



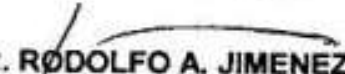
Republic of the Philippines
LIBMANAN WATER DISTRICT
Bagumbayan, Libmanan, Camarines Sur
Tel. # (054) 4512575

Statement of Management Responsibility for Financial Statements

The Management of the Libmanan Water District, Libmanan, Camarines Sur is responsible for all information and representation contained in the Balance Sheet of CY 2013 and the related Statement of Income and Expenses and Statement of Cash Flows for the period then ended. The financial statements have been prepared in conformity with generally accepted accounting principles and reflect amounts that are based on best estimates and informed judgment of management with an appropriate consideration of materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguard against unauthorized use or disposition and liabilities recognized.


MORITA V. PAGLINAWAN
Bookkeeper


ENGR. RODOLFO A. JIMENEZ, JR.
General Manager

LIBMANAN WATER DISTRICT
 Libmanan, Camarines Sur
CONDENSED BALANCE SHEET
 As of December 31, 2013
 (With Comparative Figures for CY 2012)

	<u>2013</u>	<u>2012</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents - Note 2	P 9,012,605.23	P 5,633,958.94
Receivables - Note 3	4,015,370.20	3,611,698.28
Inventories - Note 4	1,279,564.09	2,421,060.74
Prepayments - Note 5	7,000.00	7,000.00
Other Current Assets - Note 6	636,084.48	469,826.37
Total Current Assets	<u>P 14,950,624.00</u>	<u>P 12,143,544.33</u>
Non Current Assets		
Investments - Note 7	P 7,015,175.63	P 6,066,553.01
Property, Plant and Equipment - Note 8	49,145,121.29	39,734,646.74
Total Non Current Assets	<u>P 56,160,296.92</u>	<u>P 45,801,199.75</u>
TOTAL ASSETS	<u>P 71,110,920.92</u>	<u>P 57,944,744.08</u>
LIABILITIES AND EQUITY		
LIABILITIES		
Current Liabilities		
Payable Accounts- Note 9	P 660,647.29	P 2,300,278.18
Inter-Agency Payables - Note 10	94,329.35	95,861.11
Guaranty Deposit Payable	669,075.20	552,754.00
Total Current Liabilities	<u>P 1,424,051.84</u>	<u>P 2,948,893.29</u>
Long-Term Liabilities		
Loans Payable - Domestic -Note 11	P 28,229,882.26	P 28,583,942.51
Other Long Term Liabilities -Note 12	529,818.75	529,818.75
Total Long-term Liabilities	<u>P 28,759,701.01</u>	<u>P 29,113,761.26</u>
TOTAL LIABILITIES	<u>P 30,183,752.85</u>	<u>P 32,062,654.55</u>
EQUITY		
Retained Earnings	P 40,927,168.07	P 25,882,089.53
TOTAL EQUITY	<u>P 40,927,168.07</u>	<u>P 25,882,089.53</u>
TOTAL LIABILITIES AND EQUITY	<u>P 71,110,920.92</u>	<u>P 57,944,744.08</u>

(See accompanying Notes to Financial Statements)

LIBMANAN WATER DISTRICT
Libmanan, Camarines Sur

CONDENSED STATEMENT OF INCOME AND EXPENSES

For the Year Ended December 31, 2013
(With Comparative Figures for CY 2012)

	<u>2013</u>	<u>2012</u>
Income		
Business Income - Note 13	P 16,870,230.60	P 14,721,975.10
Other Income	14,978.45	27,259.13
Total Income	<u>P 16,885,209.05</u>	<u>P 14,749,234.23</u>
Expenses		
Personal Services -Note 14	P 3,831,932.35	P 3,247,183.37
Maintenance and Other Operating Exp - Note 15	5,703,208.81	4,753,976.99
Financial Expenses -Note 16	2,276,302.00	2,370,329.00
Total Expenses	<u>P 11,811,443.16</u>	<u>P 10,371,489.36</u>
Net Income (Loss) from Operations	<u><u>P 5,073,765.89</u></u>	<u><u>P 4,377,744.87</u></u>

(See accompanying Notes to Financial Statements)

LIBMANAN WATER DISTRICT

Libmanan, Camarines Sur

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the Year Ended December 31, 2013

(With Comparative Figures for CY 2012)

	<u>2013</u>	<u>2012</u>
Retained Earnings		
Balance at beginning of the year	P 25,882,089.53	P 21,975,281.92
Prior Years' Adjustments	9,971,312.65	(470,937.26)
Net Income for the year	<u>5,073,765.89</u>	<u>4,377,744.87</u>
Balance at end of the year	<u><u>P 40,927,168.07</u></u>	<u><u>P 25,882,089.53</u></u>

LIBMANAN WATER DISTRICT
 Libmanan, Camarines Sur
STATEMENT OF CASH FLOWS
 For the Year Ended December 31, 2013
 (With Comparative Figures for CY 2012)

	<u>2013</u>	<u>2012</u>
Cash Flow from Operating Activities		
Cash Inflows:		
Collection of Receivables		
Current Year	P 15,074,327.79	P 13,411,138.52
Previous Year	307,101.44	1,151,223.20
Collection of Other Receipts	2,591,596.22	1,886,681.34
Total Cash Inflows	<u>P 17,973,025.45</u>	<u>P 16,449,043.06</u>
Cash Outflows:		
Personal Services	P 3,103,243.69	P 2,700,239.13
Maintenance and Other Operating Expenses	2,688,305.52	1,895,750.32
Payables	3,251,002.06	3,089,793.80
Other Disbursements	3,613,967.46	1,572,364.64
Total Cash Outflows	<u>P 12,656,518.73</u>	<u>P 9,258,147.89</u>
Total Cash Provided (Used) by Operating Activities	<u>P 5,316,506.72</u>	<u>P 7,190,895.17</u>
Cash Flow from Investing Activities		
Total Cash Inflows	P -	P -
Total Cash Outflows	-	-
Total Cash Provided (Used) by Investing Activities	<u>P -</u>	<u>P -</u>
Cash Flows from Investing Activities		
Cash Outflows:		
Sinking Fund	P 902,524.93	P 4,188,011.57
Purchase of Property, Plant & Equipment	8,105.00	1,059,728.42
Payment of Accounts Payable	131,738.31	381,622.81
Payment of Construction in Progress	541,431.94	8,977,621.81
Total Cash Outflows	<u>P 1,583,800.18</u>	<u>P 14,606,984.61</u>
Total Cash Provided (Used) by Investing Activities	<u>P (1,583,800.18)</u>	<u>P (14,606,984.61)</u>
Cash Flows from Financing Activities		
Cash Inflows:		
Loan Domestic (project)	P 816,951.00	P -
Total Cash Inflows	<u>P 816,951.00</u>	<u>P -</u>
Cash Outflows:		
Payment of Loan Principal-LWUA	P 1,171,011.25	P 1,315,776.00
Total Cash Outflows	<u>P 1,171,011.25</u>	<u>P (1,315,776.00)</u>
Total Cash Provided (Used) by Financing Activities	<u>P (354,060.25)</u>	<u>P (1,315,776.00)</u>
Cash Provided (Used) by Operating, Investing and Financing Activities	P 3,378,646.29	P (8,731,865.44)
Add: Cash and Cash Equivalents, Beginning	P 5,633,958.94	P 14,365,824.38
Cash and Cash Equivalents, End	<u>P 9,012,605.23</u>	<u>P 5,633,958.94</u>



Republic of the Philippines
LIBMANAN WATER DISTRICT
Bagumbayan, Libmanan, Camarines Sur
Tel. # (054) 4512575

NOTES TO FINANCIAL STATEMENTS

AGENCY BACKGROUND:

Libmanan Water District (LIWAD) is a Government Owned and Controlled Corporation that operates on the powers and authority conferred to it by Presidential Decree 198, otherwise known as the Provincial Water Utilities Act of 1973, as amended by PD No. 768 and PD No. 1479. It was formed through the Sangguniang Bayan Resolution No. 03-223 on September 8, 2003. It was issued the Conditional Certificate of Conformance (CCC) No. 606 by the Local Water Utilities Administration (LWUA) giving her the rights and privileges to operate as public utility.

As Public Utility, water districts are formed for the following purposes:

- Acquiring, installing, improving, maintaining and operating water supply and distribution systems for domestic, industrial, municipal and agricultural uses for residents and lands within the boundaries of such districts;
- Providing, maintaining and operating wastewater collection, treatment and disposal facilities, and
- Conducting such other functions and operations incidental to water resource development, utilization and disposal within such districts, as are necessary or incidental to said purpose.

The agency has two spring water resources: Ducut Cave Spring and Lower Ducut Spring. The springs are located at the lower eastern slopes of Mt. TancongVaca, a forest reserve.

LIWAD was categorized as a medium water district (Category C) since March 2012 with total active service concessionaires of 4,604. The district is headed by Engr. Rodolfo A. Jimenez, Jr., the General Manager with 12 support staff under him excluding 11 contractual personnel.

The policy making body of the Water District is presently composed of five members of the Board of Directors representing the following sectors in the society enumerated as follows:

Name	Position	Sector	Term of office
Mr. Fernando J. Osio	Chairman	Civic	1/1/13-12/31/18
Ms. Diosdada V. Ursua	Vice-Chairman	Education	2/11/11-12/31/16
Mr. Dominador G. Zaldua, Jr.	Secretary	Professional	1/1/09-12/31/14
Ms. Eva V. Dilanco	Treasurer	Business	1/1/13-12/31/18
Ms. Letecia Madrid	Member	Women	2/11/11-12/31/16

1. SIGNIFICANT ACCOUNTING PRINCIPLES, CONCEPTS AND SELECTED POLICIES AND PRACTICES OF THE WATER DISTRICT.

a. Accounting System and Preparation of Financial Statements

Libmanan Water District adopted the New Government Accounting System (NGAS) for Corporation designed by COA, Professional Development Center – Government Accounting and Financial Management Information System. The financial transactions were recorded using the NGAS Chart of Accounts and financial reports were prepared in accordance with NGAS and in conformity with the Philippine Government Accounting Standards.

b. Petty Cash Fund

Imprest Fund System was used and disbursements, except petty expenses, were paid through issuance of check.

c. Provision for Doubtful Accounts

Allowance for Doubtful Accounts was not set up for estimated uncollectible accounts. Receivables were presented at gross without the provision for Bad Debts.

d. Recognition of Income and Expense

Revenue and Expenses are recognized in the period it was earned and expenses are recorded in the period in which benefits are received. Interest earned on bank deposits were recorded at gross and the withholding taxes were recognized as Taxes, Duties and Licenses.

e. Sinking Fund

The water district has no provision for its sinking fund. Sinking fund is the amount set aside for specific long term purposes including Reserve for Loan Repayments (40%); Operation and Maintenance Reserve, (40%) for repairs of damaged facilities due to natural calamities, public disorders, and the like; and Capital Reserve (20%) for expansion of the district's facilities. It is to be

computed at least 3% of gross operating revenue or depending on the provision stated in the loan agreement; to be deposited in a separate bank account usually a joint account with LWUA.

f. Property, Plant and Equipment

The account Property, Plant and Equipment (PPE) is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method. Depreciation starts on the month following the month of purchase and residual value equivalent to 10% of acquisition cost/appraised value shall be deducted before dividing the same by the estimated useful life as prescribed by COA for each group of PPE.

2. **CASH AND CASH EQUIVALENTS - ₱9,012,605.23**

This account consists of the following:

Particulars	CY 2013	CY 2012
Cash – Collecting Officer	₱ 14,081.33	₱ 14,334.90
Cash in Bank, LCCA- UCPB	902,018.45	1,605,286.73
Cash in Bank, LCCA- LBP	7,171,558.88	3,907,719.97
Cash in Bank, LCCA- LBP (Project)	924,946.57	106,617.34
Total	₱ 9,012,605.23	₱ 5,633,958.94

The Cash-Collecting Officer account consists of remaining collection in the hand of the collecting officer as of Balance Sheet. The District maintains a Petty Cash Fund of ₱5,000.00 and subject for replenishment. It maintains two Current Accounts: LBP- CA No. 2092-1023-03 Sipocot Branch and UCPB- CA No. 330-0-00290-9 Libmanan Branch and Sipocot Branch Current Account for the project CA No. 00-20921-03474.

3. **RECEIVABLES - ₱4,015,370.20**

Particulars	CY 2013	CY 2012
Accounts Receivables- Customer	₱ 3,286,412.13	₱ 2,929,882.76
Accounts Receivables- PROMO	99,855.71	135,821.60
Accounts Receivables- LGU	214,508.60	214,508.60
Accounts Receivables- Others	414,593.76	331,485.32
Total	₱ 4,015,370.20	₱ 3,611,698.28

Accounts Receivable- Customers represents accounts arising from water sales and incidental services including unpaid penalties; other receivables pertains to the amount billed to customers for their installation fees including cost of materials. The District did not provide allowance for doubtful accounts.

4. INVENTORIES- P1,279,564.09

The balance of the account is composed of the following:

Particulars	CY 2013	CY 2012
Accountable Forms	P 106,414.75	P 93,609.20
Office Supplies Inventory	10,812.78	25,663.71
Medical, Dental, & Lab Supplies Inventory	18,290.70	72,723.65
Construction Materials Inventory	1,144,045.86	2,229,064.18
Total	P 1,279,564.09	P 2,421,060.74

5. PREPAYMENTS - P7,000.00

Particulars	CY 2013	CY 2012
Prepaid Rent	P 7,000.00	P 7,000.00

6. OTHER CURRENT ASSETS - P636,084.48

Particulars	CY 2013	CY 2012
Guaranty Deposits	P 636,084.48	P 469,826.37

7. INVESTMENTS - P7,015,175.63

Particulars	CY 2013	CY 2012
Sinking Fund	P 7,015,175.63	P 6,066,553.01

8. PROPERTY, PLANT AND EQUIPMENT (Net) - P49,145,121.49

The breakdown of Property, Plant and Equipment is as follows:

Particulars	CY 2013	CY 2012
Acquisition Cost	P 56,085,575.65	P 36,034,998.59
Less: Accumulated Depreciation	7,388,337.47	8,155,439.88
Net Book Value	P 48,697,238.18	P 27,879,558.71
Construction-In-Progress – Agency Assets	447,883.11	11,855,088.03
Total	P 49,145,121.29	P 39,734,646.74

CY 2013			
Particulars	Acquisition Cost	Accumulated Depreciation	Net Book Value
	a	b	(a-b)
Land	P 1,084,692.52	-	P 1,084,692.52
Land Improvements	62,800.00	5,652.00	57,148.00
Irrigation & Water System Structure	47,385,581.19	5,290,855.59	42,094,725.60
Artesian Wells, Reservoir & Pump Station	13,521.00	3,650.76	9,870.24
Office Building	1,496,327.33	224,138.14	1,272,189.19
Building Improvement	49,260.90	4,433.52	44,827.38
Building Chlorinator	48,141.75	4,332.72	43,809.03
Other Structures	417,145.67	63,825.24	353,320.43
Watershed Structure & Improvement	180,688.00	13,551.60	167,136.40
Office Equipment	251,380.37	109,548.51	141,831.86
Furniture and Fixtures	430,992.51	208,487.28	222,505.23
IT Equipment and Software	943,463.41	481,868.35	461,595.06
Machineries	2,690,219.29	677,787.42	2,012,431.87
Communication Equipment	79,917.13	38,643.71	41,273.42
Other Machinery and Equipment	228,261.38	40,079.58	188,181.80
Motor Vehicle	497,903.55	117,362.96	380,540.59
Other Transportation Equipment	8,080.00	7,272.00	808.00
Other Property, Plant and Equipment	217,199.65	96,848.09	120,351.56
Sub-total	56,085,575.65	7,388,337.47	48,697,238.18
Construction-in-Progress – Agency Assets	447,883.11	-	447,883.11
Total	P 56,533,458.76	P 7,388,337.47	P49,145,121.29

CY 2012			
Particulars	Acquisition Cost	Accumulated Depreciation	Net Book Value
	a	b	(a-b)
Land	P 945,913.80	-	P 945,913.80
Land Improvements	62,800.00	-	62,800.00
Irrigation & Water System Structure	27,718,909.49	6,625,703.46	21,093,206.03
Artesian Wells, Reservoir & Pump Station	13,521.00	1,216.92	12,304.08

CY 2012			
Particulars	Acquisition Cost	Accumulated Depreciation	Net Book Value
	a	b	(a-b)
Office Building	1,496,327.33	178,424.14	1,317,903.19
Building Improvement	49,260.90	5,652.00	43,608.90
Building Chlorinator	-	-	-
Other Structures	412,296.67	45,271.92	367,024.75
Watershed Structure & Improvement	-	-	-
Office Equipment	247,460.37	173,557.74	73,902.63
Furniture and Fixtures	370,895.01	140,671.29	230,223.72
IT Equipment and Software	1,111,475.84	311,078.69	800,397.15
Machineries	2,579,475.47	483,346.79	2,096,128.68
Communication Equipment	79,917.13	32,334.95	47,582.18
Other Machinery and Equipment	229,112.38	24,549.19	204,563.19
Motor Vehicle	497,903.55	53,346.80	444,556.75
Other Transportation Equipment	8,080.00	5,817.60	2,262.40
Other Property, Plant and Equipment	211,649.65	74,468.39	137,181.26
Sub-total	36,034,998.59	8,155,439.88	27,879,558.71
Construction-in-Progress – Agency Assets	11,855,088.03	-	11,855,088.03
Total	₱47,890,086.62	₱8,155,439.88	₱39,734,646.74

Depreciation is computed using the straight line method over the estimated useful lives of the assets with provision for 10% residual value. Depreciation charges starts on the month following the purchase or acquisition of assets. Fully depreciated assets that are still in use remain in the respective PPE accounts.

9. PAYABLE ACCOUNTS - ₱660,647.29

Particulars	CY 2013	CY 2012
Accounts Payable	₱ 660,647.29	₱2,300,278.18

The account represents the unpaid obligations as of year-end.

10. INTER-AGENCY PAYABLES - P94,329.35

Particulars	CY 2013	CY 2012
Due to BIR	P 32,866.61	P 60,140.55
Due to GSIS	54,262.74	30,570.56
Due to HDMF	2,600.00	2,000.00
Due to Philhealth	4,600.00	3,150.00
Total	P 94,329.35	P 95,861.11

11. LOANS PAYABLE - DOMESTIC - P28,229,882.26

Particulars	CY 2013	CY 2012
Loans Payable- Domestic	P 19,350,661.81	P 19,886,412.06
Loans Payable – Project	8,879,220.45	8,697,530.45
Total	P28,229,882.26	P28,583,942.51

Loans Payable- Domestic pertains to loans contracted with LWUA to finance the long-term project of the District for purposes of providing safe, reliable, sound and economically viable water supply. The project is fully completed. Loans Payable- Project was newly contracted with LWUA to finance another long term project (extension).

12. OTHER LONG TERM LIABILITIES - P529,818.75

Particulars	CY 2013	CY 2012
Due to LGU- Turned Over Water Facilities	P 524,497.83	P 524,497.83
Financial Assistance	5,320.92	5,320.92
Total	P 529,818.75	P 529,818.75

13. INCOME - P16,870,230.60

The realized income during the year was derived from the following:

Particulars	CY 2013	CY 2012
Income from Waterworks System	P15,316,828.11	P13,289,523.01
Rent Income	480,193.60	337,800.00
Other Business Income	457,332.16	522,176.35
Fines and Penalties	446,462.00	482,910.09
Miscellaneous Income	169,414.73	89,565.65
Total	P16,870,230.60	P14,721,975.10

Income from Waterworks System refers to those derived from water sales billed to its customers; Other Business Income pertains to other water revenue and water service connection fees; and Fines and Penalties consists of penalty charges on water bills not paid on due date.

14. PERSONAL EXPENSES - ₱3,831,932.35

Particulars	CY 2013	CY 2012
Salaries and Wages	₱2,719,769.47	₱2,312,606.36
Other Compensation	810,746.06	697,032.25
Personnel Benefit Contribution	301,416.82	237,544.76
Total	₱3,831,932.35	₱3,247,183.37

15. MAINTENANCE AND OTHER OPERATING EXPENSES - ₱5,703,208.81

Particulars	CY 2013	CY 2012
Travelling Expenses	₱ 252,736.25	₱ 219,019.00
Training and Scholarship Expenses	76,596.27	76,935.00
Supplies and Materials Expenses	507,602.45	457,332.56
Utility Expenses	399,739.08	429,650.16
Communication Expenses	109,272.09	70,642.58
Membership Dues and Contributions	13,232.00	36,901.00
Awards and Indemnities	0.00	7,000.00
Advertising Expenses	0.00	1,800.00
Printing and Binding Expenses	4,521.50	5,856.60
Rent Expenses	12,900.00	14,420.00
Representation Expenses	47,508.35	34,808.62
Transportation and Delivery Expenses	3,049.00	1,740.77
Rewards and Other Claims	0.00	25,000.00
Professional Services	816,053.96	446,163.75
Repairs and Maintenance	609,059.19	449,771.97
Subsidies and Donations	36,500.00	43,530.25
Confidential, Intelligence	0.00	300.00
Taxes, Insurance, Premiums	351,289.06	285,293.00
Depreciation Expenses	2,333,779.08	2,147,811.73
Other Maintenance & Operating Expenses	129,370.53	-
Total	₱5,703,208.81	₱4,753,976.99

16. FINANCIAL EXPENSES - ₱2,276,302.00

Particulars	CY 2013	CY 2012
Bank Charges	₱ 2,160.00	₱ 1,790.00
Interest Expense	2,274,142.00	2,368,539.00
Total	₱2,276,302.00	₱2,370,329.00