

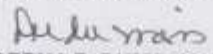
METRO MIDSAYAP WATER DISTRICT
DETAILED BALANCE SHEET
As of October 31, 2015
(With Comparative Figures for CY 2014)

	<u>Oct 2015</u>	<u>CY 2014</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents (Note 3)		
Cash – Collecting Officer	P 185,038.75	P 34,152.56
Cash - Disbursing Officer	-	-
Petty Cash Fund	13,000.00	13,000.00
Cash in Bank – Local Currency, Current Account	2,485,480.03	213,184.23
Cash in Bank – Local Currency, Savings Account	770,424.23	933,075.92
Receivables, net (Note 4)		
Accounts Receivable – Water Billing	2,363,031.95	2,240,085.49
Accounts Receivable – Materials and Others	174,319.15	178,801.09
Allowance for Doubtful Accounts	(80,052.08)	(83,628.87)
Due from Officers and Employees	217,247.61	194,419.75
Due from Subsidiaries and Affiliates	100,000.00	100,000.00
Other Receivables	48,304.55	13,846.55
Other Receivables - Cash Variances	2,670,580.00	2,670,580.00
Inventories (Note 5)		
Office Supplies Inventory	146,763.55	157,779.74
Accountable Forms Inventory	294,724.68	221,261.07
Other Supplies Inventory	60,529.60	20,129.60
Spare Parts Inventory	1,387,462.87	1,251,271.28
Construction Materials Inventory	26,812.92	2,029.29
Prepayments		
Other Prepaid Expenses	-	-
Other Current Assets (Note 6)		
Other Current Assets	2,204.57	679.16
Total Current Assets	10,865,872.38	8,160,666.86
Investments		
Sinking Fund (Note 7)	338,987.00	338,987.00
Property, Plant and Equipment, net (Note 8)		
Land	2,082,000.00	2,082,000.00
Office Building	1,178,275.09	1,178,275.09
Other Structures	69,509.80	69,509.80
Office Equipment	1,299,541.63	1,209,068.63
Furniture and Fixture	283,670.70	277,514.20
IT Equipment and Software	1,020,480.40	1,007,874.40
Machinery	263,200.00	263,200.00
Communication Equipment	90,062.00	90,062.00
Other Machineries and Equipment	278,365.11	273,415.11
Motor Vehicle	2,383,365.99	2,383,365.99
Other Property, Plant and Equipment	4,100.00	4,100.00
Artesian Wells, Reservoirs, Pumping Stations and Conduits	41,233,392.61	40,264,898.35
Construction in Progress – Artesian Wells, Reservoirs, Pumping	295,405.46	-
Accumulated Depreciation	(25,626,437.83)	(23,598,624.91)
Other Assets		
Other Assets	46,651.52	46,651.52
Total Non Current Assets	25,240,569.48	25,890,297.18
TOTAL ASSETS	P 36,106,441.86	P 34,050,964.04

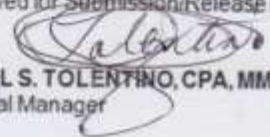
Prepared by


BON CARLO M. MELOCOTON, CPA
Senior Accounting Precursor A
Accounting & Budget Group Head

Reviewed and Verified by


DERNA E. DUMASIS, MMPA
Administrative and Commercial Division
Division Manager (OIC)

Approved for Submission/Release by


CAROL S. TOLENTINO, CPA, MMPA
General Manager

METRO MIDSAYAP WATER DISTRICT
DETAILED BALANCE SHEET
 As of October 31, 2015
 (With Comparative Figures for CY 2014)

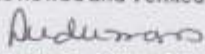
	<u>Oct 2015</u>	<u>CY 2014</u>
LIABILITIES AND EQUITY		
Liabilities		
Payables		
Accounts Payable	P 7,129,565.35	P 5,942,178.09
Due to Officers and Employees	1,437,270.20	55,632.81
Due to Subsidiaries and Affiliates	-	-
Government Agency Payables		
Due to BIR	106,138.54	101,208.73
Due to GSIS	85,601.63	39,869.46
Due to PAG-IBIG	64,940.61	63,388.29
Due to PHILHEALTH (Note 9)	(9,088.18)	(9,700.68)
Other Current Liabilities (Note 10)		
Guaranty Deposits Payable	1,598,064.04	1,212,844.84
Loans Payable (Note 11)		
Loans Payables – Domestic	13,587,162.59	14,640,742.53
Deferred Credits (Note 12)		
Deferred Credits	388,323.53	409,684.78
Total Liabilities	<u>24,387,978.31</u>	<u>22,455,848.85</u>
Equity		
Government Equity	<u>11,718,463.55</u>	<u>11,595,115.19</u>
TOTAL LIABILITIES AND EQUITY	P <u>36,106,441.86</u>	P <u>34,050,964.04</u>

(See accompanying Notes to Financial Statements)


Prepared by


BON CARLO M. MELOCOTON, CPA
 Senior Accounting Processor A
 Accounting & Budget Group Head

Reviewed and Verified by:


DERNA E. DUMASIS, MMPA
 Administrative and Commercial Division
 Division Manager (OIC)

Approved for Submission/Release by:



CAROL S. TOLENTINO, CPA, MMPA
 General Manager

METRO MIDSAYAP WATER DISTRICT
DETAILED INCOME STATEMENT
For the Month Ended October 31, 2015
(With Year-To-Date and CY 2014 Comparative Figures)

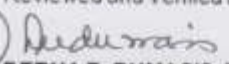
REVENUES	<u>Oct 2015</u>	<u>YTD</u>	<u>CY 2014</u>
Business Income	P 2,731,262.15	P 18,498,286.22	P 16,976,064.59
Other General Income	52,779.17	415,496.43	564,048.75
Total Revenues	2,784,041.32	18,913,782.65	17,540,113.34
EXPENSES			
Personal Services			
Salaries and Wages	505,009.00	4,961,895.00	5,866,593.20
Other Compensation	116,988.00	1,708,085.23	2,265,586.37
Personnel Benefit Contributions	74,224.76	707,579.13	826,431.53
Other Personal Benefits	(220,837.19)	122,160.74	358,793.04
Maintenance and Other Operating Expenses			
Traveling Expenses	5,296.00	89,778.98	215,492.24
Training and Scholarship Expenses	95,071.84	394,245.75	212,608.46
Supplies and Materials Expenses	118,195.82	845,898.75	1,297,850.50
Utility Expenses	166,372.28	1,744,275.51	2,016,226.74
Communication Expenses	13,700.74	133,737.65	161,893.79
Membership Dues	-	17,964.50	18,582.00
Advertising Expenses	4,088.64	64,170.99	46,962.45
Representation Expenses	7,943.00	76,336.00	89,223.89
Transportation and Delivery Expenses	755.66	3,803.43	10,884.00
Professional Services	277,278.89	1,501,813.51	2,144,443.36
Repairs and Maintenance	134,732.19	1,218,052.85	1,969,743.26
Subsidies and Donations	500.00	5,000.00	4,200.00
Miscellaneous Expenses	6,500.01	263,973.50	201,726.65
Taxes, Insurance Premiums and Other Fees	12,123.35	103,687.94	644,233.69
Bad Debts Expenses	709.12	(3,576.79)	(2,406.27)
Depreciations	724,218.90	2,027,812.92	1,733,059.42
Financial Expenses			
Financial Expenses	163,876.89	1,704,380.06	2,208,442.87
Total Expenses	2,206,747.90	17,691,075.65	22,290,571.19
NET INCOME (LOSS)	P 577,293.42	P 1,222,707.00	P (4,750,457.85)

(See accompanying Notes to Financial Statements)


Prepared by:


BONCARLO M. MELOCOTON, CPA
Senior Accounting Processor A
Accounting & Budget Group Head

Reviewed and Verified by:


DERNA E. DUMASIS, MMPA
Administrative and Commercial Division
Division Manager (OIC)

Approved for Submission/Release by:



CAROL S. TOLENTINO, CPA, MMPA
General Manager

METRO MIDSAYAP WATER DISTRICT
STATEMENT OF CASH FLOWS
For the Month Ended October 31, 2015
(With Year-To-Date and CY 2014 Comparative Figures)

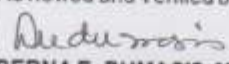
	<u>Oct 2015</u>	<u>YTD</u>	<u>CY 2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Inflows			
Receipts from Trade Receivables	P 3,000,976.95	P 25,356,229.42	P 25,865,921.24
Receipts from Other Receivables	47,138.64	445,813.37	417,088.88
Receipts from Miscellaneous Income	241,230.92	2,059,643.26	1,790,451.82
Receipts from Employees	19,558.29	302,713.02	384,111.39
Concessionaires Deposits and Advance Payments	104,460.04	639,299.43	340,615.06
Total Operating Cash Inflows	<u>3,413,364.84</u>	<u>28,803,698.50</u>	<u>28,798,188.39</u>
Cash Outflows			
Payment of Operating Expenses	673,976.63	7,039,952.44	9,055,393.76
Payment of Trade Payables	1,631,635.61	12,303,421.21	10,195,991.88
Remittances to Government Agencies	198,552.40	2,320,375.20	1,998,689.83
Purchase of Supplies	38,476.11	159,227.00	325,063.08
Miscellaneous Disbursements	213,091.32	2,386,281.33	2,885,401.12
Total Operating Cash Outflows	<u>2,755,732.07</u>	<u>24,209,257.18</u>	<u>24,460,539.67</u>
Total cash provided (used) for operating activities	<u>657,632.77</u>	<u>4,594,441.32</u>	<u>4,337,648.72</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Inflows			
Receipts from LWUA Assistance	-	750,000.00	-
Total Investing Cash Inflows	<u>-</u>	<u>750,000.00</u>	<u>-</u>
Cash Outflows			
Acquisition of various Property and Equipment	53,000.00	325,991.02	163,043.86
Total Investing Cash Outflows	<u>53,000.00</u>	<u>325,991.02</u>	<u>163,043.86</u>
Total cash provided (used) for investing activities	<u>(53,000.00)</u>	<u>424,008.98</u>	<u>(163,043.86)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Inflows			
Proceeds from Borrowings	-	750,000.00	-
Total Financing Cash Inflows	<u>-</u>	<u>750,000.00</u>	<u>-</u>
Cash Outflows			
Payment of LWUA Loans	186,143.11	1,803,579.94	2,182,929.18
Payment of Interest and Other Financial Charges	163,876.89	1,704,340.06	2,017,640.82
Total Financing Cash Outflows	<u>350,020.00</u>	<u>3,507,920.00</u>	<u>4,200,570.00</u>
Total cash provided (used) for financing activities	<u>(350,020.00)</u>	<u>(2,757,920.00)</u>	<u>(4,200,570.00)</u>
TOTAL CASH INFLOWS (OUTFLOWS)	254,612.77	2,260,530.30	(25,965.14)
Add: Cash Balance, Beginning	3,199,330.24	1,193,412.71	1,219,377.85
CASH BALANCE, ENDING	<u>P 3,453,943.01</u>	<u>P 3,453,943.01</u>	<u>P 1,193,412.71</u>

(See accompanying Notes to Financial Statements)


Prepared by:


BON CARLO M. MELOCOTON, CPA
Senior Accounting Processor A
Accounting & Budget Group Head

Reviewed and Verified by:


DERNA E. DUMASIS, MMPA
Administrative and Commercial Division
Division Manager (OIC)

Approved for Submission/Release by:

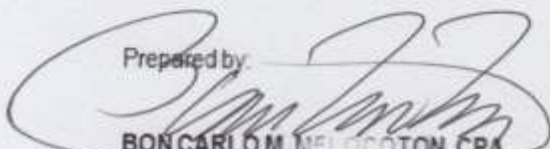

CAROL S. TOLENTINO, CPA, MMPA
General Manager

METRO MIDSAYAP WATER DISTRICT
STATEMENT OF CHANGES IN GOVERNMENT EQUITY
For the Month Ended October 31, 2015
(With Year-To-Date and CY 2014 Comparative Figures)

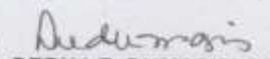
	<u>Oct 2015</u>	<u>YTD</u>	<u>CY 2014</u>
Government Equity			
Balance beginning of period	P 757,660.00	P 757,660.00	P 757,660.00
Additions:	-	-	-
Deductions:	-	-	-
Balance end of period	<u>757,660.00</u>	<u>757,660.00</u>	<u>757,660.00</u>
Donated Capital			
Balance beginning of period	750,000.00	-	-
Additions:	-	750,000.00	-
Deductions:	-	-	-
Balance end of period	<u>750,000.00</u>	<u>750,000.00</u>	<u>-</u>
Reserved / Restricted Capital			
Balance beginning of period	200,492.00	200,492.00	200,492.00
Additions:	-	-	-
Deductions:	-	-	-
Balance end of period	<u>200,492.00</u>	<u>200,492.00</u>	<u>200,492.00</u>
Retained Earnings			
Balance beginning of period	11,035,833.11	10,636,963.19	15,349,791.67
Prior period adjustments	(1,602,814.98)	(1,849,358.64)	37,629.37
Net income (loss) for the period	577,293.42	1,222,707.00	(4,750,457.85)
Balance end of period	<u>10,010,311.55</u>	<u>10,010,311.55</u>	<u>10,636,963.19</u>
TOTAL EQUITY	P <u>11,718,463.55</u>	P <u>11,718,463.55</u>	P <u>11,595,115.19</u>

(See accompanying Notes to Financial Statements)

Prepared by:


BON CARLO M. MELOCOTON, CPA
Senior Accounting Professor A
Accounting & Budget Group Head

Reviewed and Verified by:


DERNA E. DUMASIS, MMPA
Administrative and Commercial Division
Division Manager (OIC)

Approved for Submission/Release by:


CAROL S. TOLENTINO, CPA, MMPA
General Manager

Republic of the Philippines
METRO MIDSAYAP WATER DISTRICT
007 Poblacion 8, Midsayap, Cotabato

Notes to Financial Statements

1. Agency Background

The Metro Midsayap Water District was established thru Sanguniang Bayan Resolution No. 135, Series of 1980 dated November 7, 1980 of the then Sanguniang Bayan of the Municipality of Midsayap, Province of North Cotabato with Presidential Decree No. 198, as amended, as the enabling law to the creation of water districts. On December 16, 1981, the District was issued the Conditional Certificate of Conformance (CCC No. 174) by the Local Water Utilities Administration (LWUA). The mandates of the District are:

- ❖ To acquire, install, improve, maintain and operate water supply and distribution systems for domestic, industrial, municipal and agricultural uses for residents and lands within the boundaries of the district;
- ❖ To provide, maintain and operate waste water collection treatment and disposal facilities; and
- ❖ To conduct such other functions and operations incidental to water resource development, utilization and disposal within the district, as are necessary or incidental to said purpose.

The powers, privileges and duties of the District are exercised and performed by and through the Board of Directors, as the policy-making body composed of the following:

Chairman	-	Godofredo R. Rapacon
Vice-Chairman	-	Guillermo L. Carisma Jr
Treasurer	-	Eugenio G. Morillo
Secretary	-	Atty. Amalia L. Casabar
Auditor	-	Isabelita C. Fullecido

Day to day activities are executed by its General Manager, Ms. Carol S. Tolentino, CPA, MMPA together with 28 other permanent employees.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

The District recognizes cash and cash equivalents on its face value.

R. Del

J

Provision for Doubtful Accounts

This is recognized accounts whose outstanding balances have been approved for termination by the board due to non-payment or non-compliance with certain provisions thereof.

Supplies Inventories

Supplies inventories are valued at cost using the moving average method.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Significant improvements and repairs, including incidental costs are capitalized, while cost of maintenance and repairs is charged to expense. When property is disposed, the cost and the related accumulated depreciation are removed from the accounts, and any resulting gain or loss is credited or charged to current operations.

Income and Expense Recognition

Accrual method is used in recognizing income and expenses.

3. Cash and Cash Equivalents

This account consists of:

Accounts	October	September
Cash - Collecting Officer	P 185,038.75	143,529.02
Petty Cash Fund	13,000.00	13,000.00
Cash in Bank - Current Account	2,485,480.03	2,427,045.71
Cash in Bank - Savings Account	770,424.23	615,755.51
TOTAL	3,453,943.01	3,199,330.24

4. Receivables

Balances as of October 31, 2015 are as follows:

Accounts	October	September
Accounts Receivable	₱ 2,363,031.95	2,021,476.40
Accounts Receivable - Others	174,319.15	167,394.15
Due from Officers and Employees	217,247.61	197,505.74
Due from Subsidiaries and Affiliates	100,000.00	100,000.00
Other Receivables	48,304.55	13,846.55
Other Receivable - Cash Variance (PY)	2,670,580.00	2,670,580.00
Total	5,573,483.26	5,170,802.84
Less: Allowance for Doubtful Accounts	(80,052.08)	(79,342.96)
NET REALIZABLE VALUE	5,493,431.18	5,091,459.88

Accounts receivables (water billing) are open receivables arising from services rendered to concessionaires identified to be residential, semi commercial and pure commercial for water sales and incidental services.

Accounts receivables (materials and others) are collectibles from customers for their unpaid application fee and material loan accounts.

To collect the dormant accounts the MMWD Management have taken the following actions,

- Outstanding balances of the concessionaires were offsetted with their Guaranty Deposits;
- The distribution of the First Demand Letters is to be completed within February 2015;
- After completing the distribution of the 1st demand letters, the 2nd demand letters will follow which are already notarized and copy furnished the Commission on Audit;
- Strict implementation of the one month disconnection policy to avoid accumulation of arrearages.

The Accounts Receivable - Cash Variance refers to the unsupported cash balance noted as of December 31, 2011, to wit:

Accounts	
Cash - Collecting Officer	₱ 533,495.00
Cash in Bank - Current Account	1,879,085.00
Cash in Bank - Savings Account	258,000.00
TOTAL	2,670,580.00

[Handwritten signature]

[Handwritten signature]

5. Inventories

This consists of the following inventory accounts:

Accounts	October	September
Office Supplies Inventory	P 146,763.55	140,781.71
Accountable Forms Inventory	294,724.68	97,073.80
Other Supplies Inventory	60,529.60	47,604.60
Spare Parts Inventory	1,387,462.87	1,149,888.72
Construction Materials Inventory	26,812.92	9,668.82
TOTAL	1,916,293.62	1,445,017.65

The spare parts inventory includes the supplies used for repairs and maintenance of the distribution lines, artesian wells, vehicles and other appurtenances of the District. This also includes PE tubes and water meter for new service connections.

6. Other Current Assets

These are taxes withheld by the concessionaires from their bill payments and deducted to the District's payable to Bureau of Internal Revenue as creditable withholding taxes.

7. Sinking Fund

This represents the joint savings account of LWUA and the District to pay loans granted by LWUA.

8. Property, Plant and Equipment

This account consists of the following as of October 31, 2015:

Accounts	October	September
Land	P 2,082,000.00	2,082,000.00
Office Building	1,178,275.09	1,178,275.09
Other Structures	69,509.80	69,509.80
Office Equipment	1,299,541.63	1,251,591.63
Furniture and Fixtures	283,670.70	283,670.70
IT Equipment and Software	1,020,480.40	1,020,480.40
Machinery	263,200.00	263,200.00
Communication Equipment	90,062.00	90,062.00
Other Machinery and Equipment	278,365.11	278,365.11
Motor Vehicle	2,383,365.99	2,383,365.99
Other Property and Equipment	4,100.00	4,100.00

Republic of the Philippines
METRO MIDSAYAP WATER DISTRICT
 007 Poblacion 8, Midsayap, Cotabato

Notes to Financial Statements

Accounts	October	September
Artesian Wells, Reservoir, PSs	41,233,392.61	41,115,247.50
Construction in Progress	295,405.46	367,845.40
Total	50,481,368.79	50,387,713.62
Less: Accumulated Depreciation	25,626,437.83	24,902,218.93
BOOK VALUE	24,854,930.96	25,485,494.69

The difference between the recorded property and equipment compared to the actual is caused by the following:

- Retired property and equipment were not taken out from the Accounting Records (i.e. Villarica Pumping Station with filtration and concrete small building) causing it to be materially misstated.
- Properties of other agencies previously recorded as property and equipment (i.e. communication equipment) but not taken out from the records upon surrendering it.
- Other structures, property and equipment cannot be verified further due to lack of supporting documents to attest the reliability and verifiability of the recorded property and equipment.

The Construction in Progress account is already re-classified to its particular Property and Equipment Account upon submission last July 14, 2014 of the District's Final Liquidation for the project funded by LWUA loan.

To further address this issue, the Accounting Group is now maintaining its own Property and Equipment Module (having the Actual Property and Equipment as its beginning inventory) to monitor receipts, releases and retirements of properties and equipment and semi-annual reconciliation will then be strictly observed to properly monitor such variances.

9. Government Agency Payables

This account consists of the following:

Accounts	October	September
Due to BIR	P 106,138.54	34,615.75
Due to GSIS	85,601.63	83,780.19
Due to HDMF	64,940.61	63,395.51
Due to PHIC	(9,088.18)	(10,663.18)
TOTAL	247,592.60	171,128.27

The negative balance in the Due to PHIC account is due to the unreconciled CY 2011 ending balances forwarded by the previous accountant due to lack of reconciliation between the two records before.

10. Other Current Liabilities

This consists of the guaranty deposits of the concessionaires upon application for water supply amounting to Php1,598,064.04 and Php1,541,164.08 as of October 31 and September 30, 2015 respectively. Furthermore, these deposits are to be paid back to the concessionaires when they opt to stop the water supply from the District (less all-outstanding balances on their water usage).

11. Loans Payable

This consists of loans availed from the LWUA for the different water system projects, as follows:

Balance as of September 30, 2015	P	13,773,305.70
Less: October 2015 Payments		<u>186,143.11</u>
Balance as of October 31, 2015	P	<u>13,587,162.59</u>
		=====

The payment represents only the principal portion of the loans. Furthermore, Board Resolution 066 series of 2013 dated August 19, 2013, A resolution approving the commitment of the Metro Midsayap Water District (MMWD) thru the Administrative, Finance and Commercial Section to pay the Local Water Utilities Administration (LWUA) Php350,000 monthly amortization starting September 2013 to August 2014. This is in connection with the restructuring of MMWD loans to LWUA to guarantee that the District is capable of paying LWUA of its loans.

And this is further amended by the issuance of Board Resolution 076 series of 2014 dated September 15, 2014, A resolution committing to remit Php350,000 monthly payments to the Local Water Utilities Administration (LWUA) from September 2014 to August 2015.

12. Deferred Credits

This account consists of advance payment from concessionaires and other deferred charges carried forward as reflected on the financial statement made by the previous accountant.

13. Income

Metro Midsayap Water District generates its income from the following sources:

- Income from Waterworks
 - Fines and Penalties
 - Other Business Income (i.e application and reconnection fee)
 - Miscellaneous Revenues (i.e. sale of materials, meter rental and others)
-

14. Business Income

The Business Income is composed of the following:

Particulars	October	September
Income from Waterworks System	3,272,905.26	2,499,200.52
Cost of Sales - Bulk Water Supply	(847,031.72)	(912,270.28)
Discounts and Free Waters	(3,690.94)	(2,982.96)
Other Business Income	224,347.90	157,381.35
Fines and Penalties - Business Income	84,731.65	78,970.83
NET BUSINESS INCOME	2,731,262.15	1,820,299.46

The Bulk Water Supply project started its operation in providing Metro Midsayap water District of potable water last February, 2014.

15. Tax Savings

Tax savings for the CY 2014 will be used to support the expansion projects of the District for the CY 2015.

16. Prior Year's Adjustment

Particulars	As of October
Payment of Final Benefits of MN Ardeñas for her separation to MMWD per DV#2014-7027M and CK#881995	(60,939.63)
Payment of Final Benefits of NS Urboda for her separation to MMWD per DV#2015-7131M and CK#882095	(25,397.24)
Payment of Final Pay of NS Urboda for her separation to MMWD per DV#2015-7177M and CK#882140	(4,414.92)
Payment of NSC refund due to re-assignment at DSWD Marvel, South Cotabato per DV#2015-7244M and CK#882197	(1,978.00)
Payment of Final Benefits of EL Agron for her separation to MMWD per DV#2015-4956L and CK#824124	(9,469.69)
Payment of Final Pay of EL Agron for her separation to MMWD per DV#2015-4980L and CK#824145	(1,417.02)
Reimbursement of plane fare for Manila to attend to LWUA sponsored seminar	4,000.00
Adjustment for salary of JC Tonzo due to error in step increment implementation per DV#2015-7400; C#882340	(3,806.06)
Recognition of balance for the re-imbusement of Plane Fare for the seminar per TO#2014-157 of ARG Zainal	3,562.76
Recognition of electric bill for APS 1 from July to December 2014	(146,683.86)
Adjustment per COA AOM 2015-004 (2014) - Earned Leave Credits	(1,602,814.98)
TOTAL	(1,849,358.64)

nothing follows

Dak

S