



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

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## AUDIT CERTIFICATE

**THE BOARD OF DIRECTORS**  
Laguna Lake Development Authority  
SRA Compound, North Avenue  
Quezon City

Pursuant to Section 2, Article IX-D of the Philippine Constitution and Section 43 of Presidential Decree No. 1445, we have audited the accompanying Balance Sheet of the Laguna Lake Development Authority as of December 31, 2010 and the related Statement of Income and Expenses and Statement of Cash Flows for the year then ended. These financial statements are the responsibility of the Laguna Lake Development Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted state auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of materials misstatement/s. Our audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides reasonable basis for our opinion.

The accuracy and reliability of Property, Plant and Equipment (PPE) with total book value of P87,927,575.22 could not be ascertained due to, among others: (a) non-conduct of physical inventory of PPE; (b) non-reclassification of unserviceable property with total cost of P14,805,114.06 to Other Assets account; and (c) unaccounted discrepancy of P23,392,231.06 between the general and subsidiary ledger balances, contrary to pertinent accounting and auditing rules and regulations and sound property management practices.

Likewise, the absence of subsidiary ledgers for unidentified accounts with an aggregate amount of P20,732,891.19, the unidentified accounts of Due from Officers and Employees in the amount of P312,160.77, and the deviation from accrual basis on unearned income in the amount of P27,000,000 are the basis for our qualified opinion.

CERTIFIED TRUE COPY  
CONSUELO FRANCISCO  
Records Officer

In our opinion, except for the effects of any adjustments as might have been determined to be necessary for the matters described in the preceding paragraphs, the financial statements referred to above present fairly, in all material respect, the financial position of Laguna Lake Development Authority as of December 31, 2010 and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

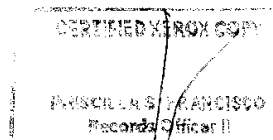
**COMMISSION ON AUDIT**

By:



**BIENVENIDA P. CACATIAN**  
Supervising Auditor

March 3, 2011





## LAGUNA LAKE DEVELOPMENT AUTHORITY

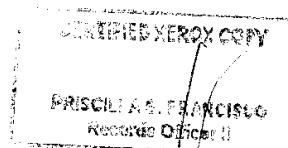
### BALANCE SHEET

As of December 31, 2010

(With Comparative Figures for CY 2009)

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents (Note 4)	P 11,993,943.47	P 32,225,335.17
Receivables (Note 5)	247,910,294.10	254,468,740.40
Inventories (Note 6)	2,440,051.35	3,344,409.37
Prepayments (Note 7)	6,477.26	(302,088.64)
Other Current Assets (Note 8)	2,548,771.30	2,344,831.30
<b>Total Current Assets</b>	<b><u>264,899,537.48</u></b>	<b><u>292,081,227.60</u></b>
<b>Non-Current Assets</b>		
Investments (Note 9)	292,552,016.85	277,478,844.36
Property, Plant and Equipment (Note 10)	90,228,669.44	71,104,508.70
<b>Total Non-current Assets</b>	<b><u>382,780,686.29</u></b>	<b><u>348,583,353.06</u></b>
<b>Total Assets</b>	<b><u>647,680,223.77</u></b>	<b><u>640,664,580.66</u></b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts Payable (Notes 11)	29,910,788.45	29,572,136.28
Inter-agency Payables (Note 12)	39,764,842.62	28,563,484.70
Deferred Credits (Note 13)	24,542,700.48	33,719,461.75
Other Liability Accounts (Note 14)	3,241,773.98	7,545,717.38
Long-term Liabilities (Note 15)	2,377,931.52	1,526,687.27
<b>Total Liabilities</b>	<b><u>99,838,037.05</u></b>	<b><u>100,927,487.38</u></b>
<b>Equity</b>		
Capital Stock (Note 16)	9,956,200.00	9,956,200.00
Subscribed Capital Stock (Note 16)	377,185,600.00	377,185,600.00
Restricted Capital (Note 17)	24,044,153.05	26,179,813.89
Retained Earnings (Note 18)	136,656,233.67	126,415,479.39
<b>Total Equity</b>	<b><u>547,842,186.72</u></b>	<b><u>539,737,093.28</u></b>
<b>Total Liabilities &amp; Equity</b>	<b><u>P 647,680,223.77 P</u></b>	<b><u>640,664,580.66</u></b>

(See accompanying Notes to Financial Statements)





**LAGUNA LAKE DEVELOPMENT AUTHORITY**  
**STATEMENT OF INCOME AND EXPENSES**  
For the Year Ended December 31, 2010  
(With Comparative Figures for CY 2009)

	<u>2010</u>	<u>2009</u>
<b>REVENUE FROM OPERATIONS</b>		
Permits and Licenses (Note 19)	P- 86,088,074.33	P- 126,492,732.05
Service Income (Note 20)	47,063,926.83	39,468,266.93
Business Income (Note 21)	35,914,754.65	5,478,903.37
Other Income (Note 22)	18,642,894.61	27,194,016.37
<b>Total Revenues</b>	<u><b>187,709,650.42</b></u>	<u><b>198,633,918.72</b></u>
<b>OPERATING EXPENSES</b>		
Personal Services (Note 23)	74,335,666.28	73,328,186.91
Maintenance and Other Operating Expenses (Note 24)	74,594,788.52	60,162,649.05
<b>Financial Expenses</b>		
Bank Charges	8,632.56	21,244.21
Other Financial Charges	93,429.23	41,588.86
<b>Total expenses</b>	<u><b>149,032,516.59</b></u>	<u><b>133,553,669.03</b></u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	38,677,133.83	65,080,249.69
Loss of Assets	0.00	7,700,264.48
	<u>38,677,133.83</u>	<u>57,379,985.21</u>
<b>PROVISION FOR INCOME TAX (Note 24)</b>	<u>9,218,874.26</u>	<u>13,137,343.78</u>
<b>NET INCOME</b>	<u><b>P- 29,458,259.57</b></u>	<u><b>P- 44,242,641.43</b></u>

(See accompanying Notes to Financial Statements)

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PRISCILLA S. FRANCISCO  
Records Officer II