



For BIR  
Use Only BCS/  
Item

1702-EX06/13P1

 Republika ng Pilipinas Kagawaran ng Pananalapi Kawanihan ng Rentas Internas		<b>Annual Income Tax Return</b> For Use ONLY by Corporation, Partnership and Other Non-Individual Taxpayer EXEMPT Under the Tax Code, as Amended, [Sec. 30 and those exempted in Sec. 27(C)] and Other Special Laws, with NO Other Taxable Income <i>Enter all required information in CAPITAL LETTERS using BLACK ink. Mark applicable          boxes with an "X". Two copies MUST be filed with the BIR and one held by the taxpayer.</i>		BIR Form No. <b>1702-EX</b> June 2013 Page 1	
1 For <input checked="" type="checkbox"/> Calendar <input type="checkbox"/> Fiscal 2 Year Ended (MM/20YY) 12 / 20 17		3 Amended Return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 4 Short Period Return? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		5 Alphabetic Tax Code (ATC) IC 011 <input type="checkbox"/> Exempt Corporation on Exempt Activities <input checked="" type="checkbox"/> IC 021 <input type="checkbox"/> General Professional Partnership <input type="checkbox"/>	
<b>Part I - Background Information</b>					
6 Taxpayer Identification Number (TIN) 0 0 0 - 5 6 6 - 1 7 5 - 0 0 0 0 7 RDO Code 0 0 2					
8 Date of Incorporation/Organization (MM/DD/YYYY) 0 1 / 0 1 / 1 9 9 7					
9 Registered Name (Enter only 1 letter per box using CAPITAL LETTERS) M E T R O V I G A N W A T E R D I S T R I C T					
10 Registered Address (Indicate complete registered address) P A N T A Y D A Y A , V I G A N C I T Y , I L O C O S S U R					
11 Contact Number 6 7 4 0 - 8 9 3			12 Email Address metroviganwaterdistrict_bir@yahoo.com		
13 Main Line of Business W A T E R D I S T R I C T				14 PSIC Code 4 1 0 0	
15 Method of Deduction Itemized Deductions [Sections 34 (A-J), NIRC]					
16 Legal Basis of Tax Relief/Exemption (Specify) R A N O 1 0 0 2 6			17 Investment Promotion Agency (IPA)/Government Agency L W U A		
18 Registered Activity/Program (Reg. No.) C C C 0 5 3		19 Effectivity Date of Tax Relief/Exemption From 0 8 / 1 3 / 1 9 9 6 To 1 2 / 3 1 / 2 0 1 7			
<b>Part II - Total Tax Payable (Do NOT enter Centavos)</b>					
20 Total Income Tax Due (From Part IV Item 41)				0 0 0	
21 Add: Penalty - Compromise				0	
22 TOTAL AMOUNT PAYABLE (Sum of Items 20 & 21)				0	
We declare under the penalties of perjury, that this annual return has been made in good faith, verified by us, and to the best of our knowledge and belief, is true and correct pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof. (If Authorized Representative, attach authorization letter and indicate TIN.)					
Signature over printed name of President/Principal Officer/ Authorized Representative Title of Signatory General Manager			Signature over printed name of Treasurer/Assistant Treasurer Number of pages filed		
23 Community Tax Certificate (CTC) Number/SEC Reg. No. 0 9 8 2 7 8 1 3			24 Date of Issue (MM/DD/YYYY) 0 1 / 1 6 / 2 0 1 8		
25 Place of Issue VIGAN CITY			26 Amount, if CTC 3 0 0		
<b>Part III - Details of Payment</b>					
Details of Payment		Drawee Bank/ Agency	Number	Date (MM/DD/YYYY)	Amount
27 Cash/Bank Debit Memo				/ /	0
28 Check				/ /	0
29 Tax Debit Memo				/ /	0
30 Others (Specify Below)				/ /	0
Machine Validation / Revenue Official Receipt Details (if not filed with an Authorized Agent Bank)					
Stamp of receiving Office AAB and Date of Receipt (RO's Signature/Bank Teller's Initial) BIR, RRI-RDD - Vigan City I.S. Collection Section					



<b>Annual Income Tax Return</b> Page 2		BIR Form No. <b>1702-EX</b> June 2013	 1702-EX06/13P2
TIN 0   0   0   5   6   1   7   5   0   0   0   0		Registered Name METRO VIGAN WATER DISTRICT	

Part IV – Computation of Tax <span style="float: right;">(Do NOT enter Centavos)</span>	
31 Net Sales/Revenues/Receipts/Fees (From Schedule 1 Item 6)	8 2 , 6 3 6 , 8 0 2
32 Less: Cost of Sales/Services (From Schedule 2 Item 27)	0
33 Gross Income from Operation (Item 31 Less Item 32)	8 2 , 6 3 6 , 8 0 2
34 Add: Other Taxable Income Not Subjected to Final Tax (From Schedule 3 Item 4)	2 8 4 , 3 3 3
35 Total Gross Income (Sum of Items 33 & 34)	8 2 , 9 2 1 , 1 3 5
Less: Deductions Allowable under Existing Law	
36 Ordinary Allowable Itemized Deductions (From Schedule 4 Item 40)	6 3 , 9 2 9 , 3 9 8
37 Special Allowable Itemized Deductions (From Schedule 5 Item 5)	0
38 Total Itemized Deductions (Sum of Items 36 & 37)	6 3 , 9 2 9 , 3 9 8
39 Net Taxable Income (Item 35 Less Item 38)	1 8 , 9 9 1 , 7 3 7
40 Income Tax Rate	0%
41 Total Income Tax Due (Item 39 X Item 40) (To Part II Item 20)	0   0   0

Part V - Tax Relief Availment	
42 Regular Income Tax Otherwise Due (30% of Part IV Item 39)	5 , 6 9 7 , 5 2 1
43 Special Allowable Itemized Deductions (30% of Part IV Item 37)	0
44 Total Tax Relief Availment (Sum of Items 42 & 43)	5 , 6 9 7 , 5 2 1

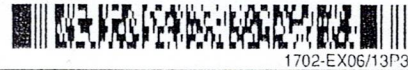
  

Part VI - Information - External Auditor/Accredited Tax Agent	
45 Name of External Auditor/Accredited Tax Agent ELIZABETH F. JARAMILLO	
46 TIN	1   3   4   6   4   7   1   5   8   0   0   0
47 Name of Signing Partner (If External Auditor is a Partnership)	
48 TIN	
49 BIR Accreditation No.	50 Issue Date (MM/DD/YYYY) 51 Expiry Date (MM/DD/YYYY)
0 0 - 0 0 0 0 0 0 - 0 0 0 - 0 0 0 0	0 1 / 0 1 / 2 0 1 8 0 1 / 0 1 / 2 0 2 1



**Annual Income Tax Return**

Page 3 - Schedules 1 &amp; 2

BIR Form No.  
**1702-EX**  
June 2013

1702-EX06/13P3

TIN	Registered Name
0   0   0   5   6   6   1   7   5   0   0   0   0	METRO VIGAN WATER DISTRICT

**Schedule 1 - Sales/Revenues/Receipts/Fees** (Attach additional sheet/s, if necessary)

1 Sale of Goods/Properties	8 2 , 6 3 6 , 8 0 2
2 Sale of Services	0
3 Lease of Properties	0
4 Total (Sum of Items 1 to 3)	8 2 , 6 3 6 , 8 0 2
5 Less: Sales Returns, Allowances and Discounts	0
6 Net Sales/Revenues/Receipts/Fees (Item 4 Less Item 5) (To Part IV Item 31)	8 2 , 6 3 6 , 8 0 2

**Schedule 2 - Cost of Sales** (Attach additional sheet/s, if necessary)**Schedule 2A - Cost of Sales (For those Engaged in Trading)**

1 Merchandise Inventory - Beginning	0
2 Add Purchase of Merchandise	0
3 Total Goods Available for Sale (Sum of Items 1 & 2)	0
4 Less: Merchandise - Ending	0
5 Cost of Sales (Item 3 Less Item 4) (To Schedule 2 Item 27)	0

**Schedule 2B - Cost of Sales (For those Engaged in Manufacturing)**

6 Direct Materials, Beginning	0
7 Add: Purchases of Direct Materials	0
8 Materials Available for Use (Sum of Items 6 & 7)	0
9 Less: Direct Materials, Ending	0
10 Raw Materials Used (Item 8 Less Item 9)	0
11 Direct Labor	0
12 Manufacturing Overhead	0
13 Total Manufacturing Cost (Sum of Items 10, 11 & 12)	0
14 Add: Work in Process, Beginning	0
15 Less: Work in Process, Ending	0
16 Cost of Goods Manufactured (Sum of Items 13 & 14 Less Item 15)	0
17 Add: Finished Goods, Beginning	0
18 Less: Finished Goods, Ending	0
19 Cost of Goods Manufactured and Sold (Sum of Items 16 & 17 Less Item 18) (To Schedule 2 Item 27)	0

**Schedule 2C - Cost of Services**

(For those engaged in Services, indicate only those directly incurred or related to the gross revenue from rendition of services)


20 Direct Charges - Salaries, Wages and Benefits	0
21 Direct Charges - Materials, Supplies and Facilities	0
22 Direct Charges - Depreciation	0
23 Direct Charges - Rental	0
24 Direct Charges - Outside Services	0
25 Direct Charges - Others	0
26 Total Cost of Services (Sum of Items 20 to 25) (To Schedule 2 Item 27)	0

27 Total Cost of Sales/Services (Sum of Items 5, 19 & 26, if applicable) (To Part IV Item 32)	0
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<b>Annual Income Tax Return</b>		BIR Form No. <b>1702-EX</b> June 2013	 1702-EX06/13P4
Page 4 - Schedules 3 & 4			
TIN		Registered Name	
0   0   0   5   6   6   1   7   5   0   0   0   0		METRO VIGAN WATER DISTRICT	

Schedule 3 - Other Taxable Income Not Subjected to Final Tax <small>(Attach additional sheet/s, if necessary)</small>	
1	OTHER BUSINESS INCOME
	2 8 4 , 3 3 3
2	
	0
3	
	0
4	Total Other Taxable Income Not Subjected to Final Tax <small>(Sum of Items 1 to 3) (To Part IV Item 34)</small>
	2 8 4 , 3 3 3

Schedule 4 - Ordinary Allowable Itemized Deductions <small>(Attach additional sheet/s, if necessary)</small>	
1	Advertising and Promotions
	2 1 , 1 6 8
Amortizations <small>(Specify on Items 2, 3 &amp; 4)</small>	
2	
	0
3	
	0
4	
	0
5	Bad Debts
	0
6	Charitable Contributions
	0
7	Commissions
	0
8	Communication, Light and Water
	1 2 , 4 6 6 , 8 3 9
9	Depletion
	0
10	Depreciation
	1 2 , 8 4 8 , 0 1 7
11	Director's Fees
	6 7 0 , 0 2 0
12	Fringe Benefits
	0
13	Fuel and Oil
	1 , 2 2 6 , 1 0 8
14	Insurance
	2 6 5 , 9 5 8
15	Interest
	0
16	Janitorial and Messengerial Services
	0
17	Losses
	0
18	Management and Consultancy Fee
	0
19	Miscellaneous
	1 , 6 2 8 , 4 0 7
20	Office Supplies
	8 3 4 , 5 4 8
21	Other Services
	1 , 5 4 7 , 5 0 5
22	Professional Fees
	0
23	Rental
	6 0 , 0 0 0
24	Repairs and Maintenance -- (Labor or Labor & Materials)
	4 , 2 7 7 , 8 3 5
25	Repairs and Maintenance -- (Materials/Supplies)
	9 , 0 1 5 , 1 4 8
26	Representation and Entertainment
	2 1 7 , 0 7 7
27	Research and Development
	0
28	Royalties
	0
29	Salaries and Allowances
	1 5 , 1 0 5 , 2 6 8



<b>Annual Income Tax Return</b> Page 5 - Schedules 4, 5 & 6		BIR Form No. <b>1702-EX</b> June 2013	 1702-EX06/13P5
TIN 0 0 0 5 6 6 1 7 5 0 0 0 0		Registered Name METRO VIGAN WATER DISTRICT	
<b>Schedule 4 - Ordinary Allowable Itemized Deductions (Continued from Previous Page)</b>			
30 Security Services		4 0 6 , 7 1 7	
31 SSS, GSIS, Philhealth, HDMF and Other Contributions		1 , 3 2 1 , 0 4 7	
32 Taxes and Licenses		1 , 6 2 2 , 3 0 8	
33 Tolling Fees		0	
34 Training and Seminars		1 6 2 , 9 5 0	
35 Transportation and Travel		1 9 8 , 6 7 3	
Others (Specify below; Add additional sheet(s) if necessary)			
36	POSTAGE AND DELIVERIES	9 , 3 6 6	
37	INTERNET SUBSCRIPTION EXPENSE	1 , 6 0 0	
38	TRANSPORTATION AND DELIVERY EXPEN	1 5 0	
39	OTHERS	2 2 , 6 8 9	
40 Total Ordinary Allowable Itemized Deductions (Sum of Items 1 to 39) (To Part IV Item 36)		6 3 , 9 2 9 , 3 9 8	
<b>Schedule 5 - Special Allowable Itemized Deductions (Attach additional sheet/s, if necessary)</b>			
	Description	Legal Basis	Amount
1			0
2			0
3			0
4			0
5 Total Special Allowable Itemized Deductions (Sum of Items 1 to 4) (To Part IV Item 37)		0	
<b>Schedule 6 - Reconciliation of Net Income per Books Against Taxable Income (Attach additional sheet/s, if necessary)</b>			
1 Net Income/(Loss) per books		1 8 , 9 9 1 , 7 3 7	
Add: Non-deductible Expenses/Taxable Other Income			
2			0
3			0
4 Total (Sum of Items 1 to 3)		1 8 , 9 9 1 , 7 3 7	
Less: A) Non-taxable Income and Income Subjected to Final Tax			
5			0
6			0
B) Special Deductions			
7			0
8			0
9 Total (Sum of Items 5 to 8)		0	
10 Net Taxable Income (Loss) (Item 4 Less Item 9)		1 8 , 9 9 1 , 7 3 7	

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<b>Annual Income Tax Return</b> Page 7 - Schedules 9 & 10		BIR Form No. <b>1702-EX</b> June 2013	 1702-EX06/13P7
TIN 0 0 0 5 6 6 1 7 5 0 0 0 0		Registered Name METRO VIGAN WATER DISTRICT	
<b>Schedule 9- Supplemental Information</b> (Attach additional sheet/s, if necessary)			
I) Gross Income/Receipts Subjected to Final Withholding	A) Exempt	B) Actual Amount/Fair Market Value/Net Capital Gains	C) Final Tax Withheld/Paid
1 Interests	0	55,591	13,898
2 Royalties	0	0	0
3 Dividends	0	0	0
4 Prizes and Winnings	0	0	0
<b>II) Sale/Exchange of Real Properties</b>		A) Sale/Exchange #1	B) Sale/Exchange #2
5 Description of Property (e.g., land, improvement, etc.)			
6 OCT/TCT/CCT/Tax Declaration No.			
7 Certificate Authorizing Registration (CAR) No.			
8 Actual Amount/Fair Market Value/Net Capital Gains		0	0
9 Final Tax Withheld/Paid		0	0
<b>III) Sale/Exchange of Shares of Stock</b>		A) Sale/Exchange #1	B) Sale/Exchange #2
10 Kind (PS/CS) / Stock Certificate Series No.	P S /	P S /	
11 Certificate Authorizing Registration (CAR) No.			
12 Number of Shares	0	0	
13 Date of Issue (MM/DD/YYYY)	□□/□□/□□□□	□□/□□/□□□□	
14 Actual Amount/Fair Market Value/Net Capital Gains	0	0	
15 Final Tax Withheld/Paid	0	0	
<b>IV) Other Income (Specify)</b>		A) Other Income #1	B) Other Income #2
16 Other Income Subject to Final Tax Under Sections 57(A)/127/others of the Tax Code, as amended (Specify)			
17 Actual Amount/Fair Market Value/Net Capital Gains		0	0
18 Final Tax Withheld/Paid		0	0
<b>19 Total Final Tax Withheld/Paid</b> (Sum of Items 1C to 4C, 9A, 9B, 15A, 15B, 18A & 18B)			13,898
<b>Schedule 10- Gross Income/Receipts Exempt from Income Tax</b>			
1 Return of Premium (Actual Amount/Fair Market Value)		0	
<b>I) Personal/Real Properties Received thru Gifts, Bequests, and Devises</b>		A) Personal/Real Properties #1	B) Personal/Real Properties #2
2 Description of Property (e.g., land, improvement, etc.)			
3 Mode of Transfer (e.g., Donation)			
4 Certificate Authorizing Registration (CAR) No.			
5 Actual Amount/Fair Market Value		0	0
<b>II) Other Exempt Income/Receipts</b>		A) Other Exempt Income #1	B) Other Exempt Income #2
6 Other Exempt Income/Receipts Under Sec. 32 (B) of the Tax Code, as amended (Specify)			
7 Actual Amount/Fair Market Value/Net Capital Gains		0	0
<b>8 Total Income/Receipts Exempt from Income Tax</b> (Sum of Items 1, 5A, 5B, 7A & 7B)			0

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**BIR Email Notification (eFiling of Tax Return)** Wednesday, April 11, 2018 8:26 AM S S  
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From: no-reply@bir.gov.ph

To: metroviganwaterdistrict\_bir@yahoo.com

Raw Message Printable View Q

Good Day METRO VIGAN WATER DISTRICT,  
Thank you for filing your Return through eFPS.

This email indicates that the eFiled Return has been submitted to BIR, see below the summary details of your tax filing transaction for your reference. To ensure that the said transaction was successfully submitted, please inquire your eReturn Details through the eFPS Tax Inquiry.

From,  
Bureau of Internal Revenue

REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF FINANCE  
BUREAU OF INTERNAL REVENUE

**FILING REFERENCE NO.**

TIN	:	000-566-175-000
Name	:	METRO VIGAN WATER DISTRICT
RDO	:	002
Form Type	:	1702
Reference No.	:	121800024668562
Amount Payable / (Over Remittance)	:	0.00
Accounting Type	:	C - Calendar
For Tax Period	:	12/31/2017
Date Filed	:	04/11/2018
Tax Type	:	IT

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Republic of the Philippine  
**METRO VIGAN WATER DISTRICT**

P. Burgos St., Barangay IV, Vigan City 2700 Ilocos Sur

Telephone Nos. 077-6740870, 6741321, 6740893

E-mail: [metrovganwaterdistrict@yahoo.com](mailto:metrovganwaterdistrict@yahoo.com)

Website: [www.metrovganwd.gov.ph](http://www.metrovganwd.gov.ph)

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**FINANCIAL STATEMENTS**

As of **December 31, 2017**

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**METRO VIGAN WATER DISTRICT**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2017**

	ASSETS	NOTE	2017	2016
<b>Current Assets</b>				
Cash and Cash Equivalents		6	9,772,864.36	9,317,638.38
Receivables		7	3,845,523.93	1,964,292.06
Inventory		8	7,507,966.88	5,348,139.11
<b>Total Current Assets</b>			<u><b>21,126,355.17</b></u>	<u><b>16,630,069.55</b></u>
<b>Non-Current Assets</b>				
Investment Property		9	856,411.08	1,182,010.50
Property, Plant and Equipment		10	190,667,247.93	174,002,261.07
Other Assets		11	472,281.08	445,414.41
<b>Total Non-Current Assets</b>			<u><b>191,995,940.09</b></u>	<u><b>175,629,685.98</b></u>
<b>Total Assets</b>			<u><b>213,122,295.26</b></u>	<u><b>192,259,755.53</b></u>

**LIABILITIES**

<b>Current Liabilities</b>				
Finance Liabilities		12	521,709.77	426,793.93
Inter-Agency Payables		13	71,526.58	218,721.37
Other Payables		15	23,287.98	6,455.96
<b>Total Current Liabilities</b>			<u><b>616,524.33</b></u>	<u><b>651,971.26</b></u>
Guaranty/Security Deposits Payable			-	-
Other Deferred Credits		14	599,009.54	643,834.16
Deferred Tax Liabilities			-	-
<b>Total Non-Current Liabilities</b>			<u><b>599,009.54</b></u>	<u><b>643,834.16</b></u>
<b>Total Liabilities</b>			<u><b>1,215,533.87</b></u>	<u><b>1,295,805.42</b></u>

**EQUITY**

Government Equity		559,893.87	559,893.87
Contributed Capital		80,413,659.13	80,413,659.13
Retained Earnings/(Deficit)		130,933,208.39	109,990,397.11
<b>Total Equity</b>		<u><b>211,906,761.39</b></u>	<u><b>190,963,950.11</b></u>
<b>Total Liabilities and Equity</b>		<u><b>213,122,295.26</b></u>	<u><b>192,259,755.53</b></u>

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**METRO VIGAN WATER DISTRICT**  
**DETAILED STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2017**

ASSETS	2017	2016
<b>Current Assets</b>		
<b>Cash and Cash Equivalents</b>	<u>9,772,864.36</u>	<u>9,317,638.38</u>
Cash on Hand		
Cash Collecting Officer	-	-
Petty Cash	-	-
Checks and Other Cash Items	-	-
Cash in Bank-Local Currency		
Cash in Bank Local Currency-Current Account	3,096,986.65	2,344,594.29
Cash in Bank Local Currency-Savings Account	1,012,167.25	748,946.79
Cash Equivalents		
Time Deposits-Local Currency	5,663,710.46	6,224,097.30
<b>Receivables</b>	<u>3,845,523.93</u>	<u>1,964,292.06</u>
Receivable Accounts		
Accounts Receivables	3,977,149.16	4,287,331.56
Allowance for impairment - Accounts Receivable	(133,370.69)	(2,323,039.50)
Due from Officers and Employees	1,745.46	-
<b>Inventory</b>	<u>7,507,966.88</u>	<u>5,348,139.11</u>
Inventory Held For Consumption		
Office Supplies Inventory	216,326.68	252,342.29
Fuel, Oil and Lubricants Inventory	-	86,160.25
Chemical and Filtering Supplies Inventory	406,082.42	227,405.19
Construction Materials Inventory	11,250.00	-
Other Supplies and Materials Inventory	6,874,307.78	4,782,231.38
<b>Total Current Assets</b>	<u>21,126,355.17</u>	<u>16,630,069.55</u>
<b>Non-Current Assets</b>		
<b>Investment Property - Construction In Progress</b>	<u>856,411.08</u>	<u>1,182,010.50</u>
<b>Property, Plant and Equipment</b>	<u>190,667,247.93</u>	<u>174,002,261.07</u>
Land		
Land	18,422,131.53	18,113,472.82
Accumulated Depreciation - Land	-	-
Net Value - Land	<u>18,422,131.53</u>	<u>18,113,472.82</u>

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# Land Improvements

Other Land Improvements	248,680.00	248,680.00
<i>Accumulated Depreciation - Other Land Improvements</i>	-	-
Net Value - Other Land Improvements	<u>248,680.00</u>	<u>248,680.00</u>

# Water Supply Systems

Water Supply Systems	177,407,241.58	159,617,881.72
<i>Accumulated Depreciation - Water Supply System</i>	<u>(55,189,683.47)</u>	<u>(49,161,024.32)</u>
Net Value - Water Supply System	<u>122,217,558.11</u>	<u>110,456,857.40</u>

# Buildings

Buildings	21,989,219.53	21,989,219.53
<i>Accumulated Depreciation - Buildings</i>	<u>(3,794,201.04)</u>	<u>(3,120,776.88)</u>
Net Value - Buildings	<u>18,195,018.49</u>	<u>18,868,442.65</u>

# Water Plant, Structure and Improvements

Water Plant, Structure and Improvements	6,250,084.62	5,019,361.62
<i>Accumulated Depreciation - Water Plant, Structures and Improvements</i>	<u>(1,199,950.11)</u>	<u>(1,015,774.70)</u>
Net Value - Water Plant, Structures and Improvements	<u>5,050,134.51</u>	<u>4,003,586.92</u>

# Office Equipment

Office Equipment	4,401,021.05	2,967,142.15
<i>Accumulated Depreciation - Office Equipment</i>	<u>(2,022,661.78)</u>	<u>(1,571,625.84)</u>
Net Value - Office Equipment	<u>2,378,359.27</u>	<u>1,395,516.31</u>

# Communication Equipment

Communication Equipment	24,222.70	18,881.00
<i>Accumulated Depreciation - Communication Equipment</i>	<u>(12,922.90)</u>	<u>(10,059.74)</u>
Net Value - Communication Equipment	<u>11,299.80</u>	<u>8,821.26</u>

# Other Equipment

Other Equipment	43,836,910.15	35,201,568.65
<i>Accumulated Depreciation - Other Equipment</i>	<u>(24,444,837.88)</u>	<u>(19,770,864.79)</u>
Net Value - Other Equipment	<u>19,392,072.27</u>	<u>15,430,703.86</u>

# Motor Vehicles

Motor Vehicles	9,128,964.74	9,064,464.74
<i>Accumulated Depreciation - Motor Vehicles</i>	<u>(4,704,361.85)</u>	<u>(4,017,810.45)</u>
Net Value - Motor Vehicles	<u>4,424,602.89</u>	<u>5,046,654.29</u>

# Furniture and Fixtures

Furniture and Fixtures	1,063,785.78	1,018,585.78
<i>Accumulated Depreciation - Furniture and Fixtures</i>	<u>(736,394.72)</u>	<u>(589,060.22)</u>
Net Value - Furniture and Fixtures	<u>327,391.06</u>	<u>429,525.56</u>



Withholding Tax at Source	12,068.75	1,378.45
Other Assets	460,212.33	444,035.96
<b>Total Non-Current Assets</b>	<b>191,995,940.09</b>	<b>175,629,685.98</b>
<b>Total Assets</b>	<b>213,122,295.26</b>	<b>192,259,755.53</b>

## LIABILITIES

### Current Liabilities

#### Finance Liabilities

##### Payables

Accounts Payables

Due to Officers and Employees

Loans Payables

Term Loan Liability

#### Inter-Agency Payables

##### Inter Agency-Payables

Due to BIR

Due to GSIS

Due to Pag-IBIG

Due to PhilHealth

Due to SSS

Due to Other Funds (MVWD PF and PFRP)

#### Other Payables

### Total Current Liabilities

### Non-Current Liabilities

Guaranty/Security Deposits Payable

Customer's Deposits Payable

Other Deferred Credits

Deferred Tax Liabilities

### Total Non-Current Liabilities

### Total Liabilities

	521,709.77	426,793.93
	1,681.69	229,490.08
	520,028.08	197,303.85
	-	-
	71,526.58	218,721.37
	25,007.98	131,696.00
	36,034.90	49,979.10
	11,625.30	2,198.28
	1,600.00	200.00
	(1,200.00)	11,000.00
	(1,541.60)	23,647.99
	23,287.98	6,455.96
	616,524.33	651,971.26
	-	-
	609,040.00	618,040.00
	(10,030.46)	25,794.16
	-	-
	599,009.54	643,834.16
	1,215,533.87	1,295,805.42

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## EQUITY

Government Equity	559,893.87	559,893.87
Contributed Capital	80,413,659.13	80,413,659.13
Retained Earnings/(Deficit)	<u>130,933,208.39</u>	<u>109,990,397.11</u>
Total Equity	<u>211,906,761.39</u>	<u>190,963,950.11</u>
Total Liabilities and Equity	<u><u>213,122,295.26</u></u>	<u><u>192,259,755.53</u></u>

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**METRO VIGAN WATER DISTRICT**  
**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	NOTE	2017	2016
<b>Revenue</b>			
Service and Business Income	16	82,636,802.29	75,478,020.38
<b>Total Revenue</b>		<u>82,636,802.29</u>	<u>75,478,020.38</u>
<b>Current Operating Expense</b>			
Personnel Services	17	17,096,335.40	14,832,530.79
Maintenance and Other Operating Expense	18	46,832,712.80	40,613,833.98
Financial Expense	19	350.00	600.00
<b>Total Current Operating Expense</b>		<u>63,929,398.20</u>	<u>55,446,964.77</u>
<b>Surplus/(Deficit) from Current Operations</b>		<u>18,707,404.09</u>	<u>20,031,055.61</u>
Other Non-Operating Income	20	339,924.07	342,925.77
Gains		-	-
Losses		-	-
Discount and Rebates		-	-
<b>Surplus/(Deficit) before Tax</b>		19,047,328.16	20,373,981.38
Income Tax Expense/(Benefit)		-	-
<b>Surplus/(Deficit) after Tax</b>		<u>19,047,328.16</u>	<u>20,373,981.38</u>
Net Assistance/Subsidy/(Financial Assistance/Subsidy/Contribution)			
<b>Net Surplus/(Deficit) for the Period</b>		<u>19,047,328.16</u>	<u>20,373,981.38</u>

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**METRO VIGAN WATER DISTRICT**  
**DETAILED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016
<b>Revenue</b>		
<b>Service and Business Income</b>		
Sales Revenue	79,610,782.44	72,728,067.59
Fines and Penalties - Business Income	2,353,969.85	1,985,452.79
Sales of Unserviceable Property	-	-
Miscellaneous Income	672,050.00	764,500.00
<b>Total Revenue</b>	<u>82,636,802.29</u>	<u>75,478,020.38</u>
<b>Current Operating Expense</b>		
<b>Personnel Services</b>		
<b>Salaries and Wages</b>		
Salaries and Wages-Regular	9,478,404.30	8,199,836.48
<b>Total Salaries and Wages</b>	<u>9,478,404.30</u>	<u>8,199,836.48</u>
<b>Other Compensation</b>		
Personnel Economic Relief Allowance&Additional C	938,000.00	877,272.73
Representation Allowance (RA)	267,000.00	222,000.00
Transportation Allowance (TA)	267,000.00	222,000.00
Clothing/Uniform Allowance	185,000.00	175,000.00
Honoraria	670,020.00	385,875.00
Overtime time and Night Pay	851,012.53	908,048.93
Year End Bonus	827,424.95	661,124.20
Cash Gift	184,000.00	-
Other Bonuses and Allowances (PEI,PBB,Mid-Year )	1,517,902.54	1,603,877.00
<b>Total Other Compensation</b>	<u>5,707,360.02</u>	<u>5,055,197.86</u>
<b>Personnel Benefit Contribution</b>		
Retirement and Life Insurance Premiums	1,128,271.20	990,610.68
Pag-IBIG Contributions	46,900.00	76,151.36
Philhealth Contributions	98,625.00	92,295.00
Employees Compensation Insurance Premium (ECC)	46,900.00	44,100.00
Provident/Welfare Fund Contributions	-	-
<b>Total Personnel Benefit Contribution</b>	<u>1,320,696.20</u>	<u>1,203,157.04</u>
<b>Other Personnel Benefits</b>		
Retirement Gratuity	-	81,279.40
Terminal Leave Benefits	589,523.88	292,637.01
Other Personnel Benefits	351.00	423.00
<b>Total Other Personnel Benefits</b>	<u>589,874.88</u>	<u>374,339.41</u>
<b>Total Personnel Services</b>	<u>17,096,335.40</u>	<u>14,832,530.79</u>

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**Maintenance and Other Operating Expenses****Traveling Expense**

Traveling Expenses - Local	198,673.07	204,774.35
<b>Total Traveling Expenses</b>	<b>198,673.07</b>	<b>204,774.35</b>

**Training and Scholarship Expense**

Training Expenses	162,950.00	113,000.00
Scholarship Expenses	-	-
<b>Total Training and Scholarship Expenses</b>	<b>162,950.00</b>	<b>113,000.00</b>

**Supplies and Materials Expenses**

Office Supplies Expenses	834,547.91	658,618.75
Fuel, Oil and Lubricants Expenses	786,311.10	606,792.16
Other Supplies and Materials Expenses	-	-
<b>Total Supplies and Materials Expenses</b>	<b>1,620,859.01</b>	<b>1,265,410.91</b>

**Utility Expenses**

Electricity Expenses	378,656.31	291,597.56
<b>Total Utility Expenses</b>	<b>378,656.31</b>	<b>291,597.56</b>

**Communication Expenses**

Postage and Courier Services	9,366.00	7,368.00
Telephone Expenses	226,723.92	231,002.20
Internet Subscription Expenses	1,600.00	300.00
<b>Total Communication Expenses</b>	<b>237,689.92</b>	<b>238,670.20</b>

**Awards/Rewards and Prizes**

Awards/Rewards Expenses	10,000.00	20,000.00
<b>Total Awards/Rewards Expenses</b>	<b>10,000.00</b>	<b>20,000.00</b>

**Generation, Transmission and Distribution Expenses**

Generation, Transmission and Distribution Expenses	16,579,091.75	14,010,304.67
<b>Total Generation, Transmission and Distribution Expenses</b>	<b>16,579,091.75</b>	<b>14,010,304.67</b>

**Confidential, Intelligence and Other Extraordinary Expenses**

Extraordinary and Miscellaneous Expenses	-	-
Miscellaneous Expenses	1,628,057.19	1,356,469.22
<b>Total Confidential, Intelligence and Other Extraordinary</b>	<b>1,628,057.19</b>	<b>1,356,469.22</b>

**Professional Services**

Legal Services	-	-
Auditing Services	-	4,808.80
<b>Total Professional Services</b>	<b>-</b>	<b>4,808.80</b>

**General Services**

Security Services	406,716.69	414,000.00
Other General Services	1,547,504.70	1,284,760.46
<b>Total General Services</b>	<b>1,954,221.39</b>	<b>1,698,760.46</b>

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<b>Repairs and Maintenance</b>		
Repairs and Maintenance - Infrastructure Assets	7,434,920.24	6,780,442.48
Repairs and Maintenance - Buildings and Other Structures	296,712.48	194,482.89
Repairs and Maintenance - Machinery and Equipment	718,520.75	601,677.41
Repairs and Maintenance - Transportation Equipment	564,994.29	383,044.75
Repairs and Maintenance - Furniture and Fixtures	-	6,080.00
<b>Total Repairs and Maintenance</b>	<b>9,015,147.76</b>	<b>7,965,727.53</b>
<b>Taxes, Insurance Premiums and Other Fees</b>		
Taxes, Duties and Licenses	1,622,307.28	1,619,241.34
Insurance Expense	265,958.45	251,323.49
<b>Total Taxes Insurance Premiums and Other Fees</b>	<b>1,888,265.73</b>	<b>1,870,564.83</b>
<b>Other Maintenance and Operating Expenses</b>		
Advertising, promotional and Marketing Expenses	21,168.00	7,056.00
Printing and Publication Expenses	-	-
Representation Expenses	217,076.86	180,496.12
Transportation and Delivery Expenses	150.00	3,676.00
Rent/Lease Expenses	60,000.00	60,000.00
Membership Dues and Contributions to Organization	12,689.00	8,923.00
Donations	-	-
<b>Total Other Maintenance and Operating Expenses</b>	<b>311,083.86</b>	<b>260,151.12</b>
<b>Non-Cash Expenses</b>		
<b>Depreciation</b>		
Depreciation - Infrastructure Assets	6,028,659.15	5,419,041.04
Depreciation - Buildings and Other Structures	857,599.57	831,163.56
Depreciation - Machinery and Equipment	5,127,872.19	4,176,090.82
Depreciation - Transportation Equipment	686,551.40	605,433.96
Depreciation - Furniture, Fixtures and Books	147,334.50	139,557.51
<b>Total Depreciation</b>	<b>12,848,016.81</b>	<b>11,171,286.89</b>
<b>Impairment Loss</b>		
Impairment Loss - Loans and Receivables	-	142,307.44
<b>Total Loans and Receivables</b>	<b>-</b>	<b>142,307.44</b>
<b>Financial Expense</b>		
Documentary Stamps Expenses	-	-
Interest Expenses	-	-
Bank Charges	350.00	600.00
Commitment Fees	-	-
Other Financial Charges	-	-
<b>Total Financial Expenses</b>	<b>350.00</b>	<b>600.00</b>
<b>Total Maintenance and Other Operating Expenses</b>	<b>46,833,062.80</b>	<b>40,614,433.98</b>
<b>Total Current Operating Expense</b>	<b>63,929,398.20</b>	<b>55,446,964.77</b>
<b>Surplus/(Deficit) from Current Operations</b>	<b>18,707,404.09</b>	<b>20,031,055.61</b>

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Collection Section



<b>Other Non-Operating Income</b>		
Interest Income	55,591.37	67,022.15
Other Business Income	284,332.70	275,903.62
Gains	-	-
Losses	-	-
Discount and Rebates	-	-
	<hr/>	<hr/>
<b>Surplus/(Deficit) before Tax</b>	<b>19,047,328.16</b>	<b>20,373,981.38</b>
Income Tax Expense/(Benefit)	-	-
	<hr/>	<hr/>
<b>Surplus/(Deficit) after Tax</b>	<b>19,047,328.16</b>	<b>20,373,981.38</b>
Net Assistance/Subsidy/(Financial Assistance/Subsidy/Contribution)		
	<hr/>	<hr/>
<b>Net Surplus/(Deficit) for the Period</b>	<b><u>19,047,328.16</u></b>	<b><u>20,373,981.38</u></b>

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Collection Section

**METRO VIGAN WATER DISTRICT  
CONDENSED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash Inflow</b>		
Collection of Revenue	86,152,076.70	76,458,386.14
Deposit to Fund Reserves/Other Bank Accounts	4,913,537.20	5,746,743.30
Other Cash Inflow	2,870,058.73	2,548,783.94
<b>Total Cash Inflows</b>	<u>93,935,672.63</u>	<u>84,753,913.38</u>
Adjustments	-	-
<b>Total Adjusted Cash Inflows</b>	<u>93,935,672.63</u>	<u>84,753,913.38</u>
<b>Cash Outflows</b>		
Payment of Expenses	38,638,020.40	32,650,631.81
Purchase of Inventories	22,948,289.58	17,719,699.87
Remittances of Personnel Benefit Contributions and Mandatory Deductions	7,491,239.56	6,327,179.60
Fund Reserves	4,893,537.20	5,726,743.30
Other Cash Outflows	2,054,769.82	2,833,938.59
<b>Total Cash Outflows</b>	<u>76,025,856.56</u>	<u>65,258,193.17</u>
Adjustments	-	-
<b>Total Adjusted Cash Outflows</b>	<u>76,025,856.56</u>	<u>65,258,193.17</u>
<b>Net Cash Provided by/(Used in) Operating Activities</b>	<u>17,909,816.07</u>	<u>19,495,720.21</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Cash Inflows:</b>	-	-
<b>Total Cash Inflows</b>	-	-
<b>Cash Outflows:</b>		
Capital Expenditures	17,454,590.09	18,192,681.44
<b>Total Cash Outflows:</b>	<u>17,454,590.09</u>	<u>18,192,681.44</u>
<b>Net Cash Provided by/(Used in) Investing Activities</b>	<u>(17,454,590.09)</u>	<u>(18,192,681.44)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Cash Inflows:</b>	-	-
<b>Total Cash Inflows</b>	-	-
<b>Cash Outflows:</b>		
Cash Payment of Loans - LWUA	-	-
Cash Payment of Interest of Loans -LWUA	-	-
<b>Total Cash Outflows:</b>	-	-
<b>Net Cash Provided by/(Used in) Financing Activities</b>	-	-
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	-	-
<b>Effects of Exchange Rate Changes on Cash and Cash Equivalents</b>	-	-
<b>Cash and Cash Equivalents, January 31, 2017</b>	<u>9,317,638.38</u>	<u>8,014,599.61</u>
<b>Cash and Cash Equivalents, December 31, 2017</b>	<u>9,772,864.36</u>	<u>9,317,638.38</u>

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**METRO VIGAN WATER DISTRICT  
DETAILED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash Inflow</b>		
Collection of Revenue	<u>86,152,076.70</u>	<u>76,458,386.14</u>
Collection of Water Sales	79,473,183.10	70,384,603.22
Collection of Sewer Charges	163,884.00	161,511.97
Collection of Registration Fees	524,700.00	638,500.00
Collection of Service Fee	-	-
Collection of Other Business Income	150,350.00	126,000.00
Collection of Fines and Penalties	2,351,761.95	1,407,047.23
Collection of Customer's Deposit	-	29,583.96
Sale of Fittings and Pipes	3,432,606.28	3,644,116.91
Interest Income	55,591.37	67,022.85
Other Receipts	<u>7,783,595.93</u>	<u>8,295,527.24</u>
Refunds of Cash Advances/Payroll Fund	186,290.49	63,522.09
Deposit to Fund Reserves/Other Bank Accounts	4,913,537.20	5,746,743.30
Other Cash Inflows	2,683,768.24	2,485,261.85
<b>Total Cash Inflows</b>	<u>93,935,672.63</u>	<u>84,753,913.38</u>
Adjustments	-	-
<b>Total Adjusted Cash Inflows</b>	<u>93,935,672.63</u>	<u>84,753,913.38</u>
<b>Cash Outflows</b>		
Payment of Expenses	<u>38,638,020.40</u>	<u>32,650,631.81</u>
Payment of Salaries	9,787,238.56	8,366,510.00
Payment of Operating Expenses	28,850,781.84	24,284,121.81
Purchase of Inventories	<u>22,948,289.58</u>	<u>17,719,699.87</u>
Payment of Supplies and Materials	22,948,289.58	17,719,699.87
Remittances of Personnel Benefit Contributions and Mandatory Deductions	<u>7,491,239.56</u>	<u>6,327,179.60</u>
Employer Share for GSIS, PAG-IBIG, Philhealth, PFRP, MBLIC	1,756,150.01	1,431,879.01
Payment of Franchise Tax	1,658,562.85	1,390,360.10
Remittance to BIR-Withholding Taxes from Suppliers	4,076,526.70	3,504,940.49
Fund Reserves	<u>4,893,537.20</u>	<u>5,726,743.30</u>
Other Cash Outflows	<u>2,054,769.82</u>	<u>2,833,938.59</u>
<b>Total Cash Outflows</b>	<u>76,025,856.56</u>	<u>65,258,193.17</u>
Adjustments	-	-
<b>Total Adjusted Cash Outflows</b>	<u>76,025,856.56</u>	<u>65,258,193.17</u>
<b>Net Cash Provided by/(Used in) Operating Activities</b>	<u>17,909,816.07</u>	<u>19,495,720.21</u>

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**CASH FLOWS FROM INVESTING ACTIVITIES****Cash Inflows:**

Total Cash Inflows

-	-
-	-

**Cash Outflows:**

Capital Expenditures

17,454,590.09	18,192,681.44
---------------	---------------

Total Cash Outflows:

<u>17,454,590.09</u>	<u>18,192,681.44</u>
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Net Cash Provided by/(Used in) Investing Activities

<u>(17,454,590.09)</u>	<u>(18,192,681.44)</u>
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**CASH FLOWS FROM FINANCING ACTIVITIES****Cash Inflows:**

Total Cash Inflows

-	-
-	-

**Cash Outflows:**

Cash Payment of Loans - LWUA

-

Cash Payment of Interest of Loans -LWUA

-

Total Cash Outflows:

-	-
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Net Cash Provided by/(Used in) Financing Activities

-	-
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Net Increase/(Decrease) in Cash and Cash Equivalents

-

-

Effects of Exchange Rate Changes on Cash and Cash Equivalents

-

-

Cash and Cash Equivalents, January 31, 2017

<u>9,317,638.38</u>	<u>8,014,599.61</u>
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Cash and Cash Equivalents, December 31, 2017

<u>9,772,864.36</u>	<u>9,317,638.38</u>
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**METRO VIGAN WATER DISTRICT  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Government Equity	Retained Earnings/ (Deficit)	Contributed Capital	TOTAL
<b>BALANCE AT JANUARY 1, 2016</b>	<b>559,893.87</b>	<b>89,474,803.74</b>	<b>80,413,659.13</b>	<b>170,448,356.74</b>
<b>ADJUSTMENTS:</b>				
Add/(Deduct):				
Changes in Accounting Policy	-	-	-	-
Prior period Errors	-	-	-	-
Other Adjustments	-	-	-	-
<b>BALANCE AT JANUARY 1, 2016:</b>	<b>559,893.87</b>	<b>89,474,803.74</b>	<b>80,413,659.13</b>	<b>170,448,356.74</b>
<b>CHANGES IN EQUITY FOR 2016</b>				
Add/(Deduct):				
December 2015 Utilities Expense.	-	(14,497.01)	-	(14,497.01)
Emergency Laborers wages for Dec. 28-29, 2015.	-	(900.00)	-	(900.00)
Return of employer's share of the Provident Fund for the month of January & February 2015.	-	59,864.50	-	59,864.50
Return of employer's share of the Provident Fund for the month of March 2015.	-	29,932.25	-	29,932.25
2015 honorarium of Board Secretary.	-	(5,000.00)	-	(5,000.00)
Return of PFRP Employer Share for the Year 2014.	-	321,164.45	-	321,164.45
2013 COA Audit Fee.	-	(225,435.00)	-	(225,435.00)
Unutilized withholding taxes on Franchise Taxes for the month of August 2012 and prior years.	-	(18,710.58)	-	(18,710.58)
Error in August 2015 recorded Interest Income.		(4,806.62)		(4,806.62)
Net Income for the Year 2016.	-	20,373,981.38	-	20,373,981.38
<b>BALANCE AT DECEMBER 31, 2016</b>	<b>559,893.87</b>	<b>109,990,397.11</b>	<b>80,413,659.13</b>	<b>190,963,950.11</b>

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**CHANGES IN EQUITY FOR 2017**

Add/(Deduct):

Error in rounding off of  
centavos in AVK supplies  
payment and to record personal  
calls of employees in 2016.

- 546.01 - 546.01

Job Orders employee's Gratuity  
pay for the year 2016.

- (51,000.00) - (51,000.00)

To correct the balance per book  
based on the the actual  
customer ledger accounts as of  
June 30, 2017.

- (243,731.70) - (243,731.70)

To correct the balance per book  
of Allowance for Impairment  
for 2016 AAR.

- 2,180,732.06 - 2,180,732.06

To adjust the balance of  
Allowance for Impairment -  
Accounts Receivable.

- 8,936.75 - 8,936.75

Net Income for the Year 2017.

- 19,047,328.16 - 19,047,328.16

**BALANCE AT DECEMBER 31, 2017**

<b>559,893.87</b>	<b>130,933,208.39</b>	<b>80,413,659.13</b>	<b>211,906,761.39</b>
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**METRO VIGAN WATER DISTRICT**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
For the year ended December 31, 2017

Particulars	Budgeted Amounts	Actual Amounts	Difference
<b>INCOME:</b>			
Metered Sales	84,000,000.00	79,473,183.10	(4,526,816.90)
Other Sales or Services - Sewer	161,784.00	163,884.00	2,100.00
Interest Income	48,000.00	55,701.47	7,701.47
Miscellaneous Service Revenue	300,000.00	524,700.00	224,700.00
Other Water Revenue	138,000.00	150,350.00	12,350.00
Penalty Charges	1,480,500.00	2,329,448.49	848,948.49
Penalty Charges - Illegal Connections	274,008.00	28,626.00	(245,382.00)
Other Income (Gross Sales of Fittings)	4,400,004.00	3,432,606.28	(967,397.72)
<b>GROSS REVENUE:</b>	<b><u>90,802,296.00</u></b>	<b><u>86,158,499.34</u></b>	<b><u>(4,643,796.66)</u></b>
<b>DISBURSEMENTS</b>			
Personal Services	33,908,718.48	16,496,418.96	17,412,299.52
Maintenance and Other Operating Expenses	47,979,222.00	50,587,947.46	(2,608,725.46)
Financial Expenses	3,000.00	350.00	2,650.00
Capital Outlay	8,520,000.00	18,683,873.35	(10,163,873.35)
<b>TOTAL DISBURSEMENTS</b>	<b><u>90,410,940.48</u></b>	<b><u>85,768,589.77</u></b>	<b><u>4,642,350.71</u></b>
Unappropriated Surplus (Deficit)	<b><u>391,355.52</u></b>	<b><u>389,909.57</u></b>	<b><u>(1,445.95)</u></b>

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# METRO VIGAN WATER DISTRICT

## Notes to Financial Statement For the year ended December 31, 2017

### 1. GENERAL INFORMATION/ENTITY PROFILE

The financial statement of Metro Vigan Water District was authorized for issue on February 14, 2018 as shown in the Statement of Management Responsibility for Financial Statements signed by , the Board of Directors.

The Metro Vigan Water District was originally established in 1914 and known as the Singson Waterworks and Sewerage System. The Municipal Government of Vigan then operated and managed the waterworks. On October 29, 1976, the *Sangguniang Bayan* of Vigan passed Resolution No. 31, forming the Vigan-Bantay Water District (VBWD). Following its formation, the Vigan-Bantay Water District (VBWD) acquired ownership and management of the entire system in accordance with Presidential Decree (P.D.) No. 198 known as the Provincial Water Utilities Act of 1973. By virtue of Resolution No. 31-A of the Municipal Government of Vigan, all the facilities of the defunct Singson Waterworks and Sewerage System were turned over to the District. With the extension of service to the municipalities of Caoayan, San Vicente and Sta. Catalina, it was renamed to Vigan Metro Water District (VMWD)

Like any other Water Districts, the VMWD was established for the purpose of acquiring, installing, improving, maintaining and operating the water supply, including the waste water collection, treatment and disposal facilities. To be able to perform these functions, the VMWD obtained technical and financial assistance from the Local Water Utilities Administration (LWUA).

On February 15, 1978, the Conditional Certificate of Conformance 0053 was awarded to the District after it had complied with LWUA's minimum requirements for the certificate program. This certificate entitled the district to all the rights and privileges authorized under P.D. 198.

The VMWD was later renamed as Metro Vigan Water District (MVWD).

The MVWD is presently classified as "category B" water district serving 11,293 water and 203 sewer concessionaires.

As mandated by P.D. 198, otherwise known as the Local Water Utilities Act, all Water Districts has the following purposes:

1. To acquire, install, improve, maintain and operate water supply and distribution system for domestic use;
2. To provide, maintain, and operate waste water collections treatment and disposal facilities, and
3. To conduct such other functions and operations incidental to water resource development, utilization and disposal within the district, as are necessary or incidental to said program.

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For calendar year 2017, the District was composed of 44 regular employees.

The Board is the policy-making body of the District which was composed of four (5) members appointed by the Governor as provided in P.D. 198.

The following are the members of the Board as of December 31, 2017 with the respective sectors they represent, namely:

<u>Name</u>	<u>Position</u>	<u>Sector</u>
Mr. Leonardo B. Osalvo	Chairman	Civic
Mr. Napoleon Q. Arce	Vice-Chairman	Business
Mrs. Guadalupe Verzosa	Secretary	Women
Engr. Nestor B. Pajaro	Member	Professional
Ms. Norma B. Andallo	Member	Education

## **2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been in compliance with the Philippine Financial Reporting Standards (PFRS) prescribed by the Commission on Audit in compliance to the requirement of the Commission on Audit which prescribes the accounting system and disclosures related to adjusting and non-adjusting subsequent events.

The accounting policies have been consistently applied throughout the year presented.

The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The Statement of Cash Flows is prepared using the direct method.

The consolidated financial statements are presented in peso (P), which is also the country's functional currency.

Amounts are rounded off to the nearest thousand, unless otherwise stated.

The preparation of financial statements in compliance with the adopted PPSAS requires the use of certain accounting estimates. It also requires the entity to exercise judgment in applying the entity's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effects are disclosed in note 3.

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 *Basis of accounting*

The financial statements are prepared on an accrual basis in accordance with the PPSAS.

#### 3.2 *Financial Instruments*

##### a. **Financial assets**

##### i. **Initial recognition and measurement**

Financial assets within the scope of PPSAS 29-Financial Instruments:

Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables or available-for-sale financial assets, as appropriate. The [Name of Entity] determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the [Name of Entity] commits to purchase or-sell the asset.

Metro Vigan Water District's financial assets cash and cash equivalents; trade and other trade receivables; loans and other loans receivables; quoted and unquoted financial instruments; and derivative financial instruments.

##### ii. **Subsequent measurement**

The subsequent measurement of financial assets depends on their classification.

##### 1. **Financial assets at fair value through surplus or deficit**

Financial assets at fair value through surplus or deficit include financial assets held for trading and financial assets designated upon initial recognition at fair value through surplus or deficit. Financial assets are PPSAS classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through surplus or deficit are carried in the Statement of Financial Position at fair value with changes in fair value recognized in surplus or deficit.



## **2. Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

## **3. Held to Maturity**

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Metro Vigan Water District has the positive intention and ability to hold it to maturity.

After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

### **iii. Impairment of financial assets**

The Metro Vigan Water District assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include the following indicators:

- I. The debtors or a group of debtors are experiencing significant financial difficulty
2. Default or delinquency in interest or principal payments
3. The probability that debtors will enter bankruptcy or other financial reorganization
4. Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

### **iv. Financial assets carried at amortized cost.**

For financial assets carried at amortized cost, Metro Vigan Water District first assesses whether objective evidence of impairment exists individually for financial assets that are

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individually significant, or collectively for financial assets that are not individually significant. If the District determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or transferred to the District. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in surplus or deficit.

## **b. Financial liabilities**

### **i. Initial recognition and measurement**

Financial liabilities within the scope of PPSAS 29 are classified as financial liabilities at fair value through surplus or deficit, or loans and borrowings, as appropriate. The entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

The District's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts.

### **ii. Subsequent measurement**

The measurement of financial liabilities depends on their classification.

#### **1. Financial liabilities at fair value through surplus or deficit.**

Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through surplus or deficit.

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Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

Gains or losses on liabilities held for trading are recognized in surplus or deficit.

## **2. Loans and borrowings**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

### **iii. Derecognition**

A financial liability is derecognized when the obligation under the liability expires or is discharged or cancelled.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

### **c. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

### **d. Fair value of financial instruments**

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask for short positions), without any deduction for transaction costs.

### **e. Derivative financial instruments**

#### **i. Initial recognition and subsequent measurement**

The [Name of Entity] uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at

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fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to surplus or deficit. The [Name of Entity] does not apply hedge accounting.

### **3.3 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and cash in bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

### **3.4 Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory are received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- a. Raw materials: purchase cost using the weighted average cost method
- b. Finished goods and work in progress: cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the District.

### **3.5 Investment Property**

Investment property are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment



property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment property are measured using the cost model and are depreciated over their estimated useful life of [number] years.

Investment property are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit or service potential is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use.

The District uses the cost model for the measurement of investment property after initial recognition.

### ***3.6 Property, Plant and Equipment***

#### **a . Recognition**

An item is recognized as property, plant, and equipment (PPE) if it meets the characteristics and recognition criteria as a PPE.

The characteristics of PPE are as follows:

- i. tangible items;
- ii. are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- iii. are expected to be used during more than one reporting period.

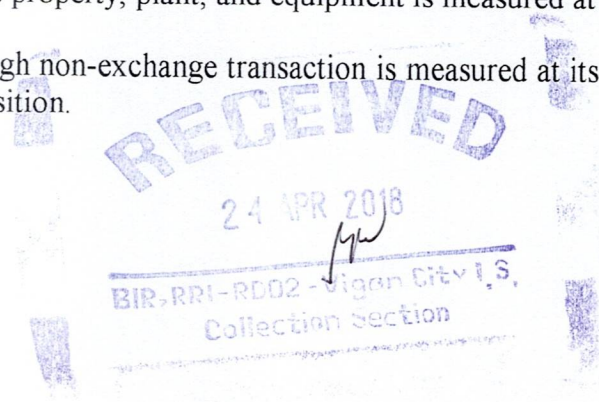
An item of PPE is recognized as an asset if:

1. it is probable that future economic benefits or service potential associated with the item will flow to the entity;
11. the cost or fair value of the item can be measured reliably; and
111. the cost is at least P 1,000.00.

#### **b . Measurement at recognition**

An item recognized as property, plant, and equipment is measured at cost.

A PPE acquired through non-exchange transaction is measured at its fair value as at the date of acquisition.





The cost of the PPE is the cash price equivalent or, for PPE acquired through non-exchange transaction, its cost is its fair value as at recognition date.

Cost includes the following

- i. Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- ii. expenditure that is directly attributable to the acquisition of the items; and
- iii. initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

**c. Measurement after recognition**

After recognition, all PPE are stated at cost less accumulated depreciation and impairment losses.

When significant parts of PPE are required to be replaced at intervals, the District recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major repair/replacement is done, its cost is recognized in the carrying amount of the PPE as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognized as expense in surplus or deficit as incurred.

**d. Depreciation**

Each part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognized as expense unless it is included in the cost of another asset.

**i. Initial recognition of depreciation**

Depreciation of an asset begins when it is available for use such as when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

For simplicity and to avoid proportionate computation, the depreciation is for one month if the PPE is available for use on or before the 15th of the

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month. However, if the PPE is available for use after the 15th of the month, depreciation is for the succeeding month.

**ii. Depreciation method**

The straight line method of depreciation is adopted unless another method is more appropriate for Entity operation.

**iii. Estimated useful life**

The District uses the life span of PPE prescribed by COA in determining the specific estimated useful life for each asset based on its experience.

**iv. Residual value**

The District uses a residual value equivalent to at least five percent (5%) of the cost of the PPE.

**e. Impairment**

An asset's carrying amount is written down to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

**f. Derecognition**

The District derecognizes items of PPE and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is derecognized.

**3.7 Leases**

**a. Metro Vigan Water District as a lessee**

**i. Finance lease**

Finance leases are leases that transfer substantially all the risks and rewards incidental to ownership of the leased item to the District.

Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The District also recognizes



the associated lease liability at the inception of the lease. The liability recognized is measured at the present value of the future minimum lease payments at initial recognition.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the District will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

## **ii. Operating lease**

Operating leases are leases that do not transfer substantially all the risks and rewards incidental to ownership of the leased item to the [Name of the Entity]. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

## **b. Metro Vigan Water District as a lessor**

### **i. Finance lease**

The District recognizes lease payments receivable under a finance lease as assets in the statement of financial position. The assets are presented as receivable at an amount equal to the net investment in the lease.

The finance revenue is recognized based on a pattern reflecting a constant periodic rate of return on the net investment in the finance lease.

### **ii. Operating lease**

Leases in which the [Name of the Entity] does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term. Rent received from an operating lease is recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

The depreciation policies for PPE are applied to similar assets leased by the entity.

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### **3.8 Intangible Assets**

#### **a. Recognition and measurement**

Intangible assets are recognized when the items are identifiable non-monetary assets without physical substance; it is probable that the expected future economic benefits or service potential that are attributable to the assets will flow to the entity; and the cost or fair value of the assets can be measured reliably.

Intangible assets acquired separately are initially recognized at cost.

If payment for an intangible asset is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognized as interest expense over the period of credit unless it is capitalized in accordance with the capitalization treatment permitted in PPSAS 5, Borrowing Costs.

#### **b. Subsequent expenditure on an acquired in-process research and development project**

Subsequent expenditure on an in-process research or development project acquired separately and recognized as an intangible asset is:

- i. recognized as an expense when incurred if it is research expenditure;
- ii. recognized as an expense when incurred if it is a development expenditure that does not satisfy the criteria for recognition as an intangible asset; and
- iii. added to the carrying amount of the acquired in-process research or development project if it is a development expenditure that satisfies the recognition criteria for intangible assets.

#### **c. Intangible assets acquired through non-exchange transactions**

The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date these are acquired.

#### **d. Internally generated intangible assets**

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

#### **e. Recognition of an expense**

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Expenditure on an intangible item is recognized expense when it is incurred unless it forms part of the cost of an intangible assets that meets the recognition criteria of an intangible asset.

**f. Subsequent measurement**

The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with a finite life are amortized over their useful lives.

The straight line method is adopted in the amortization of the expected pattern of consumption of the expected future economic benefits or service potential.

An intangible asset with indefinite useful life is not to be amortized.

Intangible assets with indefinite useful lives or an intangible assets not yet available for use are assessed for impairment annually and whenever there is an indication that the assets may be impaired.

The amortization period and the amortization method, for an intangible asset with a finite useful life, are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of PPSAS future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on an intangible asset with a finite life is recognized in surplus or deficit as the expense category that is consistent with the nature of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the surplus or deficit when the asset is derecognized.

**g. Research and development costs**

Metro Vigan Water District recognizes as expenses the research costs incurred. Development costs on an individual project are recognized as intangible assets when the District can demonstrate:

- i. the technical feasibility of completing the asset so that the asset will be available for use or sale
- ii. its intention to complete and its ability to use or sell the asset
- iii. how the asset will generate future economic benefits or service potential
- iv. the availability of resources to complete the asset

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- v. the ability to measure reliably the expenditure during development.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Amortization of the asset begins when development is complete and the asset is available for use.

It is amortized over the period of expected future benefit.

During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

### **3.9 Provisions, Contingent Liabilities and Contingent Assets**

#### **a. Provisions**

Provisions are recognized when the District has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the District expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Provisions are reviewed at each reporting date, and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provisions are reversed.

#### **b. Contingent liabilities**

The District does not recognize a contingent liability, but discloses details of any contingencies in the notes to financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

#### **c. Contingent assets**

The District does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent in the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the District in the notes to financial statements.



Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

### **3.10 *Changes in Accounting Policies and Estimates***

The [Name of the Entity] recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

The District recognizes the effects of changes in accounting estimates prospectively through surplus or deficit.

The District corrects material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by:

- a. Restating the comparative amounts for prior period(s) presented in which the error occurred; or
- b. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

### **3.11 *Foreign Currency Transactions***

Transactions in foreign currencies are initially recognized by applying the spot exchange rate between the functional currency and the foreign currency at the transaction date.

At each reporting date:

- a. Foreign currency monetary items are translated using the closing rate;
- b. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- c. Nonmonetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

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Exchange differences arising (a) on the settlement of monetary items, or (b) on translating monetary items at rates different from those at which they are translated on initial recognition during the period or in previous financial statements, are recognized in surplus or deficit in the period in which they arise, except as those arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation.

### **3.12 Revenue from Non-exchange Transactions**

#### **a. Recognition and measurement of assets from non-exchange transactions**

An inflow of resources from a non-exchange transaction, other than services in-kind, that meets the definition of an asset are recognized as an asset if the following criteria are met:

- i. It is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and
- ii. The fair value of the asset can be measured reliably.

An asset acquired through a non-exchange transaction is initially measured at its fair value as at the date of acquisition.

#### **b. Recognition of revenue from non-exchange transactions**

An inflow of resources from a non-exchange transaction recognized as an asset is recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow.

As Metro Vigan Water District satisfies a present obligation recognized as a liability in respect of an inflow of resources from a non-exchange transaction recognized as an asset, it reduces the carrying amount of the liability recognized and recognizes an amount of revenue equal to that reduction.

#### **c. Measurement of revenue from non-exchange transactions**

Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognized by the entity, unless a corresponding liability is recognized.

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**d. Measurement of liabilities on initial recognition from non-exchange transactions**

The amount recognized as a liability in a non-exchange transaction is the best estimate of the amount required to settle the present obligation at the reporting date.

**e. Taxes**

Taxes and the related fines and penalties are recognized when collected or PAG2 of when these are measurable and legally collectible. The related refunds, PPSAS 23 including those that are measurable and legally collectible, are deducted from the recognized tax revenue.

**f. Fees and fines not related to taxes**

The District recognizes revenue from fees and fines, except those related to taxes, when earned and the asset recognition criteria are met.

Deferred income is recognized instead of revenue if there is a related condition attached that would give rise to a liability to repay the amount.

Other non-exchange revenue are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

**g. Gifts and donations**

The District recognizes assets and revenue from gifts and donations when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Goods in-kind are recognized as assets when the goods are received, or there is a binding arrangement to receive the goods. If goods in-kind are received without conditions attached, revenue is recognized immediately. If conditions are attached, a liability is recognized, which is reduced and revenue recognized as the conditions are satisfied.

On initial recognition, gifts and donations including goods in-kind are measured at their fair value as at the date of acquisition, which are ascertained by reference to an active market, or by appraisal. An appraisal of the value of an asset is normally undertaken by a member of the valuation profession who holds a recognized and relevant professional qualification. For many assets, the fair values are ascertained by reference to quoted prices in an active and liquid market.

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#### **h. Transfers**

The District recognizes an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset, except those arising from services in-kind.

#### **i. Services in-kind**

Services in-kind are not recognized as asset and revenue considering the complexity of the determination of and recognition of asset and revenue and the eventual recognition of expenses.

#### **j. Transfers from other government entities**

Revenue from non-exchange transactions with other government entities and the related assets are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the [Name of Entity] and can be measured reliably.

### **3.13 Revenue from Exchange Transactions**

#### **a. Measurement of revenue**

Revenue is measured at the fair value of the consideration received or receivable.

#### **b. Rendering of services**

The District recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labor hours incurred to date as a percentage of total estimated labor hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

#### **c. Sale of goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the District.

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**d. Interest income**

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

**e. Dividends**

Dividends or similar distributions are recognized when the District's right to receive payments is established.

**f. Rental income**

Rental income arising from operating leases on investment property is PPSAS 9.34 accounted for on a straight-line basis over the lease terms and included in revenue.

**g. Royalties**

Royalties are recognized as they are earned in accordance with the substance of the relevant agreement.

**3.14 Budget Information**

The annual budget is prepared on a cash basis and is published in the government website.

A separate Statement of Comparison of Budget and Actual Amounts (SCBAA) is prepared since the budget and the financial statements are not prepared on comparable basis. The SCBAA is presented showing the original and final budget and the actual amounts on comparable basis to the budget. Explanatory comments are provided in the notes to the annual financial statements.

**3.15 Impairment of Non-Financial Assets**

**a. Impairment of cash-generating assets**

At each reporting date, the [Name of the Entity] assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the District estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

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Where the carrying amount of an asset or the cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the [Name of the Entity] estimates the asset's or cash-generating unit's recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in surplus or deficit.

#### **b. Impairment of non-cash-generating assets**

The District assesses at each reporting date whether there is an indication that a non-cash-generating asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the District estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash-generating asset's fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount. The District classifies assets as cash-generating assets when those assets are held with the primary objective generating a commercial return. Therefore, non-cash-generating assets would be those assets from which the District does not intend (as its primary objective) to realize a commercial return.

### **3.16 Related Parties**

The District regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the District, or vice versa.

Members of key management are regarded as related parties and comprise the members of the Planning and Management Committee of the District such as:

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[position and designation of Planning and Management Committee] of the [Name of the Entity] and its controlled entities.

### **3.17 Service Concession Arrangements**

The District analyzes all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the District recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price.

In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise - any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the [Name of the Entity] also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

### **3.18 Borrowing Costs**

For loans borrowed directly by District the allowed alternative treatment is used.

### **3.19 Employee Benefits**

The employees of District are members of the Government Service Insurance System (GSIS), which provides life and retirement insurance coverage.

The District recognizes the undiscounted amount of short term employee benefits, like salaries, wages, bonuses, allowance, etc., as expense unless capitalized, and as a liability after deducting the amount paid.

### **3.20 Measurement Uncertainty**

The preparation of financial statements in conformity with PPSAS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenue and expenses during the period.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

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#### 4. CHANGES IN ACCOUNTING POLICIES

Metro Vigan Water District adopted no new accounting policies:

#### 5. PRIOR PERIOD ADJUSTMENTS

The has determined the following adjustments:

#### 6. CASH AND CASH EQUIVALENTS

PARTICULARS	As of December 31, 2017	As of December 31, 2016
Cash in Bank Local Currency-Current Account	3,096,986.65	2,344,594.29
Cash in Bank Local Currency-Savings Account	1,002,048.10	738,881.69
Cash in Bank Local Currency-Savings Account - Government Agencies Payment	10,119.15	10,065.10
Time Deposits - DBP	4,887,897.57	5,444,869.31
Time Deposits - DBP - Customer's Deposit	775,812.89	779,227.99
<b>Total Cash and Cash Equivalents</b>	<b><u>9,772,864.36</u></b>	<b><u>9,317,638.38</u></b>

#### 7. RECEIVABLES

##### 7.1 Loans and Receivables

ACCOUNTS	As of December 31, 2017	As of December 31, 2016
Accounts Receivables - Customer	3,929,375.53	4,287,331.56
Accounts Receivables - Fittings	47,773.63	-
Allowance for Impairment - Accounts Receivables	(133,370.69)	(2,323,039.50)
<b>Net Value - Accounts Receivable</b>	<b><u>3,843,778.47</u></b>	<b><u>1,964,292.06</u></b>

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## 7.2 Aging/Analysis of Receivables

ACCOUNTS	Total	1 - 60 days	61 - 180 days	181 - one year	More than 1 year
Accounts Receivables - Customer	3,929,375.53	1,459,571.16	127,382.79	69,632.25	2,272,789.33
Accounts Receivables - Fittings	47,773.63	-	-	-	47,773.63
<b>TOTAL</b>	<b><u>3,977,149.16</u></b>	<b><u>1,459,571.16</u></b>	<b><u>127,382.79</u></b>	<b><u>69,632.25</u></b>	<b><u>2,320,562.96</u></b>

## 8. INVENTORIES

ACCOUNTS	As of December 31, 2017	As of December 31, 2016
Office Supplies Inventory	216,326.68	252,342.29
Fuel, Oil and Lubricants Inventory	-	86,160.25
Chemical and Filtering Supplies Inventory	406,082.42	227,405.19
Construction Materials Inventory	11,250.00	-
Other Inventories - Meters	1,214,067.23	119,138.73
Other Inventories - Service Connection Materials	1,186,341.87	1,280,874.05
Other Inventories - Trans. and Dist. Pipes and Fittings	3,951,777.34	3,153,695.92
Other Inventories - Hydrants	82,062.00	104,085.00
Other Inventories - Chlorinator Spareparts	183,310.00	63,890.00
Other Inventories - Sewer	196,365.01	19,760.00
Other Inventories - Maintenance Supply	60,384.33	40,787.68
<b>TOTAL INVENTORIES</b>	<b><u>7,507,966.88</u></b>	<b><u>5,348,139.11</u></b>

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## 9. INVESTMENT PROPERTY

ACCOUNTS	As of December 31, 2017	As of December 31, 2016
Construction-in-Progress - Fence at Bayubay Sur/Norte, San Vicente	-	465,017.70
Construction-in-Progress - Bayubay Sur/Norte SV Pump House	-	716,992.80
Construction-in-Progress - Raois PS1 Pump 2	533,838.33	-
Construction-in-Progress - Raois PS1 Well 2	8,220.00	-
Construction-in-Progress - Anonang Mayor Shed	2,525.00	-
Construction-in-Progress - Mobilization of Water Supply Drilling at Taguipor, Bantay	149,027.75	-
Construction-in-Progress- Construction of Perimeter Fence at Taguiporo	162,800.00	-
<b>TOTAL INVESTMENT PROPERTY</b>	<b><u>856,411.08</u></b>	<b><u>1,182,010.50</u></b>

## 10. PROPERTY, PLANT AND EQUIPMENT

As of December 31,  
2017

	Land	Land Improvem ent	Water Supply System	Buildings- Administrativ e Structure and Improvements	Water Plant Structure and Improvement	Office Equipment	Communica tion Equipment	Other Equipment	Land Transportati on Equipment	Furniture and Fixtures	Total
Carrying Amount, January 1, 2017	18,113,472.82	248,680.00	110,456,857.40	18,868,442.65	4,003,586.92	1,395,516.31	8,821.26	15,430,703.86	5,046,654.29	429,525.56	174,002,261.07
Additions/Acquisition s	308,658.71	-	17,789,359.86	-	1,230,723.00	1,433,878.90	5,341.70	8,635,341.50	64,500.00	45,200.00	29,513,003.67
<b>Total</b>	<b>18,422,131.53</b>	<b>248,680.00</b>	<b>128,246,217.26</b>	<b>18,868,442.65</b>	<b>5,234,309.92</b>	<b>2,829,395.21</b>	<b>14,162.96</b>	<b>24,066,045.36</b>	<b>5,111,154.29</b>	<b>474,725.56</b>	<b>203,515,264.74</b>
Disposals	-	-	-	-	-	-	-	-	-	-	-
Depreciation (As per statement of Financial Performance)	-	-	6,028,659.15	673,424.16	184,175.41	451,035.94	2,863.16	4,673,973.09	686,551.40	147,334.50	12,848,016.81
Impairment Loss (As per Statement of Financial Performance)	-	-	-	-	-	-	-	-	-	-	-
Carrying Amount, December 31, 2017 (As per Statement of Financial Position)	<b>18,422,131.53</b>	<b>248,680.00</b>	<b>122,217,558.11</b>	<b>18,195,018.49</b>	<b>5,050,134.51</b>	<b>2,378,359.27</b>	<b>11,299.80</b>	<b>19,392,072.27</b>	<b>4,424,602.89</b>	<b>327,391.06</b>	<b>190,667,247.93</b>

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Gross Cost (Asset Account Balance per Statement of Financial Position)	18,422,131.53	248,680.00	177,407,241.58	21,989,219.53	6,250,084.62	4,401,021.05	24,222.70	43,836,910.15	9,128,964.74	1,063,785.78	282,772,261.68
Accumulated Depreciation	-	-	55,189,683.47	3,794,201.04	1,199,950.11	2,022,661.78	12,922.90	24,444,837.88	4,704,361.85	736,394.72	92,105,013.75
Accumulated Impairment Losses	-	-	-	-	-	-	-	-	-	-	-
Carrying Amount, December 31, 2017 (As per Statement of Financial Position)	18,422,131.53	248,680.00	122,217,558.11	18,195,018.49	5,050,134.51	2,378,359.27	11,299.80	19,392,072.27	4,424,602.89	327,391.06	190,667,247.93

As of December 31, 2016

	Land	Land Improvement	Water Supply System	Buildings	Water Plant Structure and Improvement	Office Equipment	Communication Equipment	Other Equipment	Motor Vehicles	Furniture and Fixtures	Total
Carrying Amount, January 1, 2016	14,746,057.63	223,380.00	101,387,538.86	19,541,866.81	4,161,326.32	828,596.54	3,208.19	13,178,248.22	4,150,568.25	494,351.86	158,715,142.68
Additions/Acquisitions	3,367,415.19	25,300.00	14,488,359.58	-	-	887,965.70	8,788.00	6,104,325.60	1,501,520.00	74,731.21	26,458,405.28
Total	18,113,472.82	248,680.00	115,875,898.44	19,541,866.81	4,161,326.32	1,716,562.24	11,996.19	19,282,573.82	5,652,088.25	569,083.07	185,173,547.96
Disposals	-	-	-	-	-	-	-	-	-	-	-
Depreciation (As per statement of Financial Performance)	-	-	5,419,041.04	673,424.16	157,739.40	321,045.93	3,174.93	3,851,869.96	605,433.96	139,557.51	11,171,286.89
Impairment Loss (As per Statement of Financial Performance)	-	-	-	-	-	-	-	-	-	-	-
Carrying Amount, December 31, 2016 (As per Statement of Financial Position)	18,113,472.82	248,680.00	110,456,857.40	18,868,442.65	4,003,586.92	1,395,516.31	8,821.26	15,430,703.86	5,046,654.29	429,525.56	174,002,261.07

Gross Cost (Asset Account Balance per Statement of Financial Position)	18,113,472.82	248,680.00	159,617,881.72	21,989,219.53	5,019,361.62	2,967,142.15	18,881.00	35,201,568.65	9,064,464.74	1,018,585.78	253,259,258.01
Accumulated Depreciation	-	-	49,161,024.32	3,120,776.88	1,015,774.70	1,571,625.84	10,059.74	19,770,864.79	4,017,810.45	589,060.22	79,256,996.94
Accumulated Impairment Losses	-	-	-	-	-	-	-	-	-	-	-
Carrying Amount, December 31, 2016 (As per Statement of Financial Position)	18,113,472.82	248,680.00	110,456,857.40	18,868,442.65	4,003,586.92	1,395,516.31	8,821.26	15,430,703.86	5,046,654.29	429,525.56	174,002,261.07

## 11. OTHER ASSETS

### 11.1 Current and Non-Current Other Assets

ACCOUNTS	As of December 31, 2017	As of December 31, 2016
Withholding Tax at Source - Franchise Tax	12,068.75	1,378.45
Other Current Assets	460,212.33	444,035.96
<b>TOTAL OTHER ASSETS</b>	<b>472,281.08</b>	<b>445,414.41</b>

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## 12. FINANCIAL LIABILITIES

### 12.1 Payables

ACCOUNTS	As of December 31, 2017	As of December 31, 2016
Accounts Payables - Suppliers	1,681.69	229,490.08
Due to Officers and Employees	520,028.08	197,303.85
<b>TOTAL FINANCIAL LIABILITIES</b>	<b><u>521,709.77</u></b>	<b><u>426,793.93</u></b>

## 13. INTER-AGENCY PAYABLES

ACCOUNTS	As of December 31, 2017	As of December 31, 2016
Due to BIR	25,007.98	131,696.00
Due to GSIS-Employee Premium Contribution	7,528.32	-
Due to GSIS-Salary Loan	14,084.80	14,027.22
Due to GSIS - Emergency Loan	(327.78)	6,883.38
Due to GSIS - Life Retirement Insurance Contributions	10,037.76	-
Due to GSIS - ECC Contributions	600.00	-
Due to GSIS - Educational Loan	4,111.80	29,068.50
Due to Pag-ibig-Multi-Purpose Loan	11,625.30	2,198.28
Due to Philhealth - Employee Contribution	1,600.00	200.00
Due to SSS	(1,200.00)	11,000.00
Due to MVWD Provident Fund - Multi-purpose Loan	-	11,828.53
Due to PFRP-Salary Loan	(3,238.24)	6,500.00
Due to PFRP-Multi-Purpose Loan	1,696.64	5,319.46
<b>TOTAL INTER-AGENCY PAYABLE</b>	<b><u>71,526.58</u></b>	<b><u>218,721.37</u></b>

## 14. DEFERRED CREDITS/UNEARNED INCOME

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ACCOUNTS	As of December 31, 2017	As of December 31, 2016
Customer's Deposits Payable	609,040.00	618,040.00
Other Deferred Credits - Push Drive	12,000.00	22,000.00
Other Deferred Credits - Unearned Income	(22,030.46)	3,794.16
<b>TOTAL OTHER DEFERRED CREDITS</b>	<b><u>599,009.54</u></b>	<b><u>643,834.16</u></b>

#### 15. OTHER PAYABLES

The District has payables to entities not classified as financial liabilities pertaining to amounts:

ACCOUNTS	As of December 31, 2017	As of December 31, 2016
Other Payables-Banco Rural	23,288.75	2,298.90
Other Payables-Ben Life Insurance	-	225.00
Other Payables-DBP Loan	(0.77)	3,932.06
<b>TOTAL OTHER PAYABLES</b>	<b><u>23,287.98</u></b>	<b><u>6,455.96</u></b>

#### 16. SERVICE AND BUSINESS INCOME

ACCOUNTS	As of December 31, 2017	As of December 31, 2016
Metered Sales	79,442,803.44	72,570,918.05
Other Sales or Service - Sewer	167,979.00	157,149.54
Penalty Charges	2,319,969.85	1,937,452.79



Penalty Charges - Illegal Connections	34,000.00	48,000.00
Miscellaneous Service Revenue	521,200.00	638,500.00
Other Water Revenues	150,850.00	126,000.00
<b>TOTAL OTHER PAYABLES</b>	<b><u>82,636,802.29</u></b>	<b><u>75,478,020.38</u></b>

# 17. PERSONNEL SERVICES

ACCOUNTS	As of December 31, 2017	As of December 31, 2016
Salaries and Wages-Regular-Source of Supply Expense-Operation Supervision	1,181,938.10	879,454.00
Salaries and Wages-Regular-Source of Supply Exp.-Operation Labor	311,400.00	299,712.00
Salaries and Wages-Regular-Pumping Expense-Pumping Labor	1,015,968.23	1,058,736.00
Salaries and Wages-Regular-Transmission and Dist. Exp.-Maintenance Supervision	1,343,702.35	1,257,143.09
Salaries and Wages-Regular-Customer Account Expense-Supervision	158,349.00	569,376.00
Salaries and Wages-Regular-Customer Account Expense-Meter Reading	1,126,686.00	1,091,676.06
Salaries and Wages-Regular-Customer Account Expense-Customer Records and Collection	190,239.50	-
Salaries and Wages-Regular-Administrative and General	1,373,328.10	939,011.33
Salaries and Wages-Others-Office of the General Manager	1,244,577.10	1,010,424.00
Salaries and Wages - Others - Operation Division Staff	283,689.40	321,072.00
Salaries and Wages - Others - Finance & Commercial Staff	1,248,526.52	773,232.00
PERA-Source of Supply Exp.-Operation Supervision	12,000.00	12,000.00
PERA-Source of Supply Expense-Operation Labor	12,000.00	12,000.00
PERA-Pumping Expense-Pumping Labor	32,500.00	36,000.00
PERA-Transmission and Distribution Expense-Maint. Supervision	43,000.00	40,500.00
PERA-Customer Account Expense-Supervision	1,500.00	6,000.00
PERA-Customer Account Expense-Meter Reading	34,500.00	34,318.18
PERA-Customer Account Expense-Customer Records & Coll.	3,000.00	-
PERA-Administrative and General	51,500.00	36,500.00
PERA - Others - Office of the General Manager	13,500.00	12,000.00

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PERA - Others - Operation Division Staff	10,500.00	12,000.00
PERA - Others - Finance & Commercial Division Staff	20,500.00	18,000.00
ADCOM-Source of Supply Exp.-Operation Supervision	36,000.00	36,000.00
ADCOM-Source of Supply Expense-Operation Labor	36,000.00	36,000.00
ADCOM-Pumping Expense-Pumping Labor	97,500.00	108,000.00
ADCOM-Transmission and Distribution Expense-Maint. Supervision	129,000.00	121,500.00
ADCOM-Customer Account Expense-Supervision	4,500.00	18,000.00
ADCOM-Customer Account Expense-Meter Reading	103,500.00	102,954.55
ADCOM-Customer Account Expense-Customer Records & Coll.	9,000.00	-
ADCOM-Administrative and General	154,500.00	109,500.00
ADCOM - Others - Office of the General Manager	40,500.00	36,000.00
ADCOM - Others - Operation Division Staff	31,500.00	36,000.00
ADCOM - Others - Finance & Commercial Division Staff	61,500.00	54,000.00
Representation Allowance (RA)	267,000.00	222,000.00
Transportation Allowance (TA)	267,000.00	222,000.00
Clothing/Uniform Allowance	185,000.00	175,000.00
Honoraria	670,020.00	385,875.00
Overtime & Night Pay-Source of Supply Exp.-Operation Supervision	63,654.67	95,892.40
Overtime & Night Pay-Source of Supply Expense-Operation Labor	34,943.28	15,325.30
Overtime & Night Pay-Pumping Expense-Pumping Labor	151,978.33	213,091.57
Overtime & Night Pay-Transmission and Distribution Expense-Maint. Supervision	118,404.13	109,450.48
Overtime & Night Pay-Customer Account Expense-Supervision	-	-
Overtime & Night Pay-Customer Account Expense-Meter Reading	200,119.94	244,894.78
Overtime & Night Pay-Customer Account Expense-Customer Records & Coll.	6,662.35	-
Overtime & Night Pay-Administrative and General	110,956.83	105,167.11
Overtime & Night Pay - Others - Office of the General Manager	37,020.01	15,967.56
Overtime & Night Pay - Others - Operation Division Staff	78,922.60	63,905.80
Overtime & Night Pay - Others - Finance & Commercial Division Staff	48,350.39	44,353.93
Year End Bonus-Source of Supply Exp.-Operation Supervision		



	129,786.00	72,173.00
Year End Bonus-Source of Supply Expense-Operation Labor	25,950.00	24,976.00
Year End Bonus-Pumping Expense-Pumping Labor	81,921.00	88,228.00
Year End Bonus-Transmission and Distribution Expense-Maint. Supervision	108,717.95	92,208.00
Year End Bonus-Customer Account Expense-Supervision	-	47,448.00
Year End Bonus-Customer Account Expense-Meter Reading	82,027.00	93,599.20
Year End Bonus-Customer Account Expense-Customer Records * Coll.	39,151.00	-
Year End Bonus - Administrative and General	112,571.00	67,098.00
Year End Bonus - Others - Office of the General Manager	121,634.00	84,202.00
Year End Bonus - Others - Operation Division Staff	16,986.00	26,756.00
Year End Bonus - Others - Finance & Commercial Division Staff	108,681.00	64,436.00
Cash Gift - Source of Supply Exp.-Operation Supervision	10,000.00	-
Cash Gift - Source of Supply Expense-Operation Labor	10,000.00	-
Cash Gift - Pumping Expense-Pumping Labor	25,000.00	-
Cash Gift - Transmission and Distribution Expense-Maint. Supervision	30,000.00	-
Cash Gift - Customer Account Expense-Supervision	-	-
Cash Gift - Customer Account Expense-Meter Reading	25,000.00	-
Cash Gift - Customer Account Expense-Customer Records * Coll.	5,000.00	-
Cash Gift - Administrative and General	42,000.00	-
Cash Gift - Others - Office of the General Manager	15,000.00	-
Cash Gift - Others - Operation Division Staff	7,000.00	-
Cash Gift - Others - Finance & Commercial Division Staff	15,000.00	-
Other Bonuses & Allow.-Source of Supply Exp.-Operation Supervision	137,705.45	164,173.00
Other Bonuses and Allows.-Source of Supply Expense-Operation Labor	54,184.40	66,976.00
Other Bonuses and Allows.-Pumping Expense-Pumping Labor	194,857.20	254,228.00
Other Bonuses and Allows.-Transmission and Distribution Expense-Maint. Supervision	271,967.37	323,208.00
Other Bonuses and Allows-Customer Account Expense-Supervision	-	65,448.00
Other Bonuses and Allows.-Customer Account Expense-Meter Reading	223,654.21	226,468.00
Other Bonuses and Allows.-Customer Account Expense-Customer Records & Coll.	10,700.00	-



Other Bonuses and Allow. -Administrative and General	200,025.70	150,282.00
Other Bonuses and Allow. - Others - Office of the General Manager	174,800.50	133,302.00
Other Bonuses and Allow. - Others - Operation Division Staff	41,242.40	88,756.00
Other Bonuses and Allow. - Others - Finance & Commercial Division Staff	208,765.31	131,036.00
Retirement and Life Insurance Premiums	1,128,271.20	990,610.68
Pag-IBIG Contributions	46,900.00	76,151.36
Philhealth Contributions	98,625.00	92,295.00
Employees Compensation Insurance Premium (ECC)	46,900.00	44,100.00
Terminal Leave Benefits - Retirement	105,608.16	81,279.40
Vacation and Sick Leave - Monetization	483,915.72	292,637.01
Other Personnel Benefit Contributions (MBLIC)	351.00	423.00
<b>TOTAL PERSONAL SERVICES</b>	<b><u>17,096,335.40</u></b>	<b><u>14,832,530.79</u></b>

**18. MAINTENANCE AND OTHER OPERATING EXPENSES**

ACCOUNTS	As of December 31, 2017	As of December 31, 2016
Travel Expense	198,673.07	204,774.35
Training Expenses	162,950.00	113,000.00
Scholarship Grants/Expenses	-	
Office Supplies Expense	834,547.91	658,618.75
Fuel, Oil and Lubricants Expense	786,311.10	606,792.16
Other Supplies and Materials Expenses	-	
Electricity Expense-Administrative	378,656.31	291,597.56
Postage and Courier Services	9,366.00	7,368.00
Telephone Expense-Landline	129,180.15	140,350.34
Telephone Expense-Mobile	97,543.77	90,651.86
Internet Expense	1,600.00	300.00
Awards/Rewards Expenses	10,000.00	20,000.00
Generation, Transmission & Dist. Expense-Fuel for Power Production	439,797.20	675,134.89
Generation, Transmission & Dist. Expense-Pumping Operations	2,518,121.52	1,940,738.75
Generation, Transmission & Dist. Expense-Power/Fuel	11,861,459.12	9,894,613.97

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Purchased for Pumping		
Generation, Transmission & Dist. Expense-Chemicals, Filtering and Laboratory Supplies Expense	1,759,713.91	1,499,817.06
Generation, Transmission & Dist. Expense-Transmission and Distribution Engineering Expense	-	-
Miscellaneous Expenses	1,628,057.19	1,356,469.22
Legal Services	-	-
Auditing Services	-	4,808.80
Security Services	406,716.69	414,000.00
General Services	1,415,004.70	1,266,660.46
Computer Data Processing Services	14,000.00	18,100.00
Other Professional Services	118,500.00	-
Maintenance-Springs and Tunnels	215,380.00	234,140.25
Maintenance-Supply Mains	34,255.00	13,500.00
Maintenance-Reservoirs and Tanks	-	1,564.99
Maintenance-Transmission and Distribution Maintenance	3,523,125.26	2,980,855.52
Maintenance-Services	3,524,088.52	3,413,098.13
Maintenance-Hydrants	9,660.00	22,404.60
Maintenance-Other Plants	128,411.46	114,878.99
Maintenance of Pumping Plant-Structures and Improvements	232,040.00	90,174.39
Maintenance Of Gen. Admin.-Structures and Improvements	64,672.48	104,308.50
Repair & Maintenance-Other Machine & Equip.-Power Production Equipment	389,323.00	240,741.80
Repair & Maintenance-Other Machine & Equip.-Pumping Equipment	79,462.35	91,520.28
Repair & Maintenance-Other Machine & Equip.-Water Treatment Equipment	108,875.40	70,625.51
Repair & Maintenance-Other Machine & Equip.-Tools, Shop and Garage Equipment	88,627.00	141,993.16
Repairs and Maintenance-Office Equipment	52,233.00	56,796.66
Repairs and Maintenance-Land Transport Equipment	564,994.29	383,044.75
Repair and Maintenance - Furnitures and Fixtures	-	6,080.00
Taxes, Duties and Licenses	59,368.32	49,356.98
Franchise and Regulatory Requirements Expense	1,562,938.96	1,569,884.36
Transfer Taxes	-	-
Insurance Expense	265,958.45	251,323.49
Advertising, Promotional and Marketing Expenses	21,168.00	7,056.00
Printing Expense	-	-
Representation Expenses	217,076.86	180,496.12
Freight and Handling	150.00	3,676.00
Rent/Lease Expense	60,000.00	60,000.00
Membership Dues and Contributions to Organizations	12,689.00	8,923.00
Donations	-	-

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Depreciation-Wells	493,749.33	336,558.89
Depreciation-Reservoirs	189,447.00	189,447.00
Depreciation-Transmission and Distribution Mains.	4,297,664.59	3,777,270.23
Depreciation - Meters	234,384.36	104,866.71
Depreciation-Hydrants	48,543.58	41,017.92
Depreciation-Other PPE	764,870.29	969,880.29
Depreciation - Other Source of Supply Plant	7,112.50	7,620.00
Depreciation-Pumping Plant-Structures and Improvements	177,062.91	150,119.40
Depreciation-Office Building	673,424.16	673,424.16
Depreciation-Power Production Equipment	838,955.28	634,740.56
Depreciation-Pumping Equipment	3,317,974.72	2,679,277.92
Depreciation-Water Treatment Equipment	225,291.99	231,726.34
Depreciation-Tools, Shop and Garage Equipment	291,751.10	306,125.14
Depreciation-Office Equipments	138,486.88	131,852.57
Depreciation-IT Equipment	312,549.06	189,193.36
Depreciation Expense - Communication Equipment	2,863.16	3,174.93
Depreciation-Land Transport Equipment	686,551.40	605,433.96
Depreciation-Furnitures and Fixtures	147,334.50	139,557.51
Uncollectible Accounts (Bad Debts)	-	142,307.44
<b>TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES</b>	<b><u>46,832,712.80</u></b>	<b><u>40,613,833.98</u></b>

19. FINANCIAL EXPENSES

ACCOUNTS	As of December 31, 2017	As of December 31, 2016
Interest Expenses	-	-
Bank Charges	350.00	600.00
Other Financial Expenses	-	-
<b>TOTAL FINANCIAL EXPENSE</b>	<b><u>350.00</u></b>	<b><u>600.00</u></b>

20. NON-OPERATING INCOME, GAIN OR LOSSES

20.1 Non-Operating Income/Gain

ACCOUNTS	As of December 31, 2017	As of December 31, 2016
Other Income - Sale of Fittings and Pipes	284,332.70	275,903.62
Interest Income		

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	55,591.37	67,022.15
<b>TOTAL OTHER NON-OPERATING INCOME</b>	<b><u>339,924.07</u></b>	<b><u>342,925.77</u></b>

21. **RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)**

<b>PARTICULARS</b>	<b>As of December 31, 2017</b>	<b>As of December 31, 2016</b>
<b>Cash Inflows</b>		
Collection of Water Sales	79,473,183.10	70,384,603.22
Collection of Sewer Charges	163,884.00	161,511.97
Collection of Registration Fees	524,700.00	638,500.00
Collection of Service Fee	-	-
Collection of Other Business Income	150,350.00	126,000.00
Collection of Fines and Penalties	2,351,761.95	1,407,047.23
Collection of Customer's Deposit	-	29,583.96
Refunds of Cash Advances/Payroll Fund	186,290.49	63,522.09
Sale of Fittings and Pipes	3,432,606.28	3,644,116.91
Interest Income	55,591.37	67,022.85
Deposit to Fund Reserves/Other Bank Accounts	4,913,537.20	5,746,743.30
Other Cash Inflows	2,683,768.24	2,485,261.85
<b>Total Cash Inflows</b>	<b><u>93,935,672.63</u></b>	<b><u>84,753,913.38</u></b>
<b>Cash Outflows:</b>		
Payment of Salaries	9,787,238.56	8,366,510.00
Employer share for GSIS, PAG-IBIG, Philhealth, PFRP, MBLIC	1,756,150.01	1,431,879.01
Purchase of Supplies and Materials	22,948,289.58	17,719,699.87
Payment of Operating Expenses	28,850,781.84	24,284,121.81
Payment of Franchise Tax	1,658,562.85	1,390,360.10
Fund Reserves	4,893,537.20	5,726,743.30
Remittance to BIR-Withholding Taxes from Suppliers	4,076,526.70	3,504,940.49
Other Cash Outflow:	2,054,769.82	2,833,938.59
<b>Total Cash Outflows</b>	<b><u>76,025,856.56</u></b>	<b><u>65,258,193.17</u></b>
<b>TOTAL CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>17,909,816.07</u></b>	<b><u>19,495,720.21</u></b>
Cash Flows from Investing Activities		

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Cash Inflows:	-	-
<b>Total Cash Inflows</b>	-	-
Cash Outflows:		
Capital Expenditures	<u>17,454,590.09</u>	<u>18,192,681.44</u>
<b>Total Cash Outflows</b>	<u>17,454,590.09</u>	<u>18,192,681.44</u>
<b>TOTAL CASH USED BY INVESTING ACTIVITIES</b>	<u>(17,454,590.09)</u>	<u>(18,192,681.44)</u>
Cash Flows from Financing Activities		
Cash Inflows	-	-
<b>Total Cash Inflows</b>	-	-
Cash Outflows:		
Cash Payment of Loans - LWUA	-	-
Cash Payment of Interest of Loans - LWUA	-	-
<b>Total Cash Outflows</b>	-	-
<b>TOTAL CASH USED BY FINANCING ACTIVITIES</b>	-	-
Cash Provided by Operating, Investing and Financing Activities	455,225.98	1,303,038.77
Add: Cash and Cash Equivalents, Beginning	<u>9,317,638.38</u>	<u>8,014,599.61</u>
<b>CASH AND CASH EQUIVALENTS, Ending</b>	<u><b>9,772,864.36</b></u>	<u><b>9,317,638.38</b></u>

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**METRO VIGAN WATER DISTRICT**

P. Burgos St., Solid West, Vigan City, Ilocos Sur

**PRE-CLOSING TRIAL BALANCE**

As of December 31, 2017

Account No	ACCOUNT TITLE	Beginning Balance		Transaction Entries		Ending Balance	
		Debit	Credit	Debit	Credit	Debit	Credit
1-01-01-010	Cash Collecting Officer-Cashier			88,926,703.56	88,926,703.56		
1-01-01-020	Petty Cash / Working Fund			20,000.00	20,000.00		
1-01-01-050	Payroll Fund			7,094,826.03	7,094,826.03		
1-01-02-020	Current Account - DBP	2,344,594.29		91,573,020.51	90,820,628.15	3,096,986.65	
1-01-02-030	Savings Account - DBP	748,946.79		294,970.46	31,750.00	1,012,167.25	
1-01-05-020	Time Deposits - DBP	6,224,097.30		4,780,236.90	5,340,623.74	5,663,710.46	
1-03-01-010	Accounts Receivables - Customer	4,287,331.56		81,578,682.79	81,888,865.19	3,977,149.16	
1-03-01-011	Allowance for Impairment - Accounts Receivables		2,323,039.50	2,189,668.81			133,370.69
1-03-05-020	Due from Officers and Employees			960,257.61	958,512.15	1,745.46	
1-04-04-010	Office Supplies Inventory	252,342.29		646,547.06	682,562.67	216,326.68	
1-04-04-080	Fuel, Oil and Lubricants Inventory	86,160.25			86,160.25		
1-04-04-120	Chemical and Filtering Supplies Inventory	227,405.19		1,987,122.06	1,808,444.83	406,082.42	
1-04-04-130	Construction Materials Inventory			230,102.96	218,852.96	11,250.00	
1-04-04-990	Other Supplies and Materials Inventory - Meter	4,782,231.38		21,653,711.36	19,561,634.96	6,874,307.78	
1-05-99-010	Construction in Progress - Fence at Bayubay Sur/No	1,182,010.50		858,911.08	1,184,510.50	856,411.08	
1-06-01-010	Land	18,113,472.82		308,658.71		18,422,131.53	
1-06-02-990	Land Improvements	248,680.00				248,680.00	
1-06-03-040	Wells	159,617,881.72		17,789,859.86	500.00	177,407,241.58	
1-06-03-041	Accumulated Depreciation - Wells		49,161,024.32		6,028,659.15		55,189,683.47
1-06-04-010	Administrative Structure and Improvements	21,989,219.53				21,989,219.53	
1-06-04-011	Accumulated Depreciation - Office Building		3,120,776.88		673,424.16		3,794,201.04
1-06-04-070	Source of Supply Plant, Structures and Improvements	5,019,361.62		1,230,723.00		6,250,084.62	
1-06-04-071	Accumulated Depreciation-Source of Supply Plant, Structures & Improven	2,967,142.15		1,433,878.90	184,175.41	4,401,021.05	
1-06-05-020	Office Equipments		1,571,625.84		451,035.94		1,999,950.11
1-06-05-021	Accumulated Depreciation - Office Equipments			5,341.70		24,222.70	
1-06-05-070	Communication Equipment	18,881.00					12,900.00
1-06-05-071	Accumulated Depreciation - Communication Equipment		10,059.74		2,863.16		2,022,661.78
1-06-05-990	Power Production Equipment	35,201,568.65		8,635,341.50		43,836,910.15	
1-06-05-991	Accumulated Depreciation - Power Production Equipment		19,770,864.79		4,673,973.09		24,444,837.88
1-06-06-010	Land Transport Equipment	9,064,464.74		64,500.00		9,128,964.74	
1-06-06-011	Accumulated Depreciation - Land Transport Equipment		4,017,810.45		686,551.40		4,704,361.85
1-06-07-010	Furnitures and Fixtures	1,018,585.78		45,200.00		1,063,785.78	
1-06-07-011	Accumulated Depreciation - Furniture and Fixtures		589,060.22		147,334.50		736,394.72
1-99-02-080	Withholding Tax at Source - Franchise Tax	1,378.45		55,076.96	44,386.66	12,068.75	
1-99-99-990	Other Assets	444,035.96		294,563.18	278,386.81	460,212.33	
2-01-01-010	Accounts Payables - Suppliers		229,490.08	1,985,192.32	1,757,383.93		1,681.69
2-01-01-020	Due to Officers and Employees		197,303.85	20,598.95	343,323.18		520,028.08
2-02-01-010	Due to BIR		131,696.00	4,262,308.60	4,155,620.58		25,007.98
2-02-01-020	Due to GSIS-Employee Premium Contribution		49,979.10	3,337,349.17	3,323,404.97		36,034.90
2-02-01-030	Due to Pag-IBIG -Employee Premium Contribution		2,198.28	725,303.23	734,730.25		11,625.30
2-02-01-040	Due to Philhealth-Employee Contribution		200.00	256,350.00	257,750.00		1,600.00
2-02-01-110	Due to SSS		11,000.00	155,760.00	143,560.00		(1,200.00)

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Account No	ACCOUNT TITLE	Debit	Credit	Debit	Credit
2-03-01-050	Due to MVWVD Provident Fund-Employee Share		23,647.99	1,222,271.46	1,197,081.87
2-04-01-050	Customer's Deposits Payable		618,040.00	2,752,038.15	2,743,038.15
2-05-01-990	Other Deferred Credits - Push Drive		25,794.16	4,073,350.18	4,037,525.56
2-09-01-010	Deferred Tax Liabilities (Taxes Deducted fr. Water Payment)		-	1,378.45	1,378.45
2-99-99-990	Other Payables-MBLIC/PLGIC		6,455.96	2,079,971.43	2,096,803.45
3-01-01-020	Government Equity		559,893.87		
3-01-01-030	Contributed Capital		80,413,659.13		
3-07-01-010	Retained Earnings/(Deficit)		109,990,397.11		
4-02-02-160	Metered Sales				23,287.98
4-02-02-210	Interest Income				559,893.87
4-02-02-230	Penalty Charges				80,413,659.13
4-02-02-990	Other Income -Sale of Fittings and Pipes			294,731.70	2,190,214.82
4-06-03-990	Miscellaneous Service Revenue			1,728,186.48	81,338,968.92
5-01-01-010	Salaries and Wages-Regular-Source of Supply Exp.-Operation Supervision				55,591.37
5-01-02-010	PERA-Source of Supply Exp-Operation Supervision				2,353,969.85
5-01-02-020	Representation Allowance			3,000.00	284,332.70
5-01-02-030	Transportation Allowance				675,050.00
5-01-02-040	Clothing/Uniform Allowance				
5-01-02-100	Honoraria			9,478,404.30	
5-01-02-130	Overtime & Night Pay - Source of Supply Exp. - Operation Supervision			938,000.00	
5-01-02-140	Year End Bonus - Source of Supply Exp. - Operation Supervision			267,000.00	
5-01-02-150	Cash Gift - Source of Supply Exp. - Operation Supervision			267,000.00	
5-01-02-990	Other Bonuses & Allow. - Source of Supply Exp. - Operation Supervision			185,000.00	
5-01-03-010	Retirement and Life Insurance Premiums			670,020.00	
5-01-03-020	Pag-IBIG Contributions			851,012.53	
5-01-03-030	Philhealth Contributions			827,424.95	
5-01-03-040	Employees Compensation Insurance Premium (ECC)			184,000.00	
5-01-04-030	Terminal Leave Benefits - Retirement			1,517,902.54	
5-01-04-990	Other Personnel Benefit Contributions (MBLIC)			1,128,271.20	
5-02-01-010	Travel Expense			46,900.00	
5-02-02-010	Training Expenses			98,625.00	
5-02-03-010	Office Supplies Expense			46,900.00	
5-02-03-090	Fuel, Oil and Lubricants Expense			589,523.88	
5-02-04-020	Electricity Expense - Administrative			351.00	
5-02-05-010	Postage and Courier Services			198,673.07	
5-02-05-020	Telephone Expense - Landline			162,950.00	
5-02-05-030	Internet Expense			834,547.91	
5-02-06-010	Awards/Rewards Expenses			786,311.10	
5-02-09-010	Generation, Transmission & Dist. Exp. - Fuel for Power Production			378,656.31	
5-02-10-040	Miscellaneous Expenses			9,366.00	
5-02-12-030	Security Services			226,723.92	
5-02-12-990	General Services			1,600.00	
5-02-13-030	Maintenance - Springs & Tunnels			10,000.00	
5-02-13-040	Maintenance of Pumping Plant-Structures and Improvements			16,579,091.75	
5-02-13-050	Repair and Maintenance-Other Machine & Equipmt.-Power Production Equipment			1,628,057.19	
5-02-13-060	Repairs and Maintenance-Land Transport Equipment			406,716.69	
5-02-15-010	Taxes, Duties and Licenses			1,547,504.70	
5-02-15-030	Insurance Expense			7,434,920.24	
5-02-99-010-0	Advertising, Promotional and Marketing Expenses			296,712.48	
				718,520.75	
				564,994.29	
				1,622,307.28	
				265,958.45	
				21,168.00	

  
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Account No	ACCOUNT TITLE	Debit	Credit	Debit	Credit	Debit	Credit
5-02-99-030	Representation Expense			217,076.86		217,076.86	
5-02-99-040	Freight and Handling			150.00		150.00	
5-02-99-050	Rent/Lease Expense			60,000.00		60,000.00	
5-02-99-060	Membership Dues and ontributions to Organizations			12,689.00		12,689.00	
5-03-01-040	Bank Charges			350.00		350.00	
5-05-01-030	Depreciation-Wells			6,028,659.15		6,028,659.15	
5-05-01-040	Depreciation-Other Source of Supply Plant			857,599.57		857,599.57	
5-05-01-050	Depreciation-Power Production Equipment			5,127,872.19		5,127,872.19	
5-05-01-060	Depreciation-Land Tranport Equipment			686,551.40		686,551.40	
5-05-01-070	Depreciation-Furnitures and Fixtures			147,334.50		147,334.50	
<b>TOTAL:</b>		<b>273,839,791.97</b>	<b>273,839,791.97</b>	<b>419,485,093.32</b>	<b>419,485,093.32</b>	<b>369,290,077.90</b>	<b>369,290,077.90</b>

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# **METRO VIGAN WATER DISTRICT**

P. Burgos St., Solid West, Vigan City, Ilocos Sur

## **POST-CLOSING TRIAL BALANCE**

As of December 31, 2017

Account No	ACCOUNT TITLE	Beginning Balance		Transaction Entries		Ending Balance	
		Debit	Credit	Debit	Credit	Debit	Credit
1-01-01-010	Cash Collecting Officer-Cashier			88,926,703.56	88,926,703.56		
1-01-01-020	Petty Cash / Working Fund			20,000.00	20,000.00		
1-01-01-050	Payroll Fund			7,094,826.03	7,094,826.03		
1-01-02-020	Current Account - DBP	2,344,594.29		91,573,020.51	90,820,628.15	3,096,986.65	
1-01-02-030	Savings Account - DBP	748,946.79		294,970.46	31,750.00	1,012,167.25	
1-01-05-020	Time Deposits - DBP	6,224,097.30		4,780,236.90	5,340,623.74	5,663,710.46	
1-03-01-010	Accounts Receivables - Customer	4,287,331.56		81,578,682.79	81,888,865.19	3,977,149.16	
1-03-01-011	Allowance for Impairment - Accounts Receivables		2,323,039.50	2,189,668.81			133,370.69
1-03-05-020	Due from Officers and Employees			960,257.61	958,512.15	1,745.46	
1-04-04-010	Office Supplies Inventory	252,342.29		646,547.06	682,562.67	216,326.68	
1-04-04-080	Fuel, Oil and Lubricants Inventory	86,160.25			86,160.25		
1-04-04-120	Chemical and Filtering Supplies Inventory	227,405.19		1,987,122.06	1,808,444.83	406,082.42	
1-04-04-130	Construction Materials Inventory			230,102.96	218,852.96	11,250.00	
1-04-04-990	Other Supplies and Materials Inventory - Meter	4,782,231.38		21,653,711.36	19,561,634.96	6,874,307.78	
1-05-99-010	Construction in Progress - Fence at Bayubay Sur/ft	1,182,010.50		858,911.08	1,184,510.50	856,411.08	
1-06-01-010	Land	18,113,472.82		308,658.71		18,422,131.53	
1-06-02-990	Land Improvements	248,680.00				248,680.00	
1-06-03-040	Wells	159,617,881.72		17,789,859.86	500.00	177,407,241.58	
1-06-03-041	Accumulated Depreciation - Wells		49,161,024.32		6,028,659.15		55,189,683.47
1-06-04-010	Administrative Structure and Improvements	21,989,219.53				21,989,219.53	
1-06-04-011	Accumulated Depreciation - Office Building		3,120,776.88		673,424.16		3,794,201.04
1-06-04-070	Source of Supply Plant, Structures and Improvemr	5,019,361.62		1,230,723.00		6,250,084.62	
1-06-04-071	Accumulated Depreciation-Source of Supply PLant, Structures & Imp		1,015,774.70	1,433,878.90	184,175.41	4,401,021.05	1,199,950.11
1-06-05-020	Office Equipments	2,967,142.15					
1-06-05-021	Accumulated Depreciation - Office Equipments		1,571,625.84		451,035.94		2,022,661.78
1-06-05-070	Communication Equipment	18,881.00		5,341.70		24,222.70	
1-06-05-071	Accumulated Depreciation - Communication Equipment		10,059.74		2,863.16		12,922.90
1-06-05-990	Power Production Equipment	35,201,568.65		8,635,341.50		43,836,910.15	
1-06-05-991	Accumulated Depreciation - Power Production Equipment		19,770,864.79		4,673,973.09		24,444,837.88
1-06-06-010	Land Transport Equipment	9,064,464.74		64,500.00		9,128,964.74	
1-06-06-011	Accumulated Depreciation - Land Transport Equipment		4,017,810.45		686,551.40		4,704,361.85
1-06-07-010	Furnitures and Fixtures	1,018,585.78		45,200.00		1,063,785.78	
1-06-07-011	Accumulated Depreciation - Furniture and Fixtures		589,060.22		147,334.50		736,394.72
1-99-02-080	Withholding Tax at Source - Franchise Tax	1,378.45		55,076.96		12,068.75	
1-99-99-990	Other Assets	444,035.96		294,563.18		460,212.33	
2-01-01-010	Accounts Payables - Suppliers		229,490.08	1,985,192.32	1,757,383.93		1,681.69

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Account No	ACCOUNT TITLE	Debit	Credit	Debit	Credit	Debit	Credit
2-01-01-020	Due to Officers and Employees		197,303.85	20,598.95	343,323.18		520,028.08
2-02-01-010	Due to BIR		131,696.00	4,262,308.60	4,155,620.58		25,007.98
2-02-01-020	Due to GSIS-Employee Premium Contribution		49,979.10	3,337,349.17	3,323,404.97		36,034.90
2-02-01-030	Due to Pag-IBIG -Employee Premium Contribution		2,198.28	725,303.23	734,730.25		11,625.30
2-02-01-040	Due to Philhealth-Employee Contribution		200.00	256,350.00	257,750.00		1,600.00
2-02-01-110	Due to SSS		11,000.00	155,760.00	143,560.00		(1,200.00)
2-03-01-050	Due to MVWD Provident Fund-Employee Share		23,647.99	1,222,271.46	1,197,081.87		(1,541.60)
2-04-01-050	Customer's Deposits Payable		618,040.00	2,752,038.15	2,743,038.15		609,040.00
2-05-01-990	Other Deferred Credits - Push Drive		25,794.16	4,073,350.18	4,037,525.56		(10,030.46)
2-09-01-010	Deferred Tax Liabilities (Taxes Deducted fr. Water Payment)		-	1,378.45	1,378.45		-
2-99-99-990	Other Payables-MBLIC/PLGIC		6,455.96	2,079,971.43	2,096,803.45		23,287.98
3-01-01-020	Government Equity		559,893.87		-		559,893.87
3-01-01-030	Contributed Capital		80,413,659.13		-		80,413,659.13
3-07-01-010	Retained Earnings/(Deficit)		109,990,397.11		-		130,933,208.39
4-02-02-160	Metered Sales			294,731.70	21,237,542.98		-
4-02-02-210	Interest Income			81,338,968.92	81,338,968.92		-
4-02-02-230	Penalty Charges			55,591.37	55,591.37		-
4-02-02-990	Other Income -Sale of Fittings and Pipes			2,353,969.85	2,353,969.85		-
4-06-03-990	Miscellaneous Service Revenue			284,332.70	284,332.70		-
5-01-01-010	Salaries and Wages-Regular-Source of Supply Exp.-Operation Supervision			675,050.00	675,050.00		-
5-01-02-010	PERA-Source of Supply Exp-Operation Supervision			9,478,404.30	9,478,404.30		-
5-01-02-020	Representation Allowance			938,000.00	938,000.00		-
5-01-02-030	Transportation Allowance			267,000.00	267,000.00		-
5-01-02-040	Clothing/Uniform Allowance			267,000.00	267,000.00		-
5-01-02-100	Honoraria			185,000.00	185,000.00		-
5-01-02-130	Overtime & Night Pay - Source of Supply Exp. - Operation Supervision			670,020.00	670,020.00		-
5-01-02-140	Year End Bonus - Source of Supply Exp. - Operation Supervision			851,012.53	851,012.53		-
5-01-02-150	Cash Gift - Source of Supply Exp. - Operation Supervision			827,424.95	827,424.95		-
5-01-02-990	Other Bonuses & Allow. - Source of Supply Exp. - Operation Supervision			184,000.00	184,000.00		-
5-01-03-010	Retirement and Life Insurance Premiums			1,517,902.54	1,517,902.54		-
5-01-03-020	Pag-IBIG Contributions			1,128,271.20	1,128,271.20		-
5-01-03-030	Philhealth Contributions			46,900.00	46,900.00		-
5-01-03-040	Employees Compensation Insurance Premium (ECC)			98,625.00	98,625.00		-
5-01-04-030	Terminal Leave Benefits - Retirement			46,900.00	46,900.00		-
5-01-04-990	Other Personnel Benefit Contributions (MBLIC)			589,523.88	589,523.88		-
5-02-01-010	Travel Expense			351.00	351.00		-
5-02-02-010	Training Expenses			198,673.07	198,673.07		-
5-02-03-010	Office Supplies Expense			162,950.00	162,950.00		-
5-02-03-090	Fuel, Oil and Lubricants Expense			834,547.91	834,547.91		-
5-02-04-020	Electricity Expense - Administrative			786,311.10	786,311.10		-
5-02-05-010	Postage and Courier Services			378,656.31	378,656.31		-
5-02-05-020	Telephone Expense - Landline			9,366.00	9,366.00		-
5-02-05-030	Internet Expense			226,723.92	226,723.92		-
				1,600.00	1,600.00		-

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Account No	ACCOUNT TITLE	Debit	Credit	Debit	Credit	Debit	Credit
5-02-06-010	Awards/Rewards Expenses			10,000.00	10,000.00		
5-02-09-010	Generation, Transmission & Dist. Exp. - Fuel for Power Production			16,579,091.75	16,579,091.75		
5-02-10-040	Miscellaneous Expenses			1,628,057.19	1,628,057.19		
5-02-12-030	Security Services			406,716.69	406,716.69		
5-02-12-990	General Services			1,547,504.70	1,547,504.70		
5-02-13-030	Maintenance - Springs & Tunnels			7,434,920.24	7,434,920.24		
5-02-13-040	Maintenance of Pumping Plant-Structures and Improvements			296,712.48	296,712.48		
5-02-13-050	Repair and Maintenance-Other Machine & Equipmt.-Power Production Equipment			718,520.75	718,520.75		
5-02-13-060	Repairs and Maintenance-Land Transport Equipment			564,994.29	564,994.29		
5-02-15-010	Taxes, Duties and Licenses			1,622,307.28	1,622,307.28		
5-02-15-030	Insurance Expense			265,958.45	265,958.45		
5-02-99-010-	Advertising, Promotional and Marketing Expenses			21,168.00	21,168.00		
5-02-99-030	Representation Expense			217,076.86	217,076.86		
5-02-99-040	Freight and Handling			150.00	150.00		
5-02-99-050	Rent/Lease Expense			60,000.00	60,000.00		
5-02-99-060	Membership Dues and ontributions to Organizations			12,689.00	12,689.00		
5-03-01-040	Bank Charges			350.00	350.00		
5-05-01-030	Depreciaton-Wells			6,028,659.15	6,028,659.15		
5-05-01-040	Depreciation-Other Source of Supply Plant			857,599.57	857,599.57		
5-05-01-050	Depreciation-Power Production Equipment			5,127,872.19	5,127,872.19		
5-05-01-060	Depreciation-Land Transport Equipment			686,551.40	686,551.40		
5-05-01-070	Depreciation-Furnitures and Fixtures			147,334.50	147,334.50		
<b>TOTAL:</b>		<b>273,839,791.97</b>	<b>273,839,791.97</b>	<b>502,461,819.68</b>	<b>502,461,819.68</b>	<b>305,360,679.70</b>	<b>305,360,679.70</b>

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Republic of the Philippines  
**METRO VIGAN WATER DISTRICT**

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Website: [www.metrovganwd.gov.ph](http://www.metrovganwd.gov.ph)

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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The Management of the Metro Vigan Water District is responsible for the preparation of the financial statements as of December 31, 2017, 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 statement 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 District in accordance with the Philippine Public Sector Standards on Auditing and has expressed its opinion on the fairness of preparation upon completion of such audit, in its report to the Board of Directors.

**LEONARDO B. OSALVO**

Chairman of the Board

February 14, 2018

Date Signed

**VINCENT EDUARD C. ARRANZ**

Department Manager – Finance & Commercial

February 14, 2018

Date Signed

**RUBY Q. BARBA**

General Manager

February 14, 2018

Date Signed

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