



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue
Quezon City

INDEPENDENT AUDITOR'S REPORT

**The Board of Directors
Mapandan Water District
Mapandan, Pangasinan**

Report on the Financial Statements

We have audited the financial statements of Mapandan Water District, which comprise the statement of financial position as at December 31, 2019, and the statement of comprehensive income, statement of changes in net assets/equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Basis for Qualified Opinion

The Other Assets Account reflected in the Financial Position of the District was significantly overstated by ₱8,423,247.68 thereby affecting the fair presentation of the Financial Position of the District as of the given period contrary to Philippine Accounting Standards (PAS) No.1.

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities of the Audit of the Financial Statements* section of our report. We are independent of the agency in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with PFRSs, and for such internal control as management

determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

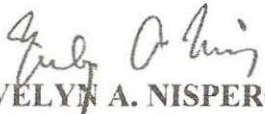
Those charged with governance are responsible for overseeing the District's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with ISSAIs will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

COMMISSION ON AUDIT

BY:


EVELYN A. NISPEROS
State Auditor V
Supervising Auditor

February 3, 2020

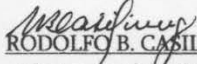
MAPANDAN WATER DISTRICT
Mapandan, Pangasinan

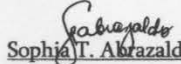
STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS


The management of the MAPANDAN WATER DISTRICT is responsible for the preparation of the financial statements as at December 31, 2019, including the additional components attached thereto in accordance with the prescribed financial reporting framework indicated therein. The responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements before such statements are issued to the regulators, creditors and other users.

The Commission on Audit has audited the financial statements of the Mapandan Water District in accordance with the International Standards of Supreme Audit Institutions and has expressed its opinion on the fairness of presentation upon completion of such audit, its report to the Board of Directors.


RODOLFO B. CASILANG
Chairman of the Board
JANUARY 28, 2020
Date Signed


Sophia T. Abrazaldo
Corporate Budget Specialist B
January 28, 2020
Date Signed


Engr. ISAGANI D. DACANAY
General Manager C
January 28, 2020
Date Signed

Republic of the Philippines
MAPANDAN WATER DISTRICT
Mapandan, Pangasinan
Statement of Financial Position
For the Year Ended December 31, 2019
(With Comparative Figures for 2018)

	Note	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents			
<i>Cash on Hand</i>	4		
Cash-Collecting Officer		P 3,774.85	P 30,436.70
Petty Cash		10,000.00	10,000.00
<i>Cash in bank-Local Currency</i>			
Cash in bank-Local Currency,Current Account		397,689.07	904,523.13
Cash in bank- Local Currency,Savings Account		11,989,165.21	12,430,946.20
Total Cash and Cash Equivalents		<u>12,400,629.13</u>	<u>13,375,906.03</u>
Investments	5		
<i>Investments in Joint Venture</i>			
Investment in Joint Venture		62,025,839.12	-
<i>Sinking Fund</i>			
Sinking Fund		10,041,078.23	7,115,168.73
Total Investments		<u>72,066,917.35</u>	<u>7,115,168.73</u>
Receivables			
<i>Loans and Receivable Accounts</i>			
Accounts Receivables	6	243,864.73	306,271.69
Allowance for Impairment of AR		(129,149.12)	(129,149.12)
<i>Other Receivables</i>			
Receivables-Disallowances/Charges		-	24,874.04
Due from officers and employees		40,000.00	67,000.00
Other Receivables	7	10,210.00	10,210.00
Total Receivables		<u>164,925.61</u>	<u>279,206.61</u>
Inventories	8		
<i>Inventory held for consumption</i>			
Office Supplies Inventory		-	-
Accountable Forms, Plates, Stickers Inventory		187,914.71	130,143.10
Chemical and Filtering Supplies Inventory		-	439,525.00
Other supplies and materials Inventory		-	1,558,616.04
<i>Semi-Expendable-Machinery and Equipment</i>			
Semi-Expendable-Office Equipment		25,500.00	84,050.25
Semi-Expendable-Printing Equipment		-	4,121.00
Semi-Expendable-Other Machinery & Equipment		-	85,711.00
<i>Semi-Expendable-Furniture, Fixtures and Books</i>			
Semi-Expendable-Furnitures and Fixtures		-	67,476.08
Total Inventories		<u>213,414.71</u>	<u>2,369,642.47</u>
Property, Plant, & Equipment	9		
<i>Land</i>			
Land		4,916,050.00	4,391,050.00
<i>Infrastructures Assets</i>			
Plant-Utility Plant in Service (UPIS)		-	45,362,955.52
Plant-Utility Plant in Service (UPIS)		20,437,624.25	64,061,378.13
Accumulated Depreciation-Plant (UPIS)		20,437,624.25	18,698,422.61

<i>Buildings and Other Structures</i>			
Buildings, net		-	3,742,923.09
Buildings		632,812.68	4,289,937.05
Accumulated Depreciation-Buildings		632,812.68	547,013.96
Water Plant, Structures & Improvement, net		-	2,573,921.43
Water Plant Structures & Improvement		188,169.32	2,707,932.11
Accumulated Depreciation		188,169.32	134,010.68
<i>Machinery & Equipment</i>			
Office Equipment, net		355,773.26	442,383.73
Office Equipment		1,259,688.68	1,343,156.45
Accumulated Depreciation		903,915.42	900,772.72
Information & Communication Technology Equip, net		21,750.00	21,750.00
Information & Communication Technology Equip		217,500.00	217,500.00
Accumulated Depreciation		195,750.00	195,750.00
Printing Equipment, net		-	52,500.00
Printing Equipment		28,125.00	75,000.00
Accumulated Depreciation		28,125.00	22,500.00
Sports Equipment, net		39,266.50	102,423.30
Sports Equipment		120,498.00	120,498.00
Accumulated Depreciation		81,231.50	18,074.70
Other machinery and Equipment, net		-	2,984,324.52
Other Machinery & Equipment		3,437,126.78	6,160,255.00
Accumulated Depreciation		3,437,126.78	3,175,930.48
<i>Transportation Equipment</i>			
Motor Vehicle, net		981,469.50	1,407,316.57
Motor Vehicle		2,651,097.22	2,864,900.00
Accumulated Depreciation		1,669,627.72	1,457,583.43
<i>Furniture, Fixtures and Books</i>			
Furniture & Fixtures, net		145,307.83	186,695.76
Furniture & Fixtures		259,932.00	259,932.00
Accumulated Depreciation		114,624.17	73,236.24
<i>Construction in Progress</i>			
Construction in Progress-Infrastructure Assets		-	-
Construction in Progress-Buildings & Other Structures		-	-
Total Property Plant & Equipment		6,459,617.09	61,268,243.92
Intangible Assets	10		
Computer Software, net			
Computer Software		335,000.00	305,000.00
Accumulated Amortization		125,325.00	68,625.00
Total Intangible Assets		209,675.00	236,375.00
Other Assets	11		
Other Assets		13,835,488.14	13,835,488.14
Total Other Assets		13,835,488.14	13,835,488.14
TOTAL ASSETS		P 105,350,667.03	P 98,480,030.90

LIABILITIES

Financial Liabilities	12		
<i>Payables</i>			
Accounts Payable		12,298.24	24,178.28
Total Financial Liabilities		12,298.24	24,178.28
Inter-Agency Payables			
<i>Inter-Agency Payables</i>	13		
Due to BIR		34,804.36	83,927.94
Due to GSIS			-
Due to Pagibig		-	1,199.19
Due to Philhealth			-
Total Inter-Agency Payables		34,804.36	85,127.13
Trust Liabilities			
Guaranty/Security Deposits Payable	14	432,097.85	-
Customer's Deposits payable	15	1,025,475.00	955,248.32
Total Trust Liabilities		1,457,572.85	955,248.32
Other Payables			
Other Payables	16	1,499.97	16,567.83
Total Other Payables		1,499.97	16,567.83
Bills/Bonds/Loans Payable	17		
Loans Payable-Domestic (4-4231)		16,821,998.00	17,961,165.00
Loans Payable- Domestic (9-0605)		704,738.00	738,698.00
Loans Payable- Domestic (9-0605)		12,842,763.00	13,387,335.00
Total Bills/Bonds/Loans Payable		30,369,499.00	32,087,198.00
Total Liabilities		31,875,674.42	33,168,319.56
<u>EQUITY</u>			
Government Equity	18	17,812,466.20	17,812,466.20
Contributed Capital		850,000.00	850,000.00
Retained Earnings/(Deficit)	19	54,812,526.41	46,649,245.14
Total Capital		73,474,992.61	65,311,711.34
TOTAL LIABILITIES AND CAPITAL		P 105,350,667.03	P 98,480,030.90

(See accompanying Notes to Financial Statements)

Republic of the Philippines
MAPANDAN WATER DISTRICT
Mapandan, Pangasinan
Statement of Comprehensive Income
For the Year Ended December 31, 2019
(With Comparative Figures for 2018)

	<u>Note</u>	<u>2019</u>	<u>2018</u>
<u>Service and Business Income</u>			
<i>Service Income</i>			
Waterworks System fees	20	P 25,832,607.10	P 32,150,592.41
<i>Business Income</i>			
Sales Revenue		12,849.98	39,023.06
Fines & Penalties-Business Income		314,894.30	384,535.96
Revenue of JV Share		3,969,152.32	-
Interest Income		18,928.97	15,423.56
Other Business Income		43,275.00	70,385.00
Miscellaneous Income		11,400.00	7,990.00
GROSS INCOME		<u>30,203,107.67</u>	<u>32,667,949.99</u>
Less Expenses	21		
<u>Personal Services</u>			
<i>Salaries and Wages</i>			
Salaries & Wages- Regular		4,125,424.00	4,515,252.00
Salaries and wages-Casual/Contractual		545,504.65	542,462.47
<i>Other Compensation</i>			
Personnel Economic Relief Allowance (PERA)		448,000.00	552,000.00
Representation Allowance (RA)		83,375.00	105,750.00
Transportation Allowance (TA)		83,375.00	105,750.00
Clothing & Uniform Allowances		138,000.00	138,000.00
Honoraria		413,310.00	-
Overtime and Night Pay		43,912.31	58,929.05
Year-End Bonus		916,298.60	835,770.00
Cash Gift		114,500.00	115,000.00
Director's Fee and Committee Expenses		51,000.00	430,560.00
Other bonus & Allowances		136,000.00	583,155.00
<i>Personnel Benefit Contributions</i>			
Retirement and Life Insurance Premium		555,903.80	602,357.62
PAG IBIG contribution		112,000.00	138,000.00
PHILHEALTH contribution		52,329.43	60,386.46
Employees Compensation Insurance premiums		22,400.00	27,599.24
<i>Other Personnel Benefits</i>			
Terminal Leave Benefits		1,399,472.09	-
Total Personal Services		<u>9,240,804.88</u>	<u>8,810,971.84</u>
<u>Maintenance and Other Operating Expenses</u>			
<i>Traveling Expenses</i>			
Traveling Expenses-Local		107,308.28	171,101.68
<i>Training and Scholarship Expenses</i>			
Training Expenses		77,400.00	134,382.00
<i>Supplies and Materials Expenses</i>			
Office Supplies Expense		265,683.07	293,133.54
Accountable Forms Expenses		140,028.39	129,240.55
Fuel, Oil & Lubricants Expenses		276,874.41	398,561.25
Chemical and Filtering Supplies Expenses		971,965.00	871,175.00
Semi-expendable-Machinery & Equipment Expenses		173,882.25	59,390.00
Semi-expendable- Furnitures, Fixtures and Books Expenses		67,476.08	246,136.75
Other supplies and Materials Expenses		126,690.39	331,884.86

	<u>2019</u>	<u>2018</u>
Communications Expenses		
Postage and Courier Services	7,625.00	3,501.00
Telephone Expenses	162,627.31	276,368.06
Cable, Satellite Telegraph & Radio Expenses	-	-
Generation, Transmission & Distribution Expenses		
Generation, Transmission & Distribution Expenses	2,390,634.45	3,238,650.39
Confidential, Intelligence and Extraordinary Expenses		
Extraordinary & Miscellaneous Expenses	70,860.00	98,400.00
Professional Services		
Legal Services	16,000.00	30,000.00
Auditing Services	282,379.28	377,118.94
General Services		
Environment/Sanitary Services	40,140.00	65,450.00
Security Services	330,480.00	282,613.33
Repairs and Maintenance		
Repairs and Maintenance-Infrastructure Assets	717,737.22	460,214.55
Repairs and Maintenance-Buildings & Other Structures	22,490.00	302,166.00
Repairs and Maintenance-Machinery & Equipment	68,594.00	144,988.00
Repairs and Maintenance-Transportation Equipment	249,847.33	319,994.39
Repairs and Maintenance-Semi-expendable Mach & Equip	-	2,050.00
Taxes, Insurance Premiums and Other Fees		
Taxes, Duties & Licenses	691,201.71	543,384.39
Fidelity Bonds Premiums	25,500.00	27,750.00
Insurance Expense	128,612.69	131,753.80
Labor and Wages		
Labor and Wages	139,650.00	526,450.00
Other Maintenance and Operating Expenses		
Advertising, Promotional & Marketing Expense	30,468.00	5,000.00
Printing and Publication Expense	20,963.00	87,831.71
Representation Expenses	128,850.50	148,070.72
Membership dues and Contribution to organization	5,076.00	29,129.00
Donations	-	6,000.00
Other MOOE	773,974.04	655,535.12
Total Maintenance and Operating Expenses	<u>8,511,018.40</u>	<u>10,397,425.03</u>
Financial Expenses		
Interest Expenses	1,693,388.00	1,632,719.00
Bank Charges	-	-
Total Financial Expenses	<u>1,693,388.00</u>	<u>1,632,719.00</u>
Non-Cash Expenses		
Depreciation		
Depreciation - Infrastructure Assets	1,739,201.64	2,953,117.56
Depreciation - Buildings & Other Structure	139,957.36	195,374.01
Depreciation - Machinery & Equipment	333,120.80	739,502.85
Depreciation - Transportation Equipment	212,044.29	236,346.48
Depreciation - Furniture & Fixtures	41,387.93	35,047.56
Amortization		
Amortization-Intangible Assets	56,700.00	54,900.00
Impairment Loss		
Impairment Loss-Loans and Receivable	-	6,982.97
Total Non-Cash Expenses	<u>2,522,412.02</u>	<u>4,221,271.43</u>
TOTAL EXPENSES	<u>21,967,623.30</u>	<u>25,062,387.30</u>
NET INCOME (LOSS) BEFORE INCOME TAXES	P <u>8,235,484.37</u>	P <u>7,605,562.69</u>

(See accompanying Notes to Financial Statements)

Republic of the Philippines
MAPANDAN WATER DISTRICT
Mapandan, Pangasinan
STATEMENT OF CHANGES IN EQUITY
As of December 31, 2019
(With Comparative Figures for 2018)

	2019	2018
Government Equity		
Balance at beginning of period	P 17,812,466.20	P 17,812,466.20
Additions/Deductions	-	-
Balance at end of period	17,812,466.20	17,812,466.20
Other Paid in Capital		
Balance at beginning of period	850,000.00	850,000.00
Part of NLIF Fund (Grant)	-	-
Balance at end of period	850,000.00	850,000.00
Donated Capital		
Balance at beginning of period	-	-
Additions/Deductions	-	-
Balance at end of period	-	-
Retained Earnings		
Balance at beginning of period	46,649,245.14	51,091,682.45
Prior period adjustment		
Grant of NLIF converted to Soft-loan		(12,048,000.00)
Adjustment of Customer's deposit	(70,226.68)	
Adjustment of ND (2019-35 to 40)	8,100.00	
Adjustment of Dormant Receivables	(12,974.92)	
Adjustment of Stale Check	2,898.50	(72,203.10)
Net Income/loss for the period	8,235,484.37	7,605,562.69
Balance at end of period	54,812,526.41	46,649,245.14
TOTAL EQUITY	P 73,474,992.61	P 65,311,711.34
	-	-

Republic of the Philippines
MAPANDAN WATER DISTRICT
Mapandan, Pangasinan
Statement of Cash Flows
For the Year Ended December 31, 2019
(With Comparative Figures for 2018)

	<u>2019</u>	<u>2018</u>
CASH FLOWS from OPERATING ACTIVITIES:		
Cash Inflows:		
Collection of Water Bills	P 24,940,722.86	P 30,552,122.61
Collection of Service Application Fees	821,061.91	1,478,360.00
Collection of Fines and Penalties	317,602.24	384,535.96
Collection of Interest Income, Net	12,206.51	10,471.41
Collection Other Receivables	8,694.34	22,294.25
Collection on Sale of Materials/Fittings	33,366.00	73,878.00
Collection on other busines income	43,275.00	77,125.00
Refund of advances for payroll/officers and employees	75,123.33	154,304.68
Share in Joint Venture	3,969,152.32	-
Other miscellenaous income	11,400.00	
Adjustment-RE-prior years	2,898.50	
Total Cash Inflows:	<u>30,235,503.01</u>	<u>32,753,091.91</u>
Cash Outflows:		
Payment of personnel services	8,052,167.41	8,385,911.78
Payment of other operating expenses	6,425,963.99	7,145,362.90
Payment of Materials and supplies	2,635,659.16	4,108,924.12
Payment of Advances	464,917.79	564,303.54
Payment of Payables	23,299.99	209,771.08
Remittances of Withholding Taxes	612,226.14	465,949.90
Remittances of GSIS/Pag-Ibig/Philhealth, others)	960,624.55	829,534.57
Total Cash Outflows:	<u>19,174,859.03</u>	<u>21,709,757.89</u>
Total Cash Provided (USED) by Operating Activities	<u>11,060,643.98</u>	<u>11,043,334.02</u>
CASH FLOWS from INVESTING ACTIVITIES:		
Cash Inflows:		
Disposal or sale of Marketable Securities	-	-
Disposal or sale of PPE	-	-
Dividends	-	-
Total Cash Inflows:	<u>-</u>	<u>-</u>
Cash Outflows:		
Construction Work in Progress	4,968,671.84	1,129,273.72
Property, Plant & Equipment	736,975.00	1,564,928.79
Payment for Withdrawal of ServiceApplication Fee	-	-
Transfer to Reserve Fund	2,919,187.04	1,938,406.26
Total Cash Outflows:	<u>8,624,833.88</u>	<u>4,632,608.77</u>
Total Cash Provided (USED) by Investing Activities:	<u>(8,624,833.88)</u>	<u>(4,632,608.77)</u>
CASH OUTFLOWS from FINANCING ACTIVITIES:		
Cash Inflows:		
Borrowings (NLIF)	-	-
Paid Up Capital (NLIF)	-	-
Total Cash Inflows:	<u>-</u>	<u>-</u>
Cash Outflows:		
Payment of loan (LWUA)	3,411,087.00	2,943,360.00

Total Cash Outflows:	<u>3,411,087.00</u>	<u>2,943,360.00</u>
Total Cash Provided (USED) by Financing Activities:	<u>(3,411,087.00)</u>	<u>(2,943,360.00)</u>
NET CASH INFLOW (OUTFLOW) PROVIDED BY OPERATING, INVESTING & FINANCING	(975,276.90)	3,467,365.25
Add: Cash & Cash Equivalent - Beginning	13,375,906.03	9,908,540.78
Adjustments	-	
CASH & CASH EQUIVALENT- ENDING	P <u>12,400,629.13</u>	P <u>13,375,906.03</u>

BREAKDOWN OF CASH & CASH EQUIVALENT

Cash - collecting officer	3,774.85	30,436.70
Petty Cash	10,000.00	10,000.00
Cash in Bank-Local Currency - Checking (2642-1027-64)	397,689.07	904,523.13
Cash in Bank-Local Currency -Savings (2641-0461-78)	11,989,165.21	12,430,946.20
	P <u>12,400,629.13</u>	P <u>13,375,906.03</u>
	-	-