

DASMARIÑAS WATER DISTRICT

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **DASMARIÑAS WATER DISTRICT, Dasmariñas City, Cavite** is responsible for all information and representations contained in the accompanying Balance Sheet as of December 31, 2015 and the related Statements of Income and Expenses and Cash Flows for the year ended December 31, 2015. The financial statements have been prepared in conformity with the Philippine Financial Reporting Standards and reflect the amounts that are based on the best estimates 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.


FLORAMOR D. CASTAÑARES
Acting Department Manager – Accounting


ENGR. ALFREDO S. SILVA
General Manager

DASMARIÑAS WATER DISTRICT

Notes To Financial Statements

December 31, 2015

(With Comparative Figures for CY 2014)

1. Agency Background

Dasmariñas Water District was created by virtue of Sangguniang Bayan Resolution No. 09-79 dated March 18, 1979. The Local Water Utilities Administration (LWUA) granted the Conditional Certificate of Conformance No. 83 upon completion of all the requirements. To date the district has 102,547 active connections.

2. Summary of Significant Accounting Policies

General Policy

The Dasmariñas Water District follows the generally accepted accounting principles and reporting practices applicable.

Property, Plant and Equipment

Utility Plant including Utility Plant in Service, Utility Plant Held for Future Use and Construction Work in Progress are stated at cost. Depreciation is computed using the straight-line method over the estimated life of the asset. Land and land rights are stated based on zonal valuation.

Inventories

Inventories are stated at cost determined at First in First Out (FIFO) method.

Recognition of Income and Accounting for Expenses

The Water District adopts the accrual method of accounting. Revenues are recognized and recorded when earned regardless of when collected, & expenses are taken up when incurred regardless of when paid. Except for penalty, recognized and recorded only when collected.

	2015	2014
3. Cash and Cash Equivalent		
Cash on Hand	206,154.17	3,230,717.56
Cash in Bank		
BDO Acct. No. 4300195822	47,769,761.29	1,787,728.63
BDO Acct. No. 4300195830	73,482,558.29	7,431,185.75
BDO Acct. No. 4300195849	6,605,368.48	8,426,054.47
BDO Acct. No. 4300195857	8,890,680.99	3,621,642.82
BDO Acct. No. 4300233473	1,583,028.35	1,357,031.29
Total	138,331,397.40	22,623,642.96
Miscellaneous Special Fund (Change Fund)	45,000.00	-
Total	138,582,551.57	25,854,360.52

Banco De Oro Unibank, Inc.

On August 05, 2010, The Bangko Sentral ng Pilipinas granted authority to BDO Unibank for its branches to accept government deposits from certain government-owned and controlled corporations such as Dasmariñas Water District.

Cash on Hand

Cash on hand collected December 29, 2014 amounting to P3,230,717.56 was deposited the next banking day January 03, 2015. Excluded from the above accounts were the other accounts with BDO and DBP amounting to P26,204,848.65 which were deposited under Sinking Fund.

4. Receivables (net)

	2015	2014
The composition of this account is as follows:		
Accounts Receivables - Customers	77,327,659.00	74,702,752.95
Allowance for Doubtful Accounts	(2,149,644.96)	(2,054,331.20)
Net Accounts Receivables - Customers	75,178,014.04	72,648,421.75
Accounts Receivables - Others	13,154,126.47	2,028,573.93
Total	88,332,140.51	74,676,995.68

5. Inventories

Materials and Supplies Inventories	20,429,822.11	21,460,091.77
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6. Prepayment and Deferred Charges

Prepayment	2,013,451.84	1,243,296.00
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Prepayments

Prepayments pertains to the balances of insurance, healthcare premiums, bonds and other similar expenses which are applicable to future periods.

7. Others

Special Deposit and Other Current Assets	29,456,450.48	27,584,567.56
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Special Deposit and Other Current Assets

Special deposit and other current assets are deposits made for special or specific purposes such as guaranty for the fulfillment of obligations. This include service deposit and meter deposit for Meralco, deposit to subscriber investment plan for PLDT and bond deposit for DPWH, etc.

8. Long Term Investment

Sinking Fund

DBP Acct. No. 0650-013866-530	73,490.15	63,554.13
DBP Acct. No. 0650-013867-530	126,091.91	116,049.34
BDO Acct. No. 4300195865	65,180,317.22	26,025,245.18
	65,379,899.28	26,204,848.65
Miscellaneous Special Fund (Change Fund)	100,000.00	100,000.00
Total	65,479,899.28	26,304,848.65

Sinking Fund

Sinking Fund was set-up in compliance with Section 41 of Presidential Decree (PD) 198. The fund is to be utilized exclusively to finance (i) operating & Maintenance expenditures during periods of calamities, force majeure or unforeseen events; & (ii) expansion & improvement of its physical facilities. Any withdrawal against the fund requires a Board approval.

Miscellaneous Special Fund

Miscellaneous Special Funds are funds kept for special purpose exclusively as change fund of Cashiers.

9. Property, Plant and Equipment

	2015	2014
The composition of this account is as follows (net of depreciation):		
Land and Land Rights	39,232,182.80	39,232,182.80
Wells	65,555,295.66	72,103,953.61
Structure and Improvement	115,776,253.94	130,023,185.77
Power and Production Equipment	9,538,412.43	11,465,647.65
Pumping Equipment	35,232,524.37	44,157,869.92
Water Treatment Equipment	3,286,163.09	2,588,981.10
Reservoirs and Tanks	13,108,951.71	16,763,153.84
Transmission and Distribution Mains	581,024,510.90	554,063,692.31
Meters	29,695,938.73	34,671,359.08
Hydrants	5,957,591.53	11,230,828.97
Structure and Improvement	25,009,196.04	25,175,984.02
Office Furniture and Equipment	8,731,777.28	10,268,193.31
Transportation Equipment	15,822,219.08	16,234,315.55
Laboratory Equipment	1,428,286.75	2,118,566.83
Communication Equipment	1,342,585.98	1,810,791.74
Tools, Shop, Garage Equipment	7,585,811.80	3,752,142.11
	<u>958,327,702.09</u>	<u>975,660,848.61</u>
Utility Plant Held for Future Use	10,636,858.21	11,469,377.41
Construction Work in Progress	5,410,875.96	15,949,143.30
Others	16,075,956.70	16,607,941.51
Total	<u>990,451,392.96</u>	<u>1,019,687,310.83</u>

Land & Land Rights

Recognition of Land & Land Rights in the books of accounts for 40 pumping stations donated with adequate records were based on zonal valuation. On the other hand, 77 pumping stations were not yet recognized due to inadequacy of legal documents as basis for recording. (Annex A)

10. Current Liabilities

Accounts Payable	*****	20,969,585.35	47,824,958.82
Vouchers Payable	*****	5,582,287.90	1,388,235.58
Bid Security Payable	Jan. 07, 2015	205,320.00	26,000.00
Performance Security - Cash Bond	Outstanding	221,369.87	162,850.00
Due to BIR	Jan. 20, 2015	2,989,381.92	2,646,255.62
Due to GSIS	Jan. 07, 2015	2,272,571.62	2,270,697.94
Due to Pag-Ibig	Jan. 07, 2015	339,386.48	314,286.93
Due to Philhealth	Jan. 07, 2015	158,375.00	150,025.00
Due to Other NGAs	Jan. 07, 2015	5,210.38	5,210.38
Guarantee Deposits Payable	*****	2,736,293.57	2,262,491.85
Others	*****	2,768,791.92	3,504,194.88
Total		<u>38,248,574.01</u>	<u>60,555,207.00</u>

Legend: *** - See Attached.**

	2015	2014
11. Non-Current Liabilities		
Contract Payable	433,900.00	39,882.61

Retention on Contract Payments

Retention on contract payments pertains to the amounts withheld from the payments due to the contractors to assure fulfillment of their contracts. Contract for Cubexchange (Networking)

12. Equity

The composition of this account is as follows:

Capital Contribution - Government	587,264.80	587,264.80
Other Paid In Capital	175,681,950.85	175,681,950.85
Retained Earnings, Unappropriated	1,079,396,277.45	919,549,424.11
Retained Earnings, Appropriated	40,397,741.64	40,397,741.64
Total	1,296,063,234.74	1,136,216,381.40

Retained Earnings, Appropriated

Appropriated retained earnings includes the amount of retained earnings which was appropriated or set aside for specific purposes such as reserve for capital expenditures, sinking fund and amortization.

13. Business and Service Income

This account is composed of the following:

Water Sales	610,462,532.10	538,975,983.82
Other Sales and Services	2,242,794.40	2,107,616.00
Miscellaneous Service Revenues	23,866,895.09	23,816,763.37
Penalty	16,046,127.11	15,396,067.90
Other Water Revenues	17,655,077.03	21,388,865.16
Power Cost Adjustment (PCA)	74,529,546.87	106,436,807.52
Total	744,802,972.60	708,122,103.77

14. Others

This account is composed of the following:

Interest Revenue	174,449.86	59,622.90
Revenues from Sinking & Other Funds	297,460.02	148,398.49
MNOR	360,436.41	572,981.12
Total	832,346.29	781,002.51

MNOR

The composition of this account is as follows: Claims insurance, Training fee, Bid documents, Processing fee - DPWH and Others.

15. Personal Services

	2015	2014
This account is composed of the following:		
Salaries & Wages - Reg. Prod. Div.	23,095,677.42	21,185,006.24
Salaries & Wages - Cont. Prod. Div.	7,911,605.58	7,115,188.10
Salaries & Wages - Reg. Metering Div.	6,477,071.32	6,575,742.79
Salaries & Wages - Cont. Metering Div.	1,089,687.50	765,084.00
Salaries & Wages - Reg. Commercial Div.	13,205,690.20	13,383,969.24
Salaries & Wages - Cont. Commercial Div.	2,206,123.53	1,751,763.33
Admin. And General Salaries - Regular	22,850,086.59	22,306,386.67
Admin. And General Salaries - Contractual	1,746,078.94	1,692,319.20
Overtime/Holiday Pay	11,689,007.34	10,658,906.41
Employees' Benefits	31,090,121.85	25,285,797.30
GSIS/Philhealth/EC/Pag-ibig	10,850,924.82	10,578,811.08
Salaries & Wages - Reg. MOS - Planning	18,427,947.40	18,400,080.50
Salaries & Wages - Cont. MOS - Planning	3,568,598.81	3,239,016.00
Salaries & Wages - Reg. Maint. Of Gen. Plant	1,847,914.54	1,893,866.19
Salaries & Wages - Cont. Maint. Of Gen. Plant	-	-
Total	156,056,535.84	144,831,937.05

16. Maintenance and Other Operating Expenses

This account is composed of the following:		
Pumping Labor and Expenses	1,629,584.32	-
Pumping Labor and Expenses	18,218,820.54	19,219,085.31
Fuel/Power for Pumping	182,808,791.68	212,214,570.38
Chemical and Filtering	3,404,342.22	3,087,299.37
Physical/Chem. & Bacteriological Test - DWD	538,032.94	688,063.54
Physical/Chem. & Bacteriological Test - Concessionaires	1,223,348.75	2,087,593.07
Meter Reading Expenses	11,320,165.63	11,875,404.66
Customer Records and Collection	17,519,239.25	15,279,705.71
Uncollectible Account Expense	95,313.76	527,111.04
Professional Fees	869,600.00	1,248,175.00
Other Outside Services Employed	12,044,651.62	9,883,296.92
Travelling Expenses and Per Diem	1,472,149.50	1,391,976.14
Representation Expenses	4,051,217.56	4,647,619.49
Insurance	5,312,090.35	5,521,252.00
Office Supplies and other expenses	4,764,220.18	3,201,875.42
Communication Expenses	1,254,414.51	1,155,447.99
Training Expenses	1,922,565.66	1,302,748.66
Injuries and damages	279,865.26	155,681.61
Light and Power	4,589,027.11	4,874,499.55
Donation and Contribution	2,094,245.33	2,525,517.86
Director Fees and Remunerations	1,100,700.00	950,400.00
Advertising and Promotion	918,292.05	1,329,153.60
Fuel, Oil and Lubricants	6,377,027.23	9,000,718.79
Misc. General and Admin. Expenses	8,157,817.57	11,807,067.53
Socio Eco. Program and Env. Preservation	127,935.00	932,030.01
Sports Program and Scholarship	815,756.00	792,495.00
Extra-ordinary & Miscellaneous Expense	91,921.08	91,093.57

	2015	2014
Taxes and Licenses	112,634.78	6,361.60
Gender and Development	600,269.47	1,407,564.74
Maintenance of PH - Struc. & Improvement	14,726,374.08	12,255,125.62
Maintenance of Power Prod. Equipment	1,334,395.51	1,276,288.41
Maintenance of Pumping Equipment	3,172,482.17	5,220,112.91
Maintenance of W. T. Equipment	2,020,909.00	762,115.25
Maintenance of Reservoirs and Tanks	1,271,455.70	2,651,210.62
Maintenance of Trans. And Dist. Mains	15,408,177.40	6,374,320.65
Maintenance of Services	18,651,074.78	14,346,870.59
Maintenance of Meters	1,469,333.68	1,659,364.21
Maintenance of General Plant	12,706,937.54	12,706,003.31
Depreciation	55,902,134.84	54,132,985.07
Total	<u>420,377,314.05</u>	<u>438,588,205.20</u>

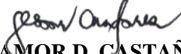
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