



**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, 2025



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

Qualified 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, 2025, 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 Qualified 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, 2025, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Qualified Opinion

The balance of the Property, Plant and Equipment and Equity accounts are overstated due to the inclusion of unlocated and undetermined properties with an aggregate carrying value of ₱8,405,589.

These unlocated and undetermined properties arose due to the absence of complete and updated property records. This condition increases the risk of loss, misuse, or misstatement of government assets and reflects non-compliance with pertinent accounting and property management policies.

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 qualified 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 PFRS 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.

COMMISSION ON AUDIT



JANET D. CAPARAS
OIC-Supervising Auditor

March 26, 2026



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, 2025, 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 regulators, creditors and other users.

The Commission on Audit has audited the financial statements of the **PLARIDEL WATER DISTRICT** in accordance with the 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.
Chairperson of the Board


06 FEB 2026

Date Signed


JUDY ANN D. MANUEL
Corporate Accountant -
Acting Division Manager B, Finance

06 FEB 2026

Date Signed


ENGR. DANIEL C. GRAVADOR
Interim General Manager

06 FEB 2026

Date Signed



PLARIDEL WATER DISTRICT
STATEMENT OF FINANCIAL POSITION
As at December 31, 2025
(With Comparative Figures for CY 2024)

(All amounts are rounded off to the nearest peso)

	Note	2025	2024
ASSETS	2,3		
Current Assets			
Cash and Cash Equivalents	4	₱105,394,436	₱84,334,880
Receivables, Net	5	14,939,516	13,577,196
Inventories	6	35,131,910	11,646,712
Other Assets	7	331,600	331,600
Total Current Assets		155,797,462	109,890,388
Non-Current Assets			
Property, Plant and Equipment, Net	8	307,782,175	264,868,230
Intangible Assets, Net	9	900,000	0
Other Assets	7	13,869,789	12,706,973
Total Non-Current Assets		322,551,964	277,575,203
TOTAL ASSETS		₱478,349,426	₱387,465,591
LIABILITIES AND EQUITY	2,3		
LIABILITIES			
Current Liabilities			
Financial Liabilities	10	₱38,576,664	₱15,147,908
Inter-Agency Payables	11	5,253,355	3,994,585
Intra-Agency Payables		30,659	30,659
Trust Liabilities	12	30,116,571	25,215,492
Provisions	13	8,308,545	7,347,363
Other Payables		397,546	361,153
Total Current Liabilities		82,683,340	52,097,160
Non-Current Liabilities			
Financial Liabilities	10	155,397,442	127,937,833
Total Non-Current Liabilities		155,397,442	127,937,833
TOTAL LIABILITIES		238,080,782	180,034,993
EQUITY			
Government Equity	14	4,808,060	4,808,060
Retained Earnings	15	235,460,584	202,622,538
TOTAL EQUITY		240,268,644	207,430,598
TOTAL LIABILITIES AND EQUITY		₱478,349,426	₱387,465,591

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, 2025
(With Comparative Figures for CY 2024)

(All amounts are rounded off to the nearest peso)

	Note	2025	2024
INCOME			
Service and Business Income		₱163,427,145	₱125,543,022
Other Non-Operating Income		6,895,864	6,734,092
Total Income	16	170,323,009	132,277,114
EXPENSES			
Personnel Services	17	43,565,721	48,470,552
Maintenance and Other Operating Expenses	18	84,080,612	72,825,593
Financial Expenses		11,250	9,900
Non-Cash Expenses	19	7,737,740	7,459,422
Total Expenses		135,395,323	128,765,467
NET INCOME		₱34,927,686	₱3,511,647

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, 2025

(All amounts are rounded off to the nearest peso)

	GOVERNMENT EQUITY	RETAINED EARNINGS	TOTAL
BALANCE AT JANUARY 1, 2024	₱4,808,060	₱203,306,434	₱208,114,494
ADJUSTMENTS:			
Add (Deduct):			
Net Income	0	3,511,647	3,511,647
Other Adjustments	0	(4,195,543)	(4,195,543)
BALANCE AT DECEMBER 31, 2024	4,808,060	202,622,538	207,430,598
Add (Deduct):			
Net Income	0	34,927,686	34,927,686
Other Adjustments	0	(2,089,640)	(2,089,640)
BALANCE AT DECEMBER 31, 2025	₱4,808,060	₱235,460,584	₱240,268,644

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, 2025
(With Comparative Figures for CY 2024)

(All amounts are rounded off to the nearest peso)

	Note	2025	2024
Cash Flows from Operating Activities			
Cash Inflows			
Proceeds from Sale of Goods and Services	16	₱156,117,922	₱122,874,737
Collection of Income/Revenues	16	7,026,289	6,919,868
Collection of Receivables	5	6,591,386	6,591,386
Other Receipts	12	2,050,192	1,803,972
Total Cash Inflows		171,785,789	138,189,963
Cash Outflows			
Payment of Expenses	17,18	98,083,567	91,649,747
Purchase of Inventories	6	7,353,097	7,359,406
Grant of Cash Advances	5	1,629,441	2,607,234
Refund of Deposits		3,854	318
Payment of Payables	12	843,154	575,377
Remittance of Personnel Benefits Contributions and Mandatory Deductions	11	27,566,379	32,257,756
Others	10,12	26,952,915	51,895,432
Total Cash Outflows		162,432,407	186,345,270
Net Cash Used in Operating Activities		9,353,382	-48,155,307
Cash Flows from Investing Activities			
Cash Inflows			
Receipt of Interest Earned		77,197	73,777
Total Cash Inflows		77,197	73,777
Cash Outflows			
Purchase/Construction of PPE	8	14,537,080	18,810,895
Others	7	1,000,000	10,000,000
Total Cash Outflows		15,537,080	28,810,895
Net Cash Used in Investing Activities		-15,459,883	-28,737,118
Cash Flows from Financing Activities			
Cash Inflows			
Receipt of Loan Proceeds	10	27,177,307	48,123,312
Total Cash Inflows		27,177,307	48,123,312
Cash Outflows			
Bank Charges		11,250	9,900
Total Cash Outflows		11,250	9,900
Net Cash Provided by Investing Activities		27,166,057	48,113,412
Cash and Cash Equivalents, January 1		84,334,880	113,113,893
Increase (Decrease) in Cash and Cash Equivalents		21,059,556	(28,779,013)
Cash and Cash Equivalents, December 31	4	₱105,394,436	₱84,334,880

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