



Republic of the Philippines
COMMISSION ON AUDIT
Quezon City

INDEPENDENT AUDITOR'S REPORT

THE BOARD OF DIRECTORS

Binmaley Water District
Binmaley, Pangasinan

Report on the Financial Statements

We have audited the accompanying financial statements of Binmaley Water District, which comprise the statement of financial position as at December 31, 2016, and the statement of comprehensive income statement, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes in accordance with New Government Accounting System (NGAS).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with State Accounting Principles, and for which Internal Control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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 the International Standards of Auditing. Those standards require that we comply with requirements and plan and perform the audit to obtain reasonable assurance about 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 of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating to overall presentation of the financial statements.

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

Bases for Qualified Opinion

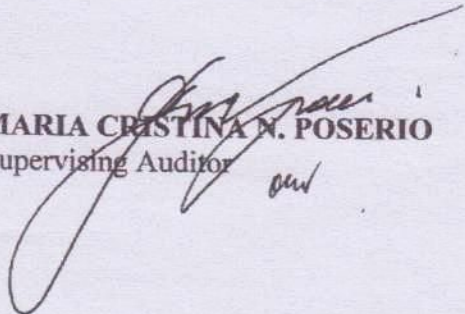
As discussed in Part II of the Report, we rendered a qualified opinion on the fair presentation of the Financial Statements due to the non-conduct of physical count and the non-preparation of the corresponding Report on the Physical Count of Property, Plant and Equipment (RPCPPE) by the District which rendered the accuracy and reliability of Property, Plant and Equipment account doubtful amounting to ₱242,384,585.65.

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 Binmaley Water District as at December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

COMMISSION ON AUDIT

By:


MARIA CRISTINA N. POSERIO
Supervising Auditor

February 28, 2017





BINMALEY WATER DISTRICT
Binmaley, Pangasinan
Telefax: (075)540-0054; Tel.Nos: (075)540-0057 to 58

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

The management of **BINMALEY WATER DISTRICT** is responsible for all information and representations contained in the accompanying Statement of Financial Position as of December 31, 2016 and the related Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended. The financial statements have been prepared in conformity with Philippine Financial Reporting Standards and Philippine Accounting Standards and reflect amounts that are based on the best estimates and informed judgment of 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.


MANUELA D. DE VERA
Division Manager B (Admin & Finance Div.)


MARIANO V. GONZALO
General Manager B



BINMALEY WATER DISTRICT
Binmaley, Pangasinan
Detailed Statement of Financial Position
AS of December 31, 2016

		2016	2015
<u>ASSETS AND OTHER DEBITS</u>			
<u>CURRENT ASSETS</u>	Account Number		
Cash and Cash equivalents (Note 2)			
Cash- Collecting Officer	1-01-01-010 P	936,371.82 P	822,002.18
Petty Cash	1-01-01-020	-	-
Advances for Payroll	1-99-01-020	-	-
Total		<u>936,371.82</u>	<u>822,002.18</u>
Cash in Bank-Local Currency (Note 3)			
Cash in Bank- Local Currency Current Account	1-01-02-020	1,057,319.90	593,716.11
Cash in Bank- Local Currency Savings Account	1-01-02-030	28,948,270.94	15,692,284.94
Total		<u>30,005,590.84</u>	<u>16,286,001.05</u>
Receivables (Note 4)			
Accounts Receivable	1-03-01-010	3,900,224.85	3,945,437.95
Allowance for Doubtful Accounts	1-03-01-011	(67,607.83)	(67,607.83)
Due from Officers and Employees	1-03-05-020	-	-
Other Receivable	1-03-05-990	510,351.68	434,057.19
Receivership and Liquidation Receivable	1-03-01-190	2,277,809.17	2,277,809.17
Total		<u>6,620,777.87</u>	<u>6,589,696.48</u>
Inventories (Note 5)			
Merchandise Inventory	1-04-01-010	562,007.28	739,786.29
Supplies			
Office Supplies Inventory	1-04-04-010	62,596.29	47,513.47
Non-Accountable Forms Inventory	1-04-04-030	28,282.00	33,153.00
Semi-Expendable Office Equipment	1-04-05-020	156,316.00	156,316.00
Accountable Forms, Plates and Stickers Inventory	1-04-04-020	101,371.46	205,895.85
Chemicals and Filtering Supplies Inventory	1-04-04-120	175,450.00	133,400.00
Construction Materials Inventory	1-04-04-130	1,149,047.25	911,321.02
Total		<u>1,673,063.00</u>	<u>1,487,599.34</u>
Prepayments (Note 6)			
Prepaid Rent	1-99-02-020	36,000.00	36,000.00
Prepaid Insurance	1-99-02-050	66,240.69	66,240.69
Other Prepayments	1-99-02-990	111,442.72	100,000.00
Total		<u>213,683.41</u>	<u>202,240.69</u>
Other Current Assets			
Guaranty Deposits	1-99-03-020	130,551.00	130,551.00
TOTAL CURRENT ASSETS	P	<u>40,142,045.22 P</u>	<u>26,257,877.03</u>

NON-CURRENT ASSETS**Sinking Fund (Note 7)**

Sinking Fund

1-02-07-010	2,681,609.01	2,676,163.33
P	<u>2,681,609.01</u>	P <u>2,676,163.33</u>

TOTAL NON-CURRENT ASSETS**PROPERTY, PLANT AND EQUIPMENT (Note 8)**

Land	1-06-01-010	9,789,240.79	9,563,240.79
Land Improvements	1-06-02-010	80,380.00	80,380.00
Accumulated Depreciation- Land Improvements	1-06-02-011	(27,064.20)	(24,403.20)
Buildings	1-06-04-010	210,091,024.63	210,075,974.63
Accumulated Depreciation- Buildings and Other Structures	1-06-04-011	(33,595,102.10)	(30,171,597.98)
Leased Assets Improvements, Buildings	1-06-09-020	161,593.16	161,593.16
Accumulated Depreciation- Leasehold Impvt.	1-06-09-021	(145,433.84)	(145,433.84)
Office Equipment	1-06-05-020	611,927.00	542,427.00
Accumulated Depreciation- Office Equipment	1-06-05-021	(392,327.22)	(344,757.42)
IT Equipment	1-06-05-030	1,786,144.00	1,730,444.00
Accumulated Depreciation - IT Equipment	1-06-05-031	(1,240,794.60)	(1,101,179.40)
Medical Equipment	1-06-05-110	69,830.00	14,950.00
Accumulated Depreciation- Laboratory Equipment	1-06-05-111	(13,455.00)	(13,455.00)
Other Machinery and Equipment	1-06-05-990	14,762,805.98	12,580,240.13
Accumulated Depreciation- Other Machinery and Equipment	1-06-05-990	(6,516,476.72)	(5,875,173.56)
Motor Vehicles	1-06-06-010	2,049,688.87	2,049,688.87
Accumulated Depreciation-Motor Vehicles	1-06-06-011	(1,326,639.09)	(1,176,978.69)
Furniture and Fixtures	1-06-07-010	218,596.56	218,596.56
Accumulated Depreciation- Furniture and Fixtures	1-06-07-010	(91,598.71)	(52,251.31)
Other Property Plant and Equipment	1-06-98-990	68,145,618.52	65,726,538.72
Accumulated Depreciation- Other Property Plant & Equip.	1-06-98-991	(23,257,929.94)	(21,793,405.76)
Construction-in-Progress- Other Property Plant & Equip.	1-06-99-990	1,224,557.56	-
Construction-in-Progress- Buildings and Other Structures	1-06-99-030	-	-

TOTAL PROPERTY, PLANT AND EQUIPMENTP 242,384,585.65 P 242,045,437.70**OTHER ASSETS (Note 9)**

Restricted funds

1-99-04-010	6,070,527.28	4,375,988.71
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Other Assets

1-99-99-990	271,162.82	241,029.00
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TOTAL OTHER ASSETSP 6,341,690.10 P 4,617,017.71**TOTAL ASSETS**P 291,549,929.98 P 275,596,495.77

LIABILITIES, EQUITY AND OTHER CREDIT ACCOUNTS**CURRENT LIABILITIES****Payable Accounts**

Accounts Payable	2-01-01-010	P	14,437.00	P	370,077.00
Due to Officers and Employees	2-01-01-020		566,000.00		-
Total			<u>580,437.00</u>		<u>370,077.00</u>

Inter-Agency Payables (Note 10)

Due to BIR	2-02-01-010		212,477.41		192,500.72
Due to GSIS	2-02-01-020		227,568.34		175,912.41
Due to Pag-IBIG	2-02-01-030		42,102.51		40,561.04
Due to Philhealth	2-02-01-040		14,025.00		13,775.00
Total			<u>496,173.26</u>		<u>422,749.17</u>

Other Payables (Note 11)

Customers' Deposit	2-04-01-050		5,491,753.10		5,024,172.75
Other Payables	2-99-99-990		1,832,985.84		1,832,985.84
Total			<u>7,324,738.94</u>		<u>6,857,158.59</u>

TOTAL CURRENT LIABILITIES

P	<u>8,401,349.20</u>	P	<u>7,649,984.76</u>
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NON-CURRENT LIABILITIES

Loans Payable-Domestic (Note 12)	2-01-02-040		10,081,422.67		11,914,408.51
TOTAL NON-CURRENT LIABILITIES			<u>10,081,422.67</u>		<u>11,914,408.51</u>

TOTAL LIABILITIES

P	<u>18,482,771.87</u>	P	<u>19,564,393.27</u>
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EQUITY

Government Equity (Note 13)	3-04-01-020		188,853,236.22		188,853,236.22
Retained Earnings	3-07-01-010		84,213,921.89		67,178,866.28
TOTAL EQUITY		P	<u>273,067,158.11</u>	P	<u>256,032,102.50</u>

**TOTAL LIABILITIES, EQUITY AND
OTHER CREDIT ACCOUNTS**

P	<u>291,549,929.98</u>	P	<u>275,596,495.77</u>
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"See Accompanying Notes to Financial Statements"



BINMALEY WATER DISTRICT
Binmaley, Pangasinan
Detailed Statement of Comprehensive Income
For the year ended December 31, 2016

			2016		2015
	Account Number				
Business Income:					
Waterworks System Fees	4-02-02-090	P	53,477,394.91	P	49,818,932.42
Interest Income	4-02-02-210		91,291.29		54,905.84
Fines and Penalties- Business Income	4-02-02-230		2,346,616.65		2,162,903.95
Other Service Income	4-02-01-990		335,050.00		357,950.00
Miscellaneous Income	4-06-03-990		353,545.55		459,453.22
Total Business and Service Income		P	56,603,898.40	P	52,854,145.43
Less: Expenses:					
Personnel Services					
Salaries and Wages-Regular	5-01-01-010	P	7,643,583.26	P	7,345,568.32
Salaries and Wages-Contractual	5-01-01-020		185,240.00		174,545.00
Personnel Economic Relief Allowance (PERA)	5-01-02-010		727,244.01		741,149.12
Representation Allowance	5-01-02-020		282,000.00		257,000.00
Transportation Allowance	5-01-02-030		282,000.00		257,000.00
Clothing and Uniform Allowance	5-01-02-040		150,000.00		188,220.00
Honoraria	5-01-02-100		936,380.00		518,920.00
Overtime and Night Pay	5-01-02-130		497,116.24		466,065.24
Year-end Bonus	5-01-02-140		772,516.00		1,685,047.75
Other Bonuses and Allowances	5-01-02-990		1,517,894.00		2,297,784.00
Personnel Benefit Contributions					
Retirement and Life Insurance Premiums	5-01-03-010		937,785.24		903,335.52
PAG-IBIG Contributions	5-01-03-020		37,400.00		38,200.00
PHILHEALTH Contributions	5-01-03-030		84,250.00		86,250.00
Employees Compensation Insurance Premiums	5-01-03-040		37,058.40		37,489.00
Terminal Leave Benefits	5-01-04-030		-		16,690.50
Other Personnel Benefits	5-01-04-990		1,492,010.00		1,521,035.00
Total		P	15,582,477.15	P	16,534,299.45
Maintenance and Operating Expenses					
Travelling Expenses-Local	5-02-01-010	P	57,291.86	P	42,713.00
Training Expenses	5-02-02-010		76,200.00		105,699.43
Office Supplies Expense	5-02-03-010		194,721.95		170,844.69
Accountable Forms Expenses	5-02-03-020		106,684.39		98,452.83
Fuel, Oil and Lubricants Expenses	5-02-03-090		269,540.45		308,280.43
Chemical and Filtering Supplies Expenses	5-02-03-130		3,419,310.00		3,136,550.00
Other Supplies and Materials Expenses	5-02-03-990		25,515.75		21,260.10
Electricity Expenses	5-02-04-020		232,314.38		232,283.13
Postage and Courier Services	5-02-05-010		2,418.00		1,015.00
Telephone Expenses- Landline	5-02-05-010		71,516.66		62,649.38
Membership Dues and Cont. to Organizations	5-02-99-060		29,212.00		84,690.00
Printing and Publication Expenses	5-02-99-020		780.00		-
Advertising, Promotional and Marketing Expenses	5-02-99-010		66,400.00		89,940.60
Representation Expenses	5-02-99-030		544,385.20		489,773.24
Generation, Transmission and Distribution Exp.	5-02-09-010		8,562,504.23		9,850,525.35

Auditing Services	5-02-11-020	770.00	79,633.20
Security Services	5-02-12-030	324,000.00	324,000.00
Other Professional Services	5-02-11-990	128,081.60	120,000.00
Repairs and Maintenance - Land Improvements	5-02-13-020	-	
Repairs and Maintenance - Bldgs. & Other Struct.	5-02-13-040	26,742.75	6,311.75
Repairs and Maintenance - Leased Assets Imprvt	5-02-13-090	-	
Repairs and Maintenance - Office Equipment	5-02-13-051	10,220.00	18,279.80
Repairs and Maintenance - IT Equipment	5-02-13-052	17,510.00	16,279.00
Repairs and Maintenance - Medical Equipment	5-02-13-053	-	
Repairs and Maintenance - Other Mach. and Equip't	5-02-13-054	153,949.00	99,742.00
Repairs and Maintenance - Motor Vehicles	5-02-13-060	66,793.12	73,237.55
Repairs and Maintenance - Furniture and Fixtures	5-02-13-070	-	1,000.00
Repairs and Maintenance - Other Prop. Plant & Equip	5-02-13-990	401,205.11	308,094.54
Extraordinary and Miscellaneous Expenses	5-02-10-030	163,459.15	166,737.98
Taxes, Duties and Licenses	5-02-15-010	1,029,287.95	917,391.95
Insurance Expenses	5-02-15-030	88,608.29	89,995.81
Donations	5-02-99-080	93,500.00	20,150.00
Depreciation - Land Improvements	5-05-01-020	2,661.00	2,661.90
Depreciation - Buildings and Other Structures	5-05-01-040	3,423,504.12	3,431,699.10
Depreciation - Leased Assets Improvement	5-05-01-090	-	
Depreciation - Office Equipment	5-05-01-051	47,569.80	48,074.83
Depreciation - IT Equipment	5-05-01-052	139,615.20	145,586.19
Depreciation - Medical Equipment	5-05-01-053	-	
Depreciation - Other Machinery and Equipment	5-05-01-054	641,303.16	616,579.15
Depreciation - Motor Vehicles	5-05-01-060	149,660.40	146,260.90
Depreciation - Furniture and Fixtures	5-05-01-070	39,347.40	42,021.60
Depreciation - Other Property Plant & Equipment	5-05-01-990	1,707,585.36	1,566,187.47
Interest Expenses	5-03-01-020	968,155.55	1,103,947.15
Total Maintenance and Operating Expenses		P 23,282,323.83	P 24,038,549.05
Total Expenses		38,864,800.98	40,572,848.50
Net Income for the Period		P 17,739,097.42	P 12,281,296.93

"See Accompanying Notes to Financial Statements"

**BINMALEY WATER DISTRICT****Binmaley, Pangasinan****STATEMENT OF CHANGES IN EQUITY****For the years 2015 and 2016**

	2016	2015
Government Equity Beginning	P 188,853,236.22	P 188,853,236.22
Retained Earnings	67,178,866.28	55,708,871.12
Add/(Deduct): Prior Period Adjustments	(704,041.81)	(811,301.77)
Add: Net Income	17,739,097.42	12,281,296.93
Balances at Year-end	P <u>273,067,158.11</u>	P <u>256,032,102.50</u>



BINMALEY WATER DISTRICT

Binmaley, Pangasinan

Statement of Cash Flows

For the years 2015 and 2016

		<u>2016</u>		<u>2015</u>
<u>Cash Flows from Operating Activities</u>				
Cash Inflows:				
Collection of Water Bills	P	55,869,224.66	P	51,417,321.72
Collection of Other Water Revenues		688,932.84		807,114.45
Refund of overpayment of expenses and Cash Advances/Receivables		811,335.41		466,685.89
Sale of service connection materials		1,688,717.98		2,003,371.90
Customer Deposit		527,183.10		688,280.05
Interest Income		46,549.90		21,407.78
Total Cash Inflows	P	<u>59,631,943.89</u>	P	<u>55,404,181.79</u>
Cash Outflows:				
Payment of Operating Expenses:				
Payroll		8,556,067.27		8,261,262.44
Fuel/Power Purchased for Pumping		8,469,754.23		9,756,075.35
Chemicals		1,288,360.00		1,086,250.00
Other Operation and Maintenance Expenses		6,829,595.68		7,998,586.70
Payment of Payables		1,667,868.00		3,632,818.03
Purchase of Inventories		4,601,218.81		4,754,355.67
Payment of prepaid expenses				
Remittance of GSIS/PAG-IBIG/Withholding Taxes		5,007,442.16		5,826,507.86
Total Cash Outflows		<u>36,420,306.15</u>		<u>41,315,856.05</u>
Total Cash Provided (used) by Operating Activities	P	<u>23,211,637.74</u>	P	<u>14,088,325.74</u>
<u>Cash Flows from Investing Activities:</u>				
Cash Inflows:				
Receipt from repayment of long term loans by LGUs		-		-
Proceeds from maturing Treasury Bills/Short-Term Investment		-		-
Proceeds from sale of:		-		-
Total Cash Inflows		-		-
Cash Outflows:				
Addition to Sinking Fund		-		377,981.13
Cash Deposit- Miscellaneous Special Fund		1,896,556.24		936,880.05
Purchase/construction of				
Other Machinery & Equipment		1,844,162.25		391,200.97
Office Equipment, IT Equipment Furnitures and Fixtures, Land Trans		176,200.00		281,678.00
Land, Buildings and Other Structures		1,616,771.50		
Construction in Progress		1,224,557.56		
Total Cash Outflows		<u>6,758,247.55</u>		<u>1,987,740.15</u>
Total Cash Provided (Used) by Investing Activities	P	<u>(6,758,247.55)</u>	P	<u>(1,987,740.15)</u>

Cash Flows from Financing Activities**Cash Inflows:**

Proceeds from Borrowings (Loans Payable)

-

-

Interest Earnings of Miscellaneous Special Deposit

181,710.63

-

Cash Outflows:

Cash payment of interest on loans and other financial charges

968,155.55

1,103,947.15

Payments of domestic loans

1,832,985.84

1,924,635.18

Total Cash Outflows

2,801,141.39

3,028,582.33

Total Cash Provided (used) by Financing Activities

(2,619,430.76)

(3,028,582.33)

Cash Provided by Operating, Investing and Financing Activities

13,833,959.43

9,072,003.26

Add: Cash and Cash Equivalents - Beginning

17,108,003.23

8,035,999.97

Cash and Cash Equivalents, Ending**P 30,941,962.66****P 17,108,003.23**

**BINMALEY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
CY 2016**

1. SIGNIFICANT ACCOUNTING POLICIES

a. Accounting System

The Binmaley Water District adopts the Philippine Financial Reporting Standards (PFRS) using the Revised Chart of Accounts (RCA) prescribed through COA Circular No. 2015-010 dated December 01, 2015 for use by Government Business Entities (GBEs).

b. Revenue and Expense Recognition

The District adopts the accrual method of accounting for both income and expense. Under this method, expenses are recognize and recorded regardless of when paid while revenues or income are recognized and recorded when earned regardless of when collected.

c. Inventories

Inventories consisting of supplies and materials are recorded at cost using the moving average method.

d. Property, Plant and Equipment

Property, Plant and Equipment are carried in the books at cost less accumulated depreciation. Depreciation is computed using the straight line method.

2. CASH AND CASH EQUIVALENTS

This account consists of the following:

	2016	2015
Cash-Collecting Officer	₱936,371.82	₱822,002.18
Petty Cash	0.00	0.00
Advances for Payroll	0.00	0.00
TOTAL	₱936,371.82	₱822,002.18

3. CASH IN BANK-LOCAL CURRENCY

	2016	2015
Cash in Bank-Local Currency Current Account (LBP-2422-1025-77)	□1,057,319.90	□593,716.11
Cash in Bank-Local Currency Savings Account	28,948,270.94	15,692,284.94
LBP 2421-1434-66		
□28,689,264.32		
LBP 2421-1615-88 259,006.62		
TOTAL	□30,005,590.84	□16,286,001.05

4. RECEIVABLES

This account includes receivables from the following:

	2016	2015
Accounts Receivable	□3,900,224.85	□3,945,437.95
Due from Officers and Employees	0.00	0.00
Other Receivables	510,351.68	434,057.19
Receivership and Liquidation Receivable	2,277,809.17	2,277,809.17
Total	6,688,385.70	6,657,304.31
Less: Allowance for Doubtful Accounts	67,607.83	67,607.83
Net Realizable Value	□6,620,777.87	□6,589,696.48

Accounts Receivable represents uncollected water bills from active and inactive concessionaires.

Other Receivables refer to the amount due from customers or other parties arising from transactions other than water sales and unpaid materials used by concessionaires.

Receivership and Liquidation Receivable represents the Foreclosed deposit of a Savings Account from People's Rural Bank of Binmaley which is under PDIC Receivership.

5. INVENTORIES

This account consists of the following:

	2016	2015
Merchandise Inventory	□562,007.28	□739,786.29
Office Supplies Inventory	62,596.29	47,513.47
Non-Accountable Forms Inventory	28,282.00	33,153.00
Semi-Expendable Office Equipment	156,316.00	156,316.00
Accountable Forms Inventory	101,371.46	205,895.85

Chemical and Filtering Supplies Inventory	175,450.00	133,400.00
Construction Materials Inventory	1,149,047.25	911,321.02
Total Inventories	□2,235,070.28	□2,227,385.63

Merchandise Inventory composed of Service Connection Materials Held for Sale to concessionaires for installation of New Connection, Reconnections and other maintenance purposes.

Office Supplies Inventory are those supplies held for consumption.

Non-Accountable Forms Inventory composed of Printed Forms for office use.

Accountable Forms Inventory composed of Commercial Checks, Official Receipts, Provisional Receipts, Statement of Account and Notice of Disconnection.

Chemical and Filtering Supplies Inventory composed of Poly Aluminum Chloride, a chemical used for Coagulation process in the Water Treatment Plant operations.

Construction Materials Inventory composed of UPVC pipes, Fittings and Water Meters.

6. PREPAYMENTS

This account is composed of the following:

	2016	2015
Prepaid Rent	□36,000.00	□36,000.00
Prepaid Insurance	66,240.69	66,240.69
Other Prepayments and Deposits	111,442.72	100,000.00
Total	□213,683.41	□202,240.69

Prepaid Insurance represents the Prepaid Property Insurance to GSIS which is amortized over one year.

7. SINKING FUND

Sinking Fund represents the Joint Savings Account of the Water District and the Local Water Utilities Administration as "Reserves" for utilization as needed.

8. PROPERTY, PLANT AND EQUIPMENT

This account consists of the following:

- A. Land
- B. Land Improvements
- C. Buildings
 - C.1 Office Building
 - C.2 Water Treatment Plants
 - C.3 Structures and Improvements (Source of Supply, Water Treatment, Transmission and Distribution, Reservoir)
- D. Leased Assets Improvement
- E. Office Equipment
- F. IT Equipment
- G. Medical Equipment
- H. Other Machinery and Equipment
 - H.1 Power Production Equipment
 - H.2 Pumping Equipment
 - H.3 Water Treatment Equipment
 - H.4 Communication Equipment
 - H.5 Tools, Shop and Garage Equipment
 - H.6 Sports Equipment
- I. Motor Vehicles
- J. Furniture and Fixtures
- K. Other Property, Plant and Equipment
 - K.1 Wells
 - K.2 Supply Mains
 - K.3 Reservoirs and Tanks
 - K.4 Transmission and Distribution Mains
 - K.5 Water Meters
 - K.6 Hydrants
- L. Construction in Progress – Other Plant and Equipment

9. OTHER ASSETS

This account includes the following:

	2016	2015
Restricted Funds	6,070,527.28	4,375,988.71
Other Assets	271,162.82	241,029.00
Total	□6,341,690.10	□4,617,017.71

Restricted Funds represents Bank Deposits of Trust Liability Accounts such as Customers' Deposit and employees refund of Disallowance pending the decision of the Appeal filed to COA Commission Proper.

10. INTER-AGENCY PAYABLES

This account consists of the following:

	2016	2015
Due to BIR	□212,477.41	□192,500.72
Due to GSIS	227,568.34	175,912.41
Due to Pag-Ibig	42,102.51	40,561.04
Due to PhilHealth	14,025.00	13,775.00
Total	□496,173.26	□422,749.17

11. OTHER PAYABLES

This account is composed of the following:

	2016	2015
Customers' Deposits	□5,491,753.10	□5,024,172.75
Other Payables	1,832,985.84	1,832,985.84
Total	□7,324,738.94	□6,857,158.59

Customers' Deposit represents the amount deposited by customers before the extension of any service connections as a security for the payment of subsequent bills as a guarantee deposit.

Other Payables represents the Current Portion of the Long Term Debt at Land Bank.

12. LOANS PAYABLE-DOMESTIC (NON-CURRENT)

	2016	2015
LBP Loan 1	□10,081,422.67	□11,914,408.51
LBP Loan 2	0.00	0.00
Total	□10,081,422.67	□11,914,408.51

13. GOVERNMENT EQUITY

This refers to the difference between the utility's assets and liabilities at the time the District assumed control over the operations of the utility.