



Republic of the Philippines
COMMISSION ON AUDIT
Regional Office No. V
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OFFICE OF THE REGIONAL DIRECTOR

September 14, 2020

MR. ROMULO M. CORPORAL, JR.

General Manager
Iriga City Water District
Iriga City, Camarines Sur

Sir:

We are pleased to transmit the Annual Audit Report on the audit of the accounts and operations of the Iriga City Water District, Iriga City, Camarines Sur for the year ended December 31, 2019, 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 conducted to: (a) ascertain the level of assurance that may be placed on management's assertions on the financial statements; (b) determine the propriety of transactions as well as the extent of compliance with applicable laws, rules and regulations; (c) recommend agency improvement opportunities; and (d) determine the extent of implementation of prior year's audit recommendations.

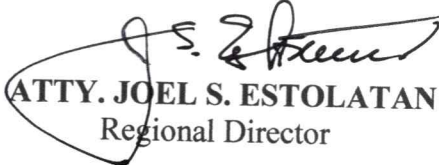
The attached Report consists of the Independent Auditor's Report, the Audited Financial Statements, the Observations and Recommendations, and the Status of Implementation of Prior Years' Audit Recommendations which were discussed with concerned officials and staff on September 8, 2020.

The Auditor rendered a qualified opinion on the fairness of presentation of the financial statements of the Water District for the year ended December 31, 2019.

We request that the recommendations be promptly implemented and we would appreciate being informed of the actions taken thereon within sixty (60) days from receipt hereof, using the prescribed format of the attached copy of the Agency Action Plan and Status of Implementation (AAPSI).

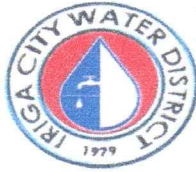
We express our appreciation for the support and cooperation extended to our Auditors by the officials and employees of that Water District.

Very truly yours,


ATTY. JOEL S. ESTOLATAN
Regional Director

Copy furnished:

1. Administrator, LWUA
2. Auditor, LWUA
3. Office of the President
4. Office of the Vice-President
5. President of the Senate
6. Speaker of the House of Representatives
7. Chairperson – Senate Finance Committee
8. Chairperson – Appropriations Committee
9. Secretary, Department of Budget and Management
10. Presidential Management Staff, Office of the President
11. National Library
12. University of the Philippines Law Center
13. Commission Central Library
Commission on Audit, Quezon City
14. File, Regional Director, COA ROS



IRIGA CITY WATER DISTRICT

RUFINO LLAGAS SR. ST., SAN ROQUE, IRIGA CITY


Tel. Nos. (054) 299-6504*Telefax (054) 299-5709

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of the IRIGA CITY WATER DISTRICT is responsible for the preparation of the financial statements as at December 31, 2019 including the additional components attached thereto in accordance with the prescribed financial reporting framework indicated therein. The responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material statement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements before such statements are issued to the regulators, creditors and other users.

The Commission on Audit has audited the financial statements of the IRIGA CITY WATER DISTRICT in accordance with the Philippine Public Sector Standards on Auditing and has expressed its opinion on the fairness of presentation upon completion of such audit, in its report to the Board of Directors.


Dir. VICTOR P. TURIANO
Chairman of the Board

02-14-2020

Date Signed


PRINCESS KORINE D. NERI
Chief, Comptroller

02-14-2020

Date Signed


ROMULO M. CORPORAL, JR.
General Manager

02-14-2020

Date Signed

Republic of the Philippines
IRIGA CITY WATER DISTRICT
Rufino Llagas St., San Roque, Iriga City

Statement of Financial Position
As at December 31, 2019
(With Comparative Figures for CY 2018)

| | | | <u>2019</u> | | <u>2018</u> |
|--------------------------------------|----|----------|------------------------------|----------|------------------------------|
| <u>ASSETS</u> | | | | | |
| CURRENT ASSETS | | | | | |
| Cash and Cash Equivalents | 3 | P | 103,040,990.43 | P | 94,400,177.98 |
| Receivables, net | 4 | | 10,062,687.83 | | 2,177,585.11 |
| Inventories | 5 | | 5,623,132.71 | | 7,746,968.41 |
| Other Current Assets | 6 | | 287,218.31 | | 298,840.81 |
| Total Current Assets | | P | <u>119,014,029.28</u> | P | <u>104,623,572.31</u> |
| NON-CURRENT ASSETS | | | | | |
| Investments | 7 | P | 4,743,111.73 | P | 4,704,395.25 |
| Property, Plant and Equipment, net | 8 | | 70,118,333.26 | | 75,111,625.03 |
| Total Non -Current Assets | | P | <u>74,861,444.99</u> | P | <u>79,816,020.28</u> |
| TOTAL ASSETS | | P | <u>193,875,474.27</u> | P | <u>184,439,592.59</u> |
| <u>LIABILITIES AND EQUITY</u> | | | | | |
| CURRENT LIABILITIES | | | | | |
| Current Financial Liabilities | 9 | P | 587,375.26 | P | 540,663.33 |
| Inter-Agency Payables | 10 | | 106,204.79 | | 29,416.16 |
| Trust Liabilities | 11 | | 2,845,078.74 | | 2,845,078.74 |
| Provisions | 12 | | 21,856,262.73 | | 21,760,222.89 |
| Other Payables | 13 | | 110,481.50 | | 110,481.50 |
| Total Current Liabilities | | P | <u>25,505,403.02</u> | P | <u>25,285,862.62</u> |
| NON-CURRENT LIABILITIES | | | | | |
| Non-Current Financial Liabilities | 14 | P | 48,117,318.38 | P | 53,932,467.38 |
| Deferred Credits/Unearned Income | 15 | | 10,652,881.16 | | 10,563,265.07 |
| Total Non-Current Liabilities | | P | <u>58,770,199.54</u> | P | <u>64,495,732.45</u> |
| TOTAL LIABILITIES | | P | <u>84,275,602.56</u> | P | <u>89,781,595.07</u> |
| EQUITY | | | | | |
| Government Equity | 16 | P | 470,390.42 | P | 470,390.42 |
| Retained Earnings | | | 109,129,481.29 | | 94,187,607.10 |
| Total Equity | | P | <u>109,599,871.71</u> | P | <u>94,657,997.52</u> |
| TOTAL LIABILITIES AND EQUITY | | P | <u>193,875,474.27</u> | P | <u>184,439,592.59</u> |

(See accompanying Notes to Financial Statements)

Republic of the Philippines
IRIGA CITY WATER DISTRICT
 Rufino Llagas St., San Roque, Iriga City

Statement of Comprehensive Income
 For the Year Ended December 31, 2019
 (With Comparative Figures for CY 2018)

| | Note | <u>2019</u> | | <u>2018</u> |
|--|------|------------------------|---|----------------------|
| Income | | | | |
| Service and Business Income | 17 | P 24,414,656.67 | P | 56,506,420.26 |
| Other Non-Operating Income | | 0.00 | | 1,020,164.00 |
| Total Income | | <u>P 24,414,656.67</u> | P | <u>57,526,584.26</u> |
| Less: Expenses | | | | |
| Personnel Services | 18 | P 5,410,562.47 | P | 19,529,248.73 |
| Maintenance and Other Operating Expenses | 19 | 2,554,805.83 | | 17,804,369.24 |
| Financial Expenses | 20 | 4,728,417.82 | | 2,680,104.28 |
| Non-Cash Expenses | 21 | 6,513,431.97 | | 7,254,266.32 |
| Total Expenses | | <u>P 19,207,218.09</u> | P | <u>47,267,988.57</u> |
| Net Income | | <u>P 5,207,438.58</u> | P | <u>10,258,595.69</u> |

(See accompanying Notes to Financial Statements)

Republic of the Philippines
IRIGA CITY WATER DISTRICT
Rufino Llagas St., San Roque, Iriga City

Statement of Changes in Equity
For the Year Ended December 31, 2019
(With Comparative Figures for CY 2018)

| | Note | <u>2019</u> | | <u>2018</u> |
|-------------------------------------|------|--------------------------------|---|-------------------------------|
| Government Equity, Beginning | 16 | ₱ <u>470,390.42</u> | ₱ | ₱ <u>470,390.42</u> |
| Retained Earnings: | | | | |
| Balance, Beginning | | ₱ 94,187,607.10 | ₱ | ₱ 83,782,801.90 |
| Net Income for the year | | 5,207,438.58 | | 10,258,595.69 |
| Prior Years' Adjustments | | 9,734,435.61 | | 146,209.51 |
| Balance, End | | ₱ <u>109,129,481.29</u> | ₱ | ₱ <u>94,187,607.10</u> |
| Total Equity | | ₱ <u><u>109,599,871.71</u></u> | ₱ | ₱ <u><u>94,657,997.52</u></u> |

(See accompanying Notes to Financial Statements)

Republic of the Philippines
IRIGA CITY WATER DISTRICT
Rufino Llagas St., San Roque, Iriga City

Statement of Cash Flows
For the Year Ended December 31, 2019
(With Comparative Figures for CY 2018)

| | <u>2019</u> | <u>2018</u> |
|---|---------------------------------------|--------------------------------------|
| Cash Flows From Operating Activities | | |
| Cash Inflows: | | |
| Collection of Income/Revenue | P 26,277,443.48 | P 64,546,040.12 |
| Collection of Receivables | 0.00 | 34,002.20 |
| Other Receipts | 21,394.86 | 2,730,434.26 |
| Total Cash Inflows | <u>P 26,298,838.34</u> | <u>P 67,310,476.58</u> |
| Adjustments | 0.00 | 4,190,520.03 |
| Adjusted Cash Inflows | <u>P 26,298,838.34</u> | <u>P 71,500,996.61</u> |
| Cash Outflows: | | |
| Payment of Expenses | P 5,692,693.68 | P 27,304,835.31 |
| Purchase of Inventories | 0.00 | 3,041,167.04 |
| Grant of Cash Advances | 57,720.00 | 314,904.24 |
| Prepayments | 25,836.18 | 58,887.61 |
| Payments of Accounts Payable | 249,844.85 | 8,358,031.59 |
| Remittances of Personnel Benefit | 1,619,686.15 | 6,826,561.41 |
| Release of Intra-Agency Fund Transfers | 400.00 | 4,057,000.00 |
| Other Disbursements | 1,200.00 | 137,202.81 |
| Total Cash Outflows | <u>P 7,647,380.86</u> | <u>P 50,098,590.01</u> |
| Total Cash Provided (Used) by Operating Activities | <u>P 18,651,457.48</u> | <u>P 21,402,406.60</u> |
| Cash Flows from Investing Activities: | | |
| Cash Inflows: | | |
| Proceeds from Sale/Disposal of PPE | P 0.00 | P 1,020,984.00 |
| Receipt of Interest Earned | 661,081.81 | 9,196.02 |
| Total Cash Inflows | <u>P 661,081.81</u> | <u>P 1,030,180.02</u> |
| Cash Outflows: | | |
| Purchase/Construction of PPE | P 128,160.00 | P 1,490,333.39 |
| Total Cash Outflow | <u>P 128,160.00</u> | <u>P 1,490,333.39</u> |
| Total Cash Provided (Used) by Investing Activities | <u>P 532,921.81</u> | <u>P (460,153.37)</u> |
| Cash Flows From Financing Activities | | |
| Cash Outflows: | | |
| Payments of Loan Interest and Principal | P 10,543,566.84 | P 10,543,566.84 |
| Total Cash Outflows | <u>P 10,543,566.84</u> | <u>P 10,543,566.84</u> |
| Total Cash Provided (Used) by Financing Activities | <u>P (10,543,566.84)</u> | <u>P (10,543,566.84)</u> |
| Net Cash Provided (Used) by Operating, Investing | <u>P 8,640,812.45</u> | <u>P 10,398,686.39</u> |
| Cash and Cash Equivalents, Beginning | 94,400,177.98 | 84,001,491.59 |
| Cash and Cash Equivalents, Ending | <u><u>P 103,040,990.43</u></u> | <u><u>P 94,400,177.98</u></u> |