



Republic of the Philippines  
**COMMISSION ON AUDIT**  
Commonwealth Avenue  
Quezon City, Philippines

# **FINANCIAL AUDIT REPORT**

on the

**HAGONOY WATER DISTRICT**  
Hagonoy, Bulacan

For the Years Ended December 31, 2016 and 2015

# HAGONOY WATER DISTRICT

GUSALING KA BLAS F. OPLE

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## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Hagonoy Water District is responsible for all information representation contained in the Statement of Financial Position as of December 31, 2015 and 2016 and Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the years then ended. The financial statements have been prepared in conformity with applicable laws and regulations and generally accepted accounting principles applied on a consistent basis 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.

**ENGR. CELESTINO S. VENGCO**  
General Manager

**REMEDIOS R. OSORIO**  
Division Manager B-Finance

**HAGONOY WATER DISTRICT**  
**STATEMENT OF FINANCIAL POSITION**  
As of December 31, 2016  
(With Comparative Figures for CYs 2015 and 2014)

	2016	2015	2014
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents (Note 3)	P28,286,070.76	P13,646,475.32	P9,420,099.08
Receivables (Note 4)	9,395,739.43	9,082,674.70	8,026,691.67
Inventories (Note 5)	1,590,074.29	1,856,296.97	1,791,124.07
Prepayments and Other Charges	333,343.50	334,153.00	379,356.50
Guaranty Deposits (Note 6)	1,879,261.48	1,823,101.48	1,700,880.67
<b>Total Current Assets</b>	<b>41,484,489.46</b>	<b>26,742,701.47</b>	<b>21,318,151.99</b>
<b>Non Current Assets</b>			
Sinking Fund (Note 7)	1,116,107.29	814,159.35	512,829.92
Property, Plant and Equipment (Note 8)	108,044,010.18	104,185,978.29	96,915,146.26
Other Assets (Note 9)	453,814.88	453,814.88	453,814.88
<b>Total Non-Current Assets</b>	<b>109,613,932.35</b>	<b>105,453,952.52</b>	<b>97,881,791.06</b>
<b>TOTAL ASSETS</b>	<b>P151,098,421.81</b>	<b>P132,196,653.99</b>	<b>P119,199,943.05</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	2,189,111.05	3,055,533.99	1,073,720.04
Inter-Agency Payables (Note 10)	14,798,095.28	16,075,467.50	1,317,046.01
Other Current Liabilities	103,800.00	88,300.00	94,500.00
<b>Total Current Liabilities</b>	<b>17,091,006.33</b>	<b>19,219,301.49</b>	<b>2,485,266.05</b>
<b>Non Current Liabilities</b>			
Loans Payable (Note 11)	15,018,518.25	17,483,345.09	18,951,090.33
Other Deferred Credits	55,035.00	55,260.00	55,380.00
<b>Total Non-Current Liabilities</b>	<b>15,073,553.25</b>	<b>17,538,605.09</b>	<b>19,006,470.33</b>
<b>TOTAL LIABILITIES</b>	<b>32,164,559.58</b>	<b>36,757,906.58</b>	<b>21,491,736.38</b>
<b>EQUITY</b>			
Government Equity	190,844.59	190,844.59	190,844.59
Retained Earnings	118,743,017.64	95,247,902.82	97,517,362.08
<b>TOTAL EQUITY</b>	<b>118,933,862.23</b>	<b>95,438,747.41</b>	<b>97,708,206.67</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P151,098,421.81</b>	<b>P132,196,653.99</b>	<b>P119,199,943.05</b>

*See Accompanying Notes to Financial Statements.*

**HAGONOY WATER DISTRICT**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the Year Ended December 31, 2016  
 (With Comparative Figures for CYs 2015 and 2014)

	2016	2015	2014
<b>INCOME</b>			
Income from Waterworks/Irrigation	P100,772,553.24	P93,211,548.82	P89,614,639.46
Fines and Penalties	5,286,114.71	5,191,571.82	4,909,609.90
Other Business and Service Income	1,817,273.29	2,031,798.54	1,381,631.56
Interest/Miscellaneous Revenue	79,104.82	48,211.16	35,422.62
Rent Income	591,150.00	650,988.00	883,700.00
<b>Total Income</b>	<b>108,546,196.06</b>	<b>101,134,118.34</b>	<b>96,825,003.54</b>
<b>EXPENSES</b>			
Personal Services (Note 12)	37,176,525.34	40,973,818.67	45,924,979.46
Maintenance and Other Operating Expenses (Note 13)	43,147,393.45	43,839,884.35	41,967,619.58
Financial Expenses	1,185,525.01	1,348,980.14	1,237,493.31
<b>Total Expenses</b>	<b>81,509,443.80</b>	<b>86,162,683.16</b>	<b>89,130,092.35</b>
<b>NET INCOME</b>	<b>P27,036,752.26</b>	<b>P14,971,435.18</b>	<b>P7,694,911.19</b>

*See Accompanying Notes to Financial Statements.*

**HAGONOY WATER DISTRICT**  
**STATEMENT OF CHANGES IN EQUITY**  
For the Year Ended December 31, 2016  
(With Comparative Figures for CYs 2015 and 2014)

	2016	2015	2014
<b>Government Equity</b>	<b>₱190,844.59</b>	<b>₱190,844.59</b>	<b>₱190,844.59</b>
<b>Retained Earnings</b>			
Beginning Balance	95,247,902.82	97,517,362.08	90,926,668.56
Prior Years' Adjustments	(3,541,637.44)	(17,240,894.44)	(1,104,217.67)
Net Income for the year	27,036,752.26	14,971,435.18	7,694,911.19
<b>Total</b>	<b>118,743,017.64</b>	<b>95,247,902.82</b>	<b>97,517,362.08</b>
<b>TOTAL EQUITY</b>	<b>₱118,933,862.23</b>	<b>₱95,438,747.41</b>	<b>₱97,708,206.67</b>

*See accompanying Notes to Financial Statements.*

**HAGONOY WATER DISTRICT**  
**STATEMENT OF CASH FLOWS**  
For the Year Ended, December 31, 2016  
(With Comparative Figures for CYs 2015 and 2014)

	2016	2015	2014
<b>Cash Flows from Operating Activities</b>			
<b>Cash Inflows:</b>			
Collection of Receivables	P105,446,783.15	P97,389,884.49	P94,791,616.47
Collection of Income	1,492,323.19	2,236,393.14	1,385,876.12
Collection of Loan Amortization - SCL	1,010,585.19	1,980,760.94	3,085,476.49
Interest from Deposits	77,156.88	47,624.20	35,918.26
Income from Rent	591,150.00	676,488.00	896,700.00
Payt. Of electric cons. From stall owners	182,021.18	243,510.49	270,950.35
Gain/Loss on Sale of Disposed Asset	0.00	60,000.00	0.00
PNB-Retirement Fund	4,800,000.00	4,800,000.00	4,800,000.00
Others	525,300.72	615,731.29	439,243.39
<b>Total Cash Inflows</b>	<b>114,125,320.31</b>	<b>108,050,392.55</b>	<b>105,705,781.08</b>
<b>Cash Outflows:</b>			
Payment of operating expenses	53,047,012.50	58,989,887.64	62,734,496.65
Due from Officers and Employees	13,800.00	11,800.00	13,600.00
Acquisition of Motor Vehicle	0.00	2,250,785.71	1,593,818.93
Acquisition of Other Prop., Plant and Equipt.	9,863,751.33	3,904,115.68	5,472,932.24
Purchase of Office Equipt., Furn. and Fixtures	0.00	869,390.14	0.00
Water Meters	922,767.86	809,196.43	1,400,748.21
Payment of payables	2,567,489.58	396,075.23	983,667.74
Purchase of M/S, Med. Dental, Lab. Supplies	1,351,130.56	1,399,477.33	1,149,820.28
Remittance of GSIS/PAG-IBIG/withholding taxes	18,625,224.45	18,446,149.87	20,585,808.43
Prior Year's Adjustment	3,175,783.16	1,684,281.92	1,126,370.76
Retirement Fund	4,800,000.00	4,800,000.00	4,800,000.00
Prepayment	333,343.50	334,153.00	324,356.50
Semi-Expendable Items	132,387.16	148,259.62	119,619.13
Performance/Bidders/Bailbond Payable	95,550.00	0.00	0.00
Others	385,460.82	798,237.07	407,552.36
<b>Total Cash Outflows</b>	<b>95,313,700.92</b>	<b>94,841,809.64</b>	<b>100,712,791.23</b>
<b>Cash Provided by (Used in) Operating Activities</b>	<b>18,811,619.39</b>	<b>13,208,582.91</b>	<b>4,992,989.85</b>
<b>Cash Flows from Investing Activities</b>			
<b>Cash Outflows :</b>			
Reserve-HWD/LWUA	300,000.00	300,353.52	300,000.00
Construction in Progress	253,491.10	5,896,873.77	12,798,869.46
<b>Total Cash Outflows</b>	<b>553,491.10</b>	<b>6,197,227.29</b>	<b>13,098,869.46</b>
<b>Cash (Used in) Investing Activities</b>	<b>(553,491.10)</b>	<b>(6,197,227.29)</b>	<b>(13,098,869.46)</b>
<b>Cash Flows from Financing Activities</b>			
<b>Cash Inflows:</b>			
Proceeds from Borrowings	0.00	955,200.00	13,038,750.00
<b>Total Cash Inflows</b>	<b>0.00</b>	<b>955,200.00</b>	<b>13,038,750.00</b>
<b>Cash Outflows:</b>			
Cash payment of interest on loans/bonds payable and other financial charges	1,181,825.01	1,338,530.14	1,352,726.23
Payments of domestic and foreign loans	2,436,707.84	2,401,649.24	5,108,598.69
<b>Total Cash Outflows</b>	<b>3,618,532.85</b>	<b>3,740,179.38</b>	<b>6,461,324.92</b>
<b>Cash Provided by (Used in) Financing Activities</b>	<b>(3,618,532.85)</b>	<b>(2,784,979.38)</b>	<b>6,577,425.08</b>
<b>Net Cash Provided by (Used in) Operating, Investing and Financing Activities</b>	<b>14,639,595.44</b>	<b>4,226,376.24</b>	<b>(1,528,454.53)</b>
<b>Add: Cash and Cash Equivalents - Beg.</b>	<b>13,646,475.32</b>	<b>9,420,099.08</b>	<b>10,948,553.61</b>
<b>Cash and Cash Equivalents, Ending (Note 3)</b>	<b>P28,286,070.76</b>	<b>P13,646,475.32</b>	<b>P9,420,099.08</b>

*See Accompanying Notes to Financial Statements.*