

**CALBAYOG CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

1. Company Profile

The formation of the Calbayog City Water District (CCWD) began in 1986 when the Sangguniang Panlungsod of the Calbayog City passed City Resolution No. 169 dated July 22, 1986, in accordance with Presidential Decree No. 198, as amended by the Presidential Decree No. 769, known as the Provincial Water Utilities Act of 1978, declaring a national policy favoring local operation and control of water system; authorizing the formulation of local water district. The purpose is to improve the entire water system and to provide safe, potable, reliable and sufficient water supply to the constituent of the city.

On March 4, 1987, a Conditional Certificate of Conformance No. 284 was issued to newly formed water district by the Local Water Utilities Administration (LWUA) and operate as a quasi-public entity.

On September 13, 1991, a decision/resolution was rendered by the Supreme Court declaring all local water districts as government-owned and controlled corporation (G.R. No. 95237-38). The CCWD is located within the city proper and has been operational 29 years. Its primary objective is to install, improve, maintain, and operate the water supply and distribution system and provide safe, potable, and sustainable water supply for residential, commercial, and industrial consumers with commitment of efficient service and ensuring the protection and preservation of our natural resources in the watershed area.

The Calbayog City Water District has three (3) sources, namely Pan-As, Pasungon, and Hamonini River. The District has total service connections of 15,572, active connections 13,674 as of December 31, 2017. Calbayog City Water District is a non-profit oriented and receives no subsidy from the national government. The revenue raised is solely from the concessionaire's monthly payments of water bills other installation costs.

The district is currently managed by its General Manager, Mrs. Editha C. Yrigan, MPM. It has four (4) Departments and one (1) Division namely: Administrative and Human Resource Department headed by OIC, Ma. Crispina Y. Sapinit, Finance Services Department headed by OIC, Mr. Nicandro B. Coquilla, Commercial Service Department, headed by Engr. Joseph M. Dacurro and Engineering and Operation Department headed by Engr. Rodolfo A. Tan. Management Services Division headed by Mr. Ricardo D. Serrato.

The Policy making body is composed of five (5) Board of directors representing different sectors. The Chairman is Engr. Ernesto L. Abasolo (Professional Sector), Vice-Chairman is Engr. Gil P. Lentejas (Civic Sector), Secretary is Mrs. Lourdes G. Baltazar (Women's Sector), Atty. Aileen R. Maglana (Business Sector) and the representative from Education Sector is now currently vacant.

VISION

Calbayog City Water District (CCWD) envision itself as: The Leading Water Utility in Samar by 2025.

MISSION

The Calbayog City Water District (CCWD) is committed to provide safe, potable and adequate, water, ensuring environmental protection, and providing technical as well as professional advancement to its employees, thus, promoting consumers' satisfaction even to the less privileged.

GOALS

- a. Increase service coverage
- b. Increase active service connection to 15,000 by year 2018
- c. Improve water supply and customer service
- d. Reduce Non-Revenue-Water (NRW)
- e. Improve financial viability
- f. Environmental Protection and Rehabilitation in Watershed area
- g. Improve Organizational Efficiency and Productivity

OUR SERVICES OFFERED

In line with our functions, we deliver 24 hours water supply to the concessionaires, community and general public within the service area of the water district.

- a. Installation of water service connection
- b. Water service reconnection
- c. Water Bill payment
- d. Request for service repair
- e. Request for Relocation of Service Connection
- f. Request for Change of Name/Ownership of service connection
- g. Request for Voluntary Service Disconnection
- h. Request for Check-up of service connection
- i. Request for Change of Meter
- j. Filing of Complaint and Inquiries on Status of water service connection

SCHEDULE OF AVAILABILITY OF SERVICE

- a. Regular Office: Monday to Friday - 8:00 a.m. - 12:00 noon
1:00 p.m. - 5:00 p.m.
(Collection no noon break)
- b. Saturdays: Collection Only - 7:00 a.m. - 12:00 noon

- c. Saturdays & Sundays: Repairs (on call skeletal force)

AREAS OF OPERATION

CCWD Facilities:

- a. Intake Dam Pumping Station
- b. Water Treatment Plant
- c. Pagbalican Pumping Sta./ Reservoir
- d. Narcisa Hills Subdivision Pumping Sta./Reservoir
- e. Fulgencio Subdivision Pump Sta.

BARANGAYS THAT ARE SERVED BY CCWD AS OF 2017:

Zone	Area
1	Sigo, Cabatuan, Panlayahan, Mawacat, Cagbilwang, Cabugawan, Oquendo
2	Oquendo Proper, Begaho, Limarayon, portion of Anislag
3	Anislag, Palanas Cara, Lonoy Dinagan,
4	Saljag, Tomaliguez, Tinambacan, Bante
5	Tinambacan, Cagsalaosao
6	Cagsalaosao, Portion of Trinidad, SitioTalahib
7	Trinidad, Basud, Cahumpan, Gadgaran
8	Gadgaran, San Policarpo
9	San Policarpo, Matobato
10	Matobato, Capoocan
11	Obrero, Carmen
12	Carmen, Pagbalican, Dagum
13	Payahan, East Awang, Magsaysay, Rama Extension
14	Balud, Hamorawon, Purok1-4
15	Hamorawon Purok 4-7, Nijaga, Guin-on
16	Aguit-itan, East Awang
17	West Awang, Caballero, Rizal
18	Rawis, Bagacay
19	Narcisa Hills, Bagacay, Carayman
20	Municipality of Sta. Margarita - Burabod, Cautod, Monbon
21	Monbon, Solsogon

AVAILABILITY OF INFORMATION: Information on the following subjects can be obtained from the following:

Information Relating to Tel./Telefax	Located At	Tel./Telefax
Adm./General Services/Personnel/Service/Inquiry Complaint	Administrative & Human Resource Department	2091843
Service Connection Inquiry/Request/Water Bill/Complaint	Commercial Service Department	2091218
Service Connection Installation/Repairs/Water Quality Inquiry	Engineering & Operation Department	2093779
Financial Reports/Matters	Finance Services Department	2093894
Management Concerns	Office of the General Manager	2091183; 2091795

ORGANIZATION AND RESPONSIBILITIES

Board of Directors - The function of the board shall be to establish policy. Ensures the availability of adequate financial resources and approves annual budget. Appoints the general manager. Retains legal counsel and consultants for the preparation of feasibility reports. Authorizes acquisition of real properties. Authorizes the general manager to enter into Memorandum of Agreement. Maintains good relationship with local authorities and water district constituents.

It is composed of five citizens of the Philippines who are of voting age and residents within the district. One member is a representative of civic-oriented service clubs, one member a representative of professional associations, one member a representative of business sector, one member a representative, one member a representative educational institution, and one member a representative of women's organizations. The district does not have any representative from the administration as sixth member.

General Manager- The duties of the General Manager and other officers shall be determined and specified from time to time by the board. The general manager, who shall not be a director, shall have full supervision and control of the maintenance and operation of water district facilities, with power and authority to appoint all personnel of the district; Provided, that the appointment of personnel in the supervisory level shall be subject to approval by the board. The General Manager has the ultimate decision-making authority in all matters affecting the operation of the district. The General Manager shall exercise operational control and supervision over the following duties;

1. Regular conduct of staff, general and committee meetings.
2. Preparation of Agenda for Board Meetings.
3. Implementation of agency's policies, rules and regulations.
4. Participation in district's activities with other line agencies and organizations.
5. Conduct monitoring and inspection of CCWD's projects implementation and facilities.
6. Regularly informs the Board as to the status of the water district.
7. Propose policies, rules and regulations, budgets and capital outlays for Board action.
8. Recommends action on awarding of contracts.

Department Manager- CCWD as Category B, there are four Departments supporting the office of the General Manager, namely Administrative & Human Resource, Commercial Services, Finance Services, Engineering & Operation Department.

The Head of Administrative & Human Resource Department is managed by a OIC-Division Manager B. She directs and supervises basic efforts of the division such as purchasing/procurement, maintenance, general services, human resource management, property section, information management, maintenance of radio communications, Supervises general plant ground maintenance and facilitate plans and programs of the activities of the water district. Coordinates with other division in the implementation/administration of policies, rules & regulations, programs prescribed by the management.

The Head of Commercial Services Department is managed by a Division Manager B. He supervises the utility activities specifically on water service application, meter reading, billings and collections, marketing, investigations, water service disconnection, reconnections, maintaining customer's records, and other related activities.

The Head of Engineering & Operation Department is managed by Division Manager B, a licensed civil engineer. He directs and supervises the engineering, construction works, repairs, maintenance activities of the water district. He coordinates with other divisions and evaluates performance of supervisors and employees under his division. He directs schedules and supervises all operation in production and treatment facilities, programs based on work orders. Ensures availability of supply to consumers. Ensures protection of water resources responsible for all system operation and supply distribution. Control and monitor water quality. Ensures disinfection of mains and conduct water analysis and established minimum quality standards of water supply.

The Finance Services Department is headed by an OIC-Division Manager B. Supervises the implementation of procedures of bank deposits, and disbursement of funds, receives collection from tellers, and other related cash management. Regularly submit financial statements and other reports. Reviews & appraises the adequacy of accounting principles, financial and operating controls.

OPERATION CONTROL AND SUPERVISION

Administrative & Human Resource Department has three (3) sections namely: Human Resource section, Administrative/Property & Supplies Section and General Services Section. The Human Resource Section carries out the activities, namely; Recruitment, Selection, Hiring, Performance Management, Employees Development, benefits & rewards management and employee relations. The Administrative/Property & Supplies Section is the overall in charge in the acquisition of new properties, equipment, supplies & materials, its utilization and disposition of unserviceable or no longer needed district's equipment. Coordinates all public information activities and establishes proper linkages with Broadcast and print media in terms of information dissemination. Conducts investigation relative to personnel discipline and prepares contracts and other legal documents and issue certification relative to personnel matters. The General Services Section is under the supervision of the division head. Monitor services need of the water district operating units. Attend to building maintenance, repairs, and cleanliness of the office premises, warehouse, storeroom and other office location as the need arises. Prepares and attend to plans and programs for team building and other activities of the water district.

Commercial Services Department has two (2) sections, the Customer Account and Customer Services. Providing information to the managers and board status of the water district's operation. It focuses on three major activities meter reading, billing, collection; maintains operation of account unit in the calculation of water rates and other charges. Prepares quarterly ageing of accounts. Entertains customer complaints, queries, application of new service connections, conducts seminar of applicants of service connection, maintain master list of concessionaires. Undertakes marketing operation/strategies. Disconnect & conduct investigation the veracity of application of connection. Validating questionable consumption and connections.

Finance Services Department has three (3) sections, Accounting, Budget and Cash Management Section. The Accounting & Budget Section, covers a wide range from basic bookkeeping, books of accounts, and preparation of financial reports, monitors budget & expenditures. Responsible for management cash flow and ensuring there are enough funds available to meet the day to day expenses and payments. Ensures that the water district pay its employees accurately and timely compensation & benefits, mandatory remittances to pertinent government agencies. Prepares revenue projections and commercial reports. The Cash Management Section, focuses all cash received and receivables from consumers & sales or other sources. Submits Cash daily cash position and disbursement reports, Prepares check issuance and certify cash availability to pay expenses. Reviews all approved and signed checks.

The Engineering & Operations Department, has three (3) sections, the Construction & Maintenance, Planning & Design and Water Resource Section. Undertakes implementation & expansion projects. Preparation of program of work and estimates for all construction of district facilities, non-revenue management, installation of service connections, accomplished job orders prepared by the commercial division. Maintenance of water service connection, formulates preventive and corrective maintenance programs. Conducts

regular system maintenance activities, leak detection, and leak repairs. Performs other related maintenance works. Water Resources Section, schedules and carries out of all operation production, monitoring & ensuring the water production from the different water resources and conducting source explorations to ensure sustainability of the water supply. Assists in the different watershed management activities like tree planting and watershed monitoring. Ensuring the potability and safety of the water produced by conducting scheduled water bacteriological/laboratory tests. Conducts water samples, analysis of water samples, and residual chlorine reading reports. Maintains proper chlorination of filter and sedimentation settling basin effluents

ENGINEERING AND OPERATION

Source of Water - Calbayog City Water District has three (3) main water sources, namely Pan-as Falls, Hamonini River and Pasungon and four (4) pumping stations.

Main Water Sources:

- a. Hamonini River – Estimated minimum flow about 1.5 cu.m. per sec and approximately 14 amsl and water is being conveyed through 400 mm diameter pipelines to WTP by 4-vertical turbine pump with a capacity of 70 lps each.
- b. Pasungon River – About 17 km northwest of the city proper at 46 lps capacity. Filtration gallery structure is located at 146 amsl. Water is conveyed by 200 mm diameter pipelines to WTP by gravity.
- c. Pan-as Falls – About 30 km northwest of the city proper at 34 lps capacity. Intake structure is located 281.0 amsl and break pressure chamber 107.0. Water conveyed by 200 mm diameter pipelines to WTP by gravity.

Pumping Stations:

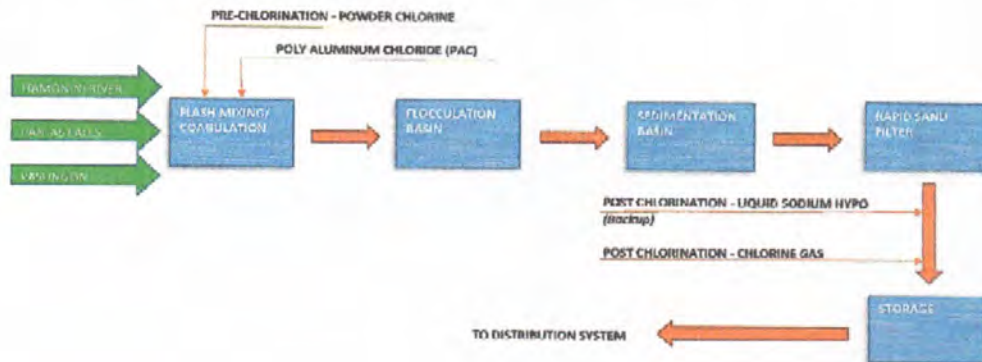
- a. Pagbalican Pumping Station

The Pagbalican Pumping Station at Brgy. Pagbalican concrete reservoir with a capacity of 1,654 cubic meters is constantly filled up by two pumping machine from a cistern tank. A 70 cubic meters per hour diesel engine drive pump and 40 cubic meters per hour electric drive pump. The station is designed to improve the system pressure during peak hour at the city proper.

- b. Narcisa Pumping Station

A 50 cubic meter PVC cylindrical elevated tank in Narcisa Pumping Station at Brgy. Rawis was installed to meet with the demand of the consumers in the subdivision. Situated at the elevated area and at the east part of the city, the plant functioned with two five horsepower electric close type centrifugal pump alternately operating at 500 liters per minute capacity.

TREATMENT PROCESSES FLOW DIAGRAM: WTP



DISTRIBUTION SYSTEM

The current distribution line is serving 52 barangays subdivided into 21 zones. Three (3) pumping stations are in build within the area of city proper to boost water pressure to high elevated areas.

WATER QUALITY REQUIRED

The district follows the standards set by the Administrative Order No 2007-Philippine National Standards for Drinking Water of 2007.

To ensure safe drinking water, the laboratory technician conducts the following:

Bacteriological Test

a. PHC Bottle

Tests are conducted every Monday on WTP reservoir, Tuesday and Friday on the distribution lines using PHC bottle. Daily results are saved in a database and filed.

b. Microbiological Test

The test is conducted by a DOH accredited testing laboratory center. Water sample is brought to Leyte Metropolitan Water District Laboratory every 1st week of the month. Test Results are submitted to City Health office and to LWUA every month.

Laboratory Test

Water sampling in WTP reservoir is conducted in an hourly basis and in random household points within the service area. The WTP is equipped with laboratory equipment to measure the following standards:

- a. Chlorine Residual - 1.0-1.5 ppm

c. Fulgencio Pumping Station

Similar to Narcisa Pumping Station, the plant is using one unit 2,000 liters per hour water pump that charge the elevated twelve cubic meter stainless spherical reservoir eleven meters high from a cistern tank.

d. Cabatuan Pumping Station

Cabatuan Pumping Station has 4-vertical turbine pump with a capacity of 70 lps each.

TREATMENT PROCESSES

CCWD uses the standard coagulation-flocculation-sedimentation and rapid sand filter. It undergoes rapid media filtration and final disinfection by gas chlorination. The system also employs back-up use of sodium hypochlorite if gas chlorine is not available. The WTP uses powder Poly Aluminum Chloride (PAC) for coagulation.

The first step of the process involves proper mixing of raw water with powder PAC with 10 % minimum alumina content as coagulant with contact time of less than one minute. In mixing basins powder chlorine solution is also added for preliminary disinfection and to kill most disease-causing microorganisms and to eliminate algae formation. Powder PAC solution is also added in fast-strong flash mixers which cause particles (such as silts) that would not readily settle out of the water, to clump together into larger particles called floc.

After coagulation flocculation basins gently agitates the water to concentrate the suspended solids in an efficient manner.

In sedimentation, the speed of the flowing water is slowed down so that the larger suspended particles can settle out by gravity and collect on tank bottom. The clear water on the surface the spills over the top of the tank on route to the filtration.

The WTP is equipped with a conventional sequence of flash mixer, flocculation basins and sedimentation in rectangular basins.

Filtration is the final step in removing the particulate matter. WTP is equipped with eight (8) gravity sand filters. Each filter consists of a rectangular concrete basin containing media i.e. sand and three (3) layers of gravel, fine on top and coarse at the bottom and a bottom pipe system for filtered water collection and other appurtenances. Filter backwash is made by using the available head existing in the filtered water outlet.

The final process involves injection of liquefied gas chlorine to disinfect and kill any remaining disease-causing microorganisms in the water, as well as to sustain a chlorine residual in the water as it makes through the distribution system and to meet the standard set by PNSDW to assure safe drinking water. Chlorinated water then flows into the treated water reservoir with the capacity of 1,407 m³ which goes to the distribution system.

- b. Ph - 6.5 - 8.5 mg/l
- c. Total Dissolved Solid - 500 mg/l
- d. Turbidity - 5.0 NTU

Laboratory test results are recorded in a daily monitoring form.

Physico-Chemical Test

This test is conducted twice a year by a DOH accredited testing laboratory center. The test measures, Aesthetic, Physical, and Chemical components of the water supplied. The table below shows the parameters and the results being measured by the test.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Statement of the CCWD are presented in accordance with the Philippine Financial Reporting Standards (PFRS) which are adopted by the Commission on Audit. Accounting Policies applied by the District are set out below.

Statement of Compliance

The Financial Statement of the District has been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) as per COA Circular No. 2015-010 dated December 01, 2015.

Basis of Measurement

These Financial Statements are prepared in accordance with the Historical Cost Convention.

Functional and Presentation Currency

The Districts Financial Statement are presented in Philippine Peso (Php) which is the CCWD functional currency.

Current vs Noncurrent Classification

The District presents Assets and Liabilities in the Statement of Financial Position in liquidation based on current/non-current classification.

Assets are current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle

- Held primarily for the purpose of trading
- Expected to be realized within 12 months after the end of the reporting period, or
- Cash on hand and cash in banks unless restricted from being exchanged or used to settle a liability for at least 12 months after the end of the reporting period.

All other assets are classified as non-current. A liability is current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within 12 months after the end of the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the end of the reporting period.

The District classifies all other liabilities as non-current.

Cash

Cash includes cash on hand and deposits held by banks. Cash is carried in the Statement of Financial Position at face value or nominal amount. Cash in banks earn interest at the respective bank deposit.

Receivables

Receivables are recognized initially at the transaction price. A provision for impairment of receivables is established when there is objective evidence that CCWD will not be able to collect all amounts due according to the original terms of the receivables. Receivables that are classified as current assets in the statement of financial position are measured at the undiscounted amount of the cash or other consideration expected to be received.

Property Plant and Equipment

Items of Property Plant and Equipment (PPE) are initially recognized at cost less any subsequent accumulated depreciation and any impairment in value. Initial cost includes the purchase price and other directly attributable cost of bringing the asset to its working condition for intended use.

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that an increase of future economic benefits in excess of the originally assessed standard performance of the existing assets will flow to the District and the cost of the item can be measured reliably. Expenditures for repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method. The following estimated useful lives are used for the depreciation of PPE:

Category	Estimated Useful Life
Building	10 years
Office equipment	2 - 3 years
Transportation equipment	2 - 3 years
Machinery and equipment	2 - 3 years
Tools and other equipment	3 years

The asset's estimated useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of significant changes since the last reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount. An item of PPE is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the profit or loss in the year the asset is derecognized.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge to depreciation is made with respect to those assets.

Payables

Payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method. Payables that are classified as current liabilities in the statement of financial position are measured at the undiscounted amount of the cash and other consideration expected to be paid.

Government Equity

Government equity pertains to the monetary contributions made by the National Government, Local Government Unit and other related parties. The contribution is not available for distribution since the primary purpose of such is to be used in the District's operation.

Retained Earnings includes all current period results as disclosed in the Income Statement and prior period adjustments.

Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the District and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of the business.

Metered Sales (Water Sales) - revenue is recognized when water consumptions for a particular period are billed to the concessionaires.

Other Business Income - revenue is recognized when other service fees are charged and paid by the concessionaires for availing of other services.

Service Income - revenue is recognized when interest/surcharges are charged and paid by the concessionaires for overdue accounts and illegal fees imposed.

Miscellaneous Income - are recognized upon delivery of other services or goods not in the ordinary course of the District's operation.

Cost and Expense Recognition

Cost and expense are recognized in the income statement when decrease in future economic benefit related to a decrease in asset or an increase in liability has arisen that can be measured reliably. Expenses are recognized in the income statement: on the basis of a direct association between the cost incurred and the earnings of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when , and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statements of financial position as an asset.

3. CASH AND CASH EQUIVALENTS

PARTICULARS	2017	2016
Cash on Hand	652,212.02	693,835.89
Cash in Bank – Local Currency	14,811,493.73	13,922,571.99
Cash Equivalents	23,621,045.45	16,116,031.50
Total	39,084,751.20	30,732,439.38

3.1 Cash on Hand

PARTICULARS	2017	2016
Cash – Collecting Officer	647,212.02	688,835.89
Petty Cash		
Checks and Other Cash Items	5,000.00	5,000.00
Total	652,212.02	693,835.89

Cash Collecting Officer - represents the undeposited collections on the last working day of the year, which were deposited on the first working day of the following year.

Petty Cash Fund – represents the petty cash provided for petty expenses of the District.

Cash and Other Cash Item - represents the fund provided to the tellers which serves as loose change and other cash items issued and authorized for a specific purpose only.

3.2 Cash in Bank – Local Currency

PARTICULARS	2017	2016
Cash in Banks - Local Currency, Current Account		
PNB CA# 341666000010	-	566,542.77
LBP CA# 2172103823	13,311,478.71	9,097,974.74
LBP (Pan-as Project) CA# 2172106849	-	1,948,164.65
DBP CA# 0730-038232-030	1,185,403.15	1,000,000.00
Sub-total	14,496,881.86	12,612,682.16
Cash in Banks - Local Currency, Savings Account		
PNB SA# 342136900017	-	1,056,734.76
PNB Waterbill SA# 341666000028	-	253,155.07
LBP SA# 2171099997	314,611.87	-
Sub-total	314,611.87	1,309,889.83
Total	14,811,493.73	13,922,571.99

Cash in Bank - represents the actual cash deposits from various bank in the City of Calbayog and Catbalogan in the province of Samar.

Accounts with PNB were closed and funds were transferred to the General Fund in LBP last June 2017 as the Authorized Depository Bank for GOCC's.

3.3 Cash Equivalents

Cash Equivalents - represents short-term investments which are highly liquid in the form of Time Deposits.

PARTICULARS	2017	2016
Time Deposits - Local Currency		
DBP Account # 073003783P16	6,980,389.66	5,474,739.96

PARTICULARS	2017	2016
DBP (7%) Account #0730-03823Z160	12,694,088.48	8,808,379.00
LBP (3%) Account #21710993-34	3,946,567.31	1,832,912.54
Total	23,621,045.45	16,116,031.50

4. Receivables

This account represents the unpaid water sales for the given period which remains Outstanding, includes employee's unsettled claims from other entities, unpaid materials used in new connections and re-connections and other due to Government Agencies.

PARTICULARS	2017	2016
Loans and Receivable Accounts		
Accounts Receivable	10,205,153.95	10,314,108.68
Less: Allowance for Doubtful Accounts	(2,222,764.84)	(2,222,764.84)
Accounts Receivable - Net	7,982,389.11	8,091,343.84
Inter-Agency Receivables		
Due from National Government Agencies Non LWUA Initiated Fund (NILF)	4,537,938.72	4,537,938.72
Cash Bond - DPWH		141,584.56
Sub-total	4,537,938.72	4,679,523.28
Other Receivables		
Receivables-Disallowances/Charges	1,092,877.83	1,092,877.83
Due from Officers & Employees:		
Rosemay Felices	16,972.72	16,972.72
Allan Pelotos	3,166.65	3,166.65
Nerissa Uy	11,222.52	11,222.52
Jessel Biliran	373.82	(1,693.56)
Ma. Teresa G. Ygrubay		41,916.15
Erwin Rojas (200)/ Saturnino		5,179.14
Fortunato Llantada	3,777.50	
Other Receivables		
Materials	26,637.69	46,598.03
Meter Maintenance	271,430.14	234,920.30
Miscellaneous Fees	1,981.40	1,815.28
Sub-total	1,432,617.77	1,452,975.06

PARTICULARS	2017	2016
Grand Total	13,952,945.60	14,223,842.18

5. Inventory

This consists of various materials and supplies intended for the concessionaires and for future use of the District.

PARTICULARS	2017	2016
Inventory Held for Distribution		
Construction Materials for Distribution	400,214.20	-
Other Supplies & Materials for Distribution	8,942,636.15	5,109,121.39
Inventory Held for Consumption		
Office Supplies Inventory	58,914.14	-
Accountable Forms, Plates and Stickers Inventory	225,000.00	-
Chemical & Filtering Supplies Inventory	597,256.00	-
Other Supplies & Materials Inventory	207,309.20	-
Total	10,431,329.69	5,109,121.39

6. Other Assets

Other assets consist of the following accounts:

Advance for Payroll - represents the amount granted to the Disbursing Officer for payments of salaries, wages, honoraria, allowances and other personnel benefits and bonuses. This account is closed upon liquidation of the payroll fund.

Advances to Officers and Employees - this represents the cash advances of officers and Employees of the District incurred during approved official travels for various purposes in connection with the Districts operation.

Other Deferred Charges - this account represents the taxes withheld by the District from Government Entities, LGU's and Government Owned or Controlled Corporations.

PARTICULARS	2017	2016
Advances		

PARTICULARS	2017	2016
Advances for Payroll	2,177,519.29	3,276,400.00
Advances to Officers and Employees	309,880.50	334,555.50
Other Assets		
Other Deferred Charges		
Preliminary Survey and Investigation Charges	29,400.00	29,400.00
Deferred Charges - Franchise Tax Withheld	(260,713.42)	(29,210.70)
Deferred Charges-Franchise (Senior Citizen)	2,487.09	2,521.62
Total	2,258,573.46	3,613,666.42

Prepayments - The District has no prepaid expenses this period.

7. Investments

The District has no investment in any money markets or financial institution this period.

8. Property, Plant and Equipment (PPE)

CCWD management believes that there is no indication of impairment on the District's property and equipment and that its carrying amount can be recovered through use in operation.

PARTICULARS	2017	2016
Land		
Land	8,947,462.11	8,725,312.11
Infrastructure Assets		
Plant-Utility Plant in Service (UPIS)	370,753,121.65	356,385,368.71
Less: Accumulated Depreciation - Buildings and Other Structures	(105,385,457.71)	(93,194,336.65)
Net Value-PLANT	265,367,663.94	263,191,032.06
Building and Other Structures		
Building	1,468,290.50	1,468,290.50
Water Plant, Structures & Improvements	2,232,801.32	2,152,731.31
Less: Accumulated Depreciation - Buildings and Other Structures	(2,312,653.90)	(2,218,658.45)

PARTICULARS	2017	2016
Net Value-Building & Other Structures	1,388,437.92	1,402,363.36
Machinery & Equipment		
Office Equipment	3,833,204.33	3,174,914.83
Less: Accumulated Depreciation - Office Equipment	(2,476,520.26)	(2,059,641.81)
Information and Communication Technology Equipment	22,090.50	-
Technical & Scientific Equipment	1,324,073.44	1,324,073.44
Less: Accumulated Depreciation - Laboratory Equipment	(968,573.93)	(848,044.61)
Other Machinery and Equipment	8,175,414.78	7,689,114.78
Less: Accumulated Depreciation -Other Machinery and Equipment	(3,561,178.06)	(2,971,339.50)
Net Value-Machinery and Equipment	6,348,510.80	6,309,077.13
Transportation Equipment		
Motor Vehicles	4,125,461.34	3,959,481.34
Less: Accumulated Depreciation -Land Transport Equipment	(2,472,006.18)	(2,191,716.93)
Net Value-Transportation Equipment	1,653,455.16	1,767,764.41
Furniture, Fixtures and Books		
Furniture & Fixtures	850,388.06	776,273.06
Less: Accumulated Depreciation-Furniture and Fixtures	(567,314.45)	(492,224.97)
Net Value-Furniture, Fixtures & Books	283,073.61	284,048.09
Construction in Progress		
Construction in Progress-Infrastructure Assets	7,209,374.16	5,529,999.23
Construction in Progress-Buildings & Structures	14,016,116.58	13,229,127.46
Total Construction in Progress	21,225,490.74	18,759,126.69
Grand Total	305,214,094.28	300,438,723.86

Construction in-progress is stated at cost, project costs are accrued base on contractor's accomplishment reports and billings. These represent cost incurred for technical

services and capital work program contracted by the District to facilitate the implementation of the project.

Construction in-progress is transferred to the related PPEs account when the construction and installation and related activities necessary to prepare the assets for their intended use have been completed and ready for service.

Computer Software - are initially recognized at cost, purchase price (net of any discounts and rebates) and any attributable cost of preparing the asset for its intended use. Any expenditures incurred which enhances the assets is capitalized, other cost incurred for maintaining the asset are expensed in the period in which such expenditure arises.

9. Intangible Assets

Computer Software - are initially recognized at cost, purchase price (net of any discounts and rebates) and any attributable cost of preparing the asset for its intended use. Any expenditures incurred which enhances the assets is capitalized, other cost incurred for maintaining the asset are expensed in the period in which such expenditure arises.

PARTICULARS	2017	2016
Intangible Assets		
Computer Software	717,092.70	708,692.70
Accumulated Amortization -Intangible Assets-Computer Software	(381,076.10)	(368,176.70)
Net Value-Computer Software	336,016.60	340,516.00
Development in Progress		
Development in Progress-Computer Software	576,000.00	426,000.00
Development in Progress-Website	43,750.00	43,750.00
Development in Progress-Other Intangible Assets	280,000.00	-
Total Development in Progress	899,750.00	469,750.00
Total	1,235,766.60	810,266.00

10. Financial Liabilities

This account represents the current obligation of the District which is expected to mature within a year from the balance sheet date.

Payments for expenditures and other payables are temporarily charged to Accounts Payable until actual payments are made.

PARTICULARS	2017	2016
Accounts Payable	700,101.94	1,593,276.29
Due to Officers & Employees (SSS Refund)	3,317.12	3,317.12
Bond Payable	125,000.00	1,000.00
Other Financial Liabilities	3,510,224.57	-
Total	4,338,643.63	1,597,593.41

11. Inter-Agency Payables

This account represents unremitted taxes, contributions, employee's loans and other payables to the concerned Government Agencies.

PARTICULARS	2017	2016
Due to BIR		
Withholding Tax on Compensation (Employees)	131,577.07	105,542.93
Expanded Withholding Tax (Suppliers)	148,498.86	155,486.40
Sub-total	280,075.93	261,029.33
Due to GSIS		
Life and Retirement Premium	130,326.88	142,735.46
UOLI Premium Payable	496.92	496.92
GSIS Salary Loans Payable	125,255.75	105,350.49
GSIS Policy Loan Payable	4,550.00	5,600.00
GSIS Emergency Loan Payable	60,411.52	33,533.56
GSIS Housing Loan Payable	4,651.08	4,651.08
GSIS - Educational Loan	(29,397.41)	340.00
Sub-total	296,294.74	292,707.51
Due to Pag-IBIG		
Pag-IBIG Premium	29,054.65	31,718.99
Pag-IBIG Multi-Purpose Loan	28,499.07	31,406.49
Sub-total	57,553.72	63,125.48
Due to PhilHealth	16,068.75	17,912.50
Due to Government Corporations		

PARTICULARS	2017	2016
DBP Loans Payable	114,771.40	75,298.76
Grand Total	764,764.54	710,073.58

12. Trust Liabilities

Customer's Deposit. This account represents the advances collected from customers/concessionaires in the event that any outstanding receivables could not be collected on time.

The amount of advance payments is based on the initial assessment upon initial registration/ new connections equivalent in two (2) months' worth of deposit.

PARTICULARS	2017	2016
Customer Deposit Payable	6,979,779.65	6,322,171.91

13. Other Liabilities

This account represents the District liabilities which cannot be classified as current and noncurrent and other payables from non-Government Entities which are short term in nature.

PARTICULARS	2017	2016
CFI Loans	43,224.00	63,494.43
CCWDEA Premium	5,200.00	(31,100.00)
CCWDEA Loans	20,300.00	19,338.11
Provident Funds Premium	20,850.00	23,250.00
Provident Loans	69,127.38	78,858.10
OCCCI Loans	52,875.26	74,122.21
Total	211,576.64	227,962.85

14. Deferred Credits

This account represents other liabilities of the District which are not classified to specific group of accounts.

PARTICULARS	2017	2016
Other Deferred Credits		

PARTICULARS	2017	2016
Advance Payment	167,923.58	44,019.39
Paid Materials	190,162.29	237,001.30
PN Materials	184,528.69	59,905.76
Water Sales	876,155.39	(9,544.08)
Surety bond/cash bond	5,000.00	5,000.00
Total	1,423,769.95	336,382.37

15. Financial Liabilities

This account represents the long term loans granted by Government Agencies or Government Owned or Controlled Corporations (GOCC) to the District for its operation and related projects.

PARTICULARS	2017	2016
Loans Payable - Domestic		
LWUA 9-0293	8,364,865.00	3,541,846.00
LWUA 9-0293-I	3,933,335.00	-
DBP	273,125,806.20	294,299,239.44
Total	285,424,006.20	297,841,085.44

Total loan refinanced by Development Bank of the Philippines (DBP) amounts to P317,237,125.45 last November 16, 2015. CCWD started paying the said loan last December 16, 2015, with a total principal payment of P22,937,886.01 and total interest paid amounting to P18,737,328.62 as of December 31, 2016. For 2017 total Principal payments amounted to P21,173,433.24 and interest paid amounted to P16,028,130.41 respectively.

P8,000,000.00 NG Subsidy consisting of P4,000,000.00 (50%) loan and P4,000,000.00 Grant (50%)NLIF-PSF loan was closed effective August 2017 as per LWUA letter dated July 14, 2017. LWUA loan 9-0293 and 9-0293-I is amortized at 0% and 2% per annum starting August 2017 to July 2042. Total Principal payment for 2017 amounted to P208,440.00 and interest payments totaled to P70,416.00.

16. Government Equity

PARTICULARS	2017	2016
Accumulated Surplus/(Deficit)		(42,500.00)
Contributed Capital		

PARTICULARS	2017	2016
Capital Contribution - National Govt.	5,760,287.56	5,760,287.56
Capital Contribution - LGU	3,418,079.00	3,418,079.00
Capital Contribution - LINGAP	1,000,000.00	1,000,000.00
Total	10,178,366.56	10,135,866.56

17. Retained Earnings

This account represents the Districts total income/earnings as a result of past operation base on the income statement for the current period.

PARTICULARS	2017	2016
Retained Earnings - Dec. 31, 2016	37,756,923.11	7,167,231.56
Prior period errors/adjustments	(7,700,942.00)	(352,591.06)
Corrected Beg Balance	30,058,981.11	6,814,640.50
Add: Comprehensive Income/(Loss)	32,800,572.55	30,942,282.61
Retained Earnings - Dec 31, 2017	62,856,553.66	37,756,923.11

18. Income

This account pertains to the charges and fees billed to the concessionaires as well as fees incurred for new connections and re-connections of lines and other incidental fees and collections during the operation for the period.

PARTICULARS	2017	2016
Business Income		
Waterworks System Fees		
Metered Sales Regular	116,174,775.26	110,711,931.60
Other Waterworks System Fees	53,494.65	34,248.57
Interest Income		
Due from Other Banks	120,493.58	5,124.10
Fines/Penalties-Business Income		
Penalty - Regular	2,517,859.73	1,955,197.36
Penalty - Illegal	362,000.00	428,762.50
Other Business Income		
Misc. Service Revenue	2,474,149.70	2,147,383.58

PARTICULARS	2017	2016
Rent of Water Property	-	2,638.78
Meter Rental Maintenance	1,510,590.54	1,973,086.36
Total Business Income	123,213,363.46	117,258,372.85
Miscellaneous Income		
Materials	291,926.27	310,291.71
Bidding Fees	109,000.00	30,766.54
Scrap Sale	64,764.15	30,043.56
CFI Commission	6,126.57	7,303.88
Total Miscellaneous Income	471,816.99	378,405.69
Grand Total	123,685,180.45	117,636,778.54

19. Personnel Services

This account pertains to the salaries and wages paid to the employees of the CCWD for the CY 2017, which includes all remuneration, allowances, bonuses and honorariums to the top management of the District.

PARTICULARS	2017	2016
Personnel Services		
Salaries & Wages - Regular	14,647,710.90	12,263,524.16
Salaries & Wages - Casual/Contractual	5,931,520.84	1,011,751.48
Other Compensation		
Personnel Economic Relief Allowance (PERA)	2,261,487.47	1,156,000.07
Representation Allowance	397,000.00	340,750.00
Transportation Allowance	397,000.00	340,750.00
Clothing and Uniform Allowance	270,000.00	215,000.00
Honoraria (Director's fees)	817,848.00	797,868.00
Year End Bonus	1,651,979.00	2,192,108.00
Other Bonuses & Allowances	1,085,000.00	915,000.00
Personnel Benefit Contributions		
Retirement & Life Insurance Premiums (GSIS)	2,168,204.04	1,507,770.63
Pag-ibig Contribution	109,150.00	68,746.95
Phil. Health Contribution	196,887.50	138,637.50

PARTICULARS	2017	2016
Employees Compensation Insurance Premiums	109,050.35	67,461.44
Provident/Welfare Fund Contribution	-	25,800.00
Other Personnel Benefits		
Pension Benefits - Regular	-	-
Retirement Benefits - Regular	-	-
Terminal Leave Benefits	347,013.45	639,990.49
Other Personnel Benefits (Overtime/Holiday)	54,014.46	326,292.08
Total	30,443,866.01	22,007,450.80

20. Maintenance and Other Operating Expenses

This account represents the direct cost incurred by the District in its normal operation for the CY 2017.

PARTICULARS	2017	2016
Traveling Expenses		
Traveling Expenses-Local	452,290.29	335,787.78
Training/Scholarship Expense	101,700.00	208,133.00
Supplies & Materials Expenses		
Office Supplies Expense	360,921.76	323,056.64
Medical, Dental and Laboratory Supplies Expenses	1,331.00	-
Fuel, Oil & Lubricants	435,043.67	408,308.05
Textbooks & Instructional Materials Expenses	-	-
Chemical & Filtering Supplies Expenses	-	-
Other Supplies & Materials Expenses	23,558.25	8,875.25
Utility Expenses		
Water Expenses	80,134.05	79,588.95
Electricity Expenses	556,791.88	530,592.40
Communication Expenses		
Postage & Deliveries	51,166.04	34,290.22

Telephone Expenses	142,909.80	124,930.65
Internet Expenses	39,173.49	16,627.87
Cable, Satellite, Telegraphs, Radio Expenses	4,410.00	2,160.00
Awards and Rewards	29,598.00	75,000.00
Survey Expenses	6,880.00	-
Generation, Transmission & Distribution Expenses	18,446,166.37	20,526,267.34
Confidential, Intelligence & Extraordinary Expenses		
Extra Ordinary/ Misc. Expense	228,787.55	324,560.48
Professional Services		
Legal Services	66,227.00	100.00
Auditing Services	108,303.08	79,435.85
Other Professional Services	140,000.00	94,820.00
General Services		
Security Services	1,662,080.58	1,715,696.64
Other General Services	55,570.00	-
Repairs & Maintenance		
Infrastructure Assets	2,557,463.32	4,328,534.21
Buildings & Other Structures	588,802.40	628,785.65
Machinery and Equipment	1,014,292.13	814,753.16
Transportation Equipment	333,075.62	406,552.67
Furniture and Fixtures	5,384.00	800.00
Other PPE	2,750.00	-
Taxes, Insurance Premiums and Other Fees		
Taxes, Duties & Licenses	2,202,105.18	2,128,522.20
Fidelity Bond Premiums	-	-
Insurance Expenses	108,006.70	110,919.54
Other Maintenance and Operating Expenses		
Advertising, Promotional & Mrktg. Exp.	37,217.50	5,218.00
Printing Expense	9,423.00	5,005.00
Representation Expense	111,283.00	106,868.00
Membership Dues & Contributions to Organizations	29,292.00	16,149.00
Donation	2,500.00	1,770.00

Other Maintenance & Operating Exp.	373,293.27	469,983.02
Total	30,367,930.93	33,912,091.57

21. Financial Expense

This account represent the interest expense on loans availed by the District which are long term in nature and other charges incidental to the finances of the District.

PARTICULARS	2017	2016
Interest Expenses	16,098,546.41	17,268,785.19
Bank Charges	1,090.00	-
Other Financial Charges	3,227.01	-
Total	16,102,863.42	17,268,785.19

22. Non-cash Expenses

This account represents the non-cash expenses recognized by the District for the given period.

PARTICULARS	2017	2016
Depreciation		
Depreciation - Plant (UPIS)	12,191,121.06	11,860,820.16
Depreciation - Buildings and Other Structures	93,995.45	82,962.68
Depreciation - Machinery and Equipment	1,127,246.33	1,064,445.82
Depreciation - Transportation Equipment	280,289.25	245,334.12
Depreciation - Furniture, Fixtures and Books	75,089.48	64,431.57
Amortization		
Amortization - Intangible Assets	12,899.40	7,859.40
Discounts and Rebates		
Other Discounts	189,306.57	180,314.62
Total	13,969,947.54	13,506,168.37

23. Tax Remittances

Total tax dues paid by the District for the period:

PARTICULARS	2017	2016
Franchise Tax	2,202,105.18	2,054,360.38
Creditable Income Taxes Withheld	1,818,100.13	1,367,726.98
VAT & Percentage Tax	1,522,963.47	1,211,496.70
Total	5,543,168.78	4,633,584.06

24. Other Disclosure

1. Interest earned on deposit in Banks covering the last quarter of 2017 will be recognized the following year since nominal accounts have already been closed.
2. Post-Closing Adjustments
 - a. Adjustment on LWUA loan # 9-0293 and LWUA loan # 9-0293-I due to misposting of reconstructed amount as per JEV#17-09-1038 dated Sept. 14, 2017 in the amount of P4,000,000.00 and P4,964,794.00 respectively, and adjustment on misposting of payment for the month of December 2017 as per DV# 17-12-1036.
 - b. Reversal of P1,000.00 adjustment on Cash Collecting Officer account due to erroneous adjustment on recording of Check Collection dated Nov 17, 2017 of Calbayog City Hospital (Check amount P35,000.00, teller posted amount P36,000.00; adjustment were made on Nov 20, 2017 by deducting the amount of P1,000.00 on that day's collection) however, JEV#17-12-1350 dated Dec. 13, 2017 reflected an amount of P1,000.00 adjustment against Accts Rec. account and cash collecting officer account which serves as adjusting entry to adjust the erroneous posting in the Calbayog City Hospital account.
 - c. Adjustment of P3,000.00 unbooked deposits dated July 8, 2014 to Retained Earnings Account.