	P	955.50
<b>Total Operating Expenses</b>			P 1,226,564.96	P	935,488.89
<b>Operating Income</b>			P 3,478,529.98	P	309,391.41
<b>Other Income and Expenses</b>					
Interest Income			P 11,074.10	P	14,179.16
Miscellaneous Income			4,500.00		11,040.00
Other Fines and Penalties			13,856.66		0.00
Total Other Income/Expenses			P 29,430.76	P	25,219.16
<b>Net Income for the period</b>			P 3,507,960.74	P	334,610.57

(See accompanying Notes to Financial Statements)

Republic of the Philippines  
**LIBMANAN WATER DISTRICT**

**Cash Flow Statement**  
December 31, 2006

<b>Cash Flows from Operating Activities</b>			
<b>Cash Inflows:</b>			
Collections of Water Bills/Receivables	P	1,646,498.60	P 728,715.70
Collections of Penalty		74,615.57	0.00
Collection of Re-registration		820,134.70	11,050.00
Collection of New Service Connection Fee		349,780.00	122,719.00
Other Sources/Sale of Materials		232,576.15	11,040.00
Interest earned on Bank Deposits, net of tax		8,859.29	14,179.16
Reversion to Cash in Bank of Stale Check		1,000.00	0.00
<b>Total Cash Inflows</b>	<b>P</b>	<b><u>3,133,464.31</u></b>	<b><u>P 887,703.86</u></b>
<b>Cash Outflows:</b>			
Payment of Operating Expenses	P	970,022.77	582,474.39
Payment of Cash Advance of Employees		18,961.67	0.00
Remittance to BIR		186,768.87	5,655.22
Payment to Suppliers for Materials and Supplies		445,319.80	204,113.95
Bank Charges		3,505.00	0.00
<b>Total Cash Outflows</b>	<b>P</b>	<b><u>1,624,578.11</u></b>	<b><u>P 792,243.56</u></b>
<b>Total cash provided by Operating Activities</b>	<b>P</b>	<b><u>1,508,886.20</u></b>	<b><u>P 95,460.30</u></b>
<b>Cash Flows from Investing Activities</b>			
<b>Cash Inflows:</b>			
		<u>0.00</u>	<u>0.00</u>
<b>Cash Outflows:</b>			
Purchase of Property, Plant & Equipment	P	12,907.75	P 135,139.05
Payment/Disbursement for Construction in Progress		7,166,737.06	1,487,905.28
<b>Total Cash Outflows</b>	<b>P</b>	<b><u>7,179,644.81</u></b>	<b><u>P 1,623,044.33</u></b>
<b>Total cash used by Investing Activities</b>	<b>P</b>	<b><u>(7,179,644.81)</u></b>	<b><u>P (1,623,044.33)</u></b>
<b>Cash Flows from Financing Activities</b>			
<b>Cash Inflows:</b>			
Loan releases fro LWUA	P	8,335,311.00	P 2,359,120.00
In lieu Share fro LGU		0.00	150,000.00
<b>Total Cash Inflows</b>	<b>P</b>	<b><u>8,335,311.00</u></b>	<b><u>P 2,509,120.00</u></b>
<b>Cash Outflows:</b>			
Payment of Long Term Loans	P	0.00	P 0.00
<b>Total cash used by Financing Activities</b>	<b>P</b>	<b><u>8,335,311.00</u></b>	<b><u>P 2,509,120.00</u></b>
<b>Net Cash generated from Operating, Investing &amp; Financing Activities</b>	<b>P</b>	<b><u>2,664,552.39</u></b>	<b><u>P 981,535.97</u></b>
<b>Cash and Cash Equivalent, Beginning of the year</b>	<b>P</b>	<b><u>1,599,114.25</u></b>	<b><u>P 617,578.28</u></b>
<b>Cash and Cash Equivalent, December-31, 2006</b>	<b>P</b>	<b><u>4,263,666.64</u></b>	<b><u>P 1,599,114.25</u></b>

(See accompanying Notes to Financial Statements)

Republic of the Philippines  
LIBMANAN WATER DISTRICT

STATEMENT OF CHANGES IN EQUITY  
For the year ended December 31, 2006

	Government Equity		Retained Earnings		Total
Balances, January 1, 2006	P 0.00	P	646,847.56	P	646,847.56
Correction on Depreciation of PPE that was reclassified To Construction in Progress			4,079.99		4,079.99
Rounding off difference in Computation of Depreciation			(0.03)		(0.03)
Correction to Abnormal balance of Deferred Credits			(2,040.00)		(2,040.00)
Reversion of Stale Check			1,000.00		1,000.00
Net Income during the period			<u>3,507,960.74</u>		<u>3,507,960.74</u>
Balances, December 31, 2006	<u>P 0.00</u>	P	<u>4,157,848.26</u>	P	<u>4,157,848.26</u>

*(See accompanying Notes to Financial Statements)*



Republic of the Philippines  
COMMISSION ON AUDIT  
Corporate Government Sector  
Cluster III – Public Utilities  
Regional Office No. V  
Rawis, Legazpi City



## AUDIT CERTIFICATE

### THE BOARD OF DIRECTORS

Libmanan Water District  
Libmanan, Camarines Sur

We have audited the accompanying Balance Sheet of Libmanan Water District, Libmanan, Camarines Sur as of December 31, 2006 and the related Statements of Income and Expenses and Cash Flows for the year then ended. These financial statements are the responsibility of the Libmanan Water District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with laws and generally accepted auditing standards in the Philippines. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As presented in our Comments and Observations, the balance of Accounts Receivable for Water Sales of P1,625,072.97 was unreliable. Property, Plant and Equipment was overstated by P748,732.38. Construction in Progress – Agency Assets was understated by P1,737,467.06.

In our opinion, except for the effects of any adjustment of the foregoing, the financial statements referred to above present fairly, in all material respects, the financial position of Libmanan Water District as of December 31, 2006 and the results of its operation and its cash flows for the year then ended in conformity with applicable generally accepted accounting principles.

COMMISSION ON AUDIT  
by:

  
CARMEN B. BARRAMEDA  
Regional Cluster Director

December 21, 2007