

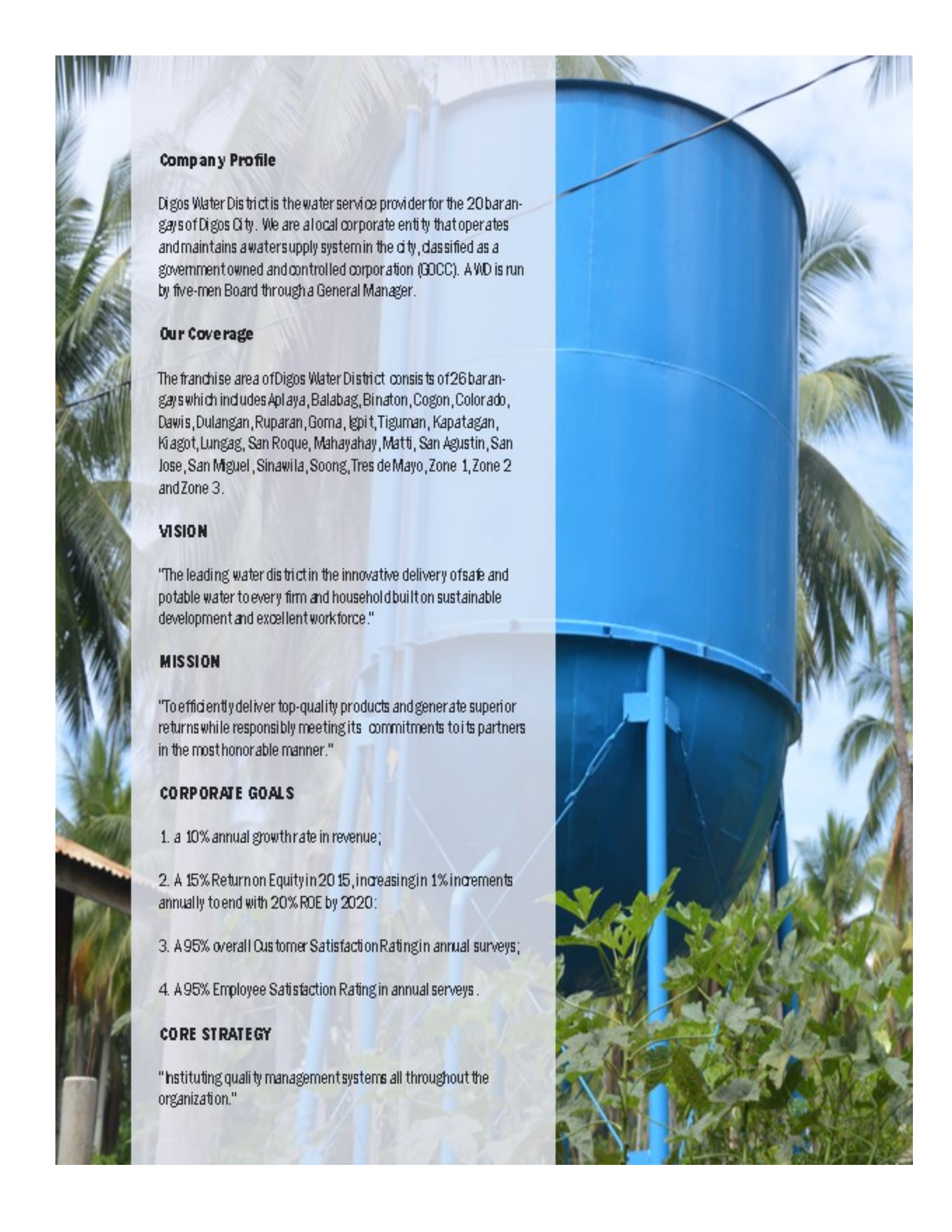
2014

ANNUAL REPORT

**changing
direction**



DIGOS WATER DISTRICT
Rizal Avenue, Digos City



Company Profile

Digos Water District is the water service provider for the 20 barangays of Digos City. We are a local corporate entity that operates and maintains a water supply system in the city, classified as a government owned and controlled corporation (GOCC). AWD is run by five-men Board through a General Manager.

Our Coverage

The franchise area of Digos Water District consists of 26 barangays which includes Aplaya, Balabag, Binaton, Cogon, Colorado, Dawis, Dulangan, Ruparan, Goma, Igit, Tiguman, Kapatagan, Kiagot, Lungag, San Roque, Mahayahay, Matti, San Agustin, San Jose, San Miguel, Sinawila, Soong, Tres de Mayo, Zone 1, Zone 2 and Zone 3.

VISION

"The leading water district in the innovative delivery of safe and potable water to every firm and household built on sustainable development and excellent workforce."

MISSION

"To efficiently deliver top-quality products and generate superior returns while responsibly meeting its commitments to its partners in the most honorable manner."

CORPORATE GOALS

1. a 10% annual growth rate in revenue;
2. A 15% Return on Equity in 2015, increasing in 1% increments annually to end with 20% ROE by 2020;
3. A 95% overall Customer Satisfaction Rating in annual surveys;
4. A 95% Employee Satisfaction Rating in annual surveys.

CORE STRATEGY

"Instituting quality management systems all throughout the organization."

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The Year at a Glance

22.61%

Average Non-
Revenue
Water



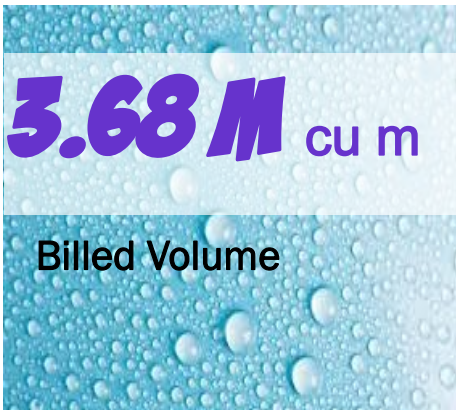
94.8%

Customers with
24-hour water
supply



3.68 M cu m

Billed Volume



15,713

Active Service
Connections

Revenue

P110.09M

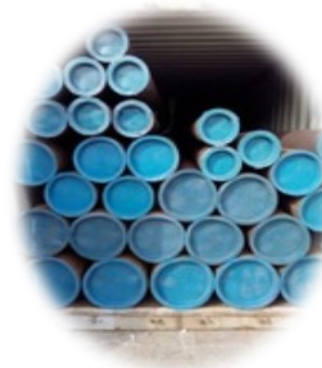
Net Income

P18.9M



260 KM

Km of
pipelines
main in use



Message from the General Manager



Change is inevitable. Change is constant. Change is the law of life.

An ugly worm has to go out from its cocoon before it will be transformed into a beautiful butterfly. An egg needs to hatch before it can turn into a

bird.

Everything in this world has to undergo change. Be it a human being, a community or an organization.

Digos Water District, an organization which has been standing for three (3) decades is never the same just like it was before. From a 260-cubic meter concrete reservoir, 14 lps well and two kilometres of antiquated pipelines, it has now 8 major wells and pumping facilities, 13 storage tanks 260 kilometres of pipelines laid in its distribution network and 85 employees. It has evolved from an infant water district to a full grown one ready to face the challenges that await ahead.

Its success is shown by the P11 million increase in revenue from P99 million in 2013 to a whopping P110 million in 2014. Despite the 10% increase in operating expenses for 2014, still it posted a 1% decrease in the district's Operating ratio from 82% to 81%.

Moreover, DWD earned a massive P18 million net Income, which is 17% of its total revenue in 2014 that is far better than what it earned in the preceding year. The amount of cash flow available to meet annual interest and principal payments on debts has a favourable 3.24:1 ratio.

The water district maintained a 10% return on its invested capital for the past two years even if 36% of DWD's assets have been financed by debt in 2014, higher than 2013's 34%. Current ratio increased from 2.49:1 to 2.75:1 in 2014.

The figures earlier discussed are clear manifestations of the water district's robust financial condition. But then again, in this society where the pace of change is faster are we bound to stop accelerating at this point?

The roadmap has been established by the water district with the construction of various facilities in consonance with the city government's platform of socio-economic development. Having established the necessary facilities and other capital structures, there is now a shift from construction to operation and capitalize on the capital and human resources invested, thus operations will now weigh greatly on production and delivery of safe potable water and the proper billing and collection for the district to maintain stability and sustainability of its operation. The construction of additional facilities will continue to be pursued in order to augment present supplies, support structures to the end that the water district operation will continue to be sustainable, technically feasible, and financially viable.

It has become inevitable for the water district to change direction in order to keep abreast with the demands of time. The management through the direction of the Board had adopted a five-year strategic plan that will serve as *vade mecum* of the water district's operation in the next five (5) years.

We are currently anticipating a change in our landscape and in the midst of a challenging changing stage. More often than not, change is accompanied by drawbacks and discomforts.

But let us not be wary. Consider an egg which finds it is really difficult to turn into a bird. Nonetheless, it is more difficult to learn to fly while remaining an egg. We are like eggs at present. And we cannot go on indefinitely being just an ordinary, decent egg. We must be hatched or turn bad.

After all, change is inevitable. Change is the only constant element of progress. Change is the law of life.

ATTY. ISAUROS B. GRAVADOR

OPERATION HIGHLIGHTS

Capital expenditures for the year is relatively higher by 93% compared that of last year. In 2013, DWD spent P12,600,275.24 on capital expenditure projects. This year, CAPEX amounts to P24,294,953.70. This involved expansion of distribution network, construction of major facilities and investment in information technology.

CAPEX ITEM	AMOUNT
Office buildings	49,500.00
Other Structures	854,739.00
Office equipment	256,718.00
Furniture & Fixture	98,090.00
Information Technology	2,552,914.00
Other Machineries & Equipment	2,675,060.00
Motor vehicle	2,018,620.00
Artesian Wells, Reservoir, Pumping Stations, etc.	15,789,312.70
	24,294,953.70

Table 1 Capital expenditures of Digos Water District

Water Supply and Facilities

The existing operational waterworks facilities serving the franchise area of DWD consists of nine (9) deep well sources and thirteen (13) water tanks. These water sources produce a total of 4,754,379 cubic meters of water. Our average daily water production for 2014 is 13,026 cubic meters.

Service Expansion and Improvement

Around 965 water service connections were added to our distribution network in 2014. This expanded our customer base to around 109,991.

DWD has been aggressively implementing capital expenditure projects that would improve water services in the city. This involved the replacement of old leaky pipes and expansion of distribution network. The Engineering Division had successfully laid down the following pipes as of December 31, 2014:

Type of Line	Length in km
Total Pipe Line	256,117
Transmission Line	4,204
Distribution Line	260,321

Replacement of Old Water Meters

To spread out the capital outlay, the Water District replaces the existing water meters ranging from 5 years old and above in an annual basis. As of December 31, 2014, 1,248 water meters have been replaced. The Meter Management Program was implemented as part of the efforts to reduce non-revenue water (NRW).

DIGOS WATER DISTRICT PROFILE

Supply Source:	100% Groundwater
Km of pipelines:	260 km
Pumping stations:	9
Water tanks:	13
No. of customers:	15,713
Service coverage:	74% of franchise area
No. of franchise area:	1
Billed volume:	3,679,187 cu.m
Supply volume:	4,754,379 cu.m
Non Revenue Water (NRW) (%)	22.61
Revenue	P109,913,868.24
Net Income	P18,895,416.86
No. of Employees:	85
SPI (ratio of employee per ASC):	1:185

NRW REDUCTION EFFORTS

CUSTOMER SATISFACTION

DIGOS Water District does not only exist for the sole purpose of providing water. We also strive to satisfy the needs of our concessionaires.

For the calendar year ending December 31, 2014, DWD's customer base totaled 15,713 broken down as follows:

Customer Category	No. of active connections ending December 31, 2014	%
Residential	14,451	91.97%
Government	180	1.15%
Commercial	1,082	6.89%
TOTAL	15,713	100.00%

Digos Water District provides potable water to its franchise area. We value customer feedbacks for the betterment of DWD services.

However, a discrepancy in the numbers will be illustrated on the subsequent table which shows the billed volumes for 2014. It is to be noted that the **Billing Period for Year 2014** started on **December 2013 Billing** (which schedule commenced on December 18, 2013) and ended on **November 2014 Billing** (wherein the last read-and-bill schedule was on December 16, 2014).

Customer Category	Billed Accounts	%	Billed Volume	Average Consumption per account
Residential	14,273	91.93%	3,191,325 m ³	19 m ³
Government	180	1.16%	167,451 m ³	78 m ³
Commercial	1,073	6.91%	320,411 m ³	25 m ³
TOTAL	15,526	100.00%	3,679,187 m³	20 m³

Complaints Monitoring and Resolution

Service is our business. Hence, the voice of our concessionaires matter. The office maintains a telephone line intended to cater concessionaires' queries and complaints. This line is available for service 24/7.

For walk-in queries and complaints, we have Customer Service Assistants whose posts are strategically located near the front door. To accommodate the working class type of concessionaires, we had implemented a "No Noon Break" Policy since 2010 for front liners.

In keeping up with technology and the social media trend, DWD likewise accommodates queries and complaints from netizens on our official Facebook page (<https://www.facebook.com/digos.water>) which was launched last 2011.

During the year, we were able to attend to a total of 41,809 inquiries, requests, complaints and leak reports all acted upon.

Dripping Blowout Program

The management devised a program aimed at recognizing the efforts of customers in prompt payments of water service. The program commenced last September 1, 2014 wherein a concessionaire who paid in full is given a raffle coupon for a chance to win big prizes. The raffle draw was conducted last December 29, 2014 within the office premises. Prizes consisted of appliances and plastic wares.

Ensuring Water Quality

We are committed to deliver safe and potable drinking water to our concessionaires. We monitor and regularly draw samples from the different sampling points of our service area. These samples undergo strict bacteriological, physical and chemical examination to ensure that the water meets the Philippine National Standards for Drinking Water (PNSDW) of the Department of Health (DOH).

The district conducted 190 microbiological analyses and 16 physical and chemical analyses for 2014 which yielded satisfactory results.

CORPORATE GOVERNANCE

Management & Corporate Governance

DWD adheres to the principles of transparency, accountability and fairness. It aims for the high standards of public service and strive to nurture a culture of good governance within the water district.

Governance



The DWD Board of Directors

All powers, privileges and duties of the district is exercised and performed by and through the Board. However, the executive, administrative and ministerial power is delegated to the management.

The transparency, improvement and systemization in governance are overseen by the Board of Directors. The BOD is the guardian of fairness, transparency and accountability in all major financial and business dealings of the WD in order to serve its mandate.

The Board has five (5) members appointed by the local chief executive. The members of the board must be representative of the different sectors viz : (1) civic oriented service clubs; (2) professional associations; (3) business, commercial or financial organizations; (4) educational institutions; and (5) women’s organizations. Any Filipino citizen of voting age may be appointed as director except for public officials.

Position	Board Member	Gender	Sector Represented
Chairman	Atty. Ollita P. Atillo – Anyog	F	Professional
Vice Chairman	Rev. Hamuel G. Tequis	M	Education
Secretary	Engr. Emilio D. Almazan	M	Civic
Member	Dir. Arturo S. Ang	M	Business
Member	Dir. Esther S. Molina	F	Women

Board Remuneration

The rules prescribing the compensation of the Board of Directors of local water districts (LWD) is set forth in Executive Order 65. Under EO 65, the maximum per diem per meeting actually attended by members of the Board of Directors of LWDs shall be based on the classification of a particular LWD.

Meetings

The organizational meeting of the Board is held at the first meeting of each odd-numbered year while regular meetings are held every 2nd and 4th Thursday of the month. It is in the 4th Thursday of the month that the Financial Reports are being taken up in the meeting.

Board Member	Number of Meetings	Meetings Attended	Percentage (%)
Atty. Ollita P. Atillo – Anyog	24	23	96%
Rev. Hamuel G. Tequis	24	24	100%
Engr. Emilio D. Almazan	24	24	100%
Dir. Arturo S. Ang	24	24	100%
Dir. Esther S. Molina	24	24	100%

Quorum

A majority of the Board present in person shall constitute quorum for all meetings of the Board. Under PD 198, no resolution or motion shall be adopted or become effective without the affirmative vote of a majority of the authorized number of members of the Board.

Code of Conduct and Ethical Standards

The Water District’s commitment to the highest standards of ethics, good governance and integrity is institutionalized with the Board’s adoption of the Code of Conduct and Ethical Standards in 2009. The Code defines appropriate behaviour for board members, officers in accordance with provisions of Republic Act No. 6713 and Republic Act No. 3019, as amended, otherwise known as The Anti-Graft and Corrupt Practices Act. It carefully delineates ways in which board members should conduct themselves to avoid actual impropriety or the appearance of it.

Top Management

Name	Position
Atty. Isauros B. Gravador	General Manager
Ms. Amelia U. Velarde	Manager, Administrative Division
Ms. Maryluth D. Martel	Manager, Customer Accounts Division
Ms. Mercedes C. Relatado	Manager, Customer Services Division
Engr. Amancio G. Paquibot	Manager, Engineering Division
Ms. Belen J. Villegas	Manager, Finance, Division
Engr. Felomino A. Daub	Manager, Water Resources Division

Human Resource Development

DWD officially adopted a new set of vision, mission, goal and strategy in 2014 to support the shift in corporate direction from capital expenditures to capitalizing on our investments— one that addresses the needs of our stakeholders whether in the form of technical consulting services, operations expertise or strategic partnerships.

By virtue of Board Resolution No. 04-20 s. 2014, the Digos Water District adopted the following vision-mission statements:

VISION

The leading water district in the innovative delivery of safe and potable water to every firm and household built on sustainable development and excellent workplace.

MISSION

To efficiently deliver top quality products and generate superior returns while responsibly meeting its commitments to its partners in the most honorable manner.

To guide the Water District in the next five years, the following goals were set:

1. A 10% annual growth rate in revenue;
2. A 15% Return on Equity in 2015, increasing in 1% increments annually to end with 20% ROE by 2020;
3. A 95% Overall Customer Satisfaction Rating in annual surveys;
4. A 95% Employee Satisfaction Rating in annual surveys.

Collective Negotiation Agreement

The Samahang Manggagawa ng Digos Water District (SAMADIWAD) is the sole and exclusive negotiating agent of the rank-and-file employees of DWD. The Collective Negotiation Agreement (CNA) between the Samahan and the management was forged on 09 November 2011, and was renewed in December 2014. Its CNA was registered with the Civil Service Commission under Certificate of Registration No. 546.

SAMADIWAD was primarily instituted for the purpose of promoting moral, social, economic well-being of all its members and to foster harmonious relationship between labor and management.

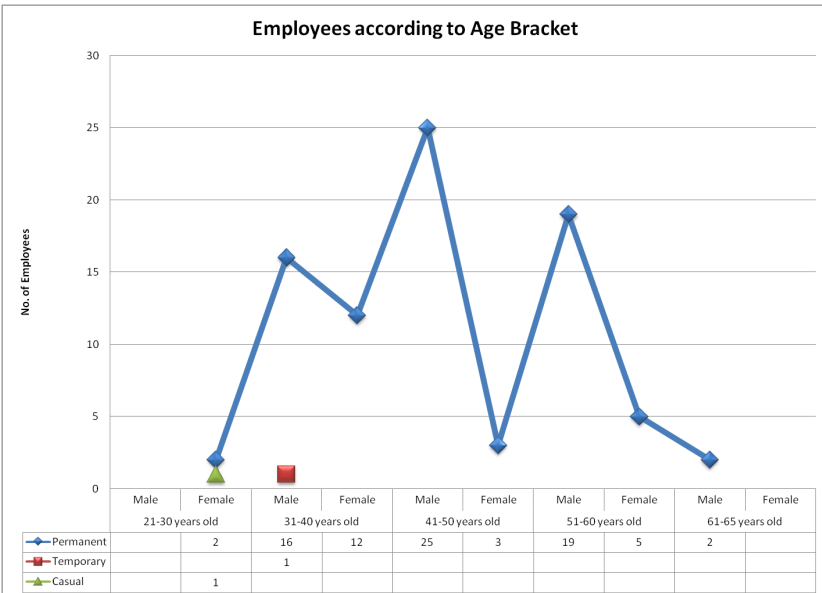
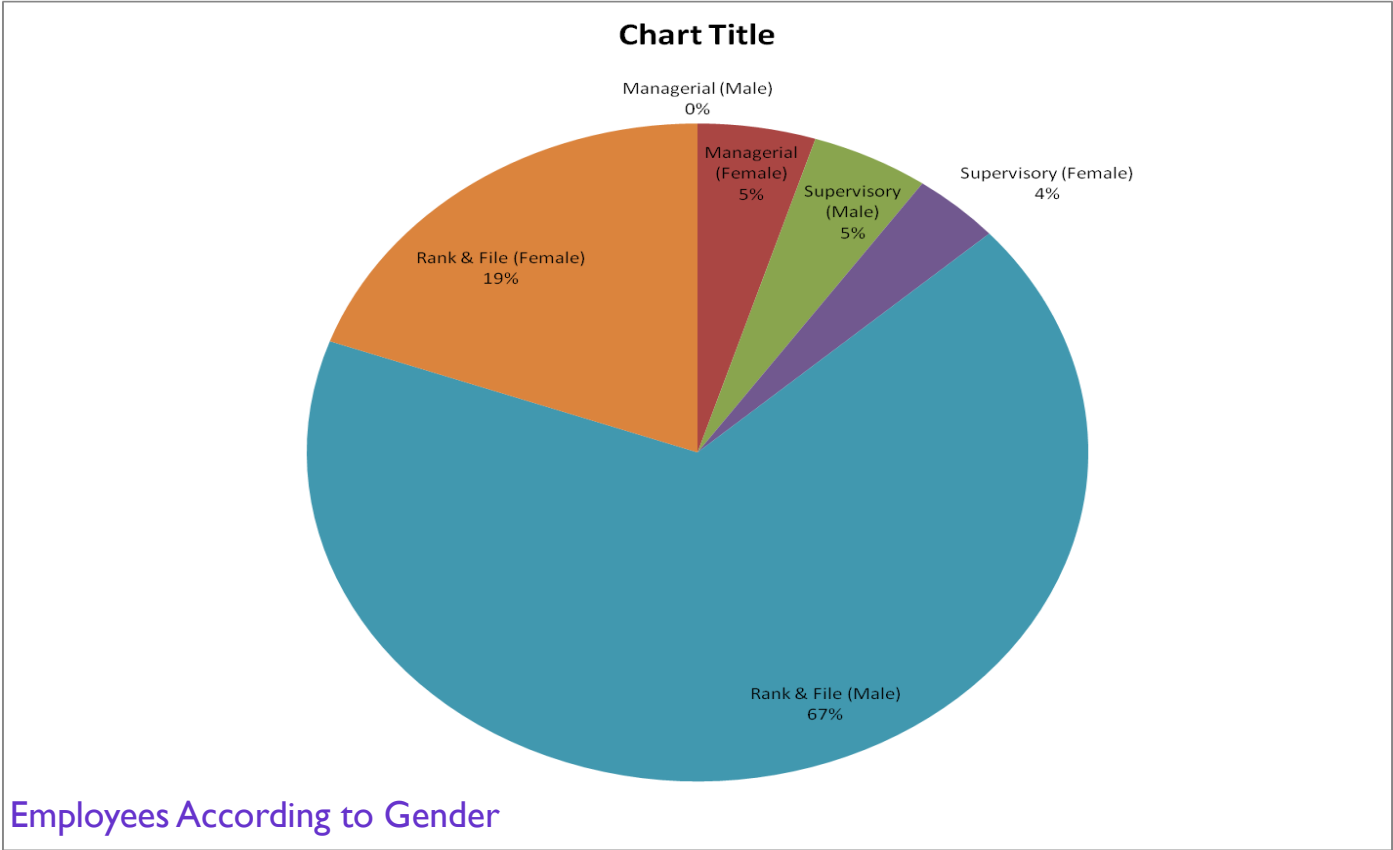


Employee Engagement and Development

DWD encourages its employees towards consistent growth and development for the agency, staff and stakeholders. Employee development programs are carried annually within the company to benefit trainings with different training centers and are aligned with efficiency targets, health and safety, improvement of working conditions or leadership development. Provision of incentives through a reward system to individuals or groups based on their performance is part of employee development as well.

TRAINING CATEGORY	TRAINING HOURS
Professional development	72
Management leadership	64
Technical	1446
Number of employees	86
Average training hours	44
Percentage of EE who attended seminars	42%

GRAPHS



NEW HIRE			
AGE GROUP	FEMALE	MALE	TOTAL
18-20		0	0
21-30	1	1	2
31-40		5	5
41-50		1	1
51-60		1	1
61-65			

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is an integral part of our business strategy. We are currently engaged in initiatives that promote sustainable water management and community development. At the same time, we cultivate partnerships for enhanced services and extend valuable assistance to charitable institutions and calamity – stricken areas.

Environmental Management

The Digos Water District, being the major stakeholder of the watershed is faced with the challenge of managing the local watershed or any activity on it may impact on the quantity and quality of water the district is providing to the people. In its commitment for the conservation of the natural resources, DWD has initiated programs for the environment ever since its creation. In July 2003, the District resolved to have a more active stance in the conservation of Digos Watershed. The project continues to roll as of the present.

Tree Growing

The Program on tree growing was intensified by the partnerships forged by the district with other agencies and organizations. One of the important partnerships is with the Teril Farmer's Association which is assisted by Ugnayan Foundation which is also a partner organization of DWD. Although the collaborative activities started way back in 2011, the partnership was formalized in 2013 with the signing of the Memorandum of Agreement. The Adopt-A-Tree Program was then launched that targets other organization who are willing to assist the community in its drive to greening Sitio Teril. It is hoped that with the program, other sitios will follow suit as they will be able to appreciate the positive impact of the program. Sitio Teril is part of the Digos Watershed.

Riverbank Rehabilitation and Maintenance

This Program is being implemented to conserve riverbanks or prevent further erosion that eventually affects the turbidity of the Digos River. DWD is maintaining a 200-meter strip of the bank it has become a show-window for other landowners in managing lands that are adjacent to rivers or body of water.

World Water Day

This is a worldwide celebration aiming to increase awareness on the importance of water, threats, and the looming water crisis. DWD posts information materials to spread the word on water. A water Quality Monitoring for Digos River was also conducted using the test kits given out by IWA (International Water Association) and WEF (Water Environment Federation).



Earth Day

In cooperation with the Global Village Association International and ChildFund – Cor Jesu College, DWD initiated the Earth Day 2014: The Face of Climate Change. Children and Youth from different schools and who are beneficiaries of ChildFund Philippines participated in the whole-day activity. Student leaders from Youth Community Service Club of Cor Jesu College also joined in the fun. The 1-day program included lecture, discussions, mini-theatre arts, games and tree growing. The event was held on April 24, 2014 at the DWD Eco Living and Learning Center in Barangay Dulangan, Digos City.

Environment Awareness Month

Every month of June, the Philippines is celebrating the Environment Month. DWD also celebrated the Environment Month through Information and Education Campaign. In its radio program, environmental concerns is given emphasis to increase awareness among listeners of the program.

Nature and Art Appreciation Workshop

Nature. Art. Beauty. These were among the important elements explored in DWD's Nature and Art Appreciation Workshop held on September 5 at the DWD Eco Living and Learning Center, Dulangan, this city.

Employees of the district and women from the community in Dulangan participated in the Bonsai development and dish garden-making workshops held in celebration of the City Environmental Awareness Month. GM Isauros Gravador and Eustaquio Sarsona who are noted experienced DWD in-house artists were the resource persons of the event. They shared their knowledge on the subjects and demonstrated the art of doing the priced outputs which could become a source of income. Workshop outputs were then displayed at the DWD lobby.

The activity was initiated to increase awareness of nature while promoting appreciation of natural art among men and women in the district and its community.

30k Trees for 30

In 2010 on the occasion of its 30th Founding Anniversary, DWD launched the "30k Trees for 30 – giving back Project.

We initiated the planting and growing of at least 30,000 trees in the different areas of Digos City including schools within 5-year period in partnership with other agencies, groups, entities, or individuals. This is our share in our thrust to mainstream environmental responsibility and take the lead in the challenging task of rehabilitation.

As of July 31, 2014, there are 30,514 trees being planted and grown in different areas. DWD looks forward to the day when Digos will celebrate the beauty of the forest that its own people created.



FINANCIALS

With programs and improvements implemented, Digos Water District posted an Php 11 million increase in revenue from Php 99 million in 2013 to a whopping Php 110 million in 2014. Though operating expenses increased by 10% in 2014, it still posted a 1% decrease in the district's Operating ratio from 82% to 81%. DWD earned a massive Php 18.8 million Net Income or 17% of its total revenue in 2014, 26% better than what it earned in the preceding year. The amount of cash flow available to meet annual interest and principal payments on debts has a favorable 3.24:1 ratio.

The District maintained a 10% return on its invested capital for the past two years even if 36% of DWD's assets have been financed by debt in 2014, higher than 2013's 34% Total Debt to Total Asset Ratio, the district still has an adequate degree of financial flexibility. Current Ratio increased from 2.49:1 to 2.75:1 in 2014.

Republic of the Philippines
DIGOS WATER DISTRICT
Digos City

Detailed Balance Sheet
As of December 31, 2014
(With Comparative Figures for CY 2012 & 2013)

	Notes	2014	2013	2012
ASSETS				
<i>Current Assets</i>				
Cash - Collecting Officer				
	P	432,922.87	P 259,113.98	P 117,116.02
Petty Cash Fund		6,000.00	56,000.00	31,000.00
Cash in Bank - Local Currency, Current Account		33,886,486.83	18,184,836.84	6,522,243.50
Cash in Bank - Local Currency, Savings Account		0.00	0.00	872,460.65
<i>Sub-total - Cash & Cash Equivalents</i>	P	<u>34,325,409.70</u>	<u>P 18,499,950.82</u>	<u>P 7,542,820.17</u>
Accounts Receivable	P	3,782,596.59	P 9,209,767.73	P 8,258,182.66
Less: Allowance for Bad Debts		<u>(92,097.68)</u>	<u>(92,097.68)</u>	<u>(82,399.92)</u>
<i>Accounts Receivables- Net</i>	1 & 3 P	3,690,498.91	P 9,117,670.05	P 8,175,782.74
Payroll Fund		-	-	-

Advances to Officers and Employees	-	-	-
Loans Receivable	-	-	214,524.03
<i>Sub-total - Receivables</i>	<u>P 3,690,498.91</u>	<u>P 9,117,670.05</u>	<u>P 8,390,306.77</u>
Office Supplies Inventory	P 178,283.15	P 543,098.52	P 512,360.10
Accountable Forms Inventory	106,023.24	44,950.00	0.00
Medical, Dental & Laboratory Supplies Inventory	317,625.00	45,900.00	46,234.17
Gasoline, Oil & Lubricants	5,077.98	29,121.28	13,055.12
Other Supplies Inventory	81,305.05	81,305.05	75,818.19
Spare Parts Inventory	196,027.81	129,558.82	30,526.08
Construction Materials Inventory	<u>7,816,230.90</u>	<u>9,120,791.01</u>	<u>3,691,740.71</u>
<i>Sub-total - Inventories</i>	P 8,700,573.13	P 9,994,724.68	P 4,369,734.37
Prepaid Insurance	107,100.69	118,903.50	156,309.53
Guaranty Deposits	4 145,394.68	75,972.46	75,972.46
Other Current Assets	4 <u>7,628,162.07</u>	<u>5,649,287.82</u>	<u>4,797,311.03</u>
<i>Total Current Assets</i>	<u>P 54,597,139.18</u>	<u>P 43,456,509.33</u>	<u>P 25,332,454.33</u>
 <i>Non-Current Assets</i>			
Investments	5 <u>P 8,126,074.55</u>	<u>P 8,068,633.93</u>	<u>P 7,987,649.42</u>
Property, Plant & Equipment			
Land	<u>P 3,135,597.16</u>	<u>P 3,135,597.16</u>	<u>P 2,770,097.16</u>
Buildings	P 8,633,966.35	P 8,633,966.35	P 8,657,460.04
Less: Accumulated Depreciation	<u>(2,715,165.27)</u>	<u></u>	<u>(1,570,106.43)</u>
<i>Buildings - Net</i>	<u>P 5,918,801.08</u>	<u>P 6,499,729.52</u>	<u>P 7,087,353.61</u>

Other Structures	P	24,049,785.54	P	20,948,850.79	P	20,976,027.55
Less: Accumulated Depreciation						
		<u>(14,426,270.07)</u>		<u>(13,300,393.04)</u>		<u>(12,230,857.41)</u>
<i>Other Structures - Net</i>						
	P	<u>9,623,515.47</u>	P	<u>7,648,457.75</u>	P	<u>8,745,170.14</u>
Office Equipment						
Less: Accumulated Depreciation	P	2,198,311.00	P	1,941,593.00	P	1,981,879.17
		<u>(1,616,765.69)</u>		<u>(1,400,791.66)</u>		<u>(1,423,643.09)</u>
<i>Office Equipment - Net</i>						
	P	<u>581,545.31</u>	P	<u>540,801.34</u>	P	<u>558,236.08</u>
Furniture & Fixtures						
Less: Accumulated Depreciation	P	968,895.27	P	861,055.27	P	893,508.44
		<u>(735,023.29)</u>		<u>(652,967.72)</u>		<u>(680,106.91)</u>
<i>Furniture & Fixtures - Net</i>						
	P	<u>233,871.98</u>	P	<u>208,087.55</u>	P	<u>213,401.53</u>
IT Equipment & Software						
Less: Accumulated Depreciation	P	11,102,378.00	P	8,844,102.00	P	9,426,653.54
		<u>(6,698,009.73)</u>		<u>(5,463,444.44)</u>		<u>(6,264,268.45)</u>
<i>IT Equipment & Software - Net</i>						
	P	<u>4,404,368.27</u>	P	<u>3,380,657.56</u>	P	<u>3,162,385.09</u>
Communication Equipment						
Less: Accumualted Depreciation	P	843,044.43	P	843,044.43	P	929,363.93
		<u>(727,426.73)</u>		<u>(690,159.73)</u>		<u>(748,359.55)</u>
<i>Communication Equipment - Net</i>						
	P	<u>115,617.70</u>	P	<u>152,884.70</u>	P	<u>181,004.38</u>
Other Machinery & Equipment						
Less: Accumulated Depreciation	P	7,231,761.43	P	4,528,601.43	P	3,524,346.41
		<u>(2,381,288.61)</u>		<u>(1,743,630.04)</u>		<u>(1,790,179.76)</u>
<i>Other Machinery & Equipment - Net</i>						
	P	<u>4,850,472.82</u>	P	<u>2,784,971.39</u>	P	<u>1,734,166.65</u>
Motor Vehicle						
Less: Accumulated Depreciation	P	8,078,452.29	P	6,059,832.29	P	6,439,378.58
		<u>(4,961,910.68)</u>		<u>(4,526,954.51)</u>		<u>(4,521,953.59)</u>
<i>Motor Vehicle - Net</i>						
	P	<u>3,116,541.61</u>	P	<u>1,532,877.78</u>	P	<u>1,917,424.99</u>

Other Transportation Equipment	P	-	P	-	P	5,400.00
Less: Accumulated Depreciation						
		<u>-</u>		<u>-</u>		<u>(5,398.00)</u>
<i>Other Transportation Equipment</i>						
	<u>P</u>	<u>-</u>	<u>P</u>	<u>-</u>	<u>P</u>	<u>2.00</u>
Other Property, Plant & Equipment						
	P	702,633.11	P	702,633.11	P	743,294.18
Less: Accumulated Depreciation						
		<u>(702,621.11)</u>		<u>(702,621.11)</u>		<u>(743,281.18)</u>
<i>Other Property, Plant & Equipment - Net</i>						
	<u>P</u>	<u>12.00</u>	<u>P</u>	<u>12.00</u>	<u>P</u>	<u>13.00</u>
Artesian Wells, Reservoirs, Pumping Stations & Conduits						
	P	120,477,391.36		104,903,717.53		98,304,368.72
Less: Accumulated Depreciation						
		<u>(55,042,640.60)</u>		<u>(46,666,454.78)</u>		<u>(43,789,077.65)</u>
Artesian Wells, Reservoirs, Pumping Stations & Conduits - Net						
	<u>P</u>	<u>65,434,750.76</u>	<u>P</u>	<u>58,237,262.75</u>	<u>P</u>	<u>54,515,291.07</u>
Construction in Progress						
	<u>P</u>	<u>15,117,863.21</u>	<u>P</u>	<u>9,738,590.42</u>	<u>P</u>	<u>6,646,966.22</u>
<i>Total Property, Plant & Equipment</i>						
	6	<u>P 112,532,957.37</u>	6	<u>P 93,859,929.92</u>	6	<u>P 87,531,511.92</u>
Other As-						
sets						
Accounts Receivable (Delinquent)						
	7	P 4,609,238.57	7	P -	7	P -
Restricted Assets						
	7	6,282,133.86	7	7,666,339.50	7	7,585,920.94
Other Assets						
	7	<u>61,347.77</u>	7	<u>61,347.77</u>	7	<u>0.00</u>
<i>Sub-total Other Assets</i>						
		<u>P 10,952,720.20</u>		<u>P 7,727,687.27</u>		<u>P 7,585,920.94</u>
<i>Total Non-Current Assets</i>						
		<u>P 131,611,752.12</u>		<u>P 109,656,251.12</u>		<u>P 103,105,082.28</u>
Total Assets						
		<u><u>P 186,208,891.30</u></u>		<u><u>P 153,112,760.45</u></u>		<u><u>P 128,437,536.61</u></u>

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	8	P	9,111,810.23	P	9,056,103.35	P	3,644,442.20
Due to Officers and Employees							
Due to BIR	8		183,394.87		115,631.32		1,650.00
Due to GSIS			1,084,817.94		804,267.69		698,917.76
Due to Pag-IBIG			569,710.08		520,737.18		509,466.97
Due to PhilHEALTH			64,117.78		62,451.67		103,635.18
Guaranty Deposits Payable			41,000.00		37,550.00		34,650.00
Bidders Bond Payable			6,903,163.12		5,809,899.29		4,843,507.99
Other Payables			2,234,195.25		1,743,194.64		1,205,188.42
Loans Payable - Current			67,502.43		3,913.91		1,671,520.42
	8		<u>4,265,759.64</u>		<u>2,552,648.40</u>		<u>-</u>
		P	<u>24,525,471.34</u>	P	<u>20,706,397.45</u>	P	<u>12,712,978.94</u>
<i>Non-Current Liabilities</i>							
Loans Payable	9	P	42,113,864.66	P	31,326,753.94	P	29,592,136.13
Other Deferred Credits							
			-		-		-
Total Liabilities		P	<u>66,639,336.00</u>	P	<u>52,033,151.39</u>	P	<u>42,305,115.07</u>
Equity	10 & 11		119,569,555.30		101,079,609.06		86,132,421.54
Total Liabilities and Equity			<u>186,208,891.30</u>		<u>153,112,760.45</u>		<u>128,437,536.61</u>

Republic of the Philippines
DIGOS WATER DISTRICT
Digos City

Detailed Statement of Income and Expenses
For the Quarter Ended December 31, 2014
(With Comparative Figures for 2012 & 2013)

	Notes	2014	2013	2012
Gross Income				
Business Income				
Income from Waterworks System		P 101,831,441.04	P 91,046,089.89	P 80,244,366.80
Less: Discount on Senior Citizen		<u>(90,804.92)</u>	<u>(71,149.43)</u>	<u>(58,032.21)</u>
<i>Net Income from Waterworks System</i>		P 101,740,636.12	P 90,974,940.46	P 80,186,334.59
Rent Income - Meters		911,620.00	865,995.00	782,135.00
Sales Revenue		<u>-</u>	<u>-</u>	<u>237.00</u>
		<u>P 102,652,256.12</u>	<u>P 91,840,935.46</u>	<u>P 80,968,706.59</u>
Service Income				
Fines and Penalties		P 7,247,147.59	P 6,924,607.82	P 6,518,175.72
Miscellaneous Income		14,464.53	60,183.58	6,419.50
Gains/Loss on Sale of Disposed Assets		<u>-</u>	<u>-</u>	<u>645,726.40</u>
<i>Total</i>		<u>P 109,913,868.24</u>	<u>P 98,825,726.86</u>	<u>P 88,139,028.21</u>
Add: Other Income				
Interest Income		<u>P 177,194.53</u>	<u>P 257,335.29</u>	<u>P 414,089.43</u>
Gross Income		<u>P 110,091,062.77</u>	<u>P 99,083,062.15</u>	<u>P 88,553,117.64</u>

Less: Expenses*Personal Expenses*

Salaries and Wages - Regular	19,321,332.04	P	17,851,807.47	P	16,809,580.73
Salaries and Wages - Casual	335,147.89		739,397.39		1,165,560.25
Personal Economic Relief Allowance	1,880,103.24		1,877,061.75		1,960,805.76
Representation Allowance	432,000.00		402,000.00		318,000.00
Transportation Allowance	432,000.00		402,000.00		318,000.00
Clothing/Uniform Allowance	389,400.00		390,000.00		410,000.00
Productivity Incentive Allowance	156,000.00		164,000.00		164,000.00
Other Bonuses & Allowances	3,097,584.41		4,536,282.54		3,330,304.81
Collective Negotiation Agreement	1,975,000.00		-		-
Honoraria	591,840.00		817,251.16		645,840.00
Longevity Pay	30,000.00		130,000.00		106,300.00
Overtime & Night Pay	1,517,662.58		921,860.54		796,315.18
Cash Gift	389,000.00		391,500.00		410,000.00
Year-end Bonus	1,646,633.51		1,617,196.58		1,551,426.00
Life & Retirement Insurance Contributions	2,360,701.80		2,232,991.80		2,146,627.36
Pag-IBIG Contributions	94,005.16		272,770.76		357,771.24
PhilHEALTH Contributions	225,843.71		215,025.00		203,274.51
ECC Contributions	93,774.17		93,134.15		96,901.22
Terminal Leave Benefits	-		584,323.53		778,254.43
Provident Fund Benefits	5,796,399.61		5,355,542.24		5,012,754.75
Other Personnel Benefits	1,898,634.03		872,622.73		527,082.43
<i>Sub-total Personal Services</i>	<u>P 42,663,062.15</u>		<u>P 39,866,767.64</u>		<u>P 37,108,798.67</u>

Maintenance and Other Operating Exp.

Traveling Expenses	P	324,790.04	P	220,864.39	P	308,678.79
Training and Scholarship Expenses		1,066,985.80		786,784.15		618,426.76
Office Supplies Expenses		683,970.87		546,683.73		426,897.63
Accountable Forms Expenses		98,934.83		38,597.37		38,005.32
Drugs and Medicines Expenses		2,997.25		2,436.55		1,141.00
Medical, Dental & Laboratory Expenses		734,618.60		663,318.14		625,564.23
Gasoline, Oil & Lubricants Expenses		1,486,847.43		1,674,223.82		1,234,328.56
Other Supplies Expenses		14,475.40		29,107.84		58,547.62
Water Expenses		201,133.71		192,961.52		124,886.40
Electricity Expenses		14,987,822.00		13,274,640.32		14,175,024.23
Postage & Deliveries		304,459.00		258,174.00		179,735.50
Telephone Expenses - Landline		77,529.59		79,679.45		78,060.17
Telephone Expenses - Mobile		170,855.25		166,059.47		171,991.20
Internet Expenses		48,000.00		48,000.00		48,000.00
Cable, Satellite, etc.		5,400.00		5,400.00		5,345.00
Membership, Dues and Contr. to Org.		69,244.45		58,125.80		40,266.45

Advertising Expenses	480,347.80	122,006.40	84,472.80
Printing and Binding Expenses	59,122.50	2,560.00	39,600.00
Representation Expenses	199,289.05	168,809.59	110,181.60
Subscription Expense	6,445.00	-	-
Legal Services	61,000.00	56,000.00	62,000.00
Auditing Services	-	77,655.99	-
Environment/Sanitary Services	316,768.34	168,738.92	128,198.30
Janitorial Services	-	67,782.00	68,211.00
Security Services	1,202,732.06	1,152,532.91	1,114,140.15
Other Professional Services	1,797,636.69	1,525,981.60	651,812.62
Repairs & Maintenance - Office Buildings	114,975.51	85,491.98	86,252.47
Repairs & Maintenance - Other Structures	59,169.27	114,438.66	73,557.62
Repairs & Maintenance - Office Equipment	26,191.50	22,622.00	19,782.00
Repairs & Maintenance- Furniture & Fixtures	4,910.00	13,781.50	4,679.80
Repairs & Maintenance-IT Equipt. & Software	63,835.50	59,660.00	119,220.09
Repairs & Maintenance - Communication Equipt.	2,008.00 #	25,049.00 #	16,638.00
Repairs & Maintenance - Other Machinery & Equipt.	39,232.41	93,455.00	49,031.00
Repairs & Maintenance - Motor Vehicles	659,801.23	540,087.13	443,092.85
Repairs & Maintenance - Artesian Wells, etc.	4,808,418.94	4,220,685.89	4,365,536.56
Donations	2,000.00	2,400.00	700.00
Extraordinary Expenses	360,000.00	360,000.00	360,000.00
Miscellaneous Expenses	779,773.89	1,331,799.01	1,242,480.17
Taxes, Duties & Licenses	2,231,011.90	2,042,125.62	1,911,269.66

Fidelity Bond Premiums	76,236.59	38,857.50	-
Insurance Expenses	90,005.03	134,074.08	152,926.39
Bad Debts	-	9,697.76	-
Depreciation - Buildings	580,928.44	582,924.55	413,969.46
Depreciation - Other Structures	1,125,877.03	1,090,673.05	1,079,531.96
Depreciation - Office Equipt.	215,974.03	216,710.34	196,027.64
Depreciation - Furniture & Fixtures	82,055.57	75,040.20	83,058.68
Depreciation - IT Equipt.	1,234,565.29 #	1,050,239.00 #	877,475.09
Depreciation - Communication Equipt.	37,267.00	56,705.69	56,227.30
Depreciation - Other Mach. & Equipt.	637,658.57	336,392.12	233,133.41
Depreciation - Motor Vehicles	434,956.17	447,743.21	516,644.25
Depreciation - Other PPE	-	-	-
Depreciation - Artesian Wells, etc.	8,376,185.82	7,071,056.32	5,979,865.36
Other MOOE	-	15,400.00	0.00
<i>Sub-total MOOE</i>	<u>P 46,444,443.35</u>	<u>P 41,424,233.57</u>	<u>P 38,674,615.09</u>
<i>Financial Expenses</i>			
Interest Expenses	P 2,088,140.41	P 2,302,439.14	P 3,220,175.66
Other financial Charges	-	543,496.40	0.00
<i>Sub-total Financial Expenses</i>	<u>P 2,088,140.41</u>	<u>P 2,845,935.54</u>	<u>P 3,220,175.66</u>
Total Expenses	<u>P 91,195,645.91</u>	<u>P 84,136,936.75</u>	<u>P 79,003,589.42</u>
NET INCOME (LOSS)	<u>P 18,895,416.86</u>	<u>P 14,946,125.40</u>	<u>P 9,549,528.22</u>

Republic of the Philippines
DIGOS WATER DISTRICT
Digos City

STATEMENT OF CHANGES IN EQUITY

For the year Ended December 31, 2014

(With Comparative Figures for CY 2013)

	2014	2013
Government Equity, January 1	<u>101,079,609.06</u>	<u>86,132,421.54</u>
Add: Retained Earnings		
Retained Earnings		
Prior Years' Adjustments	(405,470.62)	1,062.12
Net Income (Loss) for the period	<u>18,895,416.86</u>	<u>14,946,125.40</u>
Government Equity, December 31	<u>119,569,555.30</u>	<u>101,079,609.06</u>

Republic of the Philippines
DIGOS WATER DISTRICT

Digos City

CASH FLOW STATEMENT

For the Month Ended December 31, 2014

(With comparative figures for 2013)

(In Pesos)

	2014	2013
Cash Flows from Operating Activities:		
Cash Inflows:		
Collection of Receivables	109,671,343.76	96,909,245.84
Collection of Income	14,452.54	9,054.50
Receipts of Bidder's Bond	984,792.70	1,062,277.32
Refund from Cash Advance	161,620.23	200,079.01
Collection's from Customers'		
Deposits	1,334,396.20	1,250,191.93
Collection of Other Receivables	779,025.24	864,430.65
Interest Income	36,234.24	18,719.01
	112,981,864.91	100,313,998.26
Cash Outflows:		
Payment of Operating Expenses	57,246,991.63	52,412,077.25
Payment of Payables	8,902,819.00	3,796,707.40
Remittance of GSIS/Pagibig/ Withholding	15,688,770.02	13,797,621.27
Purchases of Office and Other Supplies	1,280,514.08	1,653,007.68
Payment of Prepaid Expenses	154,439.11	131,441.15
	83,273,533.84	71,790,854.75
Total Cash Provided (Used) by Operating Activities	29,708,331.07	28,523,143.51

Cash Flows from Investing Activities**Cash Inflos**

Proceeds form sale of Disposed Assets	-	-
Maturing Time Deposit	-	-
	<u>-</u>	<u>-</u>

Cash Outflows

Payment of Liabilities for the Purchase/
Construction of:

Land	-	295,500.00
Office Buildings	49,500.00	-
Other Structures	854,739.00	1,031,035.92
Office Equipment	256,718.00	206,645.00
Furnitures and Fixtures	98,090.00	65,040.00
Information Technology	2,552,914.00	1,183,546.00
Communication Equipment	-	77,330.00
Other Machineries and Equipment	2,675,060.00	1,393,473.00
Motor Vehicles	2,018,620.00	63,200.00
Artesian Wells, Reservoirs, Pump Station, Etc.	15,789,312.70	12,600,275.24
	<u>24,294,953.70</u>	<u>16,916,045.16</u>

Total Cash Provided (Used) by Investing Activities**(24,294,953.70)****(16,916,045.16)****Cash Flows from Financing Activities****Cash Inflows:**

Proceeds for borrowings	15,354,000.00	17,265,804.83
	<u>15,354,000.00</u>	<u>17,265,804.83</u>

Cash Outflows:

Cash Payment on Loan Principal	2,853,778.06	15,069,866.99
Payment of interest on Domestic Loans (LWUA/LBP)	2,088,140.43	2,845,905.54
	<u>4,941,918.49</u>	<u>17,915,772.53</u>

Total Cash Provided (Used) by Financing Activities**10,412,081.51****(649,967.70)****Cash Provided by Operating, Investing & Financing Activities****15,825,458.88****10,957,130.65****Add: Cash and Cash Equivalents - Beg.****18,499,950.82****7,542,820.17****CASH AND CASH EQUIVALENTS - ENDING****34,325,409.70****18,499,950.82**

KEY HIGHLIGHTS

Year	2009	2010	2011	2012	2013	2014
Financial Performance						
Revenue (in million peso)	72.06	79.07	81.41	88.61	99.08	110.09
Net Income (in million peso)	9.76	8.74	7.20	9.55	14.95	18.90
Assets (in million peso)	112.06	118.20	124.17	128.44	153.11	186.21
Liability (in million peso)	51.69	50.26	49.30	42.31	52.03	66.64
Equity (in million peso)	60.37	67.94	74.87	86.13	101.08	119.57
Operating Highlights						
No. of New Service Connections	889	953	1,025	996	950	965
No. of Active Service Connections	11,875	12,563	13,381	14,227	14,875	15,713
Non Revenue Water	23.01%	23.31%	22.55%	23.39%	22.68%	22.61%
Billed Volume (in MCM)	2.73	2.95	3.03	3.25	3.44	3.68
Km. of main line in use	210	222	233	233	250	260



DIGOS WATER DISTRICT

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CHANGING DIRECTION