



Republic of the Philippines  
**SASMUAN WATER DISTRICT**  
Sta. Lucia, Sasmuan, Pampanga  
Tel. No. (045) 436-0421  
Fax No. (045) 900-1101

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Sasmuan Water District is responsible for all information and representations contained in the Statement of Financial Position as of December 31, 2016 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended December 31, 2016. The Financial statements have been prepared in conformity with applicable laws and regulations and generally accepted state accounting principles and reflect amounts that are based on the 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.

MA. CORAZON S. BERNALTE  
Senior Accounting Processor-A

MR. BEDAM. CARLOS  
General Manager

\*\* ( " Babie Bie ing Banum " ) \*\*

## NOTES TO FINANCIAL STATEMENTS

December 31, 2016

### 1. AGENCY BACKGROUND

The Sasmuan Water District was created by virtue of Sangguniang Bayan Resolution No. 17-s-90 dated January 4, 1990. After having satisfactorily complied with the basic minimum requirements prescribed by the Local Water Utilities Administration, Conditional Certificate of Conformance (CCC) No.484 was issued on February 11, 1991.

The District is presently headed by Mr. Beda M. Carlos, General Manager D. It has a total work force of 10 permanent, one job order and two caretakers for the coastal pumping station. The BOD is composed of the following:

Luis C. Magpayo	Chairman	Civic
Marvin M. Dizon M.D.	Vice-Chairman	Professional
Chairmaine C. dela Cruz	Secretary	Women
George C. Lozano	Member	Business
Nelson L. Silva	Member	Education

The District was formed to provide safe and potable water supply for the residents of Sasmuan, Pampanga. For CY 2016, the District had 3,610 total service connections and 3,169 active connections which serve nine (9) barangays. It has five pumping stations/wells and operate 24 hours a day

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### General Policy

The accounting and financial reporting system of the District is in conformity with the generally accepted accounting principles and reflects practices and standards in accordance with the New Government Accounting System (NGAS).

#### Accounting System

The District started the implementation General Ledger System program in 1999 and the New Government Accounting System prescribed by the Commission on Audit in March 2005

#### Allowance for Doubtful Accounts

Allowance for Doubtful accounts was set up for estimated uncollectible trade receivables to provide them fair valuation. Implementation starts for the year 2005, the percentage of allowances for doubtful accounts are as follows:

## ARREARS

Over 1 yr.	-	2 yrs.	10%
Over 2 yrs.	-	3 yrs.	30%
Over 3 yrs.	-	4 yrs.	50%
Over 4 yrs.	-	5 yrs.	70%
Over 5 yrs. Above			90%

### Materials and Supplies Inventory

The inventories on hand are stated at cost.

### Property, Plant & Equipment

Items recognized as Property, Plant and Equipment were recorded at cost. A straight-line method is being adopted in determining the periodic depreciation which commences on the month subsequent to acquisition.

### Income and Expense Recognition

The accrual method of accounting is adopted in recognizing the earnings and expenses except for the meter maintenance fee is recognized on a cash basis.

## 3. CASH AND CASH EQUIVALENTS

This account is composed of cash on hand and in bank available for general expenditures, viz:

		2016		2015
Cash Collecting Officer	P	306,799.73	P	277,320.57
Petty Cash Fund		15,000.00		5,000.00
Cash in Bank – LCCA		134,054.78		274,975.90
Cash in Bank – LCSA		131,270.04		200,732.17
Cash in Bank – LCTD		1,544,686.96		1,803,636.62
<b>Total</b>	<b>P</b>	<b>2,131,811.51</b>	<b>P</b>	<b>2,561,665.26</b>

#### 4. RECEIVABLES

This account includes all amounts due on open accounts arising from services rendered to the customers for water sales and incidental services. Accounts Receivable pertains to collectibles from water sales. Other Receivables pertain to the amount collectible from concessionaires arising from installment payment of their service connection fees.

		2016		2015
Accounts Receivable	P	5,519,375.28	P	4,333,525.11
Due from Officers and Employees		50,000.00		15,000.00
Other Receivables		298,536.62		294,627.87
<b>Total</b>		<b>5,867,911.90</b>		<b>4,643,152.98</b>
Less : Allowance for Doubtful Accounts		363,542.01		340,142.51
<b>Receivables (Net)</b>	<b>P</b>	<b>5,504,369.89</b>	<b>P</b>	<b>4,303,010.47</b>

#### 5. INVENTORIES

This account pertains to unissued materials and supplies which are kept in stock and held for future use.

		2016		2015
Merchandise Inventory	P	143,809.18	P	137,309.50
Office Supplies Inventory		54,876.97		60,490.45
Accountable Forms Inventory		93,817.52		120,527.52
Medical, Dental and Laboratory Supplies Inventory		252,688.64		191,500.00
Construction Materials Inventory		234,298.07		52,908.07
<b>Total</b>	<b>P</b>	<b>779,490.38</b>	<b>P</b>	<b>562,735.54</b>

#### 6. PROPERTY, PLANT, AND EQUIPMENT

Property, plant and equipment are recorded at cost less accumulated depreciation. This account pertains to all properties of the District that are permanent in character and with expected useful life of more than one year, itemized as follows:

		<b>2016</b>		<b>2015</b>
Land	P	854,700.00	P	854,700.00
Land Improvements		1,327,800.04		1,225,300.04
Agricultural and Marine Equipment		151,150.65		151,150.65
Leasehold Improvements, Buildings		399,857.38		359,857.38
Office Equipment		312,660.06		281,865.06
Furniture and Fixtures		101,859.79		101,859.79
IT Equipment & Software		1,326,914.98		941,559.98
Machinery		7,231,535.51		6,167,435.51
Communication Equipment		99,930.00		99,930.00
Other Machineries and Equipment		35,500.00		35,500.00
Motor Vehicles		751,193.20		751,193.20
Other Property, Plant and Equipment		29,765,930.03		28,826,026.03
<b>Total</b>		<b>42,359,031.64</b>		<b>39,826,377.64</b>
Less: Accumulated Depreciation		16,345,064.68		14,909,944.40
<b>PPE, Net</b>	<b>P</b>	<b>26,013,966.96</b>	<b>P</b>	<b>24,916,433.24</b>

#### 7. INTER-AGENCY PAYABLES

This account includes those current trust liabilities held by the District in behalf of other government agencies. Such dues would be remitted in accordance with the prescribed period set by those agencies.

		<b>2016</b>		<b>2015</b>
Due to BIR	P	77,908.77	P	57,883.76
Due to GSIS		70,626.76		67,792.09
Due to Pag-IBIG		49,693.29		38,106.02
Due to PHILHEALTH		4,100.00		3,950.00
Due to OTHER NGAS (C.O.A.)		66,201.82		40,698.18
<b>Total</b>	<b>P</b>	<b>268,530.64</b>	<b>P</b>	<b>208,430.05</b>

#### 8. INTRA-AGENCY PAYABLES

This account includes those current trust liabilities held by the District in behalf of Provident Fund. Such dues would be remitted in accordance with the prescribed period set by the officers of the said funds.

		<b>2016</b>		<b>2015</b>
Due to Other Funds	P	<u>920.00</u>	P	<u>18,486.15</u>

## 9. LOANS PAYABLE

This represents long-term obligations of the District under contract agreement with LWUA. The proceeds of the loans were used to finance various infrastructures and permanent improvements in order to meet the demands of the growing clientele. Repayments are made monthly based on the agreed terms and schedule provided in the contract agreement. The loans payable account has an outstanding balance of P 5,362,131.39 as of December 31, 2016, the details is as follows:

		2016		2015
LWUA – LA# 3-753 RL	P	775,344.68	P	843,187.68
LWUA – LA# 3-753 SL		534,634.90		581,390.90
LWUA - LA#4-2514 RL		1,552,251.81		1,947,348.81
LWUA - NLIF –DOH 9-0011		2,499,900.00		-
<b>Total</b>	<b>P</b>	<b>5,362,131.39</b>	<b>P</b>	<b>3,371,927.39</b>

## 10. PERSONAL SERVICES

		2016		2015
Salaries and Wages	P	2,279,904.00	P	2,139,207.00
Other Compensation		2,057,844.99		1,715,528.71
Personnel Benefit Contributions		596,875.72		304,404.84
Other Personnel Benefits		220,196.63		238,268.34
<b>Total</b>	<b>P</b>	<b>5,154,821.34</b>	<b>P</b>	<b>4,397,408.89</b>

## 11. MAINTENANCE & OTHER OPERATING EXPENSES

		2016		2015
Traveling & Training Expenses	P	289,840.00	P	547,653.98
Supplies and Materials Expenses		657,539.86		654,001.84
Utility Expenses		1,996,806.45		1,794,067.81
Communication Expenses		44,747.04		50,833.07
Membership Dues & Contributions		32,330.00		45,133.74
Advertising /Printing and Binding Expenses		44,650.00		60,670.00
Rent Expenses		116,500.00		72,800.00
Representation Expenses		832,090.35		679,604.45

Transportation and Delivery Expenses	5,183.00	5,447.00
Subscription Expenses	7,140.00	7,168.00
Legal Services	43,832.00	25,050.00
Professional Services	346,809.82	176,600.00
Repairs and Maintenance	966,316.56	763,273.06
Donations	-	14,369.55
Confidential, Intelligence, Extraordinary & Miscellaneous Expenses	178,446.93	153,895.56
Taxes, Insurance Premiums and Other Fees	277,575.94	245,456.88
Gender and Development Program-GAD	-	65,000.00
Non-Cash Expenses (Discounts)	1,562,568.88	1,577,684.45
<b>Total</b>	<b>P 7,402,376.83</b>	<b>P 6,938,709.39</b>

## 12. FINANCIAL EXPENSES

This represents interests paid on long-term obligations of the District under contract agreement with LWUA, and the taxes withheld by banks on interest earned from the District's Bank Deposit accounts.

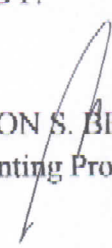
		<b>2016</b>		<b>2015</b>
Interest Expense(LWUA Loan)	P	245,200.00	P	282,706.00
Other Financial Charges		-		-
<b>Total</b>	<b>P</b>	<b>245,200.00</b>	<b>P</b>	<b>322,056.66</b>

Republic of the Philippines  
 Province of Pampanga  
**SASMUAN WATER DISTRICT**  
 Sasmuan, Pampanga  
**STATEMENT OF COMPREHENSIVE INCOME**  
 For the YEAR Ended December 31, 2016  
 (With comparative figures for CY 2015 and 2014)

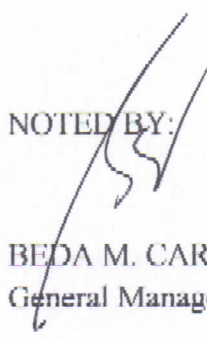
	2016	2015	2014
<b>INCOME</b>			
Business Income	P 14,925,667.99	P 13,706,991.74	P 12,824,590.11
Service Income	314,230.00	277,080.00	179,680.00
Other Income	42,253.65	27,656.89	23,212.30
<b>GROSS INCOME</b>	<b><u>P 15,282,151.64</u></b>	<b><u>P 14,011,728.63</u></b>	<b><u>P 13,027,482.41</u></b>
<b>EXPENSES</b>			
Personal Services (Note 10)	5,154,821.34	4,397,408.89	5,852,799.23
Maintenance & Other Operating Expenses (Note 11)	7,402,376.83	6,938,709.39	6,519,757.18
Financial Expense (Note 12)	245,200.00	282,706.00	322,056.66
<b>TOTAL EXPENSES</b>	<b><u>P 12,802,398.17</u></b>	<b><u>P 11,618,824.28</u></b>	<b><u>P 12,694,613.07</u></b>
<b>NET INCOME (LOSS) BEFORE INCOME TAX</b>	<b><u>P 2,479,753.47</u></b>	<b><u>P 2,392,904.35</u></b>	<b><u>P 332,869.34</u></b>

*(See accompanying Notes to Financial Statements.)*

PREPARED BY:

  
 MA. CORAZON S. BERNALTE  
 Senior Accounting Processor A

NOTED BY:

  
 BEDA M. CARLOS  
 General Manager



Republic of the Philippines  
Province of Pampanga  
SASMUAN WATER DISTRICT  
Sasmuan, Pampanga  
STATEMENT OF CASH FLOW

For the YEAR Ended December 31, 2016  
(With comparative figures for CY 2015 and 2014)

	2016	2015	2014
<b>Cash Flows From Operating Activities</b>			
<b>Cash Inflows</b>			
Collection of Accounts Receivable	P 13,641,503.09	P 12,446,536.25	P 12,499,795.20
Collection of Other Receivables	52,856.25	15,160.00	37,335.00
Processing Fees	12,500.00	9,700.00	6,850.00
Other Service Income	300,460.00	262,100.00	171,560.00
Refund of Cash Advance	6,454.84	1,048.50	10.00
Cost of Materials Sold	187,846.02	166,899.85	128,627.11
Customers Guaranty Deposits	94,950.00	65,700.00	54,450.00
Other Deffered Credits	-	-	-
Receipt from Sinking Fund	-	-	-
Sales Revenue	63,008.98	40,687.65	35,653.41
Performance Builders	-	-	3,000.00
Prior Years' Adjustment	5,386.26	-	-
Government Equity	-	-	-
<b>Total Cash Inflows</b>	<b>P 14,364,965.44</b>	<b>P 13,007,832.25</b>	<b>P 12,937,280.72</b>
<b>Cash Outflows</b>			
Other Personal Services	943,727.99	807,028.21	1,169,493.04
Maintenance & Other Operating Expenses	5,198,674.38	4,448,721.50	4,107,988.95
Advances to Officers and Employees	366,603.00	415,000.00	151,500.00
Payment of Accounts Payabale	2,695,740.21	2,408,805.55	2,809,720.01
Remittance to BIR,GSIS, Pag-ibig etc.	2,420,482.03	2,368,511.87	2,698,215.59
Purchase of Supplies/Materials	145,606.26	114,299.25	163,360.87
Refund of Deferred Credits	-	450.00	104,705.00
Other Payables	24,000.00	30,000.00	27,000.00
Prior Years' Adjustment	4,304.00	19,686.92	264,987.25
<b>Total Cash Outflows</b>	<b>11,799,137.87</b>	<b>10,612,503.30</b>	<b>11,496,970.71</b>
<b>Net Cash from Operating Activities</b>	<b>2,565,827.57</b>	<b>2,395,328.95</b>	<b>1,440,310.01</b>

**Cash Flows From Financing Activities**

<b>Cash Inflows</b>			
Interest Income	12,864.36	8,434.30	6,087.86
<b>Total Cash Inflows</b>	<u>12,864.36</u>	<u>8,434.30</u>	<u>6,087.86</u>
<b>Cash Outflows</b>			
Loans Payable-LWUA	507,563.00	472,286.00	420,791.16
Interest and Amortization/Sinking Funds	378,394.68	873,114.66	281,250.00
Interest Expense	247,333.00	282,706.00	337,056.84
<b>Total Cash Outflows</b>	<u>1,133,290.68</u>	<u>1,628,106.66</u>	<u>1,039,098.00</u>
<b>Net Cash from Financing Activities</b>	<u>(1,120,426.32)</u>	<u>(1,619,672.36)</u>	<u>(1,033,010.14)</u>

**Cash Flows From Investing Activities**

<b>Cash Outflows</b>			
IT Equipment and Software	281,850.00	40,656.00	-
Land Improvements	72,500.00	30,000.00	-
Leaschold Improvements, Building	40,000.00		
Other Property, Plant and Equipment	447,905.00	219,278.00	480,300.00
Office Equipment	-	17,111.00	4,500.00
Furnitures and Fixtures	-	34,710.00	-
Machinery	1,033,000.00	44,800.00	25,000.00
Motor Vehicle		29,293.20	-
<b>Total Cash Outflows</b>	<u>1,875,255.00</u>	<u>415,848.20</u>	<u>509,800.00</u>
<b>Net Cash from Investing Activities</b>	<u>1,875,255.00</u>	<u>415,848.20</u>	<u>509,800.00</u>

**Net Cash From Operating, Financing  
and Investing Activities**

	<u>(429,853.75)</u>	<u>359,808.39</u>	<u>(102,500.13)</u>
<b>Cash Balance, Beginning</b>	<u>2,561,665.26</u>	<u>2,201,856.87</u>	<u>2,304,357.00</u>
<b>Cash Balance Ending</b>	<u>2,131,811.51</u>	<u>2,561,665.26</u> P	<u>2,201,856.87</u>

*(See accompanying Notes to Financial Statements.)*

Republic of the Philippines  
Province of Pampanga  
SASMUAN WATER DISTRICT  
Sassmuan, Pampanga

**STATEMENT OF FINANCIAL POSITION**

AS OF DECEMBER 31, 2016

(WITH COMPARATIVE FIGURES FOR CY 2015 AND 2014)

	2016	2015	2014
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents (Note 3)	P 2,131,811.51	P 2,561,573.00	P 2,201,856.87
Receivables (Note 4)	5,504,369.89	4,303,010.47	3,189,371.12
Inventories (Note 5)	779,490.38	562,735.54	561,793.50
Other Current Assets	60,415.53	60,415.53	60,415.53
<b>Total Current Assets</b>	<b><u>8,476,087.31</u></b>	<b><u>7,487,734.54</u></b>	<b><u>6,013,437.02</u></b>
<b>Non- Current Assets</b>			
Sinking Fund	4,413,113.46	4,005,329.49	3,112,992.24
Property, Plant & Equipment, Net (Note 6)	26,013,966.96	24,916,433.24	25,541,760.38
Construction Work in Progress- Agency Assets	-	-	-
Other Assets	31,031.42	31,031.42	31,031.42
<b>Total Non-Current Assets</b>	<b><u>30,458,111.84</u></b>	<b><u>28,952,794.15</u></b>	<b><u>28,685,784.04</u></b>
<b>TOTAL ASSETS</b>	<b><u>38,934,199.15</u></b>	<b><u>36,440,528.69</u></b>	<b><u>34,699,221.06</u></b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Account Payable	435,144.00	240,121.50	P 358,594.34
Due to Officers and Employees	1,064,746.92	-	-
Inter - Agency Payables (Note 7)	268,530.64	208,430.05	256,825.22
Intra - Agency Payables (Note 8)	920.00	18,518.25	77,331.78
Guaranty Deposits Payable	1,288,068.00	1,192,668.00	1,126,518.00
Performance Builders	45,940.00	45,940.00	45,940.00
Other Payables	-	3,000.00	3,000.00
<b>Total Current Liabilities</b>	<b><u>3,103,349.56</u></b>	<b><u>1,708,677.80</u></b>	<b><u>1,868,209.34</u></b>

**Non-Current Liabilities**

Loans Payable - LWUA (Note 9)	<u>5,362,131.39</u>	<u>3,371,927.39</u>	<u>3,844,213.39</u>
<b>Total Non-Current Liabilities</b>	<u><b>5,362,131.39</b></u>	<u><b>3,371,927.39</b></u>	<u><b>3,844,213.39</b></u>
<b>TOTAL LIABILITIES</b>	<u><b>8,465,480.95</b></u>	<u><b>5,080,605.19</b></u>	<u><b>5,712,422.73</b></u>
<b>EQUITY</b>			
Government Equity	13,370,040.07	15,869,940.07	15,869,940.07
Retained Earnings	17,098,678.13	15,489,983.43	13,116,858.26
<b>TOTAL EQUITY</b>	<u><b>30,468,718.20</b></u>	<u><b>31,359,923.50</b></u>	<u><b>28,986,798.33</b></u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><b>38,934,199.15</b></u>	<u><b>36,440,528.69</b></u> P	<u><b>34,699,221.06</b></u>

*(See accompanying Notes to Financial Statements.)*

PREPARED BY:

MA. CORAZON S. BERNALTE  
Senior Accounting Processor A

NOTED BY:

BEDA M. CARLOS  
General Manager D

**Republic of the Philippines**  
**Province of Pampanga**  
**SASMUAN WATER DISTRICT**  
**Sasmuan, Pampanga**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**  
**(With Comparative Figures for CY 2015 and 2014)**

	2016		2015		2014
<b>GOVERNMENT EQUITY</b>					
Balance at Beginning of the Year	P 13,370,040.07	P	15,869,940.07	P	15,869,940.07
Additions/Deductions	-		-		-
Balance at the End of the Year	P 13,370,040.07	P	15,869,940.07	P	15,869,940.07
<b>RETAINED EARNINGS</b>					
Balance at Beginning of the Year	P 15,490,075.69	P	13,116,858.26	P	13,102,313.72
Net Income (Loss)	2,479,753.47		2,392,812.09		332,869.34
Adjustment for the period	(871,151.03)		(19,686.92)		(318,324.80)
Total	P 17,098,678.13	P	15,489,983.43	P	13,116,858.26
<b>BALANCE AT THE END OF THE YEAR</b>	<b>P 30,468,718.20</b>	<b>P</b>	<b>31,359,923.50</b>	<b>P</b>	<b>28,986,798.33</b>

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MA. CORAZON S. BERNALTE  
 Senior Accounting Processor A

NOTED BY:

BEDA M. CARLOS  
 General Manager D