Republic of the Philippines



**COMMISSION ON AUDIT**

Regional Office No. X

Cagayan de Oro City

**OFFICE OF THE REGIONAL DIRECTOR**

April 15, 2014

**Engr. Noel L. Resabal**

**General Manager**

Bacolod Water District

Bacolod, Lanao del Norte

Dear Manager Resabal:

We are pleased to transmit the Annual Audit Report of the **Bacolod Water District**, Bacolod, Lanao del Norte, for the Calendar Year ended December 31, 2013, in compliance with Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines.

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

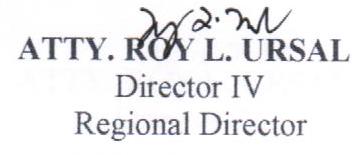
The report consists of four (4) parts, Part I - Audited Financial Statements, Part II - Observations and Recommendations, Part III - Status of Implementation of Prior Years’ Audit Recommendations and Part IV- the Annexes, which were discussed with concerned management officials and staff.

We will appreciate being informed of the actions taken on the recommendations, contained in the report, within sixty (60) days from the date of receipt thereof.

We acknowledge the support and cooperation extended to our Audit Team by the officials and employees of Bacolod Water District.

Very truly yours,

 By Authority of the Chairperson:



**ATTY. ROY L. URSAL**

Director IV

Regional Director

Republic of the Philippines



**COMMISSION ON AUDIT**

Regional Office No. X

Cagayan de Oro City

**OFFICE OF THE REGIONAL DIRECTOR**

April 15, 2014

**The Chairman**

**Board of Directors**

Bacolod Water District

Bacolod, Lanao del Norte

Sir:

We are pleased to transmit the Annual Audit Report of the **Bacolod Water District**, Bacolod, Lanao del Norte, for the Calendar Year ended December 31, 2013, in compliance with Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines.

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

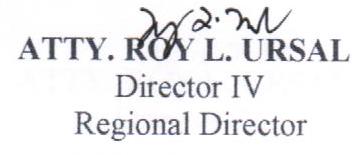
The report consists of four (4) parts, Part I - Audited Financial Statements, Part II -Observations and Recommendations, Part III- Status of Implementation of Prior Years’ Audit Recommendations and Part IV- the Annexes, which were discussed with concerned management officials and staff.

We have requested the General Manager, Bacolod Water District, that the recommendations be implemented and will appreciate being informed of the action taken hereon within sixty (60) days from receipt hereof.

We acknowledge the support and cooperation extended to our Audit Team by the officials and employees of Bacolod Water District.

Very truly yours,

 By Authority of the Chairperson:

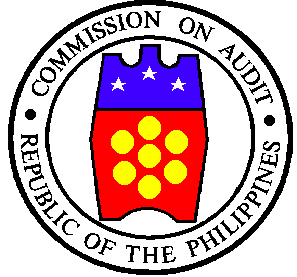
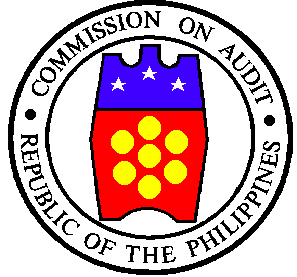


**ATTY. ROY L. URSAL**

Director IV

Regional Director

Republic of the Philippines



**COMMISSION ON AUDIT**

Regional Office No. X

Cagayan de Oro City

**ANNUAL AUDIT REPORT**

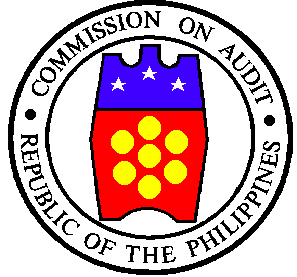
**ON**

**BACOLOD WATER DISTRICT**

**Bacolod, Lanaodel Norte**

# For the Year Ended December 31, 2013

Republic of the Philippines



**COMMISSION ON AUDIT**

Regional Office No. X

Cagayan de Oro City

**OFFICE OF THE SUPERVISING AUDITOR**

**Audit Group I -Water Districts**

April 14, 2014

**ATTY. ROY L. URSAL**

Regional Director

Commission on Audit

Regional Office No. X

Cagayan de Oro City

Sir:

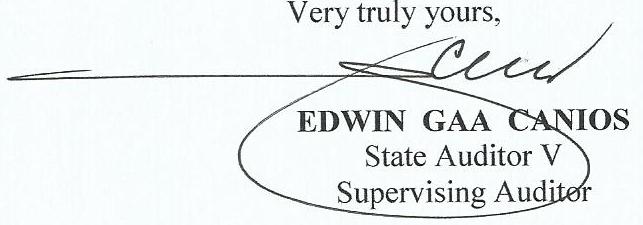
In compliance with Section 2, Article IX-D of the Philippine Constitution and pertinent provisions of Presidential Decree No. 1445, otherwise known as the Government Auditing Code of the Philippines, we audited the accounts and operations of **Bacolod Water District, Bacolod, Lanao del Norte** for the year ended December 31, 2013.

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

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

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

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

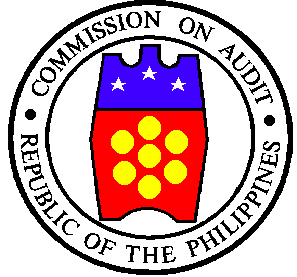
 Very truly yours,

**EDWIN GAA CANIOS**

State Auditor V

Supervising Auditor

Republic of the Philippines



**COMMISSION ON AUDIT**

Regional Office No. X

Cagayan de Oro City

**OFFICE OF THE AUDIT TEAM LEADER**

**Team 6, Audit Group I – Water Districts**

April 11, 2014

MEMORANDUM for –

**MR. EDWIN GAA CANIOS**

Supervising Auditor

Audit Group I - WATER DISTRICTS

COA - Regional Office No. X

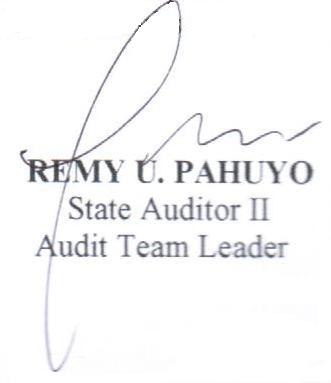
Cagayan de Oro City

In compliance with Section 2, Article IX-D of the Philippine Constitution and pertinent provisions of Presidential Decree No. 1445, we conducted a financial audit on the accounts and operations of the **Bacolod Water District**, Bacolod, Lanao del Norte for the year ended December 31, 2013.

The audit was conducted to ascertain the propriety of the financial transactions and determine the extent of compliance of the agency to prescribed rules and regulations. It was also made to ascertain the accuracy of the financial records and reports, as well as the fairness of the presentations of the financial statements.

Our attached report consists of four parts, Part I - Audited Financial Statements, Part II - details of significant Observations and Recommendations which were discussed with concerned management officials and staff during the exit conference held on March 26, 2014, Part III - Status of Implementation of Prior Year’s Audit Recommendations, and Part IV - Annexes.

There is reason to believe that the financial statements are not free of misstatements which, however, are not material enough to conclude that the financial condition of the Bacolod Water District as of December 31, 2013 and the results of its operations are not fairly presented.

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

**REMY U. PAHUYO**

State Auditor II

Audit Team Leader

**EXECUTIVE SUMMARY**

**INTRODUCTION**

Bacolod Water District (BWD) was formed on May 23, 1994 by virtue of Sangguniang Bayan Resolution No. 225. As a consequence, it inherited from the local government the water system which was constructed by NAWASA in 1976. The District's Certificate of Conditional Conformance (CCC) numbered 543 was subsequently issued by the Local Water Utilities Administration (LWUA) on December 6, 1994.

All Local Water Districts in the Philippines were declared as Government-Owned and Controlled Corporations (GOCCs) with original charter (PD No. 198), in a case decided by the Supreme Court on September 13, 1991 docketed as GR No. 95237-38 entitled “*Davao City Water District, et al. vs. Civil Service Commission, et al.”*

**HIGHLIGHTS OF FINANCIAL OPERATIONS**

As of December 31, 2013,there was an increase of 1.32% in assets, decrease of 2.08% in liabilities and increase of 21.52% in government equity, summarized as follows:

**Financial Condition**

|  |  |  |  |
| --- | --- | --- | --- |
|  | ***2013*** | ***2012*** | ***Increase/(Decrease)*** |
| Assets | ~~P~~ 27,629,397.69 | ~~P~~ 27,268,799.02 | ~~P~~360,598.67 |
| Liabilities | ~~P~~ 22,854,423.32 | ~~P~~23,339,383.31 | ~~P~~(484,959.99) |
| Government Equity | ~~P~~ 4,774,974.37 | ~~P~~3,929,415.71 | ~~P~~845,558.66 |

For the current year, the Water District generated a total income of~~P~~9,232,510.93 from water sales, other businesses, fines and penalties, interest and miscellaneous income. An increase of ~~P~~623,302.79or 7.24% was noted compared to previous year’s income of ~~P~~8,609,208.14.Details of its results of operations are presented below.

**Results of Operations**

|  |  |  |  |
| --- | --- | --- | --- |
|  | ***2013*** | ***2012*** | ***Increase/(Decrease)*** |
| Income | ~~P~~ 9,232,510.93 | ~~P~~ 8,609,208.14 | ~~P~~ 623,302.79 |
| Expenditures | ~~P~~ 8,391,384.57 | ~~P~~ 7,896,237.98 | ~~P~~ 495,146.59 |
| Net Operating Income | ~~P~~ 841,126.36 | ~~P~~ 712,970.16 | ~~P~~ 128,156.20 |

**OPERATIONAL HIGHLIGHTS**

The district is serving a total population of 12,900 as of December 31, 2013. It has a total service connections of 2,820 of which 2,580 are active and metered while 2,569 connections are billed. Total water sales billed for the year amounted to~~P~~8,808,815.35 and collected a total of ~~P~~8,841,705.04, which includes collections for the current account, arrears-current year and arrears-previous years.

Water production as of December 31, 2013 reached 591,951 cubic meters of which the total accounted water was computed at 512,935 cubic meters or 86.65%.

**SCOPE OF AUDIT**

An audit was conducted on the accounts and operations of Bacolod Water District, Bacolod, Lanaodel Norte for the Calendar Year 2013.

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

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

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

A Qualified Opinion was rendered on the financial statements of the district due to overstatement of the book balances of the Utility, Plant In-Service (UPIS) and Accumulated Depreciation accounts by ~~P~~401,906.86 and ~~P~~376,032.17, respectively. Furthermore, UPIS accounts were also overstated by ~~P~~488,579.49because of the inclusion of various unserviceable properties whichwere not yet disposed and condemned by the district.

**SUMMARY OF SIGNIFICANT OBSERVATIONS AND RECOMMENDATIONS**

**1.** **The book balances of the Utility Plant in Service (UPIS) and Accumulated Depreciation accounts were overstated by ~~P~~401,906.86 and ~~P~~376,032.17, respectively, due to inclusion of water meters which were considered by the district as inventories, as the same were held for sale to new service connection applicants.**

We have recommended to the management to direct the Accounting Section to exclude water meters totaling ~~P~~401,906.86 from the UPIS account.

Effect necessary adjustments to the UPIS account and the related Accumulated Depreciation account to correct the overstatement.

**2. Unserviceable properties totaling ~~P~~488,579.49 as of December 31, 2013 which were still included in the UPIS account were not yet disposed or condemned, resulting to overstatement of UPIS and Accumulated Depreciation accounts.**

We have recommended that management direct the Property Officer to prepare the Inventory and Inspection Report of Unserviceable Properties. Dispose the said properties properly in accordance with the above-cited rules and regulations and drop the same from the books of accounts.

Effect necessary adjustment in the books of accounts upon disposal of unserviceable properties.

**3. The district’s Other Receivable account from Ms. Betty Bago, former employee totaling ~~P~~32,171.63 as at year end, remained uncollected since CY 2000, thus, depriving the district of the beneficial use of such fund.**

We have recommended that the management closely monitor the receivable and intensify its collection by sending a demand letter anew.

**4. The members of the Board of Directors were granted Productivity Enhancement Incentive (PEI) at ~~P~~10,000.00 each or a total amount of ~~P~~40,000.00 without sufficient legal basis, contrary to the provisions of Executive Order No. 65 dated January 2, 2012, and LWUA Memorandum Circular No. 015-12 dated November 22, 2012.**

We have recommended to the management to require the members of the Board of Directors to refund the additional allowances received.

We have also recommended to stop the payment of additional allowances and benefits to the members of the Board of Directors and refrain from making such payments unless supported with sufficient legal basis.

**5. Travelling expenses and the related registration fees of the members of the Board of Directors in attending a convention totaling ~~P~~25,700.00 were improperly classified and booked as Director’s Fees and Remuneration in the district’s books of accounts contrary to Section 112 of Presidential Decree No. 1445 and Section 269 of the Manual on the New Government Accounting System-Volume III.**

We have recommended to the management to direct the senior accounting processor to observe the correct classification of operating expenses which should be in accordance with sound and best accounting practices.

**6. The required renewal of Acknowledgement Receipt for Equipment (ARE) was not complied with as required in Section 46, Volume II of the New Government Accounting System (NGAS) Manual, thereby making it difficult to pinpoint responsibility and accountability of issued government property/equipment.**

We have recommended to the management to adhere strictly the renewal of ARE every three (3) years as required. Require the property custodian to properly account the issued properties/equipment and establish control measures to safeguard government resources from misuse or possible losses.

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

Of the eleven (11) audit recommendations contained in the Annual Audit Report of the Water District for the Calendar Year 2012, eight (8)werefully implemented,two (2) were partially implemented, and one (1) was not implemented, which was reiterated in this report.

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**PART I – AUDITED FINANCIAL STATEMENTS**

Republic of the Philippines



**COMMISSION ON AUDIT**

Regional Office No. X

Cagayan de Oro City

**Office of the Supervising Auditor**

Audit Group I – Water District

**INDEPENDENT AUDITOR’S REPORT**

**The Chairman**

**Board of Directors**

Bacolod Water District

Bacolod, Lanaodel Norte

We have audited the accompanying financial statements of the Bacolod Water District, which comprise the balance sheet as of December 31, 2013 and the statements of income and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

*Management’s Responsibility for the Financial Statements*

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with state accounting principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements and are free from material misstatement, whether due to fraud error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor’s Responsibility*

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

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

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

*Basis for Qualified Audit Opinion*

As discussed in Part II of the report, the book balances of the Utility, Plant In-Service (UPIS)and Accumulated Depreciation accounts were overstated by ~~P~~401,906.86 and ~~P~~376,032.17, respectively, due to inclusion of water meters in the UPIS which were considered by the district as inventories, as the same were held for sale to new service connections applicants. Furthermore, UPIS accounts were also overstated by ~~P~~488,579.49 as various unserviceable properties were still included and not yet disposed and condemned by the district.

*Qualified Opinion*

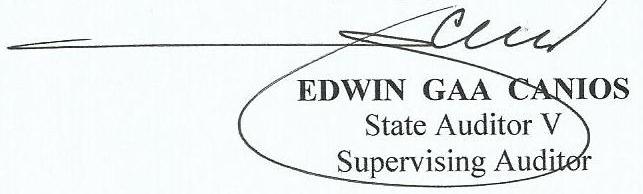
In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Bacolod Water District, Bacolod, Lanao del Norte as of December 31, 2013 and of its financial performance and its cash flows for the year then ended in accordance with state accounting principles.

*Other Matters*

The exit conference for the results of the financial and compliance audit of the CY 2013 operations was conducted on March 26, 2014.

COMMISSION ON AUDIT

By:



**EDWIN GAA CANIOS**

State Auditor V Supervising Auditor

April 14, 2014

Republic of the Philippines

**BACOLOD WATER DISTRICT**

Bacolod, Lanaodel Norte

TIN 004-367-022

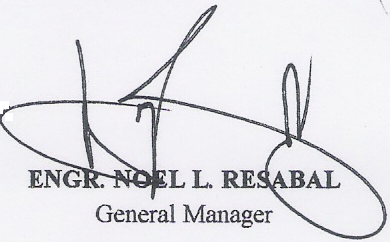
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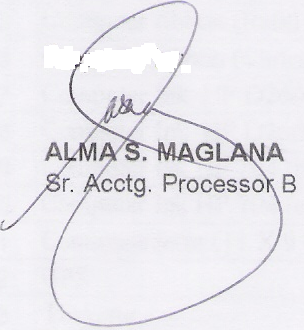
**STATEMENT OF MANAGEMENT RESPONSIBILITY FOR**

**FINANCIAL STATEMENTS**

The Management of Bacolod Water District (BWD), Bacolod, Lanao del Norte is responsible for all the information and representations contained in the accompanying Balance Sheet as of December 31, 2013and the related Statement of Income and Expenses and Cash Flows for the year then ended.The financial statements have been prepared in conformity with generally accepted state accounting principles and reflect amounts that are based on best estimates and informed judgment of the management with an appropriate consideration to materiality.

In this regard, Management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.





|  |  |  |
| --- | --- | --- |
| **BACOLOD WATER DISTRICT** | | |
| **Balance Sheet** | | |
| **As of December 31, 2013** | | |
| *(With comparative figures for CY 2012)* | | |
|  |  |  |
|  | ***2013*** | ***2012*** |
| **ASSETS** |  |  |
| **Current Assets** |  |  |
| Cash - Collecting Officers | ~~P~~ 29,129.31 | ~~P~~ 23,491.10 |
| Cash in Bank - Local Currency, Current Account *(Note 1)* | 446,135.74 | 375,252.29 |
| Cash in Bank - Local Currency, Savings Account*(Note 1)* | 1,178,432.27 | 816,511.70 |
| Cash in Bank - Local Currency, Time Deposits*(Note 1)* | 84,793.15 | 54,735.84 |
| Cash in Bank - NLIF | - | 209,696.58 |
| Accounts Receivable *(Note 2)* | 845,770.20 | 744,463.28 |
| Installment Sales Receivable*(Note 3)* | 484,042.95 | - |
| Receivable - Disallowances/Charges | - | 440.00 |
| Other Receivables *(Note 4)* | 32,171.63 | 445,621.18 |
| Less: Allowance for Doubtful Accounts *(Note 6)* | (98,666.24) | (73,861.80) |
| Service Connection Materials Inventory | 402,441.11 | 194,164.72 |
| Prepaid Insurance | 4,885.74 | 5,475.14 |
| **Property, Plant and Equipment** *(Note 5)* |  |  |
| Land | 493,921.00 | 493,921.00 |
| Other Structures | 628,673.08 | 628,673.08 |
| Office Equipment | 471,595.23 | 392,750.23 |
| Other Office Equipment, Furniture and Fixtures | 17,283,865.67 | 17,151,501.27 |
| Machineries | 994,445.11 | 994,445.11 |
| Communication Equipment | 104,288.13 | 104,288.13 |
| Other Machineries and Equipment (Tools, Shops & Garage) | 136,257.84 | 136,257.84 |
| Motor Vehicles | 472,378.00 | 467,778.00 |
| Less: Accumulated Depreciation | (6,172,241.92) | (5,494,188.78) |
| Agency Assets | 9,807,079.69 | 9,597,383.11 |
| **TOTAL ASSETS** | **~~P~~ 27,629,397.69** | **~~P~~ 27,268,799.02** |
|  |  |  |
| **LIABILITIES AND EQUITY** |  |  |
| **LIABILITIES** |  |  |
| **Current Liabilities** |  |  |
| Accounts Payable *(Note 7)* | ~~P~~51,927.50 | ~~P~~ 198,638.00 |
| Accrued Expenses Payable | 94,105.81 | 139,714.01 |
| Due to Other NGAs | 123,885.32 | 47,271.27 |
| Due to Other GOCCs | 82,808.54 | 82,265.61 |
| Deferred Credits | 40,599.00 | 38,099.00 |
| **Non-Current Liabilities** *(Note 8)* |  |  |
| Loans Payable - Domestic | 11,197,599.15 | 11,569,897.42 |
| Loans Payable - NLIF | 11,263,498.00 | 11,263,498.00 |
| **Deferred credits** |  |  |
| Others | - | - |
| **Equity** |  |  |
| Government Equity |  |  |
| Restricted Capital |  |  |
| Donated Capital | 325,542.96 | 325,542.96 |
| Retained Earnings/(Deficit) | 4,449,431.41 | 3,603,872.75 |
| **Total Equity** | **4,774,974.37** | **3,929,415.71** |
| **TOTAL LIABILITIES AND EQUITY** | **~~P~~ 27,629,397.69** | **~~P~~ 27,268,799.02** |
| *(See accompanying Notes to Financial Statements)* | | |
| **BACOLOD WATER DISTRICT** | | |
| **Statement of Income and Expenses** | | |
| **For the Year Ended December 31, 2013** | | |
| *(With comparative figures for CY 2012)* | | |
|  |  |  |
|  | ***2013*** | ***2012*** |
|  |  |  |
| **INCOME** |  |  |
| Income from Waterworks Systems | ~~P~~8,489,290.90 | ~~P~~7,868,742.30 |
| Other Business | 177,010.00 | 153,095.00 |
| Fines and Penalties | 319,524.45 | 304,224.85 |
| Interest | 4,664.13 | 7,114.13 |
| Miscellaneous | 242,021.45 | 276,031.86 |
| **TOTAL INCOME** | ~~P~~9,232,510.93 | ~~P~~8,609,208.14 |
|  |  |  |
| **Expenses** |  |  |
| **Personal Services** |  |  |
| Salaries and Wages | ~~P~~2,070,724.00 | ~~P~~1,922,807.00 |
| Other Compensation | - | - |
| Personnel Benefits Contributions | 295,534.28 | 273,216.99 |
| Other Personnel Benefits | 1,086,805.54 | 1,118,229.27 |
| **Maintenance and Other Expenses** |  |  |
| Traveling | 114,236.00 | 106,294.16 |
| Training and Scholarship | 70,100.00 | 37,330.00 |
| Supplies and Materials | 82,900.80 | 68,156.95 |
| Utility | 1,204,550.16 | 1,120,503.46 |
| Communication | 66,874.14 | 56,146.75 |
| Membership Dues and Contribution to Organizations | 30,303.22 | 21,752.22 |
| Advertising | 49,788.95 | 81,342.50 |
| Printing and Binding | 66,500.00 | 56,095.00 |
| Rent | 75,700.00 | 50,400.00 |
| Representation | 102,948.55 | 56,060.50 |
| Transportation and Delivery | 6,238.94 | - |
| Professional Services | 66,348.48 | - |
| Repairs and Maintenance | 502,218.64 | 419,213.19 |
| Subsidies and Donations | 16,180.00 | 14,000.00 |
| Confidential, Intelligence, Extraordinary and Misc. | 144,000.00 | 107,600.00 |
| Taxes, Insurance Premiums and Other Fees | 187,176.92 | 183,690.40 |
| Bad Debts | 29,236.74 | - |
| Depreciation | 678,053.14 | 671,676.92 |
| Others | 92,980.34 | 141,643.50 |
| **Financial Expenses** |  |  |
| Interest(Loan Interest) | 1,351,985.73 | 1,390,079.17 |
| Others |  |  |
| **TOTAL EXPENSES** | ~~P~~8,391,384.57 | ~~P~~7,896,237.98 |
| **Net income (loss) Before Tax** | **841,126.36** | **712,970.16** |
| Less: Provision for (benefit from) Income Tax | - | - |
| **NET INCOME AFTER TAX** | **~~P~~841,126.36** | **~~P~~ 712,970.16** |
|  |  |  |

|  |  |  |
| --- | --- | --- |
| **BACOLOD WATER DISTRICT** | | |
| **Statement of Cash Flows** | | |
| **For the Year Ended December 31, 2013** | | |
| *(With comparative figures for CY 2012)* | | |
|  |  |  |
|  | ***2013*** | ***2012*** |
| **Cash Flows from Operating Activities** |  |  |
| **Cash Inflows:** |  |  |
| Service Income | ~~P~~8,840,754.38 | ~~P~~8,199,482.67 |
| Business Income | - | - |
| Other Income | 644,071.65 | 722,533.80 |
| Other Receipts | 34,379.09 | 27,352.44 |
| Total Cash Inflows | ~~P~~9,519,205.12 | ~~P~~8,949,368.91 |
| **Cash Outflows:** |  |  |
| Personal Services | 2,070,724.00 | 1,922,807.00 |
| Maintenance and Other Operating Expenses | 3,053,355.30 | 3,580,370.84 |
| Interest Expense | 1,351,985.73 | 1,390,079.17 |
| Purchase of Inventories | 287,041.38 | 334,700.82 |
| Payables | - | - |
| Other Disbursements | 2,389,906.82 | 2,096,272.30 |
| Total Cash Outflows | ~~P~~9,153,013.23 | ~~P~~9,324,230.13 |
| ***Net Cash from Operating Activities*** | ***~~P~~366,191.89*** | ***~~P~~(374,861.22)*** |
|  |  |  |
| **Cash Flows from Investing Activities** |  |  |
| **Cash Inflows:** |  |  |
| Sale of Property, Plant and Equipment | - | - |
| Sale of Investments | - | - |
| Proceeds from Matured Investment | - | - |
| Interest and Dividends | - | - |
| Total Cash Inflows | - | - |
| **Cash Outflows:** |  |  |
| Investments | - | - |
| Purchase of Property, Plant and Equipment | 107,388.93 | - |
| Grant of Loans | - | - |
| Total Cash Outflows | 107,388.93 | - |
| ***Net cash from investing activities*** | ***~~P~~(107,388.93)*** | ***-*** |
|  |  |  |
| **Cash Flows from Financing Activities** |  |  |
| **Cash Inflows:** |  |  |
| Acquisition of Loan | - | - |
| Total Cash Inflows | - | - |
| **Cash Outflows:** |  |  |
| Loan Amortization | - | - |
| Retirement/Redemption of Debt Securities | - | - |
| Financial Expenses | - | - |
| Total Cash Outflows | - | - |
| ***Net Cash from Financing Activities*** | ***-*** | ***-*** |
| **Net increase in Cash and Cash Equivalents** | **~~P~~258,802.96** | **~~P~~(374,861.22)** |
| **Cash and Cash Equivalents at Beg. of Period** | **1,479,687.51** | **1,854,548.73** |
| **Cash and Cash Equivalents at End of Period** | **~~P~~ 1,738,490.47** | **~~P~~ 1,479,687.51** |

|  |  |  |
| --- | --- | --- |
| **BACOLOD WATER DISTRICT** | | |
| **Statement of Changes in Government Equity** | | |
| **For the Year Ended December 31, 2013** | | |
| *(With comparative figures for CY 2012)* | | |
|  |  |  |
|  | ***2013*** | ***2012*** |
|  |  |  |
| **Government Equity** |  |  |
| Balance at Beginning of Period |  |  |
| Additions (Deductions) |  |  |
|  |  |  |
| ***Balance at End of Period*** | ***-*** | ***-*** |
|  |  |  |
| **Restricted Capital** |  |  |
| Balance at Beginning of Period |  |  |
| Additions (Deductions) |  |  |
|  |  |  |
| ***Balance at End of Period*** | ***-*** | ***-*** |
|  |  |  |
| **Donated Capital** |  |  |
| Balance at Beginning of Period | ~~P~~325,542.96 | ~~P~~325,542.96 |
| Additions (Deductions) | - | - |
|  |  |  |
| ***Balance at End of Period*** | ***~~P~~325,542.96*** | ***~~P~~325,542.96*** |
|  |  |  |
| **Retained Earnings** |  |  |
| Balance at Beginning of Period | ~~P~~3,603,872.75 | ~~P~~3,082,002.20 |
| Changes During the Period | - | - |
| Overstatement | - | - |
| Reversal of Doubtful Accounts | 4,432.30 | - |
| Franchise Tax 2005 | - | (109,169.37) |
| Erroneous Entry | - | (150.00) |
| Erroneous Entry | - | (76.69) |
| Income Tax CY2005 | - | (81,703.55) |
| Net Income/(Loss) | 841,126.36 | 712,970.16 |
|  |  |  |
| ***Balance at End of Period*** | ***~~P~~4,449,431.41*** | ***~~P~~3,603,872.75*** |
|  |  |  |
| **TOTAL EQUITY** | **~~P~~4,774,974.37** | **~~P~~3,929,415.71** |

**NOTES TO FINANCIAL STATEMENTS**

**Brief Historical Background**

Bacolod Water District (BWD) was formed on May 23, 1994 by virtue of Sangguniang Bayan Resolution No. 225. As a consequence, it inherited from the local government the water system which was constructed by NAWASA in 1976. It consisted of a deep well with concrete elevated water tank, transmission and distribution facilities. The District's Certificate of Conditional Conformance (CCC) numbered 543 was subsequently issued by the Local Water Utilities Administration (LWUA) on December 6, 1994.

All Local Water Districts in the Philippines were declared as Government-Owned and Controlled Corporations (GOCCs) with original charter (PD No. 198), in a case decided by the Supreme Court on September 13, 1991 docketed as GR No. 95237-38 entitled “*Davao City Water District, et al. vs. Civil Service Commission, et al.”*

**Summary of Significant Accounting Policies:**

* The Water District follows the Commercial Practices Manual (CPM) for Local Water District prescribed by the Local Water Utilities Administration (LWUA).
* Revenue and Expense - The accrual method of accounting is adopted for both income and expense
* Disbursement Procedure - In recording expenditures the Voucher System is followed in which vouchers payable is credited prior to payment and debited when paid.
* Utility Plant in Service (UPIS)

Utility Plant in Service is recorded at acquisition costs less estimated accumulated depreciation. Straight-line method of accounting over the estimated life of the assets is being adopted in the computation of depreciation.

**1. Cash in Bank – Local Currency**

This account consists of the following:

|  |  |  |  |
| --- | --- | --- | --- |
| *Particulars* | *Account Number* | *2013* | *2012* |
| General Fund | C/A #0322106653 | ~~P~~ 446,135.74 | ~~P~~ 375,252.34 |
| Reserve Fund | S/A #0321116515 | 1,178,432.27 | 816,511.70 |
| Time Deposit | S/A #0323001340 | 84,793.15  -------------------  **~~P~~ 1,709,361.16**  **===========** | 54,735.84  -------------------  **~~P~~ 1,246,499.88**  **===========** |

**2. Accounts Receivable –** This account includes all amounts due on open accounts arising from the services rendered to customers for water sales and incidental services.

**3. Installment Sales Receivable –** This account includes all amounts due on open accounts arising from the services rendered to new service connections and loan materials

**4. Other Receivable –** This account includes the following:

|  |  |  |
| --- | --- | --- |
|  | *2013* | *2012* |
| Betty Bago | **~~P~~32,171.63**  ========= | **~~P~~32,171.63**  ========= |

**5. Property, Plant and Equipment –** This account includes the following:

|  |  |  |  |
| --- | --- | --- | --- |
| ***Account*** | ***Cost*** | ***Accumulated Depreciation*** | ***Net***  ***Book Value*** |
| Lot | ~~P~~493,921.00 | ~~P~~ 0.00 | ~~P~~493,921.00 |
| Buildings-Other Structures | 628,673.08 | 342,564.81 | 286,108.27 |
| Furniture and Equipment | 471,595.23 | 240,699.13 | 230,896.10 |
| Machineries | 994,445.11 | 389,417.61 | 605,027.50 |
| Communication Equipment | 104,288.13 | 93,380.19 | 10,907.94 |
| Others-Tools, Shops and Garage | 136,257.84 | 108,924.41 | 27,333.43 |
| Transportation Equipment | 472,378.00 | 136,305.58 | 336,072.42 |
| Others | 17,283,865.67  --------------------- | 4,860,950.19  ------------------- | 12,422,915.48  --------------------- |
| **TOTAL** | **~~P~~ 20,585,424.06**  **============** | **~~P~~6,172,241.92**  **===========** | **~~P~~14,413,182.14**  **============** |

**6. Allowance for Bad Debts –** This account includes all amounts of disconnectedconcessionaires:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | |  | | *2013* | | | *2012* | | |
| Customers | |  | | ~~P~~ 51,779.15 | | | ~~P~~ 54,123.85 | | |
| Others  Provided for Bad Debts | |  | | 17,650.35  ------------------  ~~P~~ 69,429.50  29,236.74 | | | 19,737.95  ------------------  ~~P~~ 73,861.80  - | | |
| **Total** | |  | | **------------------**  **~~P~~ 98,666.24**  **==========** | | | **-------------------**  **~~P~~ 73,861.80**  **===========** | | |
|  | |  | |  | | |  | | |
|  | | | | | | |  | | |  | | |
| **CUSTOMERS:** | | | | | | | ***AMOUNT*** | | | | | |
| ***CONCESSIONAIRES*** | | | | | | | *2013* | | | *2012* | | |
| Balongkit, Arnold | | | | | | | ~~P~~ 835.15 | | | ~~P~~ 835.15 | | |
| Palubon, Benita | | | | | | | 700.80 | | | 700.80 | | |
| Dolorican, Juanita | | | | | | | 247.50 | | | 247.50 | | |
| Pangantijon, Judith | | | | | | | 607.40 | | | 607.40 | | |
| Dolorican, Manolo | | | | | | | 1,744.80 | | | 1,744.80 | | |
| Magtuba, Jesus | | | | | | | 570.95 | | | 570.95 | | |
| Galabin, Marcelino | | | | | | | 2,357.70 | | | 2,357.70 | | |
| Ceballos, Manuel | | | | | | | 525.50 | | | 525.50 | | |
| Lao, Arnold | | | | | | | 720.25 | | | 720.25 | | |
| Dandoy, Edgar | | | | | | | - | | | 612.00 | | |
| Gongob, Rocolo | | | | | | | 2,137.75 | | | 2,137.75 | | |
| Manginsay, Eduardo | | | | | | | 374.70 | | | 374.70 | | |
| Bernales, Randolp | | | | | | | 489.30 | | | 489.30 | | |
| Taping, Felomina | | | | | | | 391.30 | | | 391.30 | | |
| Lao, FortunatoJr | | | | | | | 53.90 | | | 53.90 | | |
| P.W.D.A | | | | | | | 1,942.30 | | | 1,942.30 | | |
| Manginsay, Joventino | | | | | | | 3,695.00 | | | 3,695.00 | | |
| Tabamo, Lourdes | | | | | | | 540.00 | | | 540.00 | | |
| Baja, Bonifacia | | | | | | | 2,309.20 | | | 2,309.20 | | |
| Palacio, Juanito Jr. | | | | | | | 630.60 | | | 630.60 | | |
| Canillo, Roque | | | | | | | 2,990.40 | | | 2,990.40 | | |
| Canda, Rita | | | | | | | 1,952.60 | | | 1,952.60 | | |
| Caporte, Lydia | | | | | | | 1,978.60 | | | 1,978.60 | | |
| Jaictin, Rizza | | | | | | | 170.60 | | | 170.60 | | |
| Matu-od, Rufo | | | | | | | 1,000.55 | | | 1,000.55 | | |
| Tamala, Merlyn | | | | | | | 1,670.40 | | | 1,670.40 | | |
| Marcellones, Gloria | | | | | | | - | | | 801.95 | | |
| Eguac, Zusima | | | | | | | 3,207.70 | | | 3,207.70 | | |
| Manginsay, Candida | | | | | | | 1,554.20 | | | 1,554.20 | | |
| Caporte, Alejandra | | | | | | | 1,569.00 | | | 1,569.00 | | |
| Buhian, Gleen | | | | | | | 1,010.35 | | | 1,010.35 | | |
| Marcellones, Rita | | | | | | | 786.20 | | | 786.20 | | |
| Rodriguez, George Dewey | | | | | | | 105.10 | | | 105.10 | | |
| Albon, Viola | | | | | | | 808.30 | | | 808.30 | | |
| Tamala, Rose | | | | | | | 524.20 | | | 524.20 | | |
| Maghilom, Edmund | | | | | | | 930.75 | | | 930.75 | | |
| Palahang, Luciano | | | | | | | 797.70 | | | 797.70 | | |
| Duhaylungsod, Efimacio | | | | | | | 1,306.00 | | | 1,306.00 | | |
| Caballo, Primitivo | | | | | | | 249.30 | | | 249.30 | | |
| Capritcho, Arnold | | | | | | | 999.60 | | | 999.60 | | |
| Valdehueza, Jesila | | | | | | | 395.00 | | | 395.00 | | |
| Duhaylungsod, Carolina | | | | | | | 1,537.65 | | | 1,537.65 | | |
| Abaga, Isabelo | | | | | | | 415.10 | | | 415.10 | | |
| Balane, Remedios | | | | | | | 70.00 | | | 70.00 | | |
| BAgnuran, Manuel | | | | | | | 1,396.70 | | | 1,396.70 | | |
| Cabante, Rason | | | | | | | 2,060.85 | | | 2,060.85 | | |
| Lao, GerondioSr | | | | | | | 1,338.00 | | | 1,338.00 | | |
| Lamak Corp | | | | | | | 1,010.95 | | | 1,010.95 | | |
| **TOTAL** | | | | | | | **~~P~~ 51,779.15** | | | **~~P~~ 54,123.85** | | |

|  |  |  |
| --- | --- | --- |
| **OTHERS:** | ***AMOUNT*** | |
| ***CONCESSIONAIRES*** | | *2013* | *2012* |
| Galabin, Marcelino | ~~P~~ 320.80 | ~~P~~ 320.80 |
| Ceballos, Manuel | 693.20 | 693.20 |
| Jaictin, Rizza | 831.60 | 831.60 |
| Dandoy, Edgar | - | 398.80 |
| Marcellones, Gloria | - | 1,688.80 |
| Manginsay, Eduardo | 1,456.00 | 1,456.00 |
| Manginsay, Candida | 927.40 | 927.40 |
| Caporte, Lydia | 721.65 | 721.65 |
| Buhian, Gleen | 1,514.25 | 1,514.25 |
| Bagnuran, Manuel | 1,084.35 | 1,084.35 |
| Rodriguez, George Dewey | 675.00 | 675.00 |
| Moralde, Berto | 1,753.50 | 1,753.50 |
| Palahang, Luciano | 1,764.85 | 1,764.85 |
| Tamala, Merlyn | 550.00 | 550.00 |
| Valdehueza, Jesila | 3,084.40 | 3,084.40 |
| Caporte, Alejandra | 1,571.40 | 1,571.40 |
| Duhaylungsod, CArolina | 443.10 | 443.10 |
| Albon, Viola | 258.85 | 258.85 |
| **TOTAL** | **~~P~~ 17,650.35** | **~~P~~ 19,737.95** |

**7. Accounts Payable –** This account includes:

|  |  |  |
| --- | --- | --- |
|  | *2013* | *2012* |
| Caraga Plumbing Concepts | ~~-~~ | ~~P~~  32,250.00 |
| MIE Water Systems | ~~-~~ | 71,178.00 |
| New Interlock | ~~-~~ | 6,210.00 |
| FSWT Corporation | ~~-~~ | 89,000.00 |
| Unifield Enterprises | ~~P~~ 16,280.00 | ~~-~~ |
| Legacy Sales | 31,000.00 | - |
| URC Enterprises | 4,647.50 | - |
|  | ~~-----------------~~ | ~~------------------~~ |
| **TOTAL** | **~~P~~ 51,927.50** | **~~P~~ 198,638.00** |

**8. Loans Payable –** This account composes the following

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| *Loan Type* | *Interest Rate* | *Amortization* | *2013* | *2012* |
| 3-766 | 8.50% | 22,438.00 | ~~P~~ 2,025,517.15 | ~~P~~ 2,107,633.42 |
| 4-2258A | 12.50% | 105,525.00 | 7,888,025.00 | 8,116,554.00 |
| 4-2258B | 12.50% | 16,690.00 | 1,284,057.00 | 1,321,262.00 |
| 10-0083 | 0.00% | 6,111.00 | - | 24,448.00 |
| NLIF |  |  | 11,263,498.00 | 11,263,498.00 |
| **TOTAL** |  |  | **~~P~~ 22,461,097.15** | **~~P~~ 22,833,395.42** |

**9. Other Payables –** This account composes the following:

|  |  |  |
| --- | --- | --- |
|  | *2013* | *2012* |
| CQ Printing Press | - | ~~P~~ 44,750.00 |
| R. Uy Shell Station | - | 3,516.00 |
| PLDT-MARATEL | - | 3,423.56 |
| LANECO | ~~P~~ 94,105.81 | 88,024.45 |
|  | ------------------ | ------------------ |
| **TOTAL** | **~~P~~ 94,105.81** | **~~P~~ 139,714.01** |

**10. Other Deferred Credits –** This account is a new connection paid in advance on December 16, 2013 but connected on the following year.

**PART II – OBSERVATIONS AND RECOMMENDATIONS**

**DETAILEDOBSERVATIONS AND RECOMMENDATIONS**

**Overstatement of UPIS and Accumulated Depreciation**

**1. The book balances of the Utility Plant in Service (UPIS) and Accumulated Depreciation accounts were overstated by ~~P~~401,906.86 and ~~P~~376,032.17, respectively, due to inclusion of water meters which were considered by the district as inventories, as the same were held for sale to new service connection applicants.**

Section 112 of Presidential Decree No. 1445 states that each government agency shall record its financial transactions and operations conformably with generally accepted accounting principles and in accordance with pertinent laws and regulations.

Further, Paragraph 8 of Philippine Accounting Standards No. 2 (PAS 2) states that Inventories encompass goods purchased and held for resale including, for example, merchandise purchased by a retailer and held for resale, or land and other property held for resale. Inventories also encompass finished goods produced, or work in progress being produced, by the entity and include materials and supplies awaiting use in the production process. In the case of a service provider, inventories include the costs of the service, as described in paragraph 19, for which the entity has not yet recognized the related revenue (see IAS 18 *Revenue*).

The UPIS book balance was stated at ~~P~~20,585,424.06 as of December 31, 2013. Our review of lapsing schedule which showed the same amount with that of the book balance includes water meters costing ~~P~~401,906.86 ***(Annex A)*** which were acquired by the district from CY1995 to 2003. Verification disclosed that the water meters were sold to the concessionaires upon application for new installationhence should not be considered anymore as property of the district.

The inclusion of the water meters resulted to overstatement of the UPIS book balance and the corresponding Accumulated Depreciation.

**We have recommended to the management to direct the Accounting Section to exclude water meters totaling ~~P~~401,906.86 from the UPIS account. Effect necessary adjustments to the UPIS account and the related Accumulated Depreciation account to correct the overstatement. Below is the suggested adjusting entries:**

|  |  |  |
| --- | --- | --- |
| **Retained Earnings** | **~~P~~ 25,874.69** |  |
| **Accumulated Depreciation** | **376,032.17** |  |
| **UPIS** |  | **~~P~~ 401,906.86** |

The management concurs with the team’s observation.During the exit conference, the management committed to exclude the water meters from the UPIS and effect the adjusting entry as recommended.

**Unserviceable Properties Carried in the Books**

**2. Unserviceable properties totaling ~~P~~488,579.49 as of December 31, 2013 which were still included in the UPIS accountwere not yet disposed or condemned, resulting to overstatement of UPIS and Accumulated Depreciation accounts.**

This observation is a reiteration of the previous year audit finding as the district did not dispose the unserviceable properties and the same are still carried in the books.

Section 79 of P.D. 1445 states thatwhen government property has become unserviceable for any cause, or is no longer needed, it shall, upon application of the officer accountable therefor, be inspected by the head of the agency or his duly authorized representative in the presence of the auditor concerned and, if found to be valueless or unsalable, it may be destroyed in their presence. If found to be valuable, it may be sold at public auction to the highest bidder under the supervision of the proper committee on award or similar body in the presence of the auditor concerned or other duly authorized representative of the Commission, after advertising by printed notice in the Official Gazette, or for not less than three consecutive days in any newspaper of general circulation, or where the value of the property does not warrant the expense of publication, by notices posted for a like period in at least three public places in the locality where the property is to be sold. In the event that the public auction fails, the property may be sold at a private sale at such price as may be fixed by the same committee or body concerned and approved by the Commission.

COA Circular No. 89-296 January 27, 1989 provides for the *Audit Guidelines on the Divestment or Disposal of Property and Other Assets of National Government Agencies and Instrumentalities, Local Government Units and Government-Owned or Controlled Corporations and their Subsidiaries.*It states among others that to facilitate audit of the disposal/divestment of corporate assets as herein contemplated, the management of the government corporation concerned shall furnish the Auditor at least twenty (20) days before the advertisement of the call to public auction with a copy each of the following documents:

a) Program for disposal with time schedules;

b) Inventory Report showing the itemized list and complete description of the assets;

c) Appraisal Report showing the appraised values of the assets, prepared by an in house and/or independent appraiser;

d) Disposal procedure adopted.

Further, Philippine Accounting Standards No. 16 (PAS 16), Paragraph No. 67 states that the carrying amount of an item of property, plant and equipment shall be *derecognized on disposal*, or when no future economic benefits are expected from its use or disposal.

Our review of the lapsing schedule as of December 31, 2013 disclosed inclusion of various unserviceable properties in the total cost of ~~P~~488,579.49 with an accumulated depreciation of ~~P~~337,283.42 ***(Annex B)***. Said unserviceable properties were booked under various accounts in the UPIS. The audit disclosed that the unserviceable properties were not yet disposed as of December 31, 2013, thus, overstating the fixed asset and the accumulated depreciation accounts.

The non-disposal of unserviceable properties was not in conformity with the rules on property accountability as provided for in COA Circular No. 86-264 and the same may cause deterioration and may further lower the value of the said items upon disposal.

**We have recommended that management direct the Property Officer to prepare the Inventory and Inspection Report of Unserviceable Properties.Dispose the said properties properly in accordance with the above-cited rules and regulationsand drop the same from the books of accounts. Effect necessary adjustment in the books of accounts *upon disposal of unserviceable properties* following the suggested adjusting entry:**

***\* If the sale will result to loss (the amount of sale is less than the book value)***

**Cash ~~P~~xxx.xx**

**Loss on Sale of Assets xxx.xx**

**Accumulated Depreciation 337,283.42**

**UPIS P448,579.49**

***\* If the sale will result to gain (the amount of sale exceeds the book value)***

**Cash ~~P~~xxx.xx**

**Accumulated Depreciation 337,283.42**

**UPIS P448,579.49**

**Gain on Sale of Assets xxx.xx**

During the exit conference and in reply to our Audit Observation Memorandum (AOM), the General Manager commented that the management will finalize the Inventory and Inspection Report for proper disposal of the unserviceable properties and equipment.

**Uncollected Other Receivable**

**3. The district’s Other Receivable account from Ms. Betty Bago, former employee totaling ~~P~~32,171.63 as at year end, remained uncollected since CY 2000, thus, depriving the district of the beneficial use of such fund.**

Receivables in the financial statements represent the amount due from various government entities and individuals.

Review of the financial statements of the district as of December 31, 2013 showed the balance of Other Receivable account from Ms. Betty Bago, former employee totaling ~~P~~32,171.63.

Interview conducted with the Bookkeeper and the Cashier disclosed that the Other Receivable account represents the accountability for unreported and unremitted collections incurred in the year 1998. Said amount was set up in the books of accounts based on the results of the investigation of the fact-finding committee from the LWUA in the year 2000. Said employee has already been separated from the service with the water district.

Verification revealed that the district had issued once, a demand letter to Ms. Bago in an effort to collect the outstanding balance, but until to date, the amount has yet to be settled.

As a result, the other receivable account has not moved and has not been collected for thirteen (13) long years, thus, depriving the district of the use of the much needed funds.

**We have recommended that management closely monitor the receivable and intensify its collection by sending a demand letter anew.**

During the exit conference, the General Manager and the acting Bookkeeper commented that Ms. Bago has made a promise,which the district has accepted, to pay the outstanding balance at ~~P~~50.00 per month but because she has no source of income, she was able to pay only one installment. But nevertheless, the management committed to communicate again and intensify and/or enforce the collection by sending another demand letter.

**Additional Allowances of the Members of the Board of Directors (BOD)**

**4. The members of the Board of Directors were granted Productivity Enhancement Incentive (PEI) at ~~P~~10,000.00 each or a total amount of ~~P~~40,000.00 without sufficient legal basis, contrary to the provisions of Executive Order No. 65 dated January 2, 2012, and LWUA Memorandum Circular No. 015-12 dated November 22, 2012.**

Section 3 of Executive Order No. 65 dated January 2, 2012 provides the compensation structure of the Members of the Board of Directors of Local Water Districts, pursuant to Section 5 of Executive Order No. 24 (s. 2011) which states among others that:

*“The compensation of members of the Board of Directors shall have the following components:*

1. *xxx*
2. *xxx*
3. *xxx*
4. ***Salaries, Allowances, Benefits, and other Bonusesshall not be allowed*** *unless specifically authorized by law or Charter and approved by the President, provided that the total of the foregoing compensation and per diems shall not exceed the limits stipulated under Sections 4 and 5 hereof.*

Further, Paragraph C of the Local Water Utilities Administration (LWUA) Memorandum Circular No. 015-12, dated November 22, 2012, which prescribes the Revised Guidelines on the Compensation of Water District Directors and Other Benefits pursuant to EO No. 65, provides that the Year-End Financial Assistance and ~~P~~5,000.00 Cash Gift is suspended until such time that appropriate clearance or approval from higher authority shall have been obtained.

Verification and review of disbursements of the district for the Calendar Year 2013 disclosed payments of Productivity Enhancement Incentive (PEI) to the Board of Directors in the total amount of **~~P~~40,000.00**, summarized as follows:

|  |  |
| --- | --- |
| *Name of BOD* | *Amount of PEI* |
| 1. Panoril, Elsa P. | ~~P~~ 10,000.00 |
| 2. Aranas, Carmen E. | 10,000.00 |
| 3. Daraman, Lerma C. | 10,000.00 |
| 4. Marcera, Leah A. | 10,000.00 |
|  | ------------------ |
| **TOTAL** | **~~P~~ 40,000.00**  **==========** |

The above payments of additional allowances and benefits to the members of the Board of Directors were made without sufficient legal basis, hence, recommended to be disallowed in audit.

A Notice of Disallowance has been issued disallowing the said transaction and requiring the refund by the payees concerned.

**We have recommended to the management to require the members of the Board of Directors to refund the additional allowances received.**

**We have also recommended to stop the payment of additional allowances and benefits to the members of the Board of Directors and refrain from making such payments unless supported with sufficient legal basis.**

The General Manager justified that they have paid the Productivity Enhancement Incentives to the members of the Board as a form of gratitude being the policy-making body of the district as there were no other benefits paid to them for their services rendered except per diems. But just the same, the management concurs with the team’s findings and agreed to require the board to make a refund.

**Traveling Expenses Improperly Classified**

**5. Travelling expenses and the related registration fees of the members of the Board of Directors in attending a convention totaling ~~P~~25,700.00 were improperly classified and booked as Director’s Fees and Remuneration in the district’s books of accounts contrary to Section 112 of Presidential Decree No. 1445 and Section 269 of the Manual on the New Government Accounting System-Volume III.**

Section 112 of Presidential Decree No. 1445 provides the recording of financial transactions, which states that each government agency shall record its financial transactions and operations conformably with generally accepted accounting principles and in accordance with pertinent laws and regulations.

Section 269 of the Manual on the New Government Accounting System-Volume III defines the account “Traveling Expenses” as an account that is used to record expenses incurred in the movement of persons within the Philippines whether employed in the government or not, such as; transportation, travel per diems; hire of guides or patrol; ferriage; transportation of personal baggage or household effects; bus, rail road, airline, and steamship fares; tips, airport fees, porter fees, transfers, etc. of persons while on official travel; charter of boats, launches, cars, road tolls, parking fees and all other similar expenses.

##### Further, Section 271 of the same manual provides for the definition/description of Training and Seminar Expenses. This account is used to record expenses incurred for participation/attendance of personnel to training, conventions and seminar/workshops. It also includes expenses incurred related to training such as payment of honoraria to lecturers, handouts given, supplies and materials used, meals and snacks.

Review of the liquidations for the cash advances made for CY 2013 disclosed that travelling expenses and registration fees of one of the district’s personnel and four members of the Board of Directors totaling ~~P~~27,500.00 were improperly classified as Director’s Fees and Remuneration. Details of which are described below:

|  |  |  |  |
| --- | --- | --- | --- |
| ***Transportation Expenses/Per Diem and Registrations Fees re: Attendance to 31stNorMin-NMRC Forum on November 12-13, 2013 held at LJ Mega Convention Center, Butuan City*** | | | |
| *Name of Attendee:* | *Designation* | *Amount of Per Diem* | *Amount of Registration Fees* |
| 1. *Genalin A. Amantiad* 2. *Elsa P. Panoril* 3. *Carmen E. Aranas* 4. *Leah A. Marcera* 5. *Dra. Lerma C. Daraman* 6. *Nello C. Lao* | *Cashier - C*  *BOD Chair*  *BOD*  *BOD*  *BOD*  *BOD* | *~~P~~ 2,640.00*  *2,640.00*  *2,640.00*  *2,640.00*  *2,640.00*  *-*  *----------------* | *~~P~~ -*  *2,500.00*  *2,500.00*  *2,500.00*  *2,500.00*  *2,500.00*  *----------------* |
| *TOTAL* | | *~~P~~ 13,200.00*  *----------------* | *~~P~~ 12,500.00*  *----------------* |
| ***GRAND TOTAL*** | | ***~~P~~ 25,700.00***  ***=========*** | |

As there was improper classification of expenses which affected the accuracy in the recording of financial transactions, such practice resulted to overstatement or understatement of affected various operating expenses accounts.

Hence, the accuracy of the account balance of expense accounts such as travelling, training and seminar expenses and director’s fees and remunerations accounts could not be relied.

**We have recommended to the management to direct the senior accounting processor to observe the correct classification of operating expenses which should be in accordance with sound and best accounting practices.**

During the exit conference, the management commented thatthey will comply with the recommendation of the audit team.

**Non-Renewal of A.R.E.**

**6. The required renewal of Acknowledgement Receipt for Equipment (ARE) was not complied with as required in Section 46, Volume II of the New Government Accounting System (NGAS) Manual, thereby making it difficult to pinpoint responsibility and accountability of issued government property/equipment.**

##### Section 46, Volume II of the New Government Accounting System (NGAS) Manual states that the Acknowledgement Receipt for Equipment (ARE) shall be used to acknowledge the receipt of property and equipment for official use from the Property Officer.The ARE shall be renewed every three years or every time there is a change in accountability.

Review of the internal control system on district’s property/equipment issuances disclosed that AREs were not renewed every three (3) years after its issuance or every time there is a change in accountability as required in the above-cited regulation.

Records also disclosed that not all properties and equipment of the district were issued with ARE.

The non-renewal of the required AREs is a manifestation of non-compliance of pertinent provision of NGAS which resulted to the difficulty in the determination of accountability of issued property in case of loss or missing properties.

**We have recommended to the management to adhere strictly the renewal of ARE every three (3) years as required. Require the property custodian to properly account the issued properties/equipment and establish control measures to safeguard government resources from misuse or possible losses.**

The management commented during the exit conference that they will comply with the audit team’s recommendation.

**GENDER AND DEVELOPMENT**

The district had a budget for Gender and Development (GAD) amounting to ~~P~~75,000.00 in their approved Corporate Budget, and disbursedonly ~~P~~22,658.00 in the Calendar Year 2013.

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

Review and post-audit of the disbursement vouchers and payrolls disclosed that the district has complied with the existing tax laws, rules, and regulations by withholding taxes on salaries of officers and employees and on goods delivered and services rendered byvarious entities. The corresponding taxes withheld were regularly remitted to the Bureau of Internal Revenue.

**STATUS OF SUSPENSIONS, DISALLOWANCES AND CHARGES**

Prior to the effectivity of COA Circular No. 2009-006 dated September 15, 2009, prescribing the Rules and Regulations on Settlement of Accounts (RRSA), total Disallowances and Charges incurred by the Agency amounted to **~~P~~0.00**. Upon implementation of the RRSA, total Suspensions, Disallowances and Charges also amounted to **~~P~~0.00**.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| *Particulars* | *Balance, 12/31/2012* | *CY 2013 Issuances* | *Settlement* | *Balance, 12/31/2013* |
| Suspensions | 0.00 | 0.00 | 0.00 | 0.00 |
| Disallowances | 0.00 | 0.00 | 0.00 | 0.00 |
| Charges | 0.00 | 0.00 | 0.00 | 0.00 |

**PART III – STATUS OF IMPLEMENTATION OF PRIOR YEAR’S AUDIT RECOMMENDATIONS**

**PART III – STATUS OF IMPLEMENTATION OF PRIOR YEAR’S AUDIT RECOMMENDATIONS**

We made a follow-up on the action taken by the Audited Agency to implement the recommendations of prior years and noted the following:

|  |  |
| --- | --- |
| ***Status of Implementation*** | ***No. of Recommendations*** |
| Fully Implemented | 8 |
| Partially Implemented | 2 |
| On-going | 0 |
| Not Implemented | 1 |

| ***FINDINGS AND  RECOMMENDATIONS*** | ***REF*** | ***MANAGEMENT ACTION*** | ***STATUS OF IMPLEMENTATION (Full, Partial, Ongoing, Non-implementation)*** | ***REASON FOR PARTIAL OR  NON-IMPLEMENTATION*** |
| --- | --- | --- | --- | --- |
| 1. **The book value of the Utility Plant In-Service (UPIS) account as of December 31, 2012 is overstated due to inclusion of an idle parcel of land amounting to ~~P~~432,900.00. Moreover, the property was not securely enclosed with fence and no signage was placed indicating that such property is owned by the district, hence, exposing the same to possible squatting or temporary use by outsiders.**   We have recommended that management reclassify the idle land to Other Physical Property Account.  We have also recommended that management properly secure the property with fence and with a signage indicating that the subject property is owned by the Bacolod Water District. |  | The management will effect the adjusting entries in CY 2014. | **PARTIALLY IMPLEMENTED** | The WD does not secure perimeter fence because of the proposal that by 2014, the district will avail a P3M loan for an office building through Landbank of the Philippines. |
| 1. **Disbursements out of the Working Fund were not supported with complete documentation as required under COA Circular No. 2012-001 dated June 14, 2012, which prescribes the revised guidelines and documentary require-ments for common government transactions, and Presidential Decree No. 1445.**   We have recommended that management strictly comply with the documentary requirements to support payments of petty operating expenses out of the working fund as prescribed under COA Circular No. 2012-001. |  | Payments of petty operating expenses sourced from the working fund were all supported with the required documents as recommended. | **FULLY IMPLEMENTED** |  |
| 1. **The district did not provide an Allowance for Doubtful Accounts for CY 2012, contrary to Section 66 of the Manual on the New Government Accounting System (NGAS), Volume I, thus, overstating the trade receivables presented in the financial statements.**   We have recommended that management provide an allowance for doubtful accounts to comply with the requirements in the NGAS. |  | An allowance for doubtful accounts was already provided as recommended. | **FULLY IMPLEMENTED** |  |
| 1. **The Members of the Board of Directors of Bacolod Water District (BWD) were paid Cash Gift and Year-End Financial Assistance/ Christmas Bonus amoun-ting to ~~P~~39,400.00 without legal basis, contrary to the provisions of Executive Order No. 65 dated January 2, 2012, and LWUA Memorandum Circular No. 015-12 dated November 22, 2012.**   We have recommended that management stop the payment of additional allowances and benefits to the Members of the Board of Directors.  We have also recommend-ded to the management to refrain from making payments of incentives unless supported with sufficient legal basis. |  | The members of the BOD were still granted year-end benefits.  The observation was reiterated in Finding No. 4. | **NOTIMPLEMENTED** | The management has not implemented the recommendation as the members of the BOD were still granted year-end benefits in the form of Productivity En-hancement Incentive (PEI) at ~~P~~10,000.00 each. |
| 1. **The Officers and Employees of Bacolod Water District (BWD) were paid the Performance-Based Bonus (PBB) at ~~P~~25,000.00 each or a total amount of ~~P~~275,000.00 without first complying the requirements set by the Inter-Agency Task Force created under Administrative Order No. 25, dated December 21, 2011.**   We have recommended that management submit all the requirements and documents stipulated to the Inter-Agency Task Force. |  | Payment of Productivity-Based Bonus (PBB) was already stopped by the management pending the results of the evaluation of the submitted documents. | **FULLY IMPLEMENTED** |  |
| We have also recommend-ded to the management to refrain from granting Performance-Based Bonus to officers and employees unless the requirements stipulated are all complied with. |  |  |  |  |
| 1. **Reimbursement of expenses for meals and snacks of the District were not supported with complete documentation as required under Presidential Decree No. 1445, and COA Circular No. 2012-001 dated June 14, 2012, which prescribes the revised guidelines and documentary require-ments for common government transactions.**   We have recommended that management strictly comply with the documentary requirements to support reimbursements of meals and snacks as prescribed under P.D. 1445 and COA Circular No. 2012-001. |  | Reimbursements of expenses incurred for meals and snacks were already supported with adequate documentation as required. | **FULLY IMPLEMENTED** |  |
| 1. **The district’s existing Driver’s Trip Ticket is not the prescribed form as required under COA Circular No. 75-6, dated November 7, 1975.**   We have recommended that management use the prescribed form of the driver’s trip ticket in compliance with COA Circular No. 75-6. Prepare two (2) copies of the driver’s trip ticket, in which one copy shall be submitted to the office of the auditor together with the disbursement voucher to support payment of diesel/gasoline. |  | The prescribed form of the driver’s ticket was already used by the management as recommended. | **FULLY IMPLEMENTED** |  |
| 1. **Several properties amounting to ~~P~~369,573.31 determined to be unserviceable were still included in the UPIS Accounts due to the District’s failure to request for disposal/ condemnation, resulting to an overstatement of the UPIS account, contrary to Section 79 of P.D. 1445 and COA Circular No. 86-264, dated October 16, 1986.**   We have recommended that management require the Inventory/ Appraisal Committee to conduct and complete the inventory taking and prepare the Inventory and Inspection Report of Unserviceable Property and properly dispose the unserviceable properties and equipment in accordance with the above-cited rules and regulations. |  | The required inventory taking for all property, plant and equipment has been conducted. And the unserviceable properties of the district were already determined and were reported in the Inventory and Inspection Report for unserviceable properties. However, the management was not able to request for their proper disposal, hence reiterated in this report.  The observation was reiterated in Finding No. 2. | **PARTIALLY IMPLEMENTED** | The property custodian has done conducting the inventory of all unserviceable pro-perties and has accomplished the Inventory and Inspection Report but has not dispose yet the said properties. |
| 1. **Copies of contracts and purchase orders for procurements of various supplies and materials were not submitted to the Auditor within five (5) days from its consummation, thus, the needed review to determine its compliance with legal, auditorial and technical requirements was not made.**   We have recommended that management regularly furnish copies of contracts and purchase orders of various procurements of goods and infrastructure projects to enable the assigned auditor to conduct the necessary legal and auditorial reviews as well as future reference to COA-Technical Services Office in the conduct of technical review and inspection.  We have also recommended the prompt submission of the requested contracts including its complete supporting documents before the implementation of any project and make the necessary request for inspection of COA engineer upon completion of projects prior to its final payment. |  | Copies of Purchase Orders were furnished to COA. | **FULLY IMPLEMENTED** |  |
| 1. **The retention money representing 10% of every progress payments made, has been fully released to the contractor even without the completion and final acceptance of the works, contrary to Item 6 of Annex E of the Revised IRR of R.A. 9184, thus, the contractor of the project “Construction of the Water Supply System of Bacolod Water District” was overpaid by P246,103.35 as the completion of the unfinished item in the approved Program of Work was implemented by administration.**   We have recommended that management strictly adhere to the provisions of the Revised IRR of R.A. 9184 as regards the release of the 10% retention money.  We have also recommended to immediately demand from the contractor King Josum Construction and Plumbing Works the amount of overpayment of P246,103.35, otherwise, file appropriate charges against the said contractor. |  | A demand has been made by the management to the contractor demanding the overpayment and the contractor has paid its due by delivering materials (various pipes and fittings) commensurate to the amount of overpayment. | **FULLY IMPLEMENTED** |  |
| 1. **Tax withheld from the contractor for every billing made of the NLIF project amounting to P245,247.10 was not fully recorded in the books of accounts and was not fully remitted to the Bureau of Internal Revenue contrary Section 112 of P.D. 1445 and to BIR Revenue Regulations No. 2-98, dated April 17, 1998.**   We have recommended that management strictly adhere to the provisions of Section 112 of PD 1445 for fair presentation of the financial statements, and to remit to the BIR the unremitted amount representing the tax withheld from the contractor in compliance with BIR Revenue Regulations No. 2-98, dated April 17, 1998.  We have also recommended to the management to effect the necessary adjusting entries of the unrecorded “Due to BIR” account. |  | An adjusting entry taking up the payable to BIR account in the books of accounts has been effected. Likewise, the amount repre-senting the unremitted amount has already been remitted to the BIR. | **FULLY IMPLEMENTED** |  |

**PART IV – ANNEXES**

**ANNEXES**

|  |  |  |
| --- | --- | --- |
| ***Annex*** |  | ***Title*** |
| Annex A | - | Summary of Water Meters still included in the UPIS as of December 31, 2013 |
| Annex B | - | List of Unserviceable Properties of the District as of December 31, 2013 |
|  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | **ANNEX A** | |
|  |  |  | AAR Finding No. 1, Page 14 | |
|  |  |  |  |  |
| **BACOLOD WATER DISTRICT** | | | | |
| Bacolod, Lanao del Norte | | | | |
| Summary of Water Meters still Included in the UPIS | | | | |
| As of December 31, 2013 | | | | |
|  |  |  |  |  |
|  |  |  |  |  |
| ***Date Acquired*** | ***Particulars*** | ***Acquisition Cost*** | ***Accumulated Depreciation*** | ***Net Book Value*** |
|
|
| 1995 | Meters | 3,644.00 | 3,279.60 | 364.40 |
| 1995 | Meters | 6,525.80 | 5,873.22 | 652.58 |
| 1997 | Meters | 13,730.00 | 13,730.00 | - |
| 1998 | Meters | 2,170.00 | 1,953.00 | 217.00 |
| 2000 | Meters | 75,861.49 | 75,102.81 | 758.68 |
| 2000 | Meters | 9,528.90 | 9,433.69 | 95.21 |
| 2000 | Meters | 19,633.93 | 19,437.44 | 196.49 |
| Jul. 2001 | Meters | 31,000.00 | 29,061.00 | 1,939.00 |
| Oct 2001 | Meters | 31,000.00 | 28,364.40 | 2,635.60 |
| Aug. 2001 | Meters | 15,000.00 | 13,950.00 | 1,050.00 |
| Sept. 2001 | Meters | 14,872.74 | 13,720.46 | 1,152.28 |
| June 2002 | Meters | 32,500.00 | 30,713.40 | 1,786.60 |
| Oct. 2002 | Meters | 32,500.00 | 29,737.80 | 2,762.20 |
| June 2003 | Meters | 16,440.00 | 13,193.10 | 3,246.90 |
| Aug 2003 | Meters | 32,500.00 | 30,225.60 | 2,274.40 |
| Jun.2003 | Meters | 32,500.00 | 29,006.65 | 3,493.35 |
| Feb.2003 | Meters | 32,500.00 | 29,250.00 | 3,250.00 |
| **TOTAL** |  | **401,906.86** | **376,032.17** | **25,874.69** |
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|  |  |  |  |  | **Annex B** | |
|  |  |  |  | AAR Finding No. 2, Page 16 | | |
| **BACOLOD WATER DISTRICT** | | | | | | |
| POBLACION, BACOLOD, LANAO DEL NORTE | | | | | | |
| LIST OF UNSERVICEABLE PROPERTY | | | | | | |
| As of December 31, 2013 | | | | | | |
|  |  |  |  |  |  |  |
| *Type of Property* | | *Property No.* | *Quantity* | *Location* | *COST* | *Accum. Depn.* |
| **PUMPING PLANT AND EQUIPMENT** | |  |  |  |  |  |
|  | Motor Control 15 Hp | 225-02-002 | 1 | Pumping Station 1 | 54,200.00 | 39,024.00 |
|  | Magnetic Contactor | 225-02-010 to 011 | 2 | Pumping Station 1 | 3,200.00 | 2,128.00 |
|  | Magnetic Contactor | 225-02-012 to 013 | 2 | Pumping Station 1 | 3,200.00 | 2,016.00 |
|  | DC Battery | 225-02-018 | 1 | Pumping Station 1 | 3,500.00 | 2,152.50 |
|  | Search Light | 225-02-020 | 1 | Pumping Station 1 | 3,550.00 | 1,331.36 |
|  | DC Battery | 225-02-022 | 1 | Pumping Station 1 | 5,700.00 | 4,104.00 |
|  | Magnetic Contactor | 225-02-008 | 1 | Pumping Station 1 | 9,980.00 | 7,185.60 |
|  | Omron Liquid Level Switch Power Supply | 225-02-046 | 1 | Pumping Station 1 | 2,200.00 | 133.38 |
|  | Anly Timer 230V | 225-02-047 | 1 | Pumping Station 1 | 3,500.00 | 208.62 |
|  | Auto Transformer 15 Hp, 230V | 225-02-048 | 1 | Pumping Station 1 | 20,000.00 | 750.00 |
|  | Submersible Pump 15 Hp | 225-02-019 | 1 | Pumping Station 1 | 28,280.00 | 6,702.36 |
| **WATER TREATMENT EQUIPMENT** | |  |  |  |  |  |
|  | Bleed Valve Kit | 225-03-001 | 1 | Pumping Station 1 | 5,171.40 | 4,654.26 |
|  | Hypochlorinator | 225-03-002 | 1 | Pumping Station 1 | 18,500.00 | 16,650.00 |
|  | Chemical Feeder | 225-03-003 | 1 | Pumping Station 3 | 21,680.00 | 19,512.00 |
|  | Chlorinator | 225-03-005 | 1 | Pumping Station 3 | 24,480.00 | 15,055.20 |
| **GENERAL PLANT OFFICE** | |  |  |  |  |  |
| **FURNITURE & EQUIPMENT** | |  |  |  |  |  |
|  | Computer | 207-01-002 | 1 set | BWD Office | 49,139.19 | 44,225.14 |
|  | Monitor 14" | 207-01-003 | 1 | BWD Office | 5,560.00 | 3,669.60 |
|  | Computer Monitor 17" | 207-01-004 | 1 | BWD Office | 5,400.00 | 4,860.00 |
|  | CPU | 207-02-001 | 1 | BWD Office | 15,850.00 | 10,461.22 |
|  | CPU | 207-02-003 | 1 | BWD Office | 16,400.00 | 10,455.00 |
|  | Printer HP 3920 | 207-03-002 | 1 | BWD Office | 2,250.00 | 1,046.36 |
|  | UPS | 207-04-001 to 002 | 2 | BWD Office | 5,588.00 | 4,693.92 |
|  | UPS | 207-04-003 | 1 | BWD Office | 2,000.00 | 1,980.00 |
|  | Hard Disk Drive | 261-06-01 | 1 | BWD Office | 4,400.00 | 4,400.00 |
|  | Hard Disk Drive, CD Writer | 261-06-002 | 1 | BWD Office | 10,428.36 | 8,525.03 |
|  | Plastic Chair w/o arm | Intangible | 8 | BWD Office | 1,450.00 | 1,305.00 |
|  | Typewriter | Intangible | 1 | BWD Office | 15,700.00 | 14,130.00 |
|  | Typewriter | transfer w/o cost | 1 | BWD Office | - | - |
|  | Fax Machine (Brother) | 207-07-002 | 1 | BWD Office | 6,295.00 | 4,107.33 |
|  | Mountain Bike | 214-01-002&003 | 2 | BWD Office | 7,208.66 | 6,654.82 |
|  | Mountain Bike | 214-01-004 | 1 | BWD Office | 2,880.00 | 2,786.40 |
|  | Soft Starter | 225-02-029 | 1 | BWD Office | 41,500.00 | 13,383.75 |
|  | Digital Camera-Kodak | 207-07-003 | 1 | BWD Office | 8,394.75 | 4,533.12 |
| **COMMUNICATION EQUIPMENT** | |  |  |  |  |  |
|  | Alinco Radio | 209-01-001 | 1 | BWD Office | 6,330.00 | 6,013.50 |
|  | DJ 180 Radio Alinco | 209-01-002 | 1 | BWD Office | 6,600.00 | 5,830.00 |
|  | HH Radio w/ Charger | 209-01-004 | 1 | BWD Office | 6,736.36 | 6,287.27 |
|  | Power Supply | 209-02-001 | 1 | BWD Office | 2,750.00 | 2,475.00 |
|  | Power Supply & Battery Pack | 209-02-002 | 1 | BWD Office | 3,050.00 | 2,694.00 |
|  | Handheld Radio wl charger | 209-01-004,005&006 | 3 | BWD Office | 20,209.08 | 17,963.61 |
|  | Handheld Radio wl charger | 209-01-007 | 1 | BWD Office | 7,200.00 | 7,200.00 |
|  | Power Supply | 209-02-001 | 1 | BWD Office | 1,850.19 | 1,634.16 |
|  | Base | 209-04-001 | 1 | BWD Office | 11,500.00 | 11,385.00 |
|  | Antenna | 209-04-002 | 1 | BWD Office | 2,000.00 | 1,800.00 |
|  | Repeater Installation | 209-04-003 | 1 | BWD Office | 6,268.50 | 5,547.71 |
|  | Alinco HH Radio | 20901-010 | 1 | BWD Office | 3,700.00 | 3,109.20 |
| **TOOLS, SHOPS & GARAGE EQUIPMENT** | |  |  |  |  |  |
|  | Electric Grinder | Intangible |  | BWD Office | 2,800.00 | 2,520.00 |
| **GRAND TOTAL** | | | | | **488,579.49** | **337,283.42** |
|  |  |  |  |  |  |  |
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