



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

FINANCIAL AUDIT REPORT

on the

PLARIDEL WATER DISTRICT Plaridel, Bulacan

For the Year Ended December 31, 2023



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
REGIONAL OFFICE NO. III
City of San Fernando, Pampanga

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Plaridel Water District
Plaridel, Bulacan

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the **Plaridel Water District, Plaridel, Bulacan** which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the *Basis for Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the **Plaridel Water District** as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

The accuracy of the balance of the following assets and liabilities accounts was doubtful due to the accounting errors and deficiencies that significantly misstated/misrepresented the accounts, as follows: (a) recognition of unfulfilled purchase orders (POs) amounting to ₱1,361,479 as accounts payable in the books of accounts; and (b) non-reclassification of the unserviceable properties amounting to ₱408,783 from the Property, Plant and Equipment (PPE) account to the Other Assets account.

We conducted our audits in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Revised Code of Conduct and Ethical Standards for Commission on Audit Officials and Employees (Code of Ethics)* together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the agency's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the agency or to cease operations, or has no alternative but to do so.

Those charged with governance are responsible for overseeing the agency's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Plaridel Water District's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plaridel Water District's, ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plaridel Water District's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

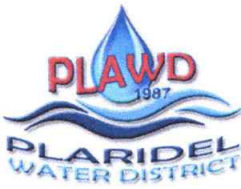
COMMISSION ON AUDIT

By:



OSCAR G. JACINTO, JR.
Supervising Auditor

June 10, 2024



PLARIDEL WATER DISTRICT

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

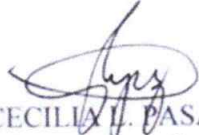
The Management of **PLARIDEL WATER DISTRICT** is responsible for the preparation of the financial statements as at December 31, 2023, including the additional components attached thereto in accordance with prescribed financial reporting framework indicated therein. The responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

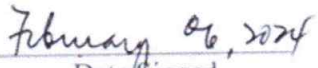
The Board of Directors reviews and approves the financial statements before such statements are issued to the regulators, creditors and other users.


The Commission on Audit has audited the financial statements of the **PLARIDEL WATER DISTRICT** in accordance with International Standards of Supreme Audit Institutions and has expressed its opinion on the fairness of presentation upon completion of such audit, in its report to the Board of Directors.


NATHANAEL ANDRES S. BERNABE, JR.
Chairman of the Board


Date Signed


CECILY L. PASAGUI
Division Manager B - Finance


Date Signed


ENGR. MARIO G. MACATANGAY
Interim General Manager


Date Signed



PLARIDEL WATER DISTRICT
STATEMENT OF FINANCIAL POSITION
As at December 31, 2023
(With Comparative Figures for CY 2022)

(All amounts are rounded off to the nearest peso)

	Note	2023	2022
ASSETS	2,3		
Current Assets			
Cash and Cash Equivalents	4	P113,113,893	P48,432,889
Receivables, Net	5	10,749,122	67,505,488
Inventories	6	12,341,731	8,614,412
Other Assets	7	1,693,079	1,180,333
Total Current Assets		137,897,825	125,733,122
Non-Current Assets			
Property, Plant and Equipment, Net	8	185,384,238	102,689,052
Investments	9	1,031,042	1,025,645
Other Assets	7	1,254,778	1,254,778
Total Non-Current Assets		187,670,058	104,969,475
TOTAL ASSETS		P325,567,883	P230,702,597
LIABILITIES AND EQUITY	2,3		
LIABILITIES			
Current Liabilities			
Financial Liabilities	10	P13,233,162	P12,560,282
Inter-Agency Payables	11	7,679,807	2,989,964
Intra-Agency Payables		30,659	30,659
Trust Liabilities	12	9,387,949	7,950,604
Provisions	13	6,512,455	5,974,426
Other Payables	14	9,075,685	690,634
Total Current Liabilities		45,919,717	30,196,569
Non-Current Liabilities			
Financial Liabilities	10	71,533,672	0
Total Non-Current Liabilities		71,533,672	0
TOTAL LIABILITIES		117,453,389	30,196,569
EQUITY			
Government Equity		4,808,060	4,808,060
Retained Earnings	15	203,306,434	195,697,968
TOTAL EQUITY		208,114,494	200,506,028
TOTAL LIABILITIES AND EQUITY		P325,567,883	P230,702,597

The notes on pages 9 to 33 form part of these statements.



PLARIDEL WATER DISTRICT
STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended December 31, 2023
(With Comparative Figures for CY 2022)

(All amounts are rounded off to the nearest peso)

	Note	2023	2022
INCOME			
Service and Business Income		₱118,654,945	₱103,236,542
Other Non-Operating Income		6,857,577	6,338,673
Total Income	16	125,512,522	109,575,215
EXPENSES			
Personnel Services	17	45,323,478	44,563,321
Maintenance and Other Operating Expenses	18	64,793,636	51,162,747
Financial Expenses		7,750	7,450
Non-Cash Expenses	19	7,661,801	7,048,689
Total Expenses		117,786,665	102,782,207
NET INCOME		₱7,725,857	₱6,793,008

The notes on pages 9 to 33 form part of these statements.



PLARIDEL WATER DISTRICT
STATEMENT OF CHANGES IN EQUITY
For the Year Ended December 31, 2023

(All amounts are rounded off to the nearest peso)

	GOVERNMENT EQUITY	RETAINED EARNINGS	TOTAL
BALANCE AT DECEMBER 31, 2022	₱4,808,060	₱195,697,968	₱200,506,028
ADJUSTMENTS:			
Add (Deduct):			
Net Income	0	7,725,857	7,725,857
Other Adjustments	0	(117,391)	(117,391)
BALANCE AT DECEMBER 31, 2023	₱4,808,060	₱203,306,434	₱208,114,494

The notes on pages 9 to 33 form part of these statements.



PLARIDEL WATER DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023
(With Comparative Figures for CY 2022)

(All amounts are rounded off to the nearest peso)

	Note	2023	2022
Cash Flows from Operating Activities			
Cash Inflows			
Proceeds from Sale of Goods and Services		P113,835,252	P98,953,375
Collection of Income/Revenues		7,211,755	7,304,365
Collection of Receivables		6,270,792	6,241,795
Other Receipts		1,591,279	11,495,717
Total Cash Inflows		128,909,078	123,995,252
Cash Outflows			
Payment of Expenses		83,886,305	68,427,718
Purchase of Inventories		9,342,797	9,062,682
Grant of Cash Advances		1,950,937	1,791,585
Refund of Deposits		318	6,676
Payment of Accounts/Other Payable		813,800	652,189
Remittance of Personnel Benefits Contributions and Mandatory Deductions		22,815,846	20,999,157
Others		14,732,596	56,807,169
Total Cash Outflows		133,542,599	157,747,176
Net Cash Provided by (Used in) Operating Activities		(4,633,521)	(33,751,924)
Cash Flows from Investing Activities			
Cash Inflows			
Receipt of Interest Earned		49,031	59,249
Total Cash Inflows		49,031	59,249
Cash Outflows			
Purchase/Construction of PPE		2,260,428	7,915,889
Total Cash Outflows		2,260,428	7,915,889
Net Cash Provided by (Used in) Investing Activities		(2,211,397)	(7,856,640)
Cash Flows from Financing Activities			
Cash Inflows			
Receipt of Loan Proceeds		71,533,672	0
Total Cash Inflows		71,533,672	0
Cash Outflows			
Bank Charges		7,750	7,450
Total Cash Outflows		7,750	7,450
Net Cash Provided by (Used in) Investing Activities		71,525,922	(7,450)
Cash and Cash Equivalents, January 1		48,432,889	90,048,903
Increase (Decrease) in Cash and Cash Equivalents		64,681,004	(41,616,014)
Cash and Cash Equivalents, December 31	4	P113,113,893	P48,432,889

The notes on pages 9 to 33 form part of these statements.