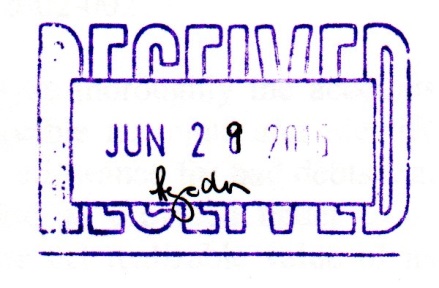
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|  | Republic of the Philippines  **COMMISSION ON AUDIT**  **Regional Office No. X**  J.V. Serina Street, Carmen, Cagayan de Oro City  *Republic of the Ph* |

June 16, 2015

**ENGR. LIONEL ALFREDO A. INFANTE**

General Manager

Kolambugan Water District

Kolambugan, Lanao del Norte

Dear Manager Infante:

We are pleased to transmit the Financial Audit Report on the audit of **KolambuganWater District**, Tubod, Lanao del Norte, for the year ended December 31, 2014, in compliance with Section 43 of Presidential Decree No. 1445 otherwise known as the Government Auditing Code of the Philippines.

The audit was aimed at ascertaining the propriety of financial transactions, compliance by the District with prescribed laws rules and regulations, the accuracy of financial records and reports and ultimately the fairness of presentation of the financial statements. Further, the audit was conducted in accordance with the generally accepted auditing standards and we believe that it provides reasonable basis for the results of the audit.

The report consists of four (4) parts, Part I – Audited Financial Statements, Part II –Observations and Recommendations, Part III – Status of Implementation of Prior Year’s Audit Recommendations, which were discussed with concerned management officials and staff, and Part IV – the Annexes.

We conducted our audit in accordance with Philippine Public Sector Standards on Auditing and we believe that it provided a reasonable basis for the audit results.

The Auditor rendered a qualified opinion on the fairness of presentation of the financial statements because the effect of the deviation from the prescribed procedures materially affected the account balances. Two (2) of the significant observations contained in the report and which were discussed with the concerned officials and employees of the District during the exit conference conducted on February 17, 2015 are enumerated below followed immediately by the corresponding recommendations:

1. The book balance of Property, Plant and Equipment (PPE) accounts totaling P15,852,884.57 and their Accumulated Depreciations totaling P7,412,872.49 were overstated due to inclusion of small items, contrary to COA Circular No. 2005-002.

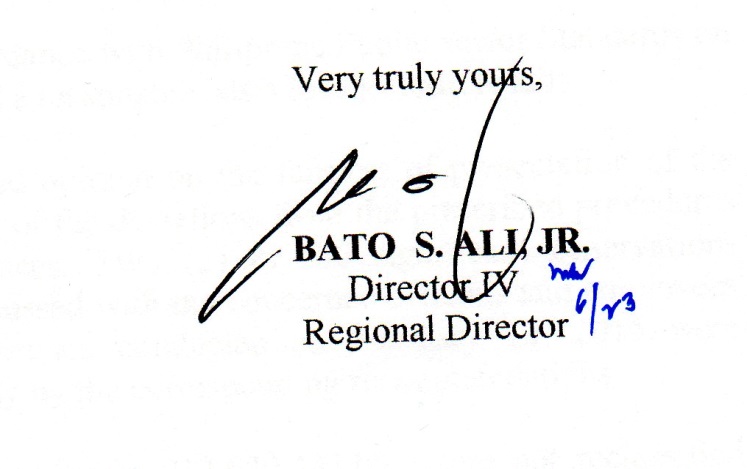
We recommended and Management agreed to direct its Accounting office to comply with COA Circular No. 2005-002 and make the necessary adjustments in the books.

2. Accounts Receivable amounting to P335,198.79 was not properly stated at its net realizable value due to the District’s failure to provide for the correct allowance for doubtful accounts contrary to COA Circular No. 2002-002.

We recommended and Management agreed to analyze thoroughly the accounts receivable-customers account, other accounts receivable accounts and identify intervening factors in order to estimate correctly the allowance for bad debts that should be provided and recognized for each period as provided under COA Circular No. 2002-002 to come up with an accurate net realizable value of its Accounts Receivable in the financial statements.

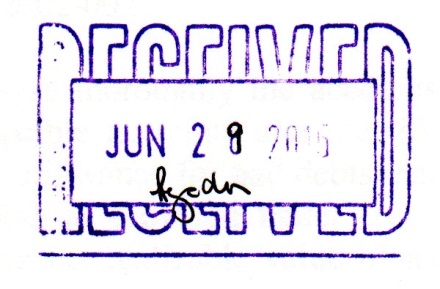
We request that a status report, thru accomplishing the attached Agency Action Plan and Status of Implementation form, on the actions taken on the audit recommendations be submitted within sixty days from receipt of this report, pursuant to Section 88 of the General Provisions of the General Appropriations Act FY 2014.

We aprpreciate the invaluable support and cooperation extended by the officials and staff of that Agency to the Audit Team during the audit engagement.



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|  | Republic of the Philippines  **COMMISSION ON AUDIT**  **Regional Office No. X**  J.V. Serina Street, Carmen, Cagayan de Oro City |

June 16, 2015



**DR. VICENTE B. MEJORADA**

Chairman of the Board of Directors

Kolambugan Water District

Kolambugan, Lanaodel Norte

Sir:

We are pleased to transmit the Financial Audit Report on the audit of **Kolambugan Water District**, Tubod, Lanao del Norte, for the year ended December 31, 2014, in compliance with Section 43 of Presidential Decree No. 1445 otherwise known as the Government Auditing Code of the Philippines.

The audit was aimed at ascertaining the propriety of financial transactions, compliance by the District with prescribed laws rules and regulations, the accuracy of financial records and reports and ultimately the fairness of presentation of the financial statements. Further, the audit was conducted in accordance with the generally accepted auditing standards and we believe that it provides reasonable basis for the results of the audit.

The report consists of four (4) parts, Part I – Audited Financial Statements, Part II –Observations and Recommendations, Part III – Status of Implementation of Prior Year’s Audit Recommendations, which were discussed with concerned management officials and staff, and Part IV – the Annexes.

We conducted our audit in accordance with Philippine Public Sector Standards on Auditing and we believe that it provided a reasonable basis for the audit results.

The Auditor rendered a qualified opinion on the fairness of presentation of the financial statements because the effect of the deviation from the prescribed procedures materially affected the account balances. Two (2) of the significant observations contained in the report and which were discussed with the concerned officials and employees of the District during the exit conference conducted on February 17, 2015 are enumerated below followed immediately by the corresponding recommendations:

1. The book balance of Property, Plant and Equipment (PPE) accounts totaling P15,852,884.57 and their Accumulated Depreciations totaling P7,412,872.49 were overstated due to inclusion of small items, contrary to COA Circular No. 2005-002.

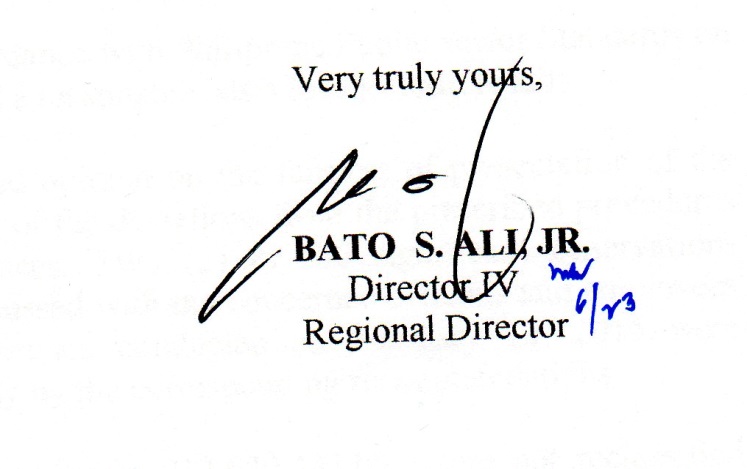
We recommended and Management agreed to direct its Accounting office to comply with COA Circular No. 2005-002 and make the necessary adjustments in the books.

2. Accounts Receivable amounting to P335,198.79 was not properly stated at its net realizable value due to the District’s failure to provide for the correct allowance for doubtful accounts contrary to COA Circular No. 2002-002.

We recommended and Management agreed to analyze thoroughly the accounts receivable-customers account, other accounts receivable accounts and identify intervening factors in order to estimate correctly the allowance for bad debts that should be provided and recognized for each period as provided under COA Circular No. 2002-002 to come up with an accurate net realizable value of its Accounts Receivable in the financial statements.

We request that a status report, thru accomplishing the attached Agency Action Plan and Status of Implementation form, on the actions taken on the audit recommendations be submitted within sixty days from receipt of this report, pursuant to Section 88 of the General Provisions of the General Appropriations Act FY 2014.

We aprpreciate the invaluable support and cooperation extended by the officials and staff of that Agency to the Audit Team during the audit engagement.



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|  | Republic of the Philippines  **COMMISSION ON AUDIT**  Regional Office No. X  Cagayan de Oro City |

**OFFICE OF THE SUPERVISING AUDITOR**

**Water Districts**

March 2, 2015

**ATTY. BATO S. ALI, JR.**

Regional Director

Commission on Audit

Regional Office No. X

Cagayan de Oro City

Sir:

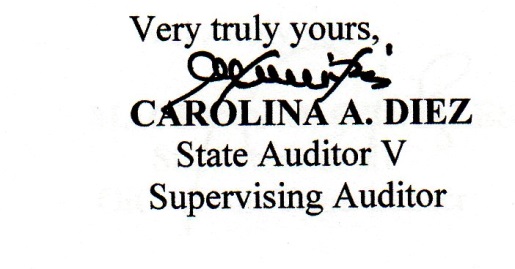
In compliance with Section 2, Article IX-D of the Philippine Constitution and pertinent provisions of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines, we audited the accounts and operations of **Kolambugan Water District, Kolambugan, Lanao del Norte** for the year ended December 31, 2014.

The audit was conducted to ascertain the propriety of the agency’s financial transactions; its compliance with laws, rules and regulations; and the efficiency of its operations. It was also conducted to ascertain the accuracy of the financial records and reports and the fairness of presentation of the financial statements.

Our report consists of four (4) parts, namely, Part I – Audited Financial Statements, Part II – Observations and Recommendations, Part III – Status of Implementation of Prior Years’ Audit Recommendations and Part IV - Annexes. The observations and recommendations were communicated to Management thru Audit Observation Memorandum and discussed with management officials and staff. Their comments are included in the appropriate portion of this report.

There is reasonable assurance that the financial statements/records/reports are free of material misstatements and are prepared in accordance with Philippine Financial Reporting Standards (PFRS)/accounting principles generally accepted in the Philippines.

Our audit was conducted in accordance with the Philippine Standards on Auditing (PSA) and we believe that the audit evidence we have obtained provides reasonable basis for our audit opinion/report.



Republic of the Philippines



**COMMISSION ON AUDIT**

Region X, Cagayan de Oro City

***Team R10-05, CGS – Water District***

**OFFICE OF THE AUDIT TEAM LEADER**

February 24, 2015

**MS. CAROLINA A. DIEZ**

State Auditor V

Supervising Auditor

CGS-Water District& other

Stand alone Agencies

Ma’am:

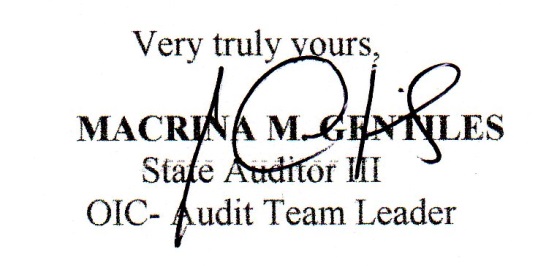
In compliance of Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, we audited the accounts and operations of the **Kolambugan Water District,** Kolambugan Lanao del Norte, for the year ended December 31, 2014.

The audit was conducted on a test basis to ascertain the propriety of financial transactions and compliance of the agency to prescribed rules and regulations. It was also made to ascertain the accuracy of financial records and reports and the fairness of the presentation of the financial statements.

Our attached report consists of four parts, Part I – Audited Financial Statements, Part II – Observations and Recommendations which were discussed with concerned management officials and staff during the exit conference conducted on February 17, 2015, Part III – Status of Implementation of Prior Year’s Recommendations, and Part IV – Annexes.

In our opinion, except for the effects of the matters discussed in Part II of this report, there is reasonable assurance that the financial statements are free from material misstatement(s) and were prepared in accordance with applicable laws, rules and regulations and in conformity with generally accepted state accounting principles.

Our audit was conducted in accordance with generally accepted state auditing standards, and we believe that it provides reasonable basis for the results of audit.



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

### ANNUAL AUDIT REPORT

#### **ON THE**

### KOLAMBUGAN WATER DISTRICT

###### Kolambugan, Lanao del Norte

**For the Year Ended December 31, 2014**

**EXECUTIVE SUMMARY**

**INTRODUCTION**

The Kolambugan Water District (KOLWD) is a Government-Owned and/or Controlled Corporation (GOCC) established on September 12, 1988 by virtue of PD 198, as amended, otherwise known as the Provincial Water Utilities Act of 1973.

At present, the water supply of the district comes from two sources, one is spring and the other two (2) are deep well sources. The source of spring water located at Barangay Kulasihan, which produce an average of 6 lps .The source flows by gravity to the ground reservoir . The benefit of this water supply system is now being enjoyed by the residents of twelve (12) barangays of the Municipality, namely: Poblacion, Karomatan, Titunod, Libertad, Baybay, Riverside ,Sucodan, Sto. Nino, Rebucon, Muntay, Kulasihan and Pantar 13.

The Management of the Kolambugan Water District is composed of a General Manager and seven (7) staff/employees and seven (7) Job Order personnel as watchmen at sources and reservoirs. The policy making body consists of five (5) directors who were appointed in accordance with the provisions of PD 198. The District has a rented office building located at Kolambugan, Lanao del Norte.

After 26th years of continued and uninterrupted operations, the KOLWD, mindful of its vision strive to fulfill its mandate of providing safe and adequate portable water to the community.

1. **HIGHLIGHTS OF FINANCIAL OPERATIONS**

A comparative presentation of the financial condition and results of operation of the Kolambugan Water District for CY 2014 is shown below:

**Financial Condition**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Calendar Year 2014 | Calendar Year 2013 | Increase/(Decrease) |
| Assets | ~~P~~10,754,488.31 | ~~P~~ 9,988,957.07 | ~~P~~ 765,531.24 |
| Liabilities | 9,791,305.47 | 8,886,261.72 | 905,043.75 |
| Residual Equity | 963,182.84 | ~~P~~1,102,694.35 | ~~P~~(139,512.51) |

**Results of Operations**

|  |  |  |  |
| --- | --- | --- | --- |
|  | ***2014*** | ***2013*** | ***Increase/(Decrease)*** |
| Income | ~~P~~ 5,457,716.06 | ~~P~~ 5,801,257.26 | ~~P (~~343,541.20) |
| Expenditures | 5,901,974.35 | 5,545,871.69 | 356,102.66 |
| Net Operating Income | ~~P~~( 444,258.29 ) | ~~P~~ 255,385.67 | ~~P~~ (699,643.86) |

1. **OPERATIONAL HIGHLIGHTS**

The district is serving a total population of 8,250 as of December 31, 2014. It has total service connections of 2,158 of which 1,786 are active, metered and billed. Total water sales billed for the year amounted to P5,246,320.73 and collected a total of ~~P~~5,135,723.53which includes collections for the current account, arrears-current year, arrears-previous years, water maintenance fees and surcharges.

For the year 2014, total water production of the district has reached 321,685 cubic meters, of which the total accounted water was only 279,881 cubic meters or 87.01% leaving an unaccounted balance of 41,804 cubic meters or 12.99%.

**C. SCOPE OF AUDIT**

An audit was conducted on the accounts and operations of Kolambugan Water District, Kolambugan, Lanao del Norte for the Calendar Year 2014.

The audit consisted of testing the adequacy of the related systems and controls set by the agency, verification of the accuracy, legality and completeness of its financial transactions, and the application of the other audit procedures considered necessary under the circumstances.

It was also made to determine whether the district’s financial statements present fairly its financial position and results of operations and cash flows, and whether applicable laws, rules and regulations were followed. Further, it was also conducted to determine whether the agency managed and utilized its resources economically, efficiently and effectively in the implementation of its programs, projects and activities.

**D. INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS**

We rendered a qualified opinion on the fairness of the presentation of the Financial Statements due to the overstatement of the PPE Account and non-provision of the correct Allowance for doubtful accounts.

1. **SUMMARY OF SIGNIFICANT OBSERVATIONS AND RECOMMENDATIONS**

**1. The book balance of Property, Plant and Equipment (PPE) accounts totaling P15,852,884.57 and their Accumulated Depreciations totaling P7,412,872.49 were overstated due to inclusion of small items, contrary to COA Circular No. 2005-002.**

We recommended and Management agreed to direct its Accounting office to comply with COA Circular No. 2005-002 and make the necessary adjustments in the books.

**2. Accounts Receivable amounting to P335,198.79 was not properly stated at its net realizable value due to the Districts failure to provide for the correct allowance for doubtful accounts contrary to COA Circular No. 2002-002.**

We recommended and Management agreed to analyze thoroughly the accounts receivable-customers account, other accounts receivable accounts and identify intervening factors in order to estimate correctly the allowance for bad debts that should be provided and recognized for each period as provided under COA Circular No. 2002-002 to come up with an accurate net realizable value of its Accounts Receivable in the financial statements.

1. **Contributions and remittances to Home Development Mutual Fund (HDMF)exceeded by P24,754.56 due to management’s non-compliance with RA 9679, the Home Developement Fund Law of 2009 prescribing the maximum limit of employer’s contribution which increased the District’s expenditures and losses during the year**

We recommended and Management agreed to make representation with HDMF Office to possibly offset the excess paid remittances on future PAGIBIG remittances until diminished. KOLWD Accounting Section to strictly comply with the provisions of RA 9679 on the maximum limit of PAG-IBIG Contributions-employer share at P100 per month for each employee.

**4. The District’s pumping station, other structures with net book value of P1,851,690.84 were not insured with the General Insurance Fund of the Government Service Insurance System (GSIS), contrary to Section 5 of RA No. 656 as amended by PD No. 245, thus exposing the properties to losses in case of natural or man-made calamities.**

We recommended that Management agreed to ensure all its insurable property and equipment with the General Insurance Fund of the GSIS to protect its interest.

**5. Compliance to the Philippine Development Plan (PDP) for FY2011-2012 was not guaranteed since the District Corporate Operating Budget (COB) for FY2014 was not submitted to the Department of Budget and Management (DBM) for review as required under the DBM Corporate Budget Memorandum dated December 28,2012.**

We recommended and Management agreed to submit the corporate operating budget of the ensuing years to the DBM punctually as required by the DBM Corporate Budget Memorandum No. 34 dated December 28, 2012 or the Policy Guidelines and Procedures in the Preparation and Submission of the FY 2014 Budget Proposals for COA to be able to monitor and evaluate the accuracy of the agency’s reported performance against its approved targets aligned with MFOs, KRAs, and sector outcomes in the PDP Results Matrices; require the Budget Officer to furnish COA the Annual Budget supported with complete documents every year thereafter.

**6. No funds were appropriated for the Disaster Risk Reduction and Management (DRRM) System, contrary to the Philippine Disaster Risk Reduction and Management Act of 2010 and Section 38 of the General Provisions of the GAA of CY 2014.**

We recommended and Management agreed to appropriate funds relative to DRRM and to adhere to the provisions in the implementation of relevant activities for knowledge building, awareness raising and disaster preparedness under the applicable provisions of R.A. 1012

1.

**7. The District failed to submit its Annual Gender and Development (GAD) Plan and Budget and Accomplishment Reports to the corresponding government agencies contrary to DBM-NEDA-NCRFW Joint Circular No. 2004-01,and Section 33 of the General Provisions of the 2014 GAA.**

We recommended and Management agreed to adhere with Section 33 of the 2014 GAA and DBM-NEDA-NCRFW Joint Circular No. 2004-1; to instruct the GAD Focal Person to provide directions and to coordinate the programs/projects/and activities on GAD; to institute the monitoring processes, particularly in the formulation, assessment and updating the annual agency plan on the continuing basis so that GAD consciousness shall serve as foundation of its commitment to the program; and to prepare the GAD Accomplishment Report and submit to the Philippine Commission for Women (PCW), copy furnish the DBM not later than every 31st of March of the following year.

1. **The District did not observe the prescribed NGAS Disbursement Voucher (DV) and Budget Utilization (BUS) forms pursuant to COA Circular No. 2005-01, thus, accountability for expenditures is not properly established.**

We recommended and Management agreed to Use the correct DV and the BUS Form; ensure that Box A of the DV is signed by the Head, Accounting Unit/Authorized Representative; and require the Budget Office to prepare BUS for every transaction duly certified by the requesting officer on the necessity and legality of charges to appropriations under his/her supervision (Box A) and certification by the Head of the Budget Unit or its equivalent on the availability of appropriation/allotment and funds obligated for the purpose (Box B).

**STATUS OF IMPLEMENTATION OF PRIOR YEAR’S AUDIT RECOMMENDATIONS**

Of the seven (7) audit recommendations contained in the Annual Audit Report for the Calendar Year 2013, five (5) were fully implemented, and two (2) were not implemented, of which, one (1) was reiterated in this report.

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**III STATUS OF IMPLEMENTATION OF PRIOR** 25-29 **YEAR’S AUDIT RECOMMENDATIONS**

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PART I –

AUDITED FINANCIAL STATEMENTS

Republic of the Philippines

**COMMISSION ON AUDIT**

Regional Office No. X

Cagayan de Oro City

**INDEPENDENT AUDITOR’S REPORT**

**ENGR. LIONEL ALFREDO A. INFANTE**

General Manager

KolambuganWater District

Kolambugan, Lanao del Norte

We have audited the accompanying financial statements of **Kolambugan Water District** which comprise the Balance Sheet as of December 31, 2014, and the Statements of Income and Expenses and Cash Flows for the year then ended, and a summary of significant accounting policies and expenses and other explanatory notes.

***Management’s Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with state accounting principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements and 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.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Philippine Public Sector Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness on the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis of our audit opinion.

*Bases for Qualified Opinion*

As discussed in detail in Part II of this report:

1. The book balance of Property, Plant and Equipment (PPE) accounts totaling P15,852,884.57 and their Accumulated Depreciations totaling P7,412,872.49 were overstated due to inclusion of small items, contrary to COA Circular No. 2005-002.
2. Accounts Receivable amounting to P335,198.79 was not properly stated at its net realizable value due to the Districts failure to provide for the correct allowance for doubtful accounts contrary to COA Circular No. 2002-002.

*Qualified Opinion*

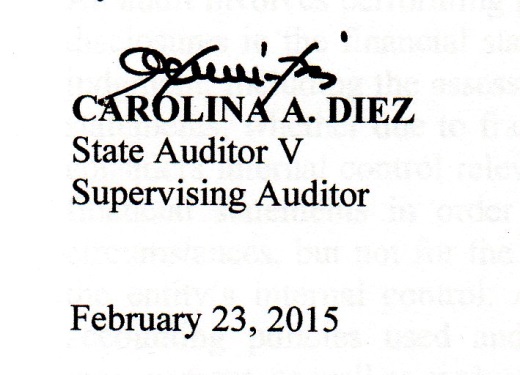
In our opinion, except for the effects of the matter described in the Bases for Qualified Opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of Kolambugan Water District as of December 31, 2014, and of its financial performance and its cash flows for the year then ended in accordance with state accounting principles.

*Other Matters*

The exit conference for the results of the financial and compliance audit of the CY 2014 operations was conducted on February 17, 2015.

**COMMISSION ON AUDIT**

By:

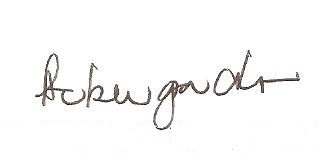
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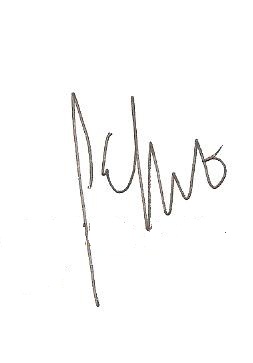
**STATEMENT OF MANAGEMENT RESPONSIBILITY**

**FOR FINANCIAL STATEMENTS**

The management of **Kolambugan Water District, Kolambugan, Lanao del Norte** is responsible for all information and representation contained in the Balance Sheet as of **December 31, 2014** and the related Statements of Income and Expenses, Cash Flows for the year then ended. The financial statements referred to have been prepared in conformity with generally accepted accounting principles and reflect amounts that are based on the best estimates and informed judgement of management with an appropriate consideration to materiality.

In this regards, 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.





**HERMINIA C. BERGADO**

Accounting Processor

**ENGR. LIONEL ALFREDO A. INFANTE**

General Manager

**KOLAMBUGAN WATER DISTRICT**

|  |
| --- |
| **BALANCE SHEET** |
| As of December 31, 2014 |
| (With Comparative Figures for December 31, 2013) |

|  | **2014** | | **2013** | |
| --- | --- | --- | --- | --- |
| **ASSETS** |  |  |  |  |
| Current Assets |  |  |  |  |
| **Cash** (Note 1) |  |  |  |  |
| Cash-Collecting Officer | P | 10,183.60 | P | 9,057.42 |
| Cash in Bank-Local Currency, Current |  | 260,923.25 |  | 687,422.68 |
| Cash in Bank-Local Currency, Savings |  | 1,026,316.72 |  | 1,872,850.06 |
| **Total** |  | **1,297,423.57** |  | **2,569,330.16** |
| **Receivables** (Note 2) |  |  |  |  |
| Accounts Receivable-Net |  | 295,900.92 |  | 254,883.32 |
| Advances to Officers & Employees |  | 00.00 |  | 80,000.00 |
| **Total** |  | **295,900.92** |  | **334,883.32** |
| **Inventories** (Note 3) |  |  |  |  |
| Office Supplies Inventory |  | 105,065.10 |  | 72,673.97 |
| **Total** |  | **105,065.10** |  | **72,673.97** |
| **TOTAL CURRENT ASSETS** |  | **1,698,389.59** |  | **2,976,887.45** |
| **Property, Plant & Equip’t** (Note 4) |  |  |  |  |
| **Land & Other Improvements** |  |  |  |  |
| Land |  | 50,000.00 |  | 50,000.00 |
| **Total** |  | **50,000.00** |  | **50,000.00** |
| **Plant, Buildings and Structures** |  |  |  |  |
| Buildings and Other Structures |  | 354,781.25 |  | 322,156.25 |
| Accumulated Depreciation |  | (85,956.25) |  | (77,980.14) |
| **Total** |  | **268,825.00** |  | **244,176.11** |
| **Equipment and Machinery** |  |  |  |  |
| Office Furniture & Equipment |  | 426,040.17 |  | 426,040.17 |
| Accumulated Depreciation |  | (270,042.95) |  | (270,042.95) |
| Land Transport Equipment |  | 64,400.00 |  | 64,400.00 |
| Accumulated Depreciation |  | (38,400.00) |  | (25,630.00) |
| Other Machinery and Equipment |  | 551,984.94 |  | 551,984.94 |
| Accumulated Depreciation |  | (211,332.03) |  | (211,332.03) |
| Other Property Plant & Equipment |  | 13,935,453.41 |  | 12,558,987.37 |
| Accumulated Depreciation |  | (6,807,141.26) |  | (6,518,001.75) |
| **Total** |  | **8,445,012.08** |  | **6,921,005.18** |
| Construction in Progress-Plant |  | 492,162.00 |  | 0.00 |
| **Total Property, Plant and Equipment** |  | **8,937,174.08** |  | **6,921,005.18** |
| **Other Assets** (Note 5) |  | 118,924.64 |  | 91,064.44 |
| **TOTAL ASSETS** | P | **10,754,488.31** | **P** | **9,988,957.07** |
| **LIABILITIES AND EQUITY**  **Current Liabilities** (Note 6) |  |  |  |  |
| **Payable Accounts** |  |  |  |  |
| Accounts Payable | ₱ | 1,240,187.85 | ₱ | 46,452.53 |
| **Total** |  | **1,240,187.85** |  | **46,452.53** |
| **Inter-agency Payables** |  |  |  |  |
| Due to BIR |  | 26,841.18 |  | 21,482.92 |
| Due to GSIS |  | 74,968.44 |  | 78,089.13 |
| Due to Pag-ibig |  | 28,059.35 |  | 24,576.49 |
| Due to Philhealth |  | 3,762.50 |  | 3,587.50 |
| **Total** |  | **133,631.47** |  | **127,736.04** |
| **Current Portion of Long-Term Loans Payable** |  | **325,262.00** |  | **294,588.00** |
| **TOTAL CURRENT LIABILITIES** |  | **1.699,081.32** |  | **468,776.57** |
| **NON- CURRENT LIABILITIES** |  |  |  |  |
| Loans Payable (Note 7) |  | 8,092,224.15 |  | 8,417,486.15 |
| **TOTAL LIABILITIES** |  | **9,791,305.47** |  | **8,886,262.72** |
| **Government Equity** |  |  |  |  |
| Donated Capital (Note 8) |  | 741,000.00 |  | 741,000.00 |
| Retained Earnings |  | 221,936.84 |  | 361,448.35 |
| **Total Equity** |  | **963,182.84** |  | **1,102,694.35** |
| **TOTAL LIABILITIES AND EQUITY** | ₱ | **10,754,488.31** | **₱** | **9,988,957.07** |
| *(See Accompanying Notes to Financial Statements)* | | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | | | | |
| **KOLAMBUGAN WATER DISTRICT** | | | | | |
| **STATEMENT OF INCOME AND EXPENSES** | | | | | |
| For the Year Ended December 31, 2014 | | | | | |
| (With Comparative Figures for December 31, 2013) | | | | | |
|  |  |  |  |  |  |
|  |  |  | **2014** |  | **2013** |
| Income | |  |  |  |  |
|  | Metered Sales | P | 5,032,726.27 | P | 5,529,790.10 |
|  | Misc. Service Income |  | 424,989.79 |  | 271,467.26 |
|  | Total Income |  | **5,457,716.06** |  | **5,801,257.36** |
|  | Less: Expenses |  |  |  |  |
|  | Personal Services |  |  |  |  |
|  | Salaries & Wages–Regular Pay |  | 1,807,482.00 |  | 1,717,728.00 |
|  | Other Compensation |  | 366,073.51 |  | 380,696.72 |
|  | Personnel Benefits Contributions |  | 282,863.44 |  | 244,989.74 |
|  | Other Personal Benefits |  | 696,763.50 |  | 645,966.70 |
|  | **Total** |  | **3,153,182.45** |  | **2,989,381.16** |
|  | Maint. & Other Operating Expenses |  |  |  |  |
|  | Communication |  | 40,289.74 |  | 22,501.64 |
|  | Rent Expense |  | 120,000.00 |  | 104,000.00 |
|  | Representation |  | 35,200.15 |  | 24,062.20 |
|  | Gasoline, Oil & Lubricants |  | 91,646.43 |  | 84,429.91 |
|  | Transportation |  | 8,064.40 |  | 6,136.00 |
|  | Interest |  | 888,636.00 |  | 917,735.00 |
|  | Professional Services |  | 120,808.00 |  | 8,340.00 |
|  | Repairs & Maintenance |  | 54,033.22 |  | 37,523.07 |
|  | Bad Debts |  | 0.00 |  | 16,428.28 |
|  | Depreciation |  | 571,871.76 |  | 571,871.76 |
|  | Others |  | 643,594.61 |  | 571,871.76 |
|  | **Total** |  | **2,748,791.90** |  | **2,556,490.53** |
|  | Total Expenses |  | **5,901,974.35** |  | **5,545,871.69** |
|  | Net Operating Income |  | (444,258.29) |  | 255,385.67 |
|  | Add: Subsidies from Other LGUs |  | - |  | - |
|  | **Net Income** | P | **(444,258.29)** | P | **255,385.67** |

****

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **E:\mom\kolambugan.pngKOLAMBUGAN WATER DISTRICT** | | | | | | | | | | | | |
| **STATEMENT OF CASH FLOWS** | | | | | | | | | | | | |
| For the Year Ended December 31, 2014 | | | | | | | | | | | | |
| (With Comparative Figures for CY 2013) | | | | | | | | | | | | |
|  | |  | |  | |  | |  |  | |  | |
|  | |  | |  | |  | | **2014** |  | | **2013** | |
| Cash Flows from Operating Activities: | | | | | |  | |  |  | |  | |
| Cash Inflows: | | | | | |  | |  |  | |  | |
|  | |  | | Business Income | | P | | 5,128,620.21 | P | | 5,614,913.74 | |
|  | |  | | Other Income | |  | | 468,485.96 |  | | 245,638.35 | |
| Total Cash Inflow | | | | | |  | | 5,597,106.17 |  | | 5,860,552.09 | |
| Cash Outflows: | | | | | |  | |  |  | |  | |
|  | |  | | Personnel Services | |  | | 2,072,873.80 |  | | 2,456,418.94 | |
|  | |  | | Maintenance & Other Operating Expenses | |  | | 1,061,913.08 |  | | 1,865,297.36 | |
|  | |  | | Interest Expenses | |  | | 888,636.00 |  | |  | |
|  | |  | | Remittance to Pag-ibig,PHIC,GSIS & BIR | |  | | 1,303,353.09 |  | |  | |
|  | |  | | Prepayment | |  | | 27,860.20 |  | |  | |
| Total Cash Outflows | | | | | |  | | 5,354,636.17 |  | | 5,210,352.30 | |
| Net Cash from Operating Activities | | | | | |  | | 242,470.00 |  | | 650,199.79 | |
| Cash Flows from Investing Activities: | | | | | |  | |  |  | |  | |
| Cash Inflows: | | | | | |  | |  |  | |  | |
|  | |  | | Sale of Property, Plant and Equipment | |  | |  |  | | 1,872,850.06 | |
|  | |  | | Sale of Investments | |  | |  |  | | - | |
|  | |  | | Interest and dividends | |  | | 3,364.66 |  | | 2,594.70 | |
| Total Cash Inflows | | | | | |  | | 3,364.66 |  | | 2,594.70 | |
| Cash Outflows: | | | | | |  | |  |  | |  | |
| Investments | | | | | |  | |  |  | | 300,000.00 | |
| To Purchase Property, Plant and Eqp’t. | | | | | |  | | 1,223,153.25 |  | | 88,222.98 | |
| To Purchase Debt Securities of Other Entities | | | | | |  | |  |  | |  | |
| Total Cash Outflow | | | | | |  | | (1,096,954.64) |  | | 388,222.98 | |
| Net Cash from Investing Activities | | | | | |  | | (93,589.98) |  | | 88,222.98 | |
| Cash Flows from Financing Activities: | | | | | |  | |  |  | |  | |
| Cash Inflows: | | | | | |  | |  |  | |  | |
| From Acquisition of Loan | | | | | |  | | - |  | | - | |
| Total Cash Inflow | | | | | |  | | - |  | | - | |
| Cash Outflows: | | | | | |  | |  |  | |  | |
| Payment of Loan Amortization | | | | | |  | | 294,588.00 |  | | 265,489.00 | |
| Retirement/Redemption of debt securities | | | | | |  | |  |  | |  | |
| Financial expenses | | | | | |  | |  |  | |  | |
| Total Cash Outflow | | | | | |  | | 294,588.00 |  | | 265,489.00 | |
| Net Cash from Financing Activities | | | | | |  | | (294,588.00) |  | | 265,489.00 | |
| Net Increase in Cash and Cash Equivalents | | | | | |  | | (1,271,906.59 |  | | 1,872,292.57 | |
| Cash at Beginning of the Period | | | | | |  | | 2,569,330.16 |  | | 697,037.59 | |
| **Cash at the end of the Period** | | | | | | P | | **1,297,423.57** | **P** | | **2,569,330.16** | |
| **E:\mom\kolambugan.pngKOLAMBUGAN WATER DISTRICT** | | | | | | | | | | |
| **STATEMENT OF CHANGES IN EQUITY** | | | | | | | | | | |
| For the Year Ended December 31, 2014 | | | | | | | | | | |
| (With Comparative Figures for CY 2013) | | | | | | | | | | |
|  | |  | |  | |  | | |  | |
|  | |  | |  | | **2014** | | | **2013** | |
| **Government Equity** | | | | | |  | | |  | |
| Balance at the beginning of the period | | | | | |  | | |  | |
|  | |  | | Additions (deductions) | |  | | |  | |
| Balance at the end of the period | | | | | |  | | |  | |
| **Restricted Capital** | | | | | |  | | |  | |
|  | |  | | Balance at the beginning of the period | |  | | |  | |
|  | |  | | Additions (deductions) | |  | | |  | |
| Balance at the end of the period | | | | | |  | | |  | |
|  | | | | | |  | | |  | |
| **Donated Capital** | | | | | |  | | |  | |
|  | |  | | Balance at the beginning of the period | | ₱741,246.00 | | | ₱741,246.00 | |
|  | |  | | Additions (deductions) | |  | | |  | |
|  | |  | | Balance at the end of the period | | 741,246.00 | | | 741,246.00 | |
|  | | | | | |  | | |  | |
| Ret**ained Earnings** | | | | | |  | | |  | |
| Balance at the beginning of the period | | | | | | 361,448.35 | | | 106,062.68 | |
| Prior period Adjustments | | | | | | 304,746.78 | | |  | |
| Changes during the Period | | | | | |  | | |  | |
| Net income (loss) for the period | | | | | | (444,258.29) | | | 255,385.67 | |
| Balance at the end of the period | | | | | | 221,936.84 | | | ₱361,448.35 | |
| **TOTAL EQUITY** | | | | | | ₱**963,182.84** | | | ₱**1,102,694.35** | |

**KOLAMBUGAN WATER DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**Agency Profile**

For its 15th year of service, the District was able to cater twelve (12) barangays of the Municipality, namely: Poblacion, Karomatan, Titunod, Libertad, Baybay, Riverside ,Sucodan, Sto. Nino, Rebucon, Muntay, Kulasihan and Pantar 13 through its 2,158 service connections. Its water facilities include one (1) spring source and one (1) deep well Pump Station., an elevated reinforced concrete reservoir, transmission and distribution pipelines.

**Basis of Financial Statement Presentation**

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles and pertinent provisions contained in the Commercial Practices Manual for Local Water Utilities Administration and the New Government Accounting system (NGAS).

**Summary of Significant Accounting Policies**

The accrual method of accounting is adopted for both income and expenses.

Property, Plant and Equipment is carried at cost less accumulated depreciation. Depreciation is computed on a straight line method based on the estimated useful life ranging from five (5) to ten (10) years in accordance with COA Circular No. 2003-007 dated December 11, 2003.

**Note 1. CASH**

Cash and cash equivalents include cash in bank deposits to be used in the operation of the water district, cash on hand in the possession of the district cashier and working fund in the possession of a disbursing officer.

Bank balance as of December 31, 2014 was verified per bank statements and the cash accounts consist of the following:

|  |  |  |
| --- | --- | --- |
|  | *2014* | *2013* |
| *Accounts* | *Amount* | *Amount* |
| Cash on Hand | ₱ 10,183.60 | ₱ 9, 057.42 |
| Cash in bank | 1,287,239.97 | 2,560,272.74 |
| **TOTAL AMOUNT** | ₱ **1,297,423,57** | ₱ **2,569,330.16** |

|  |  |  |  |
| --- | --- | --- | --- |
| *Details of the Cash in bank accounts are as follo*ws : | | | |
|  | | *2014* | *2013* |
| Cash in Bank –LWUA Joint Account | LBP 0801-1087-76 | ₱ 1,026,316.72 | ₱1,872,850.06 |
| Cash in Bank - KOLWD Benefits | LBP 0802-1141-92 | 260,000.00 |  |
| Cash in Bank - Operating Account | LBP 0802-1047-90 | 923.25 | 687,422.68 |
| **Total** |  | ₱**1,287,239.97** | ₱**2,560,272.74** |

LBP Account No. 0801-1087-76 is a joint savings account between LWUA and KOLWD. The account serves as a special fund and available cash reserve for repair, maintenance and expansion of the district facilities. For year 2014, withdrawal has reached P1,000,000 to fund the expansion and improvement of barangay Mapiot water well .

LBP account no 0802-1141-92 served as Trust fund deposit for monetization of employees.

LBP Account No 0802-1047-90 served as current deposit for operating use by the District.

**Note 2. RECEIVABLE**

Account Receivable - this account includes all amounts due on open accounts arising from the services rendered to customers for water sales and other incidental services.

As of December 31, 2014, this account is composed of receivable from customers as listed below:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2014** | **2013** | |
| Accounts Receivable | ₱ 335,198.79 | | ₱ 294,181.19 |
| Less: Allowance for Doubtful Accounts | (39,297.87) | | (39,297.87) |
| TOTAL | ₱ 295,900.92 | | ₱ 254,883.32 |
| Advances to Officers & Employees | - | | 80,000.00 |
| **TOTAL** | **₱ 295,900.92** | | **₱ 334,883.32** |

**Note 3. INVENTORIES**

This account consists of unissued materials and supplies which are kept in stock for future use in the operations of the district. Inventory accounts are carried in the books at cost net of spoilage, obsolescence and damaged items.

2014 2013

Materials and Supplies Inventory - P105,065.10 P72,673.97

**Notes 4. PROPERTY PLANT AND EQUIPMENT**

|  |  |  |
| --- | --- | --- |
| **Particulars** | **2014** | **2013** |
| Land | 50,000.00 | 50,000.00 |
| Building |  |  |
| 1. Reservoir and tanks | 354,781.25 | 322,156.25 |
| 1. Accumulated Depreciation | (85,956.25) | (77,980.14) |
| Office Furniture & Equipment | 426,040.17 | 426,040.17 |
| Accumulated Depreciation | (270,042.95) | (270,042.95) |
| Machineries & Equipment |  |  |
| 1. Pumping Equipment | 461,554.94 | 461,554.94 |
| Accum. Depreciation | (129,445.03) | (129,445.03) |
| 1. Communication Equipment | 5,000.00 | 5,000.00 |
| Accum. Depreciation | (5,000.00) | (5,000.00) |
| 1. Tools Shop and Garage | 85,430.00 | 85,430.00 |
| Accumulated Depreciation | (76,887.00) | (76,887.00) |
| Transportation Equipment | 64,400.00 | 64,400.00 |
| Accumulated Depreciation | (38,400.00) | (25,630.00) |
| Other Property Plant and Equip’t. |  |  |
| 1. Meters Accum.Depreciation | 985,649.56 | 985,649.56 |
| Accumulated Depreciation | (918,254.61) | (918,254.61) |
| 1. Pumping Station | 1,376,466.04 | 0.00 |
| Accumulated Depreciation | 0.00 | 0.00 |
| 1. Structure & Improvements | 342,176.57 | 342,176.57 |
| Accum. Depreciation | (307,958.93) | (307,958.93) |
| 1. Transmission & dist. Mains | 11,231,161.24 | 11,231,161.24 |
| Accumulated Depreciation | (5,580,927.72) | (5,291,788.21) |
| Construction in Progress-Agency Asset | 492,162.00 | 0.00 |
| **Total Property, Plant & Equip’t** | ₱**8,937,174.08** | ₱**6,921,005.18** |

**Note 5.Other Assets**

This account is intended for two (2) months deposits of office space rental for Kolambugan District Office amounting to P20,000.00, and Laneco Transformer deposit installation amounting to 98,924.64. The rental deposit can be claimed only upon the transfer of office space while the deposit for transformer can only be claimed if the District will no longer use the Laneco Transformer. The District is still renting office space up to present.

**2014 2013**

Other Assets ₱ 118,924.64 ₱ 91,064,44

**Note 6. Current Liabilities**

|  |  |  |
| --- | --- | --- |
|  | ***2014*** | ***2013*** |
| **Accounts Payable:** |  |  |
| COA-Audit fees | 78,417.05 | 38,938.40 |
| PAWD | 5,273.00 | 5,273.00 |
| CARAGA Plumbing | 127,225.75 |  |
| CQ Printing-Calendars | 53,600.00 | - |
| Techno Trade Resources | 964,426.00 | - |
| Fil-Eslon | 3,057.20 |  |
| Jade 97 | 4,920.00 |  |
| TMSI – Telephone | 3,268.85 | 2,241.13 |
| **Accounts Payable** | **~~P~~ 1,240,187.85** | **46,452.53** |
| Due to GSIS | 74,968.44 | 78,089.13 |
| Due to PHIC | 3,762.50 | 3,587.50 |
| Due to Pag-ibig | 28,059.35 | 24,576.49. |
| Due to BIR | 26,841.18 | 21,482.92 |
| **TOTAL** | **133,631.47** | **127,736.04** |
| **Current Portion of Loans Payable** |  |  |
| Regular Loan | 281,414.00 | 253,545.00 |
| Soft Loan | 43,848.00 | 41,043.00 |
| **TOTAL** | **325,262.00** | **294,588.00** |
| **Grand Total** | ~~P~~**1,699,081.32**  ========== | ~~P~~**174,188.22**  ========== |

The Accounts Payable of P1,240,187.85 represents liability accounts of the district for audit fees, materials used for installation, payable to PAWD and other materials procured needed for district’s operation while the P3,268.85 pertains to telephone bills. On the other hand, Due to GSIS, Due to PHIC, Due to Pag-ibig and Due to BIR accounts represent remittances of employees and employer government shares deducted for the month of December 2014 to be remitted in the month of January, 2015

A Current Portion of long term liabilities under a Regular Loan with an Account No. 3-769 whichhas a monthly amortization of P88,036.00 that includes the principal and the interest and the Soft Loan under Loan Account No. 3-769 also has a monthly amortization of P10,566.00 which also include the principal and the interest.

**Note 7.Longterm Liabilities**

|  |  |  |
| --- | --- | --- |
|  | **2014** | **2013** |
| Regular Loan | ₱7,141,613.00 | ₱ 7,423,027.00 |
| Soft Loan | 953,416.15 | 994,459.15 |
| **Long-term Debts** | ₱ **8,092,224.15** | ₱**8,417,486.15** |

The Regular Loan under Loan Account No. 3-769 was availed by the district with LWUA and the principal loan amount is P9,330,000 with an interest rate of 8.5% per annum for the 1st P2M, 10.5% per annum for the next P5M and 12.5% interest per annum the remaining P2.33M. The principal and interest of the regular loan portion is payable within 25 years.

The Soft Loan under Loan Account No. 3-769 was availed by the district with LWUA and the availed principal loan amount is P1,150,428.15 with interest rate of 8.5 % and the repayment period shall be 17 years as the loan will be terminated/ settled in 2027.

**Note 8.Donated Capital**

Components of this account include the cash contribution of P623,200.00 and materials contribution of P118,046.00 from the Office of the Congressman AlipioBadelles of the second district of Lanao del Norte.

**2014** **2013**

Donated Capital P741,246.00 P 741,246.00

**PART II –**

**OBSERVATIONS AND RECOMMENDATIONS**

**PART II - OBSERVATIONS AND RECOMMENDATIONS**

**1. The book balance of Property, Plant and Equipment (PPE) accountstotaling P15,852,884.57 and their Accumulated Depreciations totaling P7,412,872.49 were overstated due to inclusion of small items, contrary to COA Circular No. 2005-002.**

Paragraph 2.2.1 of COA Circular No. 2005-02 dated April 14, 2005 provides the accounting policy on items with serviceable life of more than one year but small enough to be considered as property, plant and equipment (PPE). It states that:

“*Small items with estimated useful life of more than one year shall be*

*recorded as inventories upon acquisition and as expense upon issuance. xxx”*

As of December 31, 2014, the General Ledger (GL)-PPE posted a balance of P15,852,884.57 which included the water meters amounting to P985,649.56 with accumulated depreciation as shown in the subsidiary ledger totaling P918,254.61shown in **Annex A.**

Our verification disclosed that water meters were recorded as PPEupon installation. The total cost of meters was apportioned to the number of years of its usefulness with depreciation expense. The accounting treatment of water meters is contrary to COA Circular No. 2005-02 which should have been recognized as Inventory of Materials upon purchase and as expense when issued. Issuance shall be covered by Requisition Issue Slip or Store Requisition Slip (SRS) while the unissued balance shall remain under the custody and accountability of the Property and Supply Officer.

Management’s assertions on the existence, accuracy, validity and proper valuation of the meters lodged under UPIS account could not be ascertained, resulting to overstatement of the UPIS account and income during the year.

**We recommended and Management agreed to direct its Accounting office to comply with COA Circular No. 2005-002 and make the necessary adjustments in the books.**

**2. Accounts Receivable amounting to P335,198.79 was not properly stated at its net realizable value due to the District’s failure to provide for the correct allowance for doubtful accounts contrary to COA Circular No. 2002-002.**

COA Circular No. 2002-002 implementing the New Government Accounting System (NGAS) provides principles and policies in accounting government resources. Under matching principle, the principle that requires the matching of revenues and expenses is adopted to provide allowance for doubtful accounts to present an accurate, reliable and truthful financial data. Moreover, accounts receivable will be properly stated at its net realizable value.

Generally Accepted Accounting Principles (GAAP) dictates that Allowance for Bad Debts should be provided in an amount determined after study of the estimated collectability of receivable balances and evaluate as such factors as aging of accounts, collection experiences in relation to the particular receivable, past and expected loss experiences and identified accounts.

Manual on NGAS also provides a basis on the determination of bad debts expense based on percentage and aging of accounts as follows:

|  |  |
| --- | --- |
| **Age of Accounts** | **Percentage** |
| 1-60 days | 1% |
| 61-180 days | 2% |
| 181-1 year | 3% |
| More than 1 year | 5% |

Per verification from the records, the balance of Allowance for doubtful account as of December 31, 2014 is in the amount of P 39,297.87. This is the same amount as to what has been reflected in the 2013 Financial Statements (FS). Consequently, this is an indication that for 2014, the accountant failed to provide the corresponding charges on the aging accounts.

Analysis of receivable account per 2014 FS revealed that the amount of P295,900.91 is already net of the gross amount of P335,198.79 less the allowance for bad debts of P39,297.87. While the amount in the 2013 data showed a net value of P154,883.32, also net of gross amount of P294,181.79 less the same amount of allowance for doubtful accounts . Hence, this verifies that there is a failure on the part of the District Accountantto adjust the corresponding charges on the aging accounts;as the amount of receivable in the previous year should now be subject to a 5% provision of an allowance for doubtful accounts which as a result should supposedly increase/decrease the amount provided for this calendar year.

Shown below are the water sales relative to the open accounts from services to customers, both active and non-active with the corresponding details of the computation for the allowance for doubtful accounts:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **AGE** | **ACTIVE** | **INACTIVE** | **TOTAL** | **Provision for**  **allowance for**  **doubtful accounts** | **Should be Allowance for doubtful accounts** |
| Current | 29,741.01 |  | 29,741.01 |  |  |
| 1-60 days | 15,851.79 |  | 15,851.79 | 1% | 158.52 |
| 61-180 days | 53,938.48 |  | 53,938.48 | 2% | 1,078.77 |
| 181-1 year | 16,105.03 |  | 16,105.03 | 3% | 483.15 |
| More than 1 yr. |  | 219,562.48 | 219,562.48 | 5% | 10,978.12 |
| TOTAL | **115,636.31** | **219,562.48** | **335,198.79** |  | **12,698.56** |

As computed, there is an overstatement of the amount provided as allowance for doubtful accounts, thus, Accounts Receivable amounting to P295,900.92 was not correctly stated at net realizable value due to non-adherence of the cited regulations.

Failure to provide the correct amount allowance for doubtful accounts as contra account of the Accounts Receivable-customers will not reflect the true valuation of the accounts receivable, thus, has overstated income and affected the fair presentation of the FS for the period.

**We recommended and Management agreed to analyze thoroughly the accounts receivable-customers account, other accounts receivable accounts and identify intervening factors in order to estimate correctly the allowance for bad debts that should be provided and recognized for each period as provided under COA Circular No. 2002-002 to come up with an accurate net realizable value of its Accounts Receivable in the financial statements.**

1. **Contributions and remittances to Home Development Mutual Fund (HDMF)exceeded by P24,754.56 due to management’s non-compliance with RA 9679, the Home Developement Fund Law of 2009 prescribing the maximum limit of employer’s contribution which increased the District’s expenditures and losses during the year.**

Rule VI, Section I of the Implementing Rules and Regulations of Republic Act 9679 otherwise known as the PAG-IBIG Fund Law, provides the following guidelines:

**Section 1. Rate of Contributions.** Covered employees and employers shall contribute to the Fund based on the monthly compensation of covered employees as follows:

1. Employee earning not more than P1,500.00 per month – one percent (1%).
2. Employees earning more than P1,500.00 per month – two percent (2%)
3. All employers – two percent (2%) of the monthly compensation of all covered employees.

The maximum monthly compensation to be used in computing employee and employer contributions shall not be more than P5,000.00: Provided, that this maximum may be fixed from time to time by the Board of Trustees (BOT) through rules and regulations adopted by it, taking into consideration actuarial calculations and rates of benefits. (emphasis ours)

A member may, however, be allowed to contribute more than what is required herein should he or she desires. The employer, however, shall only be mandated to contribute what is required under these Rules unless the employer agrees to match the member’s increased contribution.

Section 45 of the General Appropriations Act (GAA) of 2014 states that the government employee share in the compulsory contributions to the Employees Compensation Commission,PHILHEALTH, GSIS, HDMF pursuant to P.D 626, as amended R.A. No. 61111, R.A No. 7875, R.A. No. 8291, and R.A No. 9679, respectively shall be remitted directly by department, be and offices of National Government, including Constitutional Office enjoying Fiscal autonomy and SUC’S to the respective recipient agencies unless a different arrangement is agreed upon in writing among the DBM, the remitting agency, and the recipient agency: PROVIDED, That any proposed increase in government and employee compulsory contributions may only be made after consultation by the agency concerned with the DBM in order that the budgetary implications of such propsal be duly considered: PROVIDED, FURTHER, That any increase in government and employee compulsory contributions, after said consultation, shall be made effective only upon inclusion thereof in the GAA.

Review and examination of payrolls and remittances of HDMF (Pag-IBIG) premium contributions for the period of January 1 to December 2014, disclosed that the government share of HDMF monthly contribution of each employee is computed at 2% based on the employees’ basic salary instead of using maximum compensation of P5,000 as provided under RA 9679 or the HDMF Law of 2009. This resulted to overstatement of the employer share amounting to P24,754.56 and incurring additional expenses of the District as shown in **Annex B.**

This practice of KOLWD started in CY 2014 after this was included in 2014 fiscal budget through a resolution and duly approved by the District Board of Directors (BOD).

However, the provision of RA 9679 prevails over the KOLWD BOD resolution, hence the monthly remittance of government share for PAG-IBIG contribution should be at maximum limit of P100 (or 2%of P5,000) per employee. The revision of the 2014 monthly remittance of PA-IBIG contribution- KOLWD share beyond the maximum limit overstated the district expenditure during the period.

**We recommended and Management agreed to make representation with HDMF Office to possibly offset the excess paid remittances on future PAG-IBIG remittances until diminished. KOLWD Accounting Section to strictly comply with the provisions of RA 9679 on the maximum limit of PAG-IBIG Contributions-employer share at P100 per month for each employee.**

**Management Comment:**

Management further committed to revert to the P100 per month employer contribution effective March 2015.

**4. The District’s pumping station, other structures with net book value of P1,851,690.84 were not insured with the General Insurance Fund of the Government Service Insurance System (GSIS), contrary to Section 5 of RA No. 656 as amended by PD No. 245, thus exposing the properties to lossesin case of natural or man-made calamities.**

Section 5 of RA No. 656, otherwise known as the “Property Insurance Law”, dated June 16, 1951, as amended by PD No. 245 dated July 13, 1972, states that:

*“Every government, except a municipal government below first class is hereby required to insure its properties, with the Fund against any insurable risk herein provided and pay the premiums thereon, which, however, shall not exceed the premiums charged by private insurance companies: Provided, however, That the System reserves the right to disapprove the whole or a portion of the amount of insurance applied for: Provided, further, That such property or part thereof as may not be insurable or acceptable for insurance may be insured with any private insurance company.xxx*

Records showed that the following properties of the District with a total book value of P1,851,690.84 were not insured with the GSIS insurance fund:

|  |  |  |
| --- | --- | --- |
| **Description** | **Location** | **Value oF Insurable PPE in the Books of Accounts** |
| Pumping Station I | AusteinHeights,Kol. LN. | P 96,784.32 |
| Pumping Station II | Mapiot, TitunodKol. LN | 1,050,125.27 |
| Reservoir I | Libertad, Kol. LN | 354,781.25 |
| Intake Box | Kulasihan, Kol. LN. | 350,000.00 |
|  | **TOTAL** | **P 1,851,690.84** |

The absence of insurance coverage for these assets exposed the District to risk of lossesin case of natural or man-made calamity.

**We recommended and Management agreed to ensure all its insurable property and equipment with the General Insurance Fund of the GSIS to protect its interest.**

**5. Compliance to the Philippine Development Plan (PDP) for FY2011-2012 was not guaranteed since the District Corporate Operating Budget (COB) for FY2014 was not submitted to the Department of Budget and Management (DBM) for review as required under the DBM Corporate Budget Memorandum dated December 28,2012.**

DBM Corporate Budget Memorandum No. 34 dated December 28, 2012 provides for the Policy Guidelines and Procedures in the Preparation and submission of budget proposal for CY 2014.

Under paragraph 6.1 of the same circular provides that all GOCCs/GFIs shall accomplished the prescribed budget forms with specific guidelines indicated in each form.

Xxxx

6.3 The FY 2013 portion/column of the FY 2014 Budget Proposal under this Budget Memorandum shall already be considered as the GOCC/GFI COB of the said year which shall observe the guidelines prescribed under Corporate Budget Circular No. 20 dated April 27, 2005.

6.4 amounts indicated in the FY 2012 column and previous years of the prescribed Forms should be consistent with the available Annual COA Audited Financial Statements.

* 1. The GOCCs’/GFIs’ budget proposals shall include the following:
* Approval of the Governing Board through a duly certified Board Resolution;
* Letter of endorsement by the head of GOCC/GFI;
* Five (5) complete sets of properly accomplished Budget Forms; and
* Five (5) copies each of the FY 2011 and FY 2012 Accomplishment Report.

.

6.6 The FY 2014 budget proposals shall be submitted to the DBM’s Budget and Management Bureau on or before April 15, 2013.

The above-cited DBM Memorandum aims to strengthen the linkage between development planning and budgeting and increase the likelihood of accomplishing development goals by considering the resource requirements of key agencies as manifested in the PDP for FYs 2011-2016 which include the following key result areas;

* Transparent, improve accountability and participatory governance;
* Poverty reduction and empowerment of the poor and vulnerable;
* Rapid, inclusive, and sustained economic growth;
* Just and lasting peace and the rule of law; and
* Integrity of the environment and climate change adaptation and mitigation

The agency is mandated to deliver a good Major Final Output (MFO) to external clients through the implementation of programs, activities and projects (PAPS) that are aligned with the KRAs under E.O. No. 43 to ensure greater efficiency and value for money in spending government resources. It is also tasked to establish results-based monitoring and reporting systems to review and report their progress using the MFO performance indicators and targets indicated in their approved budget.

As indicated in the PDP Matrix, the Local Water Districts (LWDs) shall implement PAPs geared towards Sector Outcome 5b or Access to social goods and improved services towards quality, adequacy and accessibility of infrastructure facilities and services enhanced with the following indicators:

* Millennium Development Goad (MDG) Target: Increase the proportion of population with access to potable water (Levels I & II)
* MDG Target: Eliminate the number of waterless area
* Increase the percentage of households with level III (Individual Household connection)
* Increase the percentage of households with 24/7 service (Concessionaires, WDs, small scale independent providers)
* Reduce non-revenue water (NRW) – by type of Water Service Provider (Concessionaires, WDs, small scale independent providers)
* Lessen the gap between demand and supply
* On sanitation, sewerage, septage:
* MDG Target: Increase percentage of population with access to basic sanitation (i.e. sanitary toilets, washing areas, etc.)
* Increase percentage of households in Highly urbanized cities connected to the sewerage system
* Increase percentage of households covered by septage management system

The approved budget of KOLWD for FY 2014 was prepared in accordance with DBM Corporate Budget Memorandum No. 34; however, since the budget proposal was not submitted for review, there was no guarantee that it conformed to the targets and MFOs to the President’s Key Result Areas. The budget was not examined for deficiencies; hence, no advise was given for the district to make the necessary adjustments.

Management explained that there was no instructions from LWUA requiring the district to submit the corporate operating budget.

**We recommended and Management agreed to submit the corporate operating budget of the ensuing years to the DBM punctually as required by the DBM Corporate Budget Memorandum No. 34 dated December 28, 2012 or the Policy Guidelines and Procedures in the Preparation and Submission of the FY 2014 Budget Proposals for COA to be able to monitor and evaluate the accuracy of the agency’s reported performance against its approved targets aligned with MFOs, KRAs, and sector outcomes in the PDP Results Matrices; require the Budget Officer to furnish COA the Annual Budget supported with complete documents every year thereafter.**

**6. No funds were appropriated for the Disaster Risk Reduction and Management (DRRM) System, contrary to the Philippine Disaster Risk Reduction and Management Act of 2010 and Section 38 of the General Provisions of the GAA of CY 2014.**

RA No. 10121 more popularly known as the “Philippine Disaster Risk Reduction and Management Act of 2010” aims to strengthen the governance framework for National Disaster Risk Reduction and Management (NDRRM) and institutionalize the NDRRM Plan.

This Act provides for the development of policies and plans and the implementation of actions and measures pertaining to all aspects of disaster risk reduction and management, including good governance, risk assessment and early warning, knowledge building Disaster Risk Reduction and Management System as embodied in RA No. 10121, aims to ensure that government agencies and LGUs give top priority and take sufficient and in disaster risk reduction and management. The act provides for the development of policies and plans and the implementation of actions and measures pertaining to all aspects of DRRM. These measures include good governance, risk assessment and early earning knowledge building and awareness raising, reducing underlying risk factors, and preparedness for effective response and early recovery.

As stated under Rule 19, Section 5 of the implementing rules and regulations of the law, all departments, bureaus, offices and agencies of the government are authorized to use a portion of their appropriations to implement projects designed to address DRRM activities in accordance with the guidelines to be issued by the NDRRM Council in coordination with the DBM.

Review of the corporate operating budget showed that no funds were appropriated for DRRM. The said budget does not also include activities of such anature as to address concerns of disaster risk reduction and management.

The District’s failure to appropriate funds for disaster risk reduction and management deprived its employees of the benefits that the Government has provided to address the risk brought by geophysical phenomena and man-made disasters. Presently, the District has not given it top priority and therefore lacks the capacity for disaster preparedness.

**We recommended and Management agreed to appropriate funds relative to DRRM and to adhere to the provisions in the implementation of relevant activities for knowledge building, awareness raising and disaster preparedness under the applicable provisions of R.A. 10121.**

**7. The District failed to submit its Annual Gender and Development (GAD) Plan and Budget and Accomplishment Reports to the corresponding government agencies contrary to DBM-NEDA-NCRFW Joint Circular No. 2004-01,and Section 33 of the General Provisions of the 2014 GAA.**

Section 33 of GAA expressly requires that all government entities shall submit their GAD plan to the NCFRW for review. They shall likewise submit annual reports to Congress, the DBM and NCRFW, indicating the accomplishments and amounts utilizedto implement programs/projects/activities addressing gender issues and women empowerment.

In addition, Section 5.2 of DBM-NEDA-NCRFW Joint Circular No. 2004-1 states that the agency GAD Focal Point shall prepare the annual GAD accomplishment report in coordination with the agency budget officers following the format prescribed in Annex B to be approved by the agency head. The annual GAD report shall be accompanied by the following; (1) brief summary of the reported program or project; (2) abstract of reported studied; (3) copies of reported policy issuances; and (4) curriculum vitae of trainers or consultants of the reported training/s. Agencies shall submit to the DBM two (2) copies of the annual GAD accomplishment report for the previous year along with the agency budget proposal in accordance with the budget call.

The GAD accomplishment Report is to be used as a gauge to determine the District GAD consciousness and commitment to the program. However, with the admission of the Accounting personnel that they were still in the process of preparing the accomplishment report, the agency could not effectively implement the monitoring , assessment, and updating of the annual agency plan on a continuing basis as shown below:

|  |  |  |
| --- | --- | --- |
| **Program/Activity/Project** | **Gender Issue** | **GAD Budget** |
| 1. Organization-focused |  |  |
| 1. Wellness Program | Health of KOLWD employees | 8,,000.00 |
| 1. General Administration & Support – Human Resource Development | Lack of knowledge on gender mainstreaming of GAD Focal Point Members | 65,000.00 |
| 1. Environment and Disaster Awareness Program | Inadequate knowledge on disaster preparedness | 3,000.00 |
| TOTAL |  | **76,000.00** |

The team also noted during the audit that the GAD Accomplishment Report of the agency was not submitted to the Philippine Commission for Women (formerly NCRFW), copy furnish the DBM not later than every 31st of March of the following year as provided on the above-cited rules and regulations.

**We recommended and Management agreedto adhere with Section 33 of the 2014 GAA and DBM-NEDA-NCRFW Joint Circular No. 2004-1; to instruct the GAD Focal Person to provide directions and to coordinate the programs/projects/and activities on GAD; to institute the monitoring processes, particularly in the formulation, assessment and updating the annual agency plan on the continuing basis so that GAD consciousness shall serve as foundation of its commitment to the program; and to prepare the GAD Accomplishment Report and submit to the Philippine Commission for Women (PCW), copy furnish the DBM not later than every 31st of March of the following year.**

1. **The District did not observe the prescribed NGAS Disbursement Voucher (DV) and Budget Utilization Slip (BUS) forms pursuant to COA Circular No. 2005-01, thus, accountability for expenditures is not properly established.**

Section 2 (2), Article IX-D of the 1987 Philippine Constitution mandates the COA to “xxx promulgate accounting and auditing rules and regulations xxx”.

Under COA Circular No. 2005-01 dated February 28, 2005 defines the roles and functions of the Heads of Budget or its equivalent in the certification as to the availability of funds and obligations on contracts/purchase orders and all claims against the government agencies. It also prescribes the revised forms for use in the obligation/utilization and disbursement of funds.

Review of disbursements of the District show that the form of Disbursement Voucher (DV) is not in accordance with what has been prescribed for GOCCs under COA Circular No. 205-001. We also noted that signatories are more than the required number and their functions and certifications are inconsistent with what is required with their functions. Illustration below show the existing practice of the District as compared with the required DV under NGAS:

|  |  |  |
| --- | --- | --- |
| **Particulars** | **NGAS Prescribed D. V.** | **D. V. of KOLWD** |
| Box A | Certified supporting documents complete by the Head of Accounting Unit or authorized representative | No certification as to the limitation of accountability. It is prepared and approved by the Corporate Accounting Analyst |
| Box B | Approved for Payment by Agency Head or authorized representative | Checked by the Cashier and approved for payment by the General Manager as Head of Agency. |
| Box C | Acknowledgement by the claimant or his duly authorized representative for the receipt of the check/cash and the date of receipt. The claimant /payee shall indicate the no. and date of check/ADA, bank’s name and branch and number and date of OR/other relevant document issued to acknowledge the receipt of payment. | Payment received by the claimant with printed name and signature. Check number, Bank name and branch and the check voucher no. |
| Box D | Journal Entry Voucher, No. and date | None |

Ashown in the table, the responsibility and accountability of the officers who signed the transactions could not be easily determined. There is no limitation set by the District’s signatory as to who certify the completeness of supporting documents; and the accountable person who certify that the charges are, lawful and under her/his direct supervision.

We also noted in the disbursement documents, the District failed to prepare Budget Utilization Slip (BUS) for the utilization of the budget duly certified by the Budget Officer (BO) or its equivalent as to the availability of funds/appropriation.

The use of DV form and BUS is prescribed to be able to determine the responsibility and liability of the accountable persons for the improper utilization/ disbursements of government funds.

**We recommended and Management agreed to comply with COA Circular No. 2005-001 with the following:**

# Use the correct DV and the BUS Form;

* **Ensure that Box A of the DV is signed by the Head, Accounting Unit/Authorized Representative; and**
* **Require the Budget Office to prepare BUS for every transaction duly certified by the requesting officer on the necessity and legality of charges to appropriations under his/her supervision (Box A) and certification by the Head of the Budget Unit or its equivalent on the availability of appropriation/allotment and funds obligated for the purpose (Box B).**

**COMPLIANCE WITH TAX LAWS, RULES, AND REGULATION**

The Management as a withholding agent of the Bureau of Internal Revenue (BIR) fully complied with BIR Regulations on withholding of taxes. They remitted the value added and expanded withholding tax for the supplies and materials, equipment and services it procured and taxes withheld on compensation for Calendar Year 2014 in the total amount of P374,447.41 to the government in accordance with the BIR Regulation. (Annex C)

**STATUS OF SUSPENSIONS, DISALLOWANCES AND CHARGES**

No suspensions, disallowances and charges were issued during the year. Audit deficiencies noted were all settled within the reglamentary period in compliance with existing regulations.

PART III –

STATUS OF IMPLEMENTATION OF PRIOR YEAR’S AUDIT RECOMMENDATIONS

**PART III - Status of Implementation of Prior Year’s Audit Recommendations**

Of the seven (7) audit recommendations contained in the Annual Audit Report for the Calendar Year 2013, five (5) were fully implemented, and two (2) were not implemented, of which, one (1) was reiterated in Part II of this Report.

| **Audit**  **Observations** | **Recommendations** | **Ref** | **Status of**  **Implementation** | **Auditor’s Validation Results** |
| --- | --- | --- | --- | --- |
| 1. **Delayed deposits of daily collection of water bills with holding period of at least three days which is not in conformity with Section 69 of P.D.1445** | The Cashier deposit her collections daily and observed the guidelines pertaining to the deposit/remittance of the collections. | **AAR 2013**  **Part 2** | Fully Implemented | The Cashier had deposited her daily collections to the authorized depository bank. |
| **2.Unserviceable properties totaling P273,766.50 were not reclassified to Other Assets resulting to the overstatement of the PPE accounts and rendering the PPE and Other Assets account unreliable.** | The accountable officials in possession of unserviceable property shall submit to the Disposal Committee, the following accomplished forms as appropriate.  1, Inventory and Inspection Report of Unserviceable Property (IIRUP) for semi-expendable materials and equipment and non-expendable supplies, accompanied by any of the following, whichever is appropriate:  a. Individual survey report duly certified by the Supply Officer and Head of Agency.  b. List of missing spare parts duly certified by the Supply Officer and Head of Agency  c. Stencils of chassis and engine numbers of motor vehicles.  d. Current photographs in two positions.  2. Waste Materials Report for expendable materials, supplies and consumables including spare parts, empty containers, and remnants from destroyed or damaged fixed assets.  The IIRUP shall be used as basis to record dropping from the books of unserviceable properties carried in the Utility Plant in Service Account,  Suggest accounting entry:  Other Assets account with the following suggested adjusting entry:  Other Assets P273,766.50  UPIS 29,053.30  Accom. Dep. 244,713.20  To record unserviceable properties to asset account while waiting for disposal | **AAR 2013**  **Part 2** | Partially Implemented | Disposal of the unserviceable properties was not made in CY 2013 as they are still preparing the documents required . |
| **3**. The District failed to provide accrual of liability for the earned leave benefits of the employees totaling P1,048,671.29 as of December 31, 2013. As a consequence, employees benefits were not properly accounted for and disclosed in the financial statements (FS). This has resulted to understatement of liability, overstatement of government equity and overstatement of net income.  **4. The district paid overtime works totaling P106,496.72 with inadequate supporting documents contrary to Section 4& 6 of PD 1445.**  **5.Land improvements and other projects implemented by the district is placing the government at a disadvantage as acquisition of land ownership of the district’s plant site through purchase or donation was not secured prior to it’s implementation.**  **6. Copies of approved purchase orders (POs), pre-repair evaluation reports and noticed of the deliveries were not submitted to the Auditor in violation to COA Circular No. 2009-001.**  **7. The District was not responsive to the institutionalization of the GAD Program with an appropriation of P130,000. The inadequate funding support for GAD programs, projects and activities may brush aside the sustainability and continuity of GAD,** | 1. Include in the Budget every year the appropriation for the accrued payable on terminal leave benefits earned by each employees’ benefits are properly accounted for and disclosed in the FS. 2. Instruct the Accounting Section to make the necessary adjusting entries to record the accrued liability the pertaining to the earned leave benefits of the employees after ensuring the correctness of the accumulated leave credit balances of employees as of December 31, 2013. 3. Set-up a special fund equivalent to the balance of the pensions and benefits reserve account for the accrued earned leave of employees to defray expenses of employees pensions and benefits in the future. 4. Suggested adjusting entries to recognized accrued payable non terminal leave benefits earned by each employee per year of the district   1.Manage the resources of the district efficiently by evaluating the necessity of overtime services.  2. Suuport rendition of overtime with accomplishment report of those given authority to render overtime work.  Exert more effort to facilitate the transfer of land ownership to where the district’s plant site is located thru purchase or donation so that government resources will eventually be safeguarded against loss or wastage pursuant to Section 2 of PD 1445.  Comply with the pertinent circulars to facilitate the review of the POs and contract in case of procurement of goods/services and infrastructure projects respectively in compliance with the aforementioned regulations.  a)To adhere to 5% budgetary appropriation for GAD as mandated in the GAA.  b)Abide by the requirement of DBM- NEDA-NCRFW Joint Circular No. 2004-1 dated April 5, 2004 in formulating GADs Plan. The GAD Plan should comprise programs, projects and activities that will address existing and future potential gender issues. Prioritize GAD as dynamic, modern and international concept.  c)Send the Focal Point persons to GAD seminar. | **AAR 2013**  **Part 2**  **AAR 2013**  **Part 2**  **AAR 2013 Part 2**  **AAR 2013 Part 2**  **AAR 2013 Part 2** | Fully Implemented  Implemented  Partially Implemented  Implemented  Partially Implemented | The District had maintained a special fund purposely for the earned leave benefits of the employees.  The District had attached and complied with requirements /documents needed before payments were made for the overtime pay of employees.  The General Manager had followed up in the DENR office the needed requirements to facilitate the district application for the titling of the lot of its water supply source location.  The District had complied as recommended the submission of POs,pre-repair evaluation reports and notice deliveries to the Auditor.  Reiterated in PART III |

**PART IV - ANNEXES**

|  |  |  |
| --- | --- | --- |
| ***Annex*** |  | ***Title*** |
| A | - | Summary of waters meters recorded under the UPIS Account |
| B | - | Summary of Penalty charges for delayed payment of water bill |
| C | - | Summary of Excess Pag-ibig Employer Remittances for CY 2014 |

**ANNEX A**

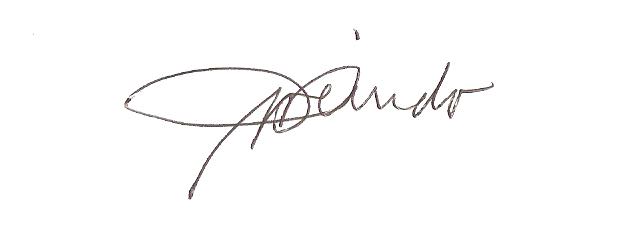
**KOLAMBUGAN WATER DISTRICT**

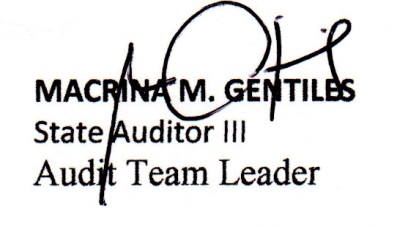
Kolambugan, Lanao del Norte

Summary of Water Meters- items small enough to be considered under UPIS Account

As of December 31, 2014

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Date Acquired | Months to be Depreciated | Total Cost | Accum. Depr’n | Book Value |
| Nov. 2002 | 120 months | 1,100.00 | 1,097.25 | P2.75 |
| Dec. 2002 | -do- | 1,140.00 | 1,128.60 | 11.40 |
| Aug. 2002 | -do- | 21,522.00 | 21,522.00 | - |
| Aug. 2003 | -do- | 83,500.00 | 80,020.79 | 3,479.21 |
| Aug. 2003 | -do- | 258,900.00 | 240,777.00 | 18,123.00 |
| Jan. 2004 | -do- | 63,000.00 | 54,810.00 | 8,190.00 |
| May 2004 | -do- | 58,135 | 50,141.42 | 7,993.58 |
| Sept. 2004 | -do- | 48,846.40 | 40,664.66 | 8,181.74 |
| Aug. 2004 | -do- | 56,070.00 | 47,098.80 | 8,971.20 |
| Sept. 2004 | -do- | 3,150.00 | 2,622.39 | 527.61 |
| Nov. 2004 | -do- | 62,471.00 | 51,070.04 | 11,400.96 |
| Jan. 2005 | -do- | 2,600.00 | 2,086.50 | 513.50 |
| 2000 | -do- | 42,770.81 | 42,035.10 | - |
| 2000 | -do- | 16,100.00 | 16,100.00 | - |
| 2000 |  | 95,000.00 | 95,000.00 | - |
| 2001 | -do- | 38,458.50 | 38,458.50 | - |
| 2001 | -do- | 65,000.00 | 65,000.00 | - |
| May 2002 | -do- | 63,900.00 | 63,900.00 | - |
| TOTAL |  | P985,649.56 | P918,254.61 | P67,394.95 |



 Prepared By: Reviewed By:

**MERIAM S. DECIERDO**

State Auditor II

Audit Team Member

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | |  | |  | |  | |  | |  | |  |  | |  | |  | |  | | **ANNEX B** | |
|  |  |  |  | |  | |  | |  | |  | |  | |  |  | |  | |  | | AAR Page No. 17 | | | |
| **SUMMARY OF EMPLOYER PAG-IBIG REMITTANCES** | | | | | | | | | | | | | | | | | | | | | | | | | |
| Kolambugan Water District | | | | | | | | | | | | | | | | | | | | | | | | | |
| Calendar Year 2014 | | | | | | | | | | | | | | | | | | | | | | | | | |
|  |  |  |  | |  | |  | |  | |  | |  | |  |  | |  | |  | |  | |  |  |
|  |  |  |  | |  | |  | |  | |  | |  | |  |  | |  | |  | |  | |  |  |
|  |  |  |  | |  | |  | |  | |  | |  | |  |  | |  | |  | |  | |  |  |
| EMPLOYEES SHARE For CY 2014 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Name of Employees | JAN | FEB | MAR | | APR | | MAY | | JUN | | JUL | | AUG | | SEPT | OCT | | NOV | | DEC | | TOTAL | | Allowable | Excess |
| 1. Lionel Alfredo Infante | 891.20 | 891.20 | 891.20 | | 891.20 | | 891.20 | | 891.20 | | 891.20 | | 891.20 | | 891.20 | 891.20 | | 891.20 | | 891.20 | | 10,694.40 | | 1,200.00 | 9,494.40 |
| 2. Ma. Jane C. Quintas | 406.82 | 406.82 | 406.82 | | 406.82 | | 406.82 | | 406.82 | | 406.82 | | 406.82 | | 406.82 | 406.82 | | 406.82 | | 406.82 | | 4,881.84 | | 1,200.00 | 3,681.84 |
| 3. Herminia C. Bergado | 406.82 | 406.82 | 406.82 | | 406.82 | | 406.82 | | 406.82 | | 406.82 | | 406.82 | | 406.82 | 406.82 | | 406.82 | | 406.82 | | 4,881.84 | | 1,200.00 | 3,681.84 |
| 4. Felixberto G. Austria | 263.60 | 263.60 | 263.60 | | 263.60 | | 263.60 | | 263.60 | | 263.60 | | 263.60 | | 263.60 | 263.60 | | 263.60 | | 263.60 | | 3,163.20 | | 1,200.00 | 1,963.20 |
| 5. Flora May Cabatana | 263.60 | 263.60 | 263.60 | | 263.60 | | 263.60 | | 263.60 | | 263.60 | | 263.60 | | 263.60 | 263.60 | | 263.60 | | 263.60 | | 3,163.20 | | 1,200.00 | 1,963.20 |
| 6. Reynaldo R. Agan | 263.60 | 263.60 | 263.60 | | 263.60 | | 263.60 | | 263.60 | | 263.60 | | 263.60 | | 263.60 | 263.60 | | 263.60 | | 263.60 | | 3,163.20 | | 1,200.00 | 1,963.20 |
| 7. Edgardo R. Sacmar | 183.62 | 183.62 | 183.62 | | 183.62 | | 183.62 | | 183.62 | | 183.62 | | 183.62 | | 183.62 | 183.62 | | 183.62 | | 183.62 | | 2,203.44 | | 1,200.00 | 1,003.44 |
| 8. Arturo Q. Banoy | 183.62 | 183.62 | 183.62 | | 183.62 | | 183.62 | | 183.62 | | 183.62 | | 183.62 | | 183.62 | 183.62 | | 183.62 | | 183.62 | | 2,203.44 | | 1,200.00 | 1,003.44 |
| **TOTAL** | 2,862.88 | 2,862.88 | 2,862.88 | | 2,862.88 | | 2,862.88 | | 2,862.88 | | 2,862.88 | | 2,862.88 | | 2,862.88 | 2,862.88 | | 2,862.88 | | 2,862.88 | | 34,354.56 | | 9,600.00 | **24,754.56** |
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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  | **ANNEX C** | |
|  |  |  |  |  |  |  |  | AAR Page No. 24 | |
| KOLAMBUGAN WATER DISTRICT | | | | | | | | | |
| Schedule of Taxes Remitted and Dividends Paid to Nationsl Government | | | | | | | | | |
| Period Ended December 31,2014 | | | | | | | | | |
| (in thousand pesos) | | | | | | | | | |
|  |  |  |  |  |  |  |  |  |  |
|  | Taxes | | | | | | | | |
| Month | **Withholding Tax Remittance** | | | | | | DV No. | Others | Total |
| DV No. | **Withheld Salary** | DV No. | **Withheld Suppliers(2 & 1%,10%)** | DV No. | **Withheld Suppliers(5%)** | **(franchise)** |  |
| January | 2014.01.005 | 16,617.990 | 2014.01.3777008 | 1,095.090 | 2014.01.07 | 3,098.030 | 2014.01.3802 | 8,363.600 | **29,174.710** |
| February | 2014.02.040 | 19,208.650 | 2014.02.041 | 524.630 | 2014.02.42 | 233.400 | 2014.02.3824 | 8,545.100 | **28,511.780** |
| March | 2014.03.76 | 19,208.650 | 2014.03.77 | 521.950 | 2014.03.78 | 169.150 | 2014.03.3879 | 8,099.210 | **27,998.960** |
| April | 2014.04.111 | 19,208.650 | 2014.04.109 | 552.280 | 2014.04.110 | 248.670 | 2014.04.3920 | 8,112.800 | **28,122.400** |
| May | 2014.05.145 | 19,208.650 | 2014.05.143 | 550.400 | 2014.05.144 | 602.940 | 2014.05.3957 | 8,954.330 | **29,316.320** |
| June | 2014.06.178 | 18,541.880 | 2014.06.180 | 1,129.310 | 2014.06.182 | 3,120.470 | 2014.06.3996 | 8,793.680 | **31,585.340** |
| July | 2014.07.224 | 24,301.410 | 2014.07.223 | 627.020 | 2014.07.222 | 628.250 | 2014.07.4033 | 7,653.860 | **33,210.540** |
| August | 2014.08.268 | 24,301.410 | 2014.08.266 | 4,045.690 | 2014.08.267 | 17,709.930 | 2014.08.4093 | 8,877.130 | **54,934.160** |
| September | 2014.09.311 | 24,301.410 | 2014.09.309 | 2,750.370 | 2014.09.310 | 3,537.640 | 2014.09.4148 | 8,414.100 | **39,003.520** |
| October | 2014.10.359 | 24,301.410 | 2014.10.357 | 1,413.910 | 2014.10.356 | 2,657.300 | 2014.10.4196 | 8,261.200 | **36,633.820** |
| November | 2014.11.402 | 24,301.410 | 2014.11.399 | 3,481.840 | 2014.11.400 | 15,078.840 | 2014.11.4245 | 7,516.780 | **50,378.870** |
| December | 2014.12.440 | 24,301.410 | 2014.11.441 | 1,631.330 | 2014.12.442 | 6,049.510 | 2014.12.4282 | 8,146.830 | **40,129.080** |
|  |  |  |  |  |  |  |  |  |  |
|  |  | 257,802.930 |  | 18,323.820 |  | 53,134.130 |  | 99,738.620 | **428,999.500** |
| Mam Meriam Signature.jpg |  |  |  |  |  |  |  |  |  |
| Prepared by: | |  |  |  |  | D:\Users\Personal\Pictures\img014.jpgReviewed by: |  |  |  |
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|  | **MERIAM S. DECIERDO** | |  |  |  |  |  |
|  | State Auditor II | |  |  |  |  |  |
|  | Audit Team Member | |  |  |  |  |  |