



Republic of the Philippines  
**SOGOD WATER DISTRICT**  
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Notes to Financial Statements  
For the year ended December 31, 2013  
(with comparative figures as of December 31, 2012)

## I. Agency Background

Sogod Water District (SWD) was created in pursuance of P.D. 198, or the "Provincial Water Utilization Act of 1973," with the approval of the Municipal Council Resolution No. 69, series of 1981, by the Municipality of Sogod, Southern Leyte. By virtue of the "Conditional Certificate of Conformance No. 188," issued by the Local Water Utilities Administration (LWUA) on March 04, 1982, SWD was given authority to start its operation to supply safe, sufficient and potable water to the residents of Sogod, Southern Leyte.

Since 1992, by virtue of Supreme Court en banc decision, G.R. No. 95237-38 (Davao City Water District, et al. v.s. CSC et.al.), water districts were declared Government Owned and/or Controlled Corporations (GOCC's) with original charters and as such, are under the jurisdiction of the public respondents Civil Service Commission and Commission on Audit.

## 2. Basis to Financial Statements

The Sogod Water District adopts the Commercial Practices System (CPS)-NGAS of accounting using the accrual method based on the Commercial Practices System (CPS)-NGAS Modified Chart of Accounts for use of Water Districts as mandated through LWUA Memorandum Circular No. 003-08 dated June 16, 2008.

## 3. Utility Plant in Service

This account includes properties which are relatively permanent in character that are used in the normal operations of the water district. It is composed of the following:

	<b>2013</b>	<b>2012</b>
Land and Land Rights	₱ 1,362,263.05	₱ 1,089,943.05
Collecting and Impounding Reservoir	35,622.10	35,622.10
Springs and Tunnels	49,426.79	49,426.79
Source Development	1,175,650.00	1,175,650.00
Supply Mains	717,360.90	659,761.90
Reservoir and Tanks	4,424,460.15	4,424,460.15
Transmission and Distribution Mains	8,340,483.28	8,198,165.86
Services	292,660.00	292,660.00
Meters	821,340.00	821,340.00
Meter Installation	2,904,541.76	2,817,008.56
Hydrants/Fire Protection	286,520.42	286,520.42
Pumping Plant Structures and Improvements	1,164,613.32	803,093.82
Water Treatment Structure and Improvements	195,748.87	195,748.87
General Administrative Structures & Improvements	41,160.63	41,160.63
Furniture and Fixtures	318,191.26	295,465.76
IT Equipment	828,134.00	642,094.00

IT Program	119,000.00	119,000.00
Transportation Equipment	547,207.00	547,207.00
Power Production Equipment	1,082,476.50	1,036,062.00
Pumping Equipment	2,397,091.09	2,397,091.09
Water Treatment Equipment	8,550.00	8,550.00
Communications Equipment	17,346.00	17,346.00
Tools, Shops and Garage Equipment	357,849.88	323,964.88
<b>Total</b>	<b>27,487,697.00</b>	<b>26,277,342.88</b>

#### 4. Depreciation

Depreciation includes depreciation expenses of all fixed assets incurred during the period. It is computed on a straight line method based on the estimated useful life of the properties.

#### 5. Sinking Fund

This account represents a debt service reserve opened at LBP Sogod Branch, in compliance with LWUA requirements in the granting of loans to water districts.

#### 6. Cash and Cash Equivalents

This Account consists of the following:

	<b>2013</b>	<b>2012</b>
Cash in Bank – Current Account	₱ 9,935,555.13	₱ 6,685,781.54
Cash in Bank – NLIF Fund	1,084,613.73	5,089,040.14
Cash on Hand	91,190.05	92,593.62
Cash in Bank – Special Deposit – 61-0	369,263.30	327,857.64
Cash in Bank – PNB Time	528,222.89	523,321.29
Cash in Bank – LBP Time		372,003.79
Working Fund	10,000.00	10,000.00
<b>Total</b>	<b>₱ 12,018,845.10</b>	<b>₱ 10,627,966.75</b>

#### 7. Working Funds

Petty cash maintained by the Cashier in the amount of P 10,000.00 under imprest system.

#### 8. Accounts Receivable—Customer

	<b>2013</b>	<b>2012</b>
Accounts Receivable – Customer (net)	₱ 2,681,944.88	₱ 2,484,992.95
Accounts Receivable - Others	58,044.50	90,835.35
<b>Total</b>	<b>₱ 2,739,989.39</b>	<b>₱ 2,575,828.30</b>

Accounts Receivable – Customer (net) account represents amount due on accounts arising from services rendered to customers for water sales, and other incidental services less allowance for probable losses.

Accounts Receivable – Others account includes all other accounts receivable like customer’s loan which are in the form of materials, fees and charges.

**9. Advances to Officers and Employees**

This account constitutes temporary cash advances given to officers and employees for transportation, emergency purchases and other expenses necessary to carry the operation of the water district.

<b>Name</b>	<b>Amount</b>	<b>NONE</b>
Dir. Benito D. Bascug	₱ 2,742.00	
Bernabe C. Bascug	200.00	

**10. Materials and Supplies Inventory**

This account consists of unissued materials and inventory which are kept in stock for future use by the agency.

**11. Loans Payable**

This account represents various loans availed from LWUA:

	<b>2013</b>	<b>2012</b>
Account No. 3-497	₱ 569,091.65	₱ 607,981.10
Account No. 4-2208	11,086,397.38	11,771,044.38
Account No. - NLIF	5,075,000.00	5,075,000.00
Outstanding Balance as of year end	<b>₱ 16,730,489.03</b>	<b>₱ 17,454,025.48</b>

**12. Accounts Payable**

This account consists of all unpaid obligation of the water district payable within one year from the balance sheet date.

**13. Customers’ Deposits**

This account pertains to the guaranty deposit of concessionaires made before service connections for water meters and to ensure the payment of water bills. This can be withdrawn upon customer’s request.