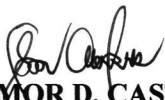


**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

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, 2016 and the related Statements of Income and Expenses and Cash Flows for the year ended December 31, 2016. The financial statements have been prepared in conformity with generally accepted state accounting principles 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, 2016**  
(With Comparative Figures for CY 2015)

**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 105,181 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.

	<b>2016</b>	<b>2015</b>
<b>3. Cash and Cash Equivalent</b>		
Cash on Hand	<b>205,369.96</b>	<b>206,154.17</b>
Cash in Bank		
BDO Acct. No. 4300195822	116,352,527.56	47,769,761.29
BDO Acct. No. 4300195830	77,098,120.00	73,482,558.29
BDO Acct. No. 4300195849	9,772,316.52	6,605,368.48
BDO Acct. No. 4300195857	3,865,258.90	8,890,680.99
BDO Acct. No. 4300233473	1,702,576.50	1,583,028.35
BDO Acct. No. 4300423752	14,379,840.95	-
Total	<b>223,170,640.43</b>	<b>138,331,397.40</b>
Miscellaneous Special Fund (Change Fund)	<b>100,000.00</b>	<b>100,000.00</b>
Petty Cash Fund	<b>45,000.00</b>	<b>45,000.00</b>
<b>Total</b>	<b>223,521,010.39</b>	<b>138,682,551.57</b>

*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 30, 2016 amounting to P205,369.96 was deposited the next banking day January 03, 2017. Excluded from the above accounts were the other accounts with BDO and DBP amounting to P84,863,065.48 which were deposited under Sinking Fund.

*Miscellaneous Special Fund*

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