



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, 2015, 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 generally accepted state accounting standards and for such internal control as the 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 an Adverse Opinion*

- i. The Accounts Receivable account amounting to P 3,303,281.58 as of December 31, 2015 did not reconcile with the records of the Commercial Section totaling P3,417,500.65, due to the non-maintenance of the subsidiary ledger by the Accounting Section, thereby, giving a variance of P114,219.07. Further, the said account was not adequately provided with Allowance for Doubtful Account, thus, casting doubt on the validity and accuracy of the reported balance in the financial statement.
- ii. Management failed to provide the composition and detailed breakdown of the District's Property, Plant and Equipment (PPE) account amounting to P28,813,955.09, net of depreciation, in the Notes to Financial Statement, thus, precluding complete verification on the accuracy of the computation of the PPE and Accumulated Depreciation balances and depriving the reader the pertinent and complete information on the said accounts. Further, net increase in PPE in CY 2015 amounting to P887,849.58 cannot be fully accounted for.
- iii. The balances of Loans Payable and Other Long-Term Liabilities of P6,226,342.37 and P33,245,938.00, respectively, or a total of P39,472,280.38 in the Statement of Financial Position, are inaccurate and doubtful because:
  - a) The balance per ledger maintained by the District showed an outstanding Loans Payable balance of P8,849,930.04; or a difference of P2,623,587.67;
  - b) The P6,226,342.37 balance of Loans Payable included current portion of Loans Payable of undisclosed amount but was presented in the financial statement as Non-Current Liabilities;
  - c) There was no detailed breakdown of the P33,245,938.00 balance of Other Long-Term Liabilities in the Notes to Financial Statements although it was disclosed in the notes that the balance includes the balances of principal which were not included in the Loans Payable Account and the Interest Payable in the prior years' amounting to P17,357,441.58.
  - d) Confirmation with the LWUA disclosed a total loan balance of P29,498,209.87, which includes both the principal and the interest, thereby, showing a variance between the LWUA balance and the Financial Statement balance of P9,974,070.51.

*Adverse Opinion*

In our opinion, because of the significance and materiality of the matter discussed in the preceding paragraph, the financial statements do not present fairly the financial position of Lianga Water District as of December 31, 2015, and their financial performance and their cash flows for the year then ended in accordance with applicable laws, rules and regulations and in conformity with generally accepted state accounting standards.

**COMMISSION ON AUDIT**

**By:**

  
**ATTY. MARISOLD. LEGASPI**  
Director III

February 29, 2016  
COA, Regional Office No. XIII  
Butuan City



Republic of the Philippines

# Liang Water District

Annex-A, Market Mall, Lianga, Surigao del Sur, Code - 8507  
TIN 000-556-812 Tel. No. (086) 616-0020 Email: [liang@liangwater.com.ph](mailto:liang@liangwater.com.ph)

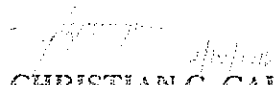
CABLE ADDRESS


"LIWAD"

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of Lianga Water District is responsible for all information and representations contained in the accompanying Balance Sheet as of December 31, 2015 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 generally accepted state accounting standards and reflect amounts that are based on best estimates and informed judgment of management with appropriate consideration for 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

  
WILFREDO G. SANCHEZ  
General Manager D



Republic of the Philippines  
**Lianga Water District**  
 Lianga, Surigao del Sur

**Statement of Financial Position**  
 December 31, 2015  
 (With Comparative Figures for CY 2014)

			CY 2015		CY 2014
<b>Current Assets</b>					
<b>Cash on Hand</b>					
	Cash on Hand-Collection Officers	P	32,259.00	P	21,710.24
<b>Total</b>	Note 3	P	<u>32,259.00</u>	P	<u>21,710.24</u>
<b>Cash in Bank-Local Currency</b>					
	Cash in Bank-Local Currency, Current Ac	P	<u>752,322.83</u>	P	<u>600,536.00</u>
<b>Receivables</b>					
	Accounts Receivable, net	Note 5 P	3,303,281.58	P	3,464,267.86
	Allowance for Doubtful Accounts		(14,884.45)		(14,884.45)
	Other Receivables	Note 7	244,289.84		252,769.38
	Advances to Officers and Employees	Note 6	1,795.00		31,541.14
<b>Total</b>		P	<u>3,534,481.97</u>	P	<u>3,733,693.93</u>
<b>Inventories</b>					
	Office Supplies Inventory	P	3,332.42	P	1,855.72
	Accountable Forms Inventory	Note 8	11,630.50		18,000.00
	Other Supplies Inventory		455,917.28		489,714.49
<b>Total</b>	Note 9	P	<u>470,880.20</u>	P	<u>509,570.21</u>
<b>Prepayments</b>					
	Other Prepaid Expenses	Note 10 P	<u>6,100.00</u>	P	<u>6,100.00</u>
<b>Total Current Assets</b>		P	<u>4,796,044.00</u>	P	<u>4,871,610.38</u>
<b>Non-Current Assets</b>					
	Property, Plant and Equipment	P	45,119,194.90	P	43,783,545.40
	Accumulated Depreciation		(16,305,239.81)		(14,455,703.68)
<b>Total Property, Plant and Equipment</b>		P	<u>28,813,955.09</u>	P	<u>29,327,841.72</u>
<b>Total Non-Current Assets</b>		P	<u>28,813,955.09</u>	P	<u>29,327,841.72</u>
<b>Total Assets</b>		P	<u><u>33,609,999.09</u></u>	P	<u><u>34,199,452.10</u></u>

<b>Current Liabilities</b>					
<b>Payable Accounts</b>					
Accounts Payable	Note 11	P	325,123.01	P	339,219.25
Due to Officers and Employees			34,289.03		113,182.88
Interest Payable	Note 12		<u>1,193,709.00</u>		<u>16,164,649.38</u>
<b>Total</b>		P	<u>1,553,121.04</u>	P	<u>16,617,051.51</u>
<b>Inter-Agency Payables</b>					
Due to BIR	Note 13	P	165,810.02	P	159,793.03
Due to GSIS	Note 13		585,608.03		608,801.77
Due to PAG-IBIG	Note 13		30,243.76		48,358.61
Due to PHILHEALTH	Note 13		<u>38,162.50</u>		<u>44,625.00</u>
<b>Total</b>		P	<u>819,824.31</u>	P	<u>861,578.41</u>
<b>Other Liability Accounts</b>					
Guaranty Deposits Payable	Note 14	P	117,408.00	P	117,408.00
Other Payables	Note 15		<u>493,691.38</u>		<u>493,691.38</u>
<b>Total</b>		P	<u>611,099.38</u>	P	<u>611,099.38</u>
<b>Total Current Liabilities</b>		P	<u>2,984,044.73</u>	P	<u>18,089,729.30</u>
<b>Non-Current Liabilities</b>					
Mortgage/Bonds/Loans Payable	Note 16	P	6,226,342.37	P	9,226,342.37
Other Long-Term Liabilities	Note 17		<u>33,245,938.01</u>		<u>17,082,205.63</u>
		P	<u>39,472,280.38</u>	P	<u>26,308,548.00</u>
<b>Total Liabilities</b>		P	<u>42,456,325.11</u>	P	<u>44,398,277.30</u>
<b>Equity</b>					
Government Equity		P	4,444,095.55	P	4,444,095.55
Reserve/Restricted Capital	Note 18		160,308.92		160,308.92
Retained Earnings	Note 19		<u>(13,450,730.49)</u>		<u>(14,803,229.67)</u>
<b>Total Equity</b>		P	<u>(8,846,326.02)</u>	P	<u>(10,198,825.20)</u>
<b>Total Liabilities &amp; Equity</b>		P	<u>33,609,999.09</u>	P	<u>34,199,452.10</u>



Republic of the Philippines  
**Lianga Water District**  
 Lianga, Surigao del Sur

**Statement of Income and Expenses**  
 For the Year ended December 31, 2015  
 (With Comparative Figures for CY 2014)

		<u>CY 2015</u>	<u>CY 2014</u>
<b>INCOME</b>			
Income from Water Works System	P	13,171,852.77	P 12,031,027.65
Less: Discounts	P	<u>86,008.73</u>	<u>P 109,926.32</u>
<b>Net Income from water works system</b>	<b>P</b>	<b>13,085,844.04</b>	<b>P 11,921,101.33</b>
Fines and Penalties		430,325.46	422,213.03
Other Service Income		294,717.06	244,101.49
Miscellaneous Income		88,661.00	116,231.14
Other Business Income		2,900.00	19,851.73
<b>GROSS INCOME</b>	Note 20 <b>P</b>	<b><u>13,902,447.56</u></b>	<b><u>P 12,723,498.72</u></b>
<b>Less: EXPENSES</b>			
<b>Personal Services</b>	Note 21		
Salaries and Wages-Regular	P	2,909,788.15	P 2,897,031.98
Personnel Econ. Relief Allow. (PERA)		86,477.26	81,317.84
Additional Compensation		258,159.04	236,318.16
Representation Allowance		70,000.00	90,000.00
Transportation Allowance		70,000.00	90,000.00
Clothing/Uniform Allowance		70,000.00	60,000.00
Honoraria		333,252.26	222,174.00
Productivity Incentives Allowance		30,000.00	24,000.00
Longevity Pay		15,000.00	10,000.00
Overtime and Night Pay		19,990.32	28,501.97
Cash Gift		35,000.00	35,000.00
Year End Bonus		276,190.00	268,642.50
Life and Retirement Insurance			
Contributions (GSIS)		359,254.57	349,429.27
PAG-IBIG Contributions		32,362.05	58,101.20
PHILHEALTH Contributions		34,756.25	33,650.00
ECC Contributions		17,273.32	16,100.00
Retirement Benefits - Civilian		203,783.00	
Other Personnel Benefits		422,220.99	286,982.03
<b>Total Personnel Services</b>	<b>P</b>	<b><u>5,243,507.21</u></b>	<b><u>P 4,787,248.95</u></b>

		<u>CY 2015</u>		<u>CY 2014</u>
<b>Maintenance and Other Operating Expenses (Note 21)</b>				
Traveling Expenses	P	328,844.04	P	394,572.80
Training Expenses		377,032.22		150,074.50
Office Supplies Expenses		125,318.00		104,189.68
Accountable Forms Expenses		52,196.95		56,250.00
Gasoline, Oil and Lubricants Expenses		151,899.75		226,263.92
Chemical and Filtering Supplies Expenses		227,512.40		
Other Supplies Expenses		15,880.00		159,774.05
Electricity Expenses		284,159.10		165,755.85
Water				97.00
Cooking Gas Expenses		780.00		938.00
Postage and Deliveries		6,398.80		8,570.00
Telephone Expenses - Landline		28,226.64		35,096.28
Telephone Expenses - Mobile				3,274.00
Internet Expenses		10,989.00		13,986.00
Membership Ducs and Contributions to Organizations		29,329.00		29,515.00
Advertising Expenses		8,126.00		525.00
Printing and Binding Expenses		77,580.00		62,500.00
Rent/Lease Expenses		108,000.00		84,204.00
Representation Expenses		45,702.50		59,415.20
Transportation and Delivery Expenses		5,610.00		155.00
Storage Expenses		103,250.00		86,625.00
Legal Services		21,023.35		43,480.00
Auditing Services				56,091.35
General Services		500,710.00		368,610.00
Security Services		286,800.00		286,800.00
Repairs and Maint.-Leasehold		10,000.00		
Repairs and Maint.-Office Equipment		1,880.00		1,600.00
Repairs and Maint.-Furnitures and Fixtures		280.00		3,800.00
Repairs and Maint.-IT Equipt. and Software		4,830.00		37,455.00
Repairs and Maint.-Other Machinery and Equipment		1,500.00		
Repairs and Maint.-Motor Vehicles-Multi-cab		238,647.97		193,920.80
Repairs and Maint.-Artesian Wells, Reservoir, Pumping Staions and Conduits		592,347.21		484,192.67
Donations (Calamity Funds)		7,700.00		2,500.00
Miscellaneous Expenses		125,798.19		181,847.26
Taxes Duties and Licenses		263,783.76		303,135.84
Fidelity Bond Premiums		16,875.00		
Insurance Expenses		7,550.19		12,289.00
Depreciation-Building and Other Structures		1,363,173.33		1,302,522.76
Depreciation-Leasehold Improvement, Buildg.		70,278.00		70,278.00
Depreciation-Office Equipment		53,616.55		40,661.64
Depreciation-Technical and Scientific Machinery and Equipt.		104,954.35		79,087.30
Depreciation-Other Machinery and Equipment		216,232.94		205,625.47
Depreciation-Motor Vehicle		41,280.96		30,976.68
Other Maint. And Operating Expenses		192,150.00		41,111.00
<b>Total Maintenance and Other Operating Expenses</b>		<u>6,108,246.20</u>	P	<u>5,387,766.05</u>



		<u>CY 2015</u>		<u>CY 2014</u>
<b>Financial Expenses</b>				
Bank Charges	P	310.00	P	310.96
Interest Expenses		1,193,025.04		2,170,066.37
<b>Total Financial Expenses</b>	<b>P</b>	<u>1,193,335.04</u>	<b>P</b>	<u>2,170,377.33</u>
<b>Total Expenses</b>	<b>P</b>	<u>12,545,088.45</u>	<b>P</b>	<u>12,345,392.33</u>
<b>Income (Loss) from Operations</b>	P	1,357,359.11	P	378,106.39
<b>Add (Deduct) Other income/Expenses</b>				
Interest Income	P	1,733.85	P	554.79
Note 20				
<b>Net Income (Loss) before Income Tax (Note 22)</b>	<b>P</b>	<u>1,359,092.96</u>	<b>P</b>	<u>378,661.18</u>



Republic of the Philippines  
**Lianga Water District**  
Lianga, Surigao del Sur

**CASH FLOW STATEMENT**  
December 31, 2015  
(With Comparative Figures for CY 2014)

	<u>CY 2015</u>	<u>CY 2014</u>
<b>Cash Flows from Operating Activities</b>		
<b>Cash Flows:</b>		
Collection of Receivables	P 13,667,031.34	P 11,937,033.15
Collection of Income	693,877.23	801,746.72
Refund of Overpayment of Expenses	55,275.00	9,259.00
Refund of Cash Advances	82,778.77	59,509.94
<b>Total Cash Inflows</b>	<b>P 14,498,962.34</b>	<b>P 12,807,548.81</b>
<b>Cash Outflows:</b>		
Payment of Operating Expenses (Schedule 1 & 2)	P 5,742,535.49	P 4,547,251.01
Payment of Payables (schedule 3)	1,957,309.63	2,068,290.10
Remittance of GSIS/PAG-IBIG/PHIC Withholding	2,509,524.83	2,506,496.27
Purchase of office Supplies	106,262.15	60,449.19
Purchase of Materials/Fittings	85,191.33	207,161.44
Due from Officers and Employees	380,164.11	143,532.24
Petty Cash Fund	15,000.00	29,923.05
<b>Total Cash Outflows</b>	<b>P 10,795,987.54</b>	<b>P 9,563,103.30</b>
<b>Total Cash Provided (Used) by Operating Activities</b>	<b>P 3,702,974.80</b>	<b>P 3,244,445.51</b>
<b>Cash Flows from Investing Activities</b>		
<b>Cash Outflows:</b>		
Purchase/Construction of		
Office Equipment, Furnitures and Fixtures	P 53,416.07	P 70,600.25
IT Equipment and Software	124,180.62	49,611.64
Construction in Progress	270,203.23	120,674.85
Remittance of Tax withheld from procurement of:		
IT Equipment and Software and Office		6,662.11
Artesian Wells, Reservoirs, Pumping Stations and Conduits	92,839.29	
<b>Total Cash Outflows</b>	<b>P (540,639.21)</b>	<b>P (247,548.85)</b>
<b>Total Cash Provided (Used) by Investing Activities</b>	<b>P (540,639.21)</b>	<b>P (247,548.85)</b>

	<u>CY 2015</u>	<u>CY 2014</u>
<b>Cash Flows from Financing Activities</b>		
<b>Cash Inflows:</b>		
Proceeds from Borrowings	P -	P -
<b>Cash Outflows:</b>		
Cash Payment of interest on loans/bonds payable and other Payments of domestic and foreign loans	P 3,000,000.00	P 3,012,226.00
<b>Total Cash Provided (used) by Financing Activities</b>	P <u>(3,000,000.00)</u>	P <u>(3,012,226.00)</u>
 <b>Cash Provided by Operating, Investing and Financing Activities</b>	P 162,335.59	P (15,329.34)
<b>Add: Cash and Cash Equivalents - Beginning</b>	<u>622,246.24</u>	<u>637,575.58</u>
 <b>Cash and Cash Equivalents, Ending</b>	P <u><u>784,581.83</u></u>	P <u><u>622,246.24</u></u>



Republic of the Philippines  
**Lianga Water District**  
 Lianga, Surigao del Sur

**STATEMENT OF CHANGES IN EQUITY**  
 For the Year Ended December 31, 2015  
 (With Comparative Figures for CY 2014)

		<u>CY 2015</u>		<u>CY 2014</u>
<b>Government Equity</b>				
Balance at the beginning of the period	P	4,444,095.55	P	4,444,095.55
Reclassification of capital accounts				
Additions/Deductions				
<b>Balance at the end of the period</b>	<b>P</b>	<b><u>4,444,095.55</u></b>	<b>P</b>	<b><u>4,444,095.55</u></b>
<b>Reserved/Restricted Capital</b>				
Balance at the beginning of the period	P	160,308.92	P	160,308.92
Additions/Deductions				
<b>Balance at the end of the period</b>	<b>P</b>	<b><u>160,308.92</u></b>	<b>P</b>	<b><u>160,308.92</u></b>
<b>Retained Earnings</b>				
Balance at the beginning of the period	P	(14,803,229.67)	P	(15,166,770.65)
Prior Year's Adjustments	Note 23	(6,593.78)		(15,120.20)
Net Income/ (Loss) for the period		1,359,092.96		378,661.18
<b>Balance at the end of the period</b>	<b>P</b>	<b><u>(13,450,730.49)</u></b>	<b>P</b>	<b><u>(14,803,229.67)</u></b>
<b>Government Equity, December 31, 2015</b>	<b>P</b>	<b><u>(8,846,326.02)</u></b>	<b>P</b>	<b><u>(10,198,825.20)</u></b>



Republic of the Philippines  
**Lianga Water District**  
Lianga, Surigao del Sur

**NOTES TO FINANCIAL STATEMENTS**  
As of December 31, 2015

**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, 2015, LIWAD has 1,962 active concessionaires and 14 permanent employees.

LIWAD has two (2) reservoirs namely: Diatagon and Ban-as and one (1) pumping station at Baribian, Lianga, Surigao del Sur.

**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. Cash on Hand – Collection Officer..... P 32,259.00**

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

4. **Cash in Bank - a total of P 752,322.83.**

This pertains of funds deposited in various banks as follows:

<u>Name of Bank</u>	<u>Account No.</u>	<u>Amount</u>
Philippine National Bank	324734700017	P 97,350.92
Land Bank of the Philippines	0971-0789-52	586,855.48
Land bank of the Philippines	0972-1217-89	68,116.43
<b>Grand Total</b>		<b>P <u>752,322.83</u></b>

5. **Account Receivable – 3,303,281.58**

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.

The accounting section does not maintain a separate subsidiary ledger for accounts receivables but rather relies on the records of the Commercial Section. However, the total amount of Accounts Receivable per Commercial Section did not reconcile with the records of the Commercial Section. Given that the records of the Commercial Section tally with the records of the accounting section, the provision for Allowance for Doubtful Accounts should have been P71,490.18, as presented in the table below. However, the District did not recognize doubtful accounts for CY 2015 since it is still currently verifying the records to determine and reconcile the discrepancies and will take adjustments accordingly after reconciliation is made.

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

<b>Aged</b>	<b>AR per Commercial Section Records</b>	<b>Percentage</b>	<b>Provision for Allowance for Doubtful Accounts</b>
1-60 days	1,307,523.22	1%	13,075.23
61-180 days	41,355.14	2%	827.10
181 days – year	194,731.97	3%	5,841.96
Over 1 year	1,034,917.89	5%	51,745.89
<b>Total</b>	<b>2,578,528.22</b>		<b>71,490.18</b>

6. **Advances to Officers and Employees amounting to P 1,795.00.**

This pertains to the traveling allowance granted in the prior years that are subject for refund but remained unpaid at year end. This is broken down as follows:

<b>Names</b>	<b>Amount</b>
Engr. Romualdo T. Susi	1,495.00
Mila Layno	100.00
Epifanio Martin	200.00
<b>GRAND TOTAL</b>	<b>1,795.00</b>

**7. Other Receivables.....244,289.84**

This account includes the following:

<b>Particulars</b>	<b>Amount</b>
Unpaid materials of LIWAD concessionaires	P 131,846.84
Receivables not duly supported with documents as the records were damaged by termite.	70,580.00
Unsettled disallowances under AOM No. 008 CY 2010-2011	19,901.00
Receivables from concessionaires	21,962.00
<b>Total</b>	<b>P 244,289.84</b>

The unsettled disallowances pertain to benefits recommended to be disallowed under AOM No. 008, CY 2010-2011 but no ND was issued. The same was, however, recorded as Other Receivables – Disallowances. This comprised the following:

<b>Name</b>	<b>Amount</b>
Artazo, Ariel B	P 4,225.50
Aurora, Graciano F.	7,000.00
Placio, Modesto Jr. G.	2,725.50
Tolentino, Aris	950.00
Quinco, Rodolfo	5,000.00
<b>Total</b>	<b>P 19,901.00</b>

**8. Accountable Forms Inventory**

This consists of all water bills, Official receipt of LIWAD & checks.

**9. Inventories.... 470,880.20**

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

Account Name	December 2015
Office Supplies Inventory	3,332.42
Accountable Forms Inventory	11,630.50
Other Supplies Inventory	455,917.28
<b>Total</b>	<b>470,880.20</b>

**10. 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.

**11. Account Payable**

This account consists of payables due to the Commission on Audit for services rendered in the prior years; suppliers, including other water districts, for materials/fittings and services purchased on accounts; and payables due to the LGU of Lianga Water District and Ms. Tita L. Mongado. This is broken down as follows:

Particulars	AMOUNT
Commission on Audit	131,091.35
SURSECO II	22,087.99
RA Pipelines System	24,675.83
XD Ever Transformer Services Corp.	32,131.25
Fast Track Service Center	46,549.78
Tita L. Mongado	1,910.71
Davao City Water District	43,849.30
FDM Petron Filling Station	1,379.30
San Francisco, Water District	13,047.50
LGU – Lianga, Surigao del Sur	8,400.00
<b>TOTAL</b>	<b>P 325,123.01</b>

**12. Interest Payable – P 1,193,709.00**

This account pertains to Interest Payable recognized by the District from January to December 2015. Interest Payables recognized in the prior years were reclassified to Other Long-Term Liabilities during CY 2015.

**13. 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	December 2015
Due to BIR	165,810.02
Due to GSIS	585,608.03
Due to PAG-IBIG	30,243.76
Due to PHILHEALTH	38,162.50
<b>GRAND TOTAL</b>	<b>819,824.31</b>

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

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

**15. Other Payables – P493,691.38**

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

**16. Mortgage/Bonds/Loans Payable P 6,226,342.37**

This account include loans granted by LWUA to LIWAD per Loan account No. 3-213, LA No. 4-1860 and LA No. 4-2263, LA No. 10-0081 and LA. No. 04-0014. Per ledger maintained by the District, the outstanding balance of the District’s loans from LWUA is only P 8,849,930.04 as presented in the table below while the Mortgage/Bonds/Loans Payable account presented in the Balance Sheet totaled only 6,226,342.37 resulting to a significant variance P2,623,587.67.

Loan Account	Principal Amount of Loan	Outstanding Balance
LA No. 4-1860 RL	14,852,529.78	10,155,519.34
LA No. 4-2263 – A	9,845,724.79	1,027,665.94
LA No. 4-2263		
LA No. 10-0081	220,000.00	(6,111.00)
LA No. 04-0014	2,934,142.76	(2,327,144.24)
	<b>27,852,397.33</b>	<b>8,849,930.04</b>

**17. Other Long Term Liabilities - P39,472,280.38**

Other Long Term Liabilities presented in the balance sheet amounted P33,245,938.01. This includes principal balances of loans not included in the loan accounts mentioned in the preceding paragraph and interest payable recognized in the prior years. Records available showed that interest payable recognized in the prior years totaled P 17,357,441.38. The District is currently retrieving all documents pertaining to its loans to determine the correct balances of all loan-related accounts.

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

Pension and benefits deducted from LIWAD employees for Calendar Year 1987 to 1992.

**19. Retained Earnings /Government Equity – (P13,450,730.49)**

This consist of the balance of the accumulated earnings or losses of the District.

**20. Income – P 13,904,181.41**

Income of the Lianga Water District comprises the following:

<b>Account Name</b>	<b>2014</b>
Income from Water Works	13,171,852.77
Less: Discounts	(86,008.73)
Net Income from Water Works	13,085,844.04
Fines and Penalties	430,325.46
Other Service Income	294,717.06
Miscellaneous Income	88,661.00
Other Business Income	2,900.00
Interest Income	1,733.85
<b>GRAND TOTAL</b>	<b>13,904,181.41</b>

**21. Expenses – P 12,545,088.45**

It consists of the following:

<b>Personal Services</b>	
Salaries and Wages- Regular	2,909,788.15
Personnel Economic Relief allowance (PERA)	86,477.26
Additional Compensation (ADCOM)	258,159.04
Representation Allowance (RA)	70,000.00
Transportation Allowance (TA)	70,000.00

Clothing Allowance	70,000.00
Honoraria	333,252.26
Productivity Incentives Allowance	30,000.00
Longevity Pay	15,000.00
Overtime and Night Pay	19,990.32
Cash Gift	35,000.00
Year End bonus	276,190.00
Life & Retirement Insurance Contributions (GSIS)	359,254.57
PAG-IBIG contributions	32,362.05
PHILHEALTH contributions	34,756.25
ECC contributions	17,273.32
Retirement benefits	203,783.00
Other Personnel Benefits	422,220.99
<b>Total Personal Services</b>	<b>5,243,507.21</b>
<b>Maintenance and Other Operating Expenses</b>	
Traveling Expenses - Local	328,844.04
Training Expenses	377,032.22
Office Supplies Expenses	125,318.00
Accountable Forms Expenses	52,196.95
Gasoline, Oil and Lubricant Expenses	151,899.75
Chemical and Filtering Supplies Expenses	227,512.40
Other Supplies Expenses	15,880.00
Electricity Expenses	284,159.10
Cooking gas Expenses	780.00
Postage and Deliveries	6,398.80
Telephone Expenses - Landline	28,226.64
Internet Expenses	10,989.00
Membership Dues & Contributions to Organization	29,329.00
Advertising Expenses	8,126.00
Printing and Binding Expenses	77,580.00
Rents Expenses	108,000.00
Representation Expenses	45,702.50
Transportation & Delivery Expenses	5,610.00
Storage Expenses	103,250.00
Legal Services	21,023.35
General Services	500,710.00
Security Services	286,800.00
Repairs and Maintenance-Leasehold Improvements,Bldgs.	10,000.00
Repairs & Maintenance-Office Equipment	1,880.00
Repairs & Maintenance- Machinery	
Repairs & Maintenance-Furnitures and Fixtures	280.00
Repairs & Maintenance-IT Equip. & Software	4,830.00

Repairs & Maintenance-Other Machinery & Equipment	1,500.00
Repairs & Maintenance-Motor Vehicles/Multicab	238,647.97
Repairs & Maintenance-Artesian wells, reservoirs, Pumping stations & conduits	592,347.21
Donations	7,700.00
Miscellaneous Expenses	125,798.19
Taxes and Licenses	263,783.76
Fidelity Bond Premiums	16,875.00
Depreciation-Buildings and Other Structures	1,363,173.33
Depreciation-Leasehold Improvements, Plant,Bldg And Other Structures	70,278.00
Depreciation-Office Equipment	53,616.55
Depreciation-Technical & Scientific machinery & Equipment	104,954.35
Depreciation-Other Machinery and Equipment	216,232.94
Depreciation-Furnitures and Fixtures	
Depreciation-Motor Vehicles	41,280.96
Insurance Expenses	7,550.19
Other Maintenance and Operating Expenses	192,150.00
<b>Total Maintenance and Other Operating Expenses</b>	<b>6,108,246.20</b>
<b>Financial Expenses</b>	
Bank Charges	310.00
Interest Expenses	1,193,025.04
<b>Total Financial Expenses</b>	<b>1,193,335.04</b>
<b>Total Expenses</b>	<b>12,545,088.45</b>

22. Net Income

Account Name	December 2015
Net Income	1,359,092.96

23. Prior's years adjustment..... (P 6,593.78)

This account is broken down as follows:

Particulars	Amount
Liquidation of cash advance from Romeo S. Ranara CY 2014.	3,971.06
Adjustments due to erroneous entry of amount, JEV No. 2014-09-1333 dated September 8, 2014.	9.00

Payable of Transportation, Representation, Extra-Ordinary and Miscellaneous Expenses for the month of December 2014.	2,500.00
To record Interest Income from LBP per passbook No. 0971-0789.52 for the period covered from July to December 2014.	113.72
<b>Balance</b>	<b>6,593.78</b>