

**Republic of the Philippines  
COMMISSION ON AUDIT  
Commonwealth Avenue, Quezon City**

# **ANNUAL AUDIT REPORT**

**on the**

**LIANGA WATER DISTRICT  
Liangá, Surigáo del Sur**

**For the Year Ended December 31, 2014**



Republic of the Philippines  
**COMMISSION ON AUDIT**  
Commonwealth Avenue, Quezon City

## **INDEPENDENT AUDITOR'S REPORT**

### **THE BOARD OF DIRECTORS**

Lianga Water District  
Lianga, Surigao del Sur

We have audited the accompanying financial statements of the Lianga Water District, which comprise the statement of financial position as at December 31, 2014, and the statement of income and expenses, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the New Government Accounting System for GOCCs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Philippine Public Sector Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*Basis for a Qualified Opinion*


- a.) Accounts Receivable – Water Bills amounting P3,464,267.86 and Accounts Receivable – Others amounting P 252,769.38 or a total of P3,717,037.34 could not be ascertained due to the a)unreconciled difference of P151,780.55 and (107,077.85), respectively, between the records of the Accounting and the Billing Section; b) non-recording of installation fees amounting to P 131,868.53; c) inconsistencies in the records maintained by the Accounting Section, the Property Custodian and the Billing Section on the materials used during installation of water connection; d) the understatement of the Allowance for Doubtful Accounts by P100,664.87; and the non-classification of past-due receivables amounting to 1,806,539.58 to non-current assets, thus receivable account is doubtful of validity.
- b.) The Property, Plant and Equipment (PPE) totalling P43,783,545.40 cannot be substantiated due to incomplete equipment ledger cards/subsidiary ledgers and non-reconciliation with the property records, showing a difference of P7,644,184.47, thus casting doubt on the validity of the account balance in the financial statement.
- c.) Per ledger maintained by the District, the outstanding balance of the District's loans from LWUA is only P 15,340,806.08 while the Loans Payable account presented in the Balance Sheet totaled P26,308,548.00 resulting in a significant variance of P10,967,741.92. Moreover, confirmation with the LWUA revealed a loan balance of P21,760,977.71, showing a variance of P4,597,570.29 against the general ledger, thus casting doubt on the validity of the Loans Payable in the financial statement.

*Qualified Opinion*

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Lianga Water District as at December 31, 2014, and of its financial performance and its cash flows for the year then ended in accordance with the Generally Accepted State Accounting Principles.

COMMISSION ON AUDIT

By:

  
**VICTORIANA P. MAQUILING**  
State Auditor V  
Supervising Auditor

April 27, 2015  
Office of the Supervising Auditor  
COA, Regional Office No. XIII, Butuan City



Republic of the Philippines  
**Liang Water District**

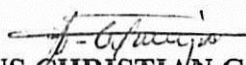
Annex-A, Market Mall, Liang, Surigao del Sur, Code - 8307  
TIN 000-556-812 Tel. No. (086) 616-0020 Email: liwad1979@yahoo.com.ph

CABLE ADDRESS  
**"LIWAD"**


**STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR  
FINANCIAL STATEMENTS**

The Management of Liang Water District is responsible for all information and representations contained in the accompanying Balance Sheet as of December 31, 2014 and related Statement of Income and Expenses and Cash Flows for the year then ended. The financial statements have been prepared in conformity with the New Government Accounting System for Government-Owned and/or Controlled Corporations (GOCC'S) and generally accepted and informed judgment of management with an appropriate consideration to 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 safeguarded against unauthorized use or disposition and liabilities are recognized.

  
**JULIUS CHRISTIAN G. CALANGIAN**  
Accounting Processor A

Date signed: March 20, 2015

  
**WILFREDO G. SANCHEZ**  
General Manager D

Date signed : March 20, 2015





Republic of the Philippines  
**LIANGA WATER DISTRICT**  
 Lianga, Surigao del Sur

**BALANCE SHEET**  
 December 31, 2014  
 (With Comparative Figures for CY 2013)

	NOTES	CY 2014	CY 2013
<b>Current Assets</b>			
<b>Cash on Hand</b>			
Cash on Hand-Collecting Officers	Note 4	21,710.24	0.10
Cash on Hand-Disbursing Officers		-	6,843.77
Petty Cash Fund		-	-
Payroll Fund		-	1,077.00
<b>Total</b>		<u>21,710.24</u>	<u>7,920.87</u>
<b>Cash in Bank-Local Currency</b>			
Cash in Bank-Local Currency, Current Accr	Note 5	<u>600,536.00</u>	<u>630,731.71</u>
<b>Receivables</b>			
Accounts Receivable, net	Note 6	3,464,267.86	3,057,905.65
Allowance for Doubtful accounts		(14,884.45)	(14,884.45)
Other Receivables	Note 6 & 8	252,769.38	237,786.82
Advances to Officers and Employees	Note 7	31,541.14	68,884.14
<b>Total</b>		<u>3,733,693.93</u>	<u>3,349,692.16</u>
<b>Inventories</b>			
Office Supplies Inventory	Note 9	1,855.72	24,709.93
Accountable Forms Inventory	Note 9	18,000.00	24,250.00
Other Supplies Inventory	Note 9	489,714.49	735,034.60
<b>Total</b>		<u>509,570.21</u>	<u>783,994.53</u>
<b>Prepayments</b>			
Other Prepaid Expenses	Note 11	<u>6,100.00</u>	<u>6,100.00</u>
<b>Total Current Assets</b>		<u>4,871,610.38</u>	<u>4,778,439.27</u>
<b>Non-Current Assets</b>			
Property Plant and Equipment		43,783,545.40	42,834,286.91
Accumulated Depreciation		(14,455,703.68)	(12,726,551.83)
Construction in Progress-Agency Assets		-	-
<b>Total Property, Plant and Equipment</b>	Note 3	<u>29,327,841.72</u>	<u>30,107,735.08</u>
<b>Total Non-Current Assets</b>		<u>29,327,841.72</u>	<u>30,107,735.08</u>
<b>Total Assets</b>		<u>34,199,452.10</u>	<u>34,886,174.35</u>

<b>Current Liabilities</b>			
<b>Payable Accounts</b>			
Accounts Payable	Note 12	339,219.25	468,388.63
Due to Officers and Employees		113,182.88	112,088.97
Interest Payable	Note 13	16,164,649.38	15,122,706.01
<b>Total</b>		<b>16,617,051.51</b>	<b>15,703,183.61</b>
<b>Inter-Agency Payables</b>			
Due to BIR	Note 14	159,793.03	175,924.27
Due to GSIS	Note 14	608,801.77	643,751.41
Due to PAG-IBIG	Note 14	48,358.61	81,718.36
Due to PHILHEALTH	Note 14	44,625.00	40,212.50
<b>Total</b>		<b>861,578.41</b>	<b>941,606.54</b>
<b>Other Liability Accounts</b>			
Guaranty Deposits Payable	Note 15	117,408.00	117,408.00
Other Payables	Note 16	493,691.38	493,691.38
<b>Total</b>		<b>611,099.38</b>	<b>611,099.38</b>
<b>Total Current Liabilities</b>		<b>18,089,729.30</b>	<b>17,255,889.53</b>
<b>Non-Current Liabilities</b>			
Mortgage/Bonds/Loans Payable	Note 17	9,226,342.37	11,110,445.37
Other Long-Term Liabilities	Note 17	17,082,205.63	17,082,205.63
		<b>26,308,548.00</b>	<b>28,192,651.00</b>
<b>Total Liabilities</b>		<b>44,398,277.30</b>	<b>45,448,540.53</b>
<b>Equity</b>			
Government Equity		4,444,095.55	4,444,095.55
Reserved/Restricted Capital	Note 19	160,308.92	160,308.92
Retained Earnings		(14,803,229.67)	(15,166,770.65)
<b>Total Equity</b>	Note 18	<b>(10,198,825.20)</b>	<b>(10,562,366.18)</b>
<b>Total Liabilities &amp; Equity</b>		<b>34,199,452.10</b>	<b>34,886,174.35</b>

(See Accompanying Notes to Financial Statements)





Republic of the Philippines  
**LIANGA WATER DISTRICT**  
 Lianga, Surigao del Sur

**INCOME STATEMENT**  
 For the year ended December 31, 2014  
 (With Comparative Figures for CY 2013)

	<u>CY 2014</u>	<u>CY 2013</u>
<b>INCOME</b>		
Income from Water Works System	12,031,027.65	10,782,478.68
Less : Discounts	109,926.32	
Net Income from water works system	11,921,101.33	10,782,478.68
Fines and Penalties	422,213.03	417,690.92
Other Service Income	244,101.49	179,200.06
Miscellaneous Income	116,231.14	104,193.42
Other Business Income	19,851.73	2,796.24
<b>GROSS INCOME</b>	<u>12,723,498.72</u>	<u>11,486,359.32</u>
<b>Less : EXPENSES</b>		
<b>Personal Services</b>		
Salaries and Wages-Regular	2,897,031.98	2,581,009.00
Salaries - Casual/contractual/others	-	
Personnel Econ. Relief Allow.(PERA)	81,317.84	72,000.00
Additional Compensation(ADCOM)	236,318.16	216,000.00
Representation Allowance(RA)	90,000.00	60,000.00
Transportation Allowance(TA)	90,000.00	60,000.00
Clothing/Uniform Allowance	60,000.00	60,000.00
Honoraria	222,174.00	162,749.95
Productivity Incentives Allowance	24,000.00	-
Longevity Pay	10,000.00	-
Other Bonuses and allowances	-	264,337.65
Overtime and Night Pay	28,501.97	-
Cash Gift	35,000.00	-
Year End Bonus	268,642.50	142,116.00
Life & Retirement Insurance		-
Contributions(GSIS)	349,429.27	299,641.08
PAG-IBIG Contributions	58,101.20	49,940.18
PHILHEALTH Contributions	33,650.00	30,212.50
ECC Contributions	16,100.00	14,354.50
Vacation and Sick Leave Benefits	-	80,481.13
Other Personnel Benefits	286,982.03	59,801.85
<b>Total Personal Services</b>	<u>4,787,248.95</u>	<u>4,152,643.84</u>

**Maintenance and Other Operating Expenses**

Traveling Expenses - Local	394,572.80	249,002.24
Training Expenses	150,074.50	229,930.80
Office Supplies Expenses	104,189.68	114,078.48
Accountable Forms Expenses	56,250.00	-
Gasoline, Oil and Lubricants Expenses	226,263.92	165,508.74
Chemical & Filtering Supplies Expenses	-	184,415.00
Drugs & Medicines expenses	-	-
Other Supplies Expenses	159,774.05	48,200.00
Electricity Expenses	165,755.85	133,332.99
Water	97.00	-
Cooking Gas Expenses	938.00	-
Postage and Deliveries	8,570.00	5,432.00
Telephone Expenses - Landline	35,096.28	38,236.14
Telephone Expenses - mobile	3,274.00	-
Internet Expenses	13,986.00	10,844.41
Cable, Satellite, Telegraph and Radio Expenses	-	-
Membership Dues & contributions to Organization	29,515.00	16,605.00
Advertising Expenses	525.00	10,200.00
Printing and Binding Expenses	62,500.00	57,900.00
Rent/Lease Expenses	84,204.00	84,204.00
Survey Expenses	-	300.00
Representation Expenses	59,415.20	47,884.24
Awards and Rewards		19,306.00
Transportation & Delivery Expenses	155.00	-
Storage Expenses	86,625.00	-
Rewards and Other Claims	-	-
Legal Services	43,480.00	31,202.76
Auditing Services	56,091.35	3,500.00
General Services	368,610.00	-
Janitorial Services	-	-
Food Expenses		36,800.00
Security Services	286,800.00	71,700.00
Repairs and Maintenance - Leasehold	-	19,983.50
Repairs & Maint.-Public Infrastructures	-	589,741.22
Repairs & Maint.Buildings and Other Structures	-	12,810.00
Repairs and Maintenance - Office Equipment	1,600.00	33,842.00
Repairs & Maint.- Furnitures and fixtures	3,800.00	220.00
Repairs and Maintenance - IT Equipt. & Software	37,455.00	-
Repairs & Maint.- Other Machinery & Equipment	-	-
Repairs and Maintenance - Motor Vehicles/Multi-Cal	193,920.80	-
Repairs and Maintenance - Other Property,	-	-
Repairs and Maintenance - Artesian Wells,	484,192.67	-
Donations (calamity funds)	2,500.00	13,785.00
Miscellaneous Expenses	181,847.26	-
Taxes and Licenses	303,135.84	215,763.26
Fidelity Bond Premiums	-	14,400.00
Insurances Expenses	12,289.00	18,007.18



Depreciation- Buildings and other Structures	1,302,522.76	1,233,589.78
Depreciation-Leasehold Improvementlant,Bldg and o	70,278.00	65,682.98
Depreciation-Office Equipment	40,661.64	91,288.36
Depreciation-Technical & scientific machinery & Eqp	79,087.30	-
Depreciation-Other Machinery and Equipment	205,625.47	202,506.33
Depreciation-Furnitures and fixtures	-	-
Depreciation-Motor vehicle	30,976.68	30,976.68
Doubtful Accounts Expenses	-	-
Bad debts expenses	-	-
Amortization - Intangible Assets	-	-
Other Maintenance and Operating Expenses	41,111.00	839,447.55
<b>Total Maintenance and Other Operating Expenses</b>	<u>5,387,766.05</u>	<u>4,940,626.64</u>
<b>Financial Expenses</b>		
Bank Charges	310.96	100.00
Documentary Stamps Expenses	-	-
Interest Expenses	2,170,066.37	2,581,952.42
Other Financial Charges	-	200.00
<b>Total Financial Expenses</b>	<u>2,170,377.33</u>	<u>2,582,252.42</u>
<b>Total expenses</b>	<u>12,345,392.33</u>	<u>11,675,522.90</u>
<b>Income(Loss) From Operations</b>	378,106.39	(189,163.58)
<b>Add(Deduct) Other Income/Expenses</b>		
Gain/Loss on Foreign Exchange(FOREX)		
Interest Income	554.79	1,983.90
<b>Net Income (Loss) Before Income Tax</b>	<u>378,661.18</u>	<u>(187,179.68)</u>



Republic of the Philippines  
**LIANGA WATER DISTRICT**  
Lianga, Surigao del Sur

**STATEMENT OF CHANGES IN EQUITY**

For the year ended December 31, 2014

(With Comparative Figures for CY 2013)

	<b>CY 2014</b>	<b>CY 2013</b>
<b>Government Equity</b>		
Balance at the beginning of the period	4,444,095.55	4,444,095.55
Reclassification of capital accounts		
Additions/Deductions		
<b>Balance at the end of the period</b>	<u><b>4,444,095.55</b></u>	<u><b>4,444,095.55</b></u>
<b>Reserved / Restricted Capital</b>		
Balance at the beginning of the period	160,308.92	160,308.92
Additions/Deductions		
<b>Balance at the end of the period</b>	<u><b>160,308.92</b></u>	<u><b>160,308.92</b></u>
<b>Retained Earnings</b>		
Balance at the beginning of the period	(15,166,770.65)	(14,890,408.02)
Prior Years' Adjustments	(15,120.20)	(89,182.95)
Net Income/ (Loss) for the period	378,661.18	(187,179.68)
<b>Balance at the end of the period</b>	<u><b>(14,803,229.67)</b></u>	<u><b>(15,166,770.65)</b></u>
<b>Government Equity, December 31, 2015</b>	<u><u><b>(10,198,825.20)</b></u></u>	<u><u><b>(10,562,366.18)</b></u></u>





Republic of the Philippines  
**LIANGA WATER DISTRICT**  
 Lianga, Surigao del Sur

**CASH FLOW STATEMENT**  
 For the year ended December 31, 2014  
 (With Comparative Figures for CY 2013)

	CY 2014	CY 2013
<b>Cash Flows from Operating Activities</b>		
<b>Cash Flows:</b>		
Collection of Receivables	11,937,033.15	11,063,384.93
Collection of Income	801,746.72	611,558.69
Refund of overpayment of expenses	9,259.00	15,782.50
Refund of Cash Advance	59,509.94	-
<b>Total Cash Inflows</b>	<u>12,807,548.81</u>	<u>11,690,726.12</u>
<b>Cash Outflows:</b>		
Payment of operating expenses (schedule 1 & 2 )	4,547,251.01	4,992,175.82
Payment of payables (schedule 3)	2,068,290.10	1,352,120.63
Remittance of GSIS/PAG-IBIG/PHIC/Withholding	2,506,496.27	1,761,790.90
Purchase of office supplies	60,449.19	119,452.99
Payment of prepaid expenses		7,500.00
Purchase of Materials/Fittings	207,161.44	178,495.53
Construction in Progress	120,674.85	378,088.28
Due from officers & Employees	143,532.24	88,382.76
Petty Cash Fund	29,923.05	74,483.50
<b>Total Cash Outflows</b>	<u>9,683,778.15</u>	<u>8,952,490.41</u>
<b>Total Cash Provided (Used) by Operating Activities</b>	<u>3,123,770.66</u>	<u>2,738,235.71</u>
<b>Cash Flows from Investing Activities:</b>		
<b>Cash Outflows:</b>		
Purchase/construction of		
Buildings/Lands		31,500.00
Office Equipment, Furniture and Fixtures.	70,600.25	35,381.47
IT Equipment and software	49,611.64	114,730.72
Remittance of tax withheld from procurement of		
IT equipment and software and Office	6,662.11	
Artesian Wells, Reservoirs, Pumping stations &		25,380.00
<b>Total Cash Outflows</b>	<u>(126,874.00)</u>	<u>(206,992.19)</u>
<b>Total Cash Provided (Used) by Investing Activities</b>	<u>(126,874.00)</u>	<u>(206,992.19)</u>

**Cash Flows from Financing Activities****Cash Inflows:**

Proceeds from Borrowings

**Cash Outflows:**

Cash payment of interest on loans/bonds payable and other 3,012,226.00 3,100,056.00

Payments of domestic and foreign loans

**Total Cash Provided (used) by Financing Activities** (3,012,226.00) (3,100,056.00)**Cash Provided by Operating, Investing and Financing  
Activities**

(15,329.34) (568,812.48)

**Add: Cash and Cash Equivalents - Beginning**637,575.58 1,206,388.06**Cash and Cash Equivalents, Ending**622,246.24 637,575.58





Republic of the Philippines  
**LIANGA WATER DISTRICT**  
Lianga, Surigao del Sur

**NOTES TO FINANCIAL STATEMENTS**

**1. Historical Background**

The Lianga Water District (LIWAD) was created by virtue of Municipal Council Resolution in July 1979 and was subsequently issued a Conditional Certificate of Conformance No. 104 on December 4, 1979. Upon its formation, the LIWAD acquired the ownership and management of the two (2) water systems in accordance with Presidential Decree (PD) No. 198, as amended. Said decree is also known as the Provincial Water Utilities Act of 1973.

As of December 31, 2014, LIWAD has 1,984 active concessionaires and 15 permanent employees.

LIWAD has two reservoirs namely: Diatagon and Ban-as and 1 pumping station at Baribian.

**2. Significant Accounting Policies**

- a. The water District adopts The New Government Accounting System for Government – Owned and/or controlled Corporations (GOCCs) prescribed by the Commission on Audit.
- b. Property Plant & Equipment (PPE) is carried at cost less depreciation.
- c. Depreciation is computed on a straight-line method based on estimated useful lives of the assets.
- d. Petty cash fund is maintained under the imprest system. Whenever the working fund runs low, a replenishment check is drawn equal to petty cash disbursements.
- e. Income and Expenses – the accrual method of accounting is adopted wherein income is recognized and recorded when earned regardless when it is collected and expenses are recognized when incurred.

### 3. Property Plant & Equipment

The details of Property, Plant and Equipment are as follows:

Particulars	Original Cost	Accumulated Depreciation	Book Value
<b>Plants, Buildings &amp; Structures</b>			
Land	P 31,500.00	P 5,775.00	P 25,725.00
Artesian wells, reservoirs, pumping station & conduits	34,454,735.37	10,268,255.31	24,186,480.06
Others	407,652.00	197,724.72	209,927.28
<b>Total</b>	<b>P 34,893,887.37</b>	<b>P 10,471,755.03</b>	<b>P 24,422,132.34</b>
<b>Leasehold Improvement</b>			
Leasehold Improvement – Plant, Building & Other Structures	P 224,001.03	P 22,400.16	P 201,600.87
<b>Total</b>	<b>P 224,001.03</b>	<b>P 22,400.16</b>	<b>P 201,600.87</b>
IT Equipment and Software	P 494,656.00	P 265,337.31	P 229,318.69
Land Transport Equipment	464,652.16	113,608.10	351,044.06
<b>Total</b>	<b>P 959,308.16</b>	<b>P 378,945.41</b>	<b>P 580,362.75</b>
Furniture and Fixtures	P 106,444.20	P 9,692.54	P 96,751.66
<b>Total</b>	<b>P 106,444.20</b>	<b>P 9,692.54</b>	<b>P 96,751.66</b>
<b>GRAND TOTAL</b>	<b>P 36,183,640.73</b>	<b>P 10,882,793.14</b>	<b>P 25,300,847.62</b>

The Accounting Unit is still on the process of verifying all source documents of the Property, Plant and Equipment presented in the Balance Sheet and analyzing the entries made in the balance sheet in the prior years to determine the cause of the significant variance between the general ledgers and the separate schedule maintained by the Accounting Unit and subsequently reconcile the two records.

Depreciation expense was erroneously recognized for Land. This will be adjusted in CY 2015.

### 4. Cash Collecting Officer – P 21,710.24

Collection that remained undeposited at the year end at Diatagon office.

### 5. Cash in Bank – a total of P 600,536.00.

This pertains to funds deposited in various banks as follows:

<u>Name of Bank</u>	<u>Account No.</u>	<u>Amount</u>
Philippine National Bank	324734700017	134,217.17
Land Bank of the Philippines	0971-0789-52	449,562.88
Land bank of the Philippines	0972-1217-89	16,755.95
<b>Grand Total</b>		<b><u>P 600,536.00</u></b>



**6. Receivable – 3,717,037.24**

This account refers to dues from concessionaires for water services rendered. Accounts receivable is recognized every month on the billing summary submitted by the Commercial Section and subsequently credited upon collection of the amounts dues.

**Table 6.1 Aging of Accounts Receivable based on the records of the Commercial Section**

Aged	AR - Water Bill per Commercial Section Records	AR - Others (Installation / Materials)	Total AR	Percentage	Provision for Allowance for Doubtful Accounts
1-60 days	1,597,319.46	2,301.00	1,599,620.46	1%	15,996.20
61-180 days	139,241.46	4,885.00	144,126.46	2%	2,882.53
181 days – year	210,306.44	1,147.00	211,453.44	3%	6,343.60
Over 1 year	1,669,181.05	137,358.53	1,806,539.58	5%	90,326.98
<b>Total</b>	<b>3,616,048.41</b>	<b>145,691.53</b>	<b>3,761,739.94</b>		<b>115,549.32</b>

**7. Advances to Officers and Employees amounting to P 31,581.14.**

No. of Personnel	10 days -1 year	Over 1 year – 5 years	Over 5 years – 10 years	Over 10 Years
5	5,700.00			25,841.14

Pertains to all unliquidated cash advances for traveling expenses of LIWAD employees as of December 31, 2014. These are broken down as follows:

Names	Amount
Romeo S. Ranara	5,700.00
Engr. Romualdo T. Susi	2,495.00
Wilfredo G. Sanchez	23,046.14
Mila Layno	100.00
Epifanio Martin	300.00
<b>GRAND TOTAL</b>	<b>25,941.14</b>

**8. Other Receivables P 252,769.38**

This refers to unpaid materials of Liwad concessionaires amounting to P120,399.88 and P 70,580.00 receivable that cannot be accounted because the records was damaged by termite. Included also the remaining balance of the disallowance of the District's Job Order Employees per Audit Observation Memorandum No. 008 CY 2010-2011 and the accounts receive from concessionaires amounting to P39,827.50 and P21,962.00, respectively.

**9. Office Supplies Inventory.... 509,570.21**

Purchases of materials and supplies are carried in the inventory account at cost. First in First out method in issuance of materials.

Account Name	CY 2014
Office Supplies Inventory	1,855.72
Accountable Forms Inventory	18,000.00
Other Supplies Inventory	489,714.49
<b>TOTAL</b>	<b>509,570.21</b>

**10. Accountable Forms Inventory**

Consist of all water bills, Official receipt of LIWAD & checks.

**11. Other Prepaid Expenses P6,100.00**

Advance payments to Mr. Salanga for repair of LIWAD Service vehicle in year 2000 charged to his Water Bills.

**12. Account Payable P 339,219.25**

Materials/ Fittings purchased on account to the Suppliers and amount due to other creditors with a total balance of P 339,219.25 as follows:

Particulars	AMOUNT
Florcita G. Tejero	5,100.00
Commission on Audit	156,091.35
PLDT	1,908.82
RA Pipelines System	16,366.19
John Glass & Gen. Merchandise	9,620.45
Quantumflex Marketing	45,546.87
Tita L. Mongado	966.15
Davao City Water District	43,849.30
Caraga Security Agency	23,422.00
Barobo St. Vincent Trading	5,550.62
Sergio Cuizon	11,750.00
San Francisco, Water District	13,047.50
LGU – Lianga, Surigao del Sur	6,000.00
<b>TOTAL</b>	<b>P 339,219.25</b>

**13. Interest Payable – P16,164,649.38**

Interest bill from Local Water Utilities Administration. This is for further verification and will be reconciled with the records of the LWUA.



**14. Inter-Agency Payables**

Due to BIR – amount withheld from the Suppliers.

Due to GSIS – premiums deducted from Employer's share and Employees Contribution.

Due to PHILHEALTH – amount deducted from Employer's share and Employees contribution .

Due PAG-IBIG – premiums deducted from Employer's share and Employees Contribution including loan amortization of the Employees.

Account Name	CY 2014
Due to BIR	159,793.03
Due to GSIS	608,801.77
Due to PAG-IBIG	48,358.61
Due to PHILHEALTH	44,625.00
<b>GRAND TOTAL</b>	<b>861,578.41</b>

**15. Guaranty Deposits Payable – P117,408.00**

Customer's Deposit of LIWAD concessionaires but cannot be accounted because records was damaged by termite.

**16. Other Payables – P493,691.38**

Unpaid obligation of LIWAD which have been already matured for more than 1 year.

**17. Loans Payable – P26,308,548.00**

This pertains to Loan Granted by LWUA to LIWAD per Loan account No. 3-213, LA No. 4-1860 and LA No. 4-2263.

Loan Account	Principal Amount of Loan	Outstanding Balance
LA No. 3-213 RL	6,526,051.00	2,805,867.00
LA No. 4-1860 RL	14,852,529.78	6,576,755.29
LA No. 4-2263 – A	9,845,724.79	5,958,183.79
	<b>34,378,448.33</b>	<b>15,340,806.08</b>

**18. Government Equity – (P10,198,825.20)**

Consists of the balance of the accumulated earnings or losses of the District broken down as follows:

Government Equity, Beg. Bal.	(10,562,366.18)
Prior Years' Adjustment	(15,120.20)
Net Income/ (Loss) for the period	378,661.18
<b>Government Equity, December 31, 2015</b>	<b><u>( 10,198,825.20)</u></b>

**19. Restricted Capital – P160,308.92**

Pension and benefits deducted from LIWAD employees for the year 1987 to 1992.

**20. Prior's years adjustment..... P 15,120.20.**

This account is broken down as follows:

	Amount
Unrecorded RSMI No. 2013-10-002 dated Oct. 30, 2013	(540.00)
Understated Office Supplies per RSMI No. 2013-02-020	(423.33)
Recording adjustment JEV No. 2009-10-1582, Check No. 142960 EBI Check	2,000.00
Record bank charges from EBI from April 2013 to Dec. 2013	(1,800.00)
Record Bank charges from EBI from Jan. 2014 to July 2014	(800.00)
Record bank charges for the month of May 2014	(56.87)
Adjusting entry of registration fee of Tagbina Water District's and Hinatuan's delegates of the SPMS Orientation Seminar dated October 16-17, 2014.	(13,500.00)
<b>Balance</b>	<b>(15,120.20)</b>



Republic of the Philippines  
**LIANGA WATER DISTRICT**  
 Annex - A, Rizal Street, Market Mall  
 Lianga, Surigao del Sur

**SCHEDULE OF UNCOLLECTED INSTALLATION FEES  
 AS OF DEC. 31, 2014**

INSTALLATION DATE	NAME	INSTALLATION FEE	BALANCE as of' 12/31/2014
5/29/2008	VICTOR CAMPOS	1,500.00	426.30
8/26/2008	RODITO MORE	1,500.00	913.65
5/30/2008	RIC NAVARRO	1,500.00	800.00
5/22/2008	PARISADA PAMPILON	1,500.00	300.00
10/13/2008	FELICIDAD M. SIERA	1,500.00	794.00
9/24/2008	LORNA SAUZA	1,500.00	1,150.00
6/23/2008	ERNESTO SARSUELO	1,500.00	539.00
12/10/2009	EUGENE Z. ALDAYA	1,500.00	850.00
11/5/2009	MARCELO M. ABINSAY	1,500.00	500.00
3/10/2009	GRACE M. ALCANTARA	1,500.00	807.24
9/8/2009	JENNEBOY ENARTIA	1,500.00	788.00
1/5/2009	ZALDY JUARBAL	1,500.00	500.00
10/20/2009	TESSIE D. LINGAYA	1,500.00	485.00
4/16/2009	JOHN FREDERICK LAYNO	1,500.00	523.09
3/11/2009	VINCENT MONTENEGRO	1,500.00	389.75
10/21/2009	ROMEO S. RANARA - A	1,500.00	1,448.00
11/27/2009	BERTINO SALINAS	1,500.00	326.00
6/2/2009	MARIALYN TOMADO - B	1,500.00	1,249.00
6/1/2009	JOEVILYN L. TRIMIDAL	1,500.00	700.00
12/21/2009	SATURNINO UMALI	1,500.00	670.00
5/13/2010	GRECILDA ARGUILLON	1,800.00	331.00
8/31/2010	DEMOSTHENES ALFEREZ	1,800.00	1,300.00
11/8/2010	ALFREDO P. ALYUCOD	1,800.00	500.00
5/12/2010	LOLITA DALMAN	1,800.00	500.00
5/26/2010	JUN DALMAN	1,800.00	1,963.25
7/15/2010	ERLINDA LOBO	1,800.00	1,056.50
4/12/2010	CLARINO LASTRA	1,800.00	1,065.00
6/1/2010	RAUL LABIAL	1,800.00	1,713.75
9/6/2010	ROLANDO MORALES	1,800.00	1,143.00
5/7/2010	JOVITO MORGADO	1,800.00	214.75
4/26/2010	PRESCILA MORGADO	1,800.00	1,500.00
6/1/2010	NERIA MORGADO	1,800.00	736.75
5/12/2010	CHRISTINE MORENO	1,800.00	577.75
5/8/2010	VILMA PAREJA	1,800.00	300.00
9/1/2010	ROMAR PAGADOR	1,800.00	998.65
5/12/2010	DOMINICA RIN	1,800.00	847.75
5/14/2010	CHARLITO SAPA	1,800.00	162.75
5/14/2010	PELITO SARMEN	1,800.00	1,247.97
11/30/2010	CRESENCIA SARCEDA	1,800.00	831.00
6/3/2010	DIONESIO CONDOLON	1,800.00	1,800.00



INSTALLATION DATE	NAME	INSTALLATION FEE	BALANCE as of 12/31/2014
5/25/2010	MELANIE CONDOLON	1,800.00	1,800.00
6/1/2010	NERIA CONDOLON	1,800.00	1,800.00
6/4/2010	RUDY CONDOLON	1,800.00	1,800.00
8/23/2010	REYCHEL DURIAS	1,800.00	500.00
5/13/2010	TERESO EREDERA	1,800.00	347.68
5/11/2010	REX GENOTIVA	1,800.00	1,800.00
5/6/2010	MARICEL GUMA	1,800.00	1,000.00
6/1/2010	NELLY HERANA	1,800.00	333.75
5/25/2010	SALUNICO JOVERO	1,800.00	1,800.00
5/4/2010	WILSON JOVERO	1,800.00	1,800.00
5/8/2010	TERESITA LISONDRA	1,800.00	1,800.00
5/14/2010	EMMANUEL MONTANTE	1,800.00	1,800.00
5/27/2010	ROLANDO NAPULI	1,800.00	1,445.75
5/21/2010	RONNIE OLVIDO	1,800.00	1,800.00
5/19/2010	ROBERTO PACURSA	1,800.00	1,800.00
4/30/2010	RIC PALARCA	1,800.00	1,800.00
5/8/2010	ANGELINA QUEZADA	1,800.00	1,800.00
6/25/2010	MYLENE QUIJADA	1,800.00	1,800.00
5/13/2010	CARMELITA ROBLES	1,800.00	1,800.00
5/8/2010	ALLY SACAY	1,800.00	1,230.50
8/17/2010	APOLONIO SALAMARES	1,800.00	1,033.00
5/24/2010	TERENCIO SALBORO	1,800.00	1,800.00
5/11/2010	LOLITO SALVADOR	1,800.00	1,800.00
5/25/2010	JOCELYN TABASON	1,800.00	1,800.00
5/19/2010	ALMA TERNORA	1,800.00	1,532.35
9/1/2010	GEMMA ABATONON	1,800.00	300.00
8/23/2010	AILENE ADLAWAN	1,800.00	1,135.00
8/7/2010	EMERITA BANUG	1,800.00	392.45
8/7/2010	HERMIO CARPILA	1,800.00	591.50
9/7/2010	LITO CAUBE	1,800.00	1,300.00
11/22/2010	ISABEL CANTOY	1,800.00	397.50
9/2/2010	SIONITO LAYNO JR.	1,800.00	421.65
8/7/2010	GUILLERMO LINGATONG	1,800.00	1,300.00
8/7/2010	JANE MAHUMAS	1,800.00	1,300.00
8/13/2010	NELIA MEJIA	1,800.00	295.15
11/15/2010	SIUNEY MAHUMAS	1,800.00	1,000.00
9/3/2010	ELENA PINEDA	1,800.00	1,065.00
8/12/2010	JONATHAN ROQUITE	1,800.00	833.65
9/7/2010	CARMELITA SAYON	1,800.00	241.00
11/24/2010	ROSALIE SAYON	1,800.00	616.00
12/1/2010	ANNABELLE TABULO	1,800.00	193.00
11/22/2010	LUCY URBIZTONDO	1,800.00	11.30
5/27/2010	CECILLE ALFERES	1,800.00	1,702.50
12/13/2010	EVELYN ALPORQUE	1,800.00	958.00
7/19/2010	RICHARD BINGUILLO	1,800.00	869.75
11/8/2010	CYCELON CUNANAN	1,800.00	313.00
8/12/2010	GEMMA P. DOROJA	1,800.00	1,289.00
12/21/2010	THELMA DIOSMAPARAN	1,800.00	932.00
4/23/2010	ROMEO JUGALBOT	1,800.00	1,195.17
6/15/2010	EDWIN LOVITE	1,800.00	1,579.40



INSTALLATION DATE	NAME	INSTALLATION FEE	BALANCE as of 12/31/2014
8/10/2010	ALMALYN NAMAN	1,800.00	381.86
6/2/2010	WILBUR NAVARO	1,800.00	756.00
1/11/2010	MERIAM OLAGUERA	1,500.00	300.00
9/7/2010	DANTE ORTIZ	1,800.00	750.00
5/14/2010	MODESTO PLACIO JR.	1,800.00	1,800.00
7/20/2010	JOCELYN PITANG	1,800.00	1,055.00
7/1/2010	MAHAL PAGAS	1,800.00	1,494.33
4/16/2010	MELFE REMOTIQUE	1,800.00	1,263.25
8/24/2010	JOSEFINA SANCHEZ	1,800.00	1,297.00
9/7/2010	HENNY SERIOS	1,800.00	917.00
4/25/2011	ROMAGIN ABEJUELA	1,800.00	1,743.00
6/6/2011	TAFTORDECILLAS ABOY	1,800.00	800.00
1/5/2011	NARCISO BENDIJO	1,800.00	600.00
8/9/2011	ROSENITO BANAS	1,800.00	600.00
8/24/2011	ALMA BAYETA	1,800.00	1,004.50
10/20/2011	RANIEL GENOTIVA	1,800.00	643.00
5/11/2011	ANNIE ROSE GOMEZ	1,800.00	283.31
11/8/2011	JOVELYN JONES	1,800.00	258.50
1/7/2011	MELVIN LANDERO	1,800.00	1,472.00
12/8/2011	HANIE JAY LOBO	1,800.00	785.00
10/21/2011	GENEVIEVE MACION	1,800.00	800.00
1/4/2011	DIOSELOUR MEJORES	1,800.00	257.00
3/16/2011	RYAN PAGAPULAAN	1,800.00	800.00
5/9/2011	AMELITA RULETE	1,800.00	291.00
7/22/2011	ANGELITO SABATIN	1,800.00	330.00
3/17/2011	ROSIE TRIMIDAL	1,800.00	800.00
1/24/2011	CHERRYVILLE TINDOY	1,800.00	940.00
2/15/2011	ORAIEL TRILLO	1,800.00	400.00
10/5/2012	JAIME AURORA	1,800.00	1,800.00
7/3/2012	WILBERT BORDAJE	1,800.00	1,327.00
3/2/2012	CRESANTE LOZADA	1,800.00	983.00
10/5/2012	AMAR OTAGAN	1,800.00	604.00
1/3/2012	JOSE TATOY	1,800.00	503.33
6/10/2013	FLORDELIZA MAATA	1,800.00	975.50
6/4/2014	EUGENIO E. FLORES	1,800.00	1,147.00
7/25/2014	LORNA S. DONCILLO	1,800.00	1,029.00
6/10/2014	Brgy. Hall - Ban-as	1,800.00	1,800.00
7/22/2014	JULIUS S. CALANGIAN	1,800.00	1,800.00
7/22/2014	RIC JOSE L. BALASON	1,800.00	1,773.00
8/18/2014	LIANGA PNP STATION	1,800.00	1,800.00
10/14/2014	MAGINDA B. ALAMBAG	1,800.00	918.00
10/20/2014	RONITO FERNANDEZ	1,800.00	500.00
11/10/2014	MELCHORA P. RESULA	1,800.00	883.00
	GRAND - TOTAL.....		131,868.53

**LIANGA WATER DISTRICT**  
**Schedule of Overstatement of the District's Share in HDMF Premiums**  
For C.Y. ending December 31, 2014

Month	DV Number	Check No.	Date	Amount	Gov't Share
January	2014-01-010	1346577	1/8/2014	11,369.28	4,484.64
February	2014-02-058	1419825	2/10/2014	11,369.28	4,484.64
March	2014-03-108	1419875	3/7/2014	11,369.28	4,484.64
April	2014-04-158	1419925	4/8/2014	11,369.28	4,484.64
May	2014-05-206	1419973	5/8/2014	11,769.28	4,484.64
June	2014-06-277	1420044	6/6/2014	11,769.28	4,484.64
July	2014-07-337	1420105	7/7/2014	12,248.10	4,924.05
August	2014-08-393	1420162	8/6/2014	12,522.12	5,061.06
September	2014-09-444	1420213	9/8/2014	12,522.12	5,061.06
October	2014-10-512	1420293	10/8/2014	11,922.12	5,061.06
November	2014-11-579	1420359	11/10/2014	12,322.12	5,061.06
December	2014-12-663	1420443	12/8/2014	12,250.06	5,225.03
Total Actual Government share					52,816.52
Less: Mandatory Government share					
12 employees x P100 x 12 months				14,400.00	
Calangian and Artazo (Regular since June) : 2 x P100 x 6 mont				1,200.00	
Balason (Regular since November): 1 x P100 x 1 month				100.00	15,700.00
<b>Total Overstatement of Government share</b>					<b>37,116.52</b>

Prepared by:


**ANBERT ANGELO C. CAYNA**

State Auditor I

Audit Team Member

Reviewed by:

**SARAH JANE M. MADRONA - GO**

State Auditor III

OIC - AuditTeam Leader



Republic of the Philippines  
**LIANGA WATER DISTRICT**  
 Annex A, Market Mall, Lianga, Surigao del Sur

**MONTHLY PRODUCTION REPORT SUMMARY**  
**CY 2014**

Month	H2O Production	Metered Billed	Metered Unbilled	Unmetered Unbilled	NBW	No. of Concessionaire
January	66,487 m³	26,326 m³	1,705 m³	20,463 m³	27%	1,825
February	71,190	26,298	1,194	17,278	37%	1,826
March	67,070	25,510	631	16,761	36%	1,837
April	65,430	24,014	1,190	20,279	30%	1,828
May	72,777	29,556	1,087	23,233	25%	1,854
June	73,847	29,897	986	19,961	31%	1,884
July	57,930	30,336	2,484	6,250	32%	1,910
August	72,110	31,003	1,537	16,999.94	31%	1,921
September	74,850	31,685	1,706	17,470	32%	1,928
October	63,500	31,316	1,247	12,025	29%	1,957
November	63,700	30,354	2,417	12,080	29%	1,955
December	66,700	31,581	1,573	13,700	29%	1,984

Prepared By:

Checked By:

Noted By:

  
**ROMEO S. RANARA**  
 Water Utilities Development Officer - B

  
**GEMMA P. GOROJA**  
 Administrative General Service Officer - B

  
**WILFREDO G. SANCHEZ**  
 General Manager - D

## Analysis of Accounts Receivable from Government Offices

As of December 31, 2014

Government Office	A/R- Water Bill					A/R - Others			Total AR
	1-60days	61-180days	181days-1yr.	Over 1year	WB Total	1 - 60 days	Over 1 yr	Total Others	
LIANGA DISTRICT HOSPITAL-B	10,882.00				10,882.00				10,882.00
PROVINCIAL JAIL/LIANGA	39,952.55	10,019.25			49,971.80				49,971.80
BARANGAY HALL PAYASAN	-			2,151.00	2,151.00				2,151.00
PHILIPPINE PORTS AUTHORITY	-			1,749.00	1,749.00				1,749.00
LIANGA DISTRICT HOSPITAL-A	-			16,538.96	16,538.96				16,538.96
LIANGA MALL-TOILET	2,789.30				2,789.30				2,789.30
LIANGA PNP STATION/LGU LIANGA	13,551.00				13,551.00				13,551.00
PROSECUTOR'S OFFICE	715.50				715.50				715.50
LIANGA FIRE STATION	825.65				825.65				825.65
LIANGA RURAL HEALTH	77,655.15				77,655.15				77,655.15
PNP OFFICE	37,429.00				37,429.00				37,429.00
BRGY.HALL/ POBLACION	397.50				397.50		37,363.63	37,363.63	37,761.13
SDSSU-LIANGA CAMPUS	12,598.25				12,598.25				12,598.25
SDSSU-LIANGA CAMPUS-A (Disc)	-		5,741.25		5,741.25				5,741.25
C E N R O / LIANGA	2,762.70				2,762.70				2,762.70
REGIONAL TRIAL COURT	2,195.25	678.15	785.35		3,658.75				3,658.75
BAN-AS BRGY. HALL	1,136.75				1,136.75	1,300.00		1,300.00	2,436.75
DENR NURSERY II-ANNEX (Disc)	41.98				41.98				41.98
DIATAGON BRGY. HALL	-			(42.58)	(42.58)				(42.58)
BRGY. DIATAGON BIRTHING CLINIC	-			2,477.44	2,477.44				2,477.44
ST. CHRISTINE NAT'L. HIGH SCHOOL	1,582.75				1,582.75				1,582.75
BAO-BAO FALLS LGU-MUN. OF LIANGA	19,132.75				19,132.75				19,132.75
VILLARIN BRUCE 4TH SCOUT RANGER CO.	9,967.75				9,967.75				9,967.75
2ND BATALION, FSRR, SOCOM PA	-		31,444.01		31,444.01				31,444.01
ANIBONGAN ELEM. SCHOOL	978.90	265.00	1,534.00		2,777.90				2,777.90
ANIBONGAN NAT'L. HIGH SCHOOL	8,115.25				8,115.25				8,115.25
BRGY. BAUCAWE PUBLIC TOILET	1,703.00	1,173.00	2,180.00		5,056.00				5,056.00
BRGY. BAUCAWE-A	948.25	418.25	713.90		2,080.40				2,080.40
BRGY. BAUCAWE-B	795.00	265.00	560.65		1,620.65				1,620.65
LA UNION ELEMENTARY SCHOOL	-		3,137.75	-	3,137.75				3,137.75
D. A. BREEDING CENTER							975.60	975.60	975.60



Government Office	A/R- Water Bill					A/R - Others			Total AR
	1-60days	61-180days	181days-1yr.	Over 1year	WB Total	1 - 60 days	Over 1 yr	Total Others	
LIANGA DISTRICT							136.62	136.62	136.62
LIANGA CENTRAL-B							574.30	574.30	574.30
MUN. LIANGA PUB MARKET							372.75	372.75	372.75
PUBLIC MARKET/EXCESS							6,974.00	6,974.00	6,974.00
BRGY. HALL/TERMINAL							5,133.25	5,133.25	5,133.25
PUBLIC MARKET (EXCESS)							2,913.52	2,913.52	2,913.52
DIATAGON PUBLIC TOILET							1,045.45	1,045.45	1,045.45
	246,156.23	12,818.65	46,096.91	22,873.82	327,945.61	1,300.00	55,489.12	56,789.12	384,734.73

*Summary Analysis:*

	AR - WB	AR - Others	Total	%
1-60 days	246,156.23	1,300.00	247,456.23	64%
61 - 180 days	12,818.65		12,818.65	3%
181 days - 1 year	46,096.91		46,096.91	12%
More than 1 year	22,873.82	55,489.12	78,362.94	20%
Total	327,945.61	56,789.12	384,734.73	100%