

DIGOS WATER DISTRICT

# Annual Report

2017







## 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). A WD 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, Igpit, Tiguman, Kapatagan, Kiagot, Lungag, San Roque, Mahayahay, Matti, San Agustin, San Jose, San Miguel, Sinawilan, Soong, Tres de Mayo, Zone I, Zone II, and Zone III.

## 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.

## GOALS

To guide the water district in its objectives by 2020, 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.

## CORE STRATEGY

“Instituting quality management systems all throughout the organization.”

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THE YEAR AT A GLANCE

22.27%

Average Non-  
Revenue  
Water



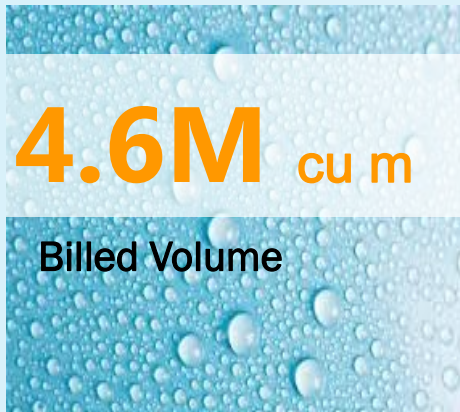
89.78%

Customers with  
24-hour water  
supply



4.6M cu m

Billed Volume



91.64%

Customer  
satisfaction



19,533

Active Service  
Connections



321km

Km of  
pipelines  
main in use



## OPERATION HIGHLIGHTS



Capital expenditures for the year is down by 11% compared to P 25.8M CAPEX in 2016. This year, CAPEX amounts to P23,081,585.59. The composition of Digos Water District's capital expenditure are as follows:

CAPEX ITEM	AMOUNT
Land Improvements - Other Land Improvements	1,414,660.55
Infrastructure Assets - Plant-Utility Plant in Service (UPIS)	6,562,446.35
Buildings and Other Structures	3,175,309.71
Machinery and Equipment - Office Equipment	2,217,746.48
Information and Communication Technology Eqpt.	1,238,720.00
Technical and Scientific Equipment	4,525,000.00
Other Equipment	2,820,886.50
Transportation Equipment - Motor Vehicles	551,200.00
Furniture, Fixtures and Books - Furniture and Fixtures	575,616.00
<b>TOTAL</b>	<b>23,081,585.59</b>

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 eleven (11) water tanks. These water sources produce a total of 5,952,151 cubic meters of water.

### Service Expansion and Improvement

A total of 1,505 water service connections were added to our distribution network in 2017. This expanded our customer base to around 19,533.

DWD has been aggressively implementing capital expenditure project 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 a total of 320, 895 linear meters of pipes as of December 31, 2017.

### Replacement of Old Water Meters

To spread out the capital outlay, the Water District replaced water meters ranging from 5 years old and above in an annual basis. As of December 31, 2017, 2,142 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:	321 km
Pumping stations:	9
Water tanks:	13
No. of active connections:	19,533
Number of barangays served:	20 out of 26
No. of franchise area:	1
Billed volume:	4,626,536 cu.m
Supply volume:	5,952,151 cu.m
Non Revenue Water (NRW) (%)	22.27%
No. of Employees:	97
SPI (ratio of employee per ASC):	1:201

## 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, 2017, DWD's customer base totalled 19,533 broken down as follows:

Customer Category	No. of Active Connections	%
Residential	17,873	91.5%
Government	209	1.1%
Commercial	1,451	7.4%
TOTAL	19,533	100%

Table 2. Customer base per segment in 2017

In the initial roll out of the strategic plan, the water district had come up with a tool that will measure the customer's satisfaction. Survey indicates 91.64% customer satisfaction for 2017.

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

Table 4 summarizes the billed volume of water in 2017 per market segment viz: residential, government and commercial.

Customer Category	Billed Accounts	%	Billed Volume (in m <sup>3</sup> )	Average Consumption per account (in m <sup>3</sup> )
Residential	17,653	91.5%	3,909,273	18
Government	208	1.1%	225,506	87
Commercial	1,428	7.4%	491,757	30
TOTAL	19,289	100%	4,626,536	20

Table 3 Billed volume of the different market segments in 2017

Note: Billing period for year 2017 started on December 2016 billing and closed on November 2017 billing due to the schedule observed by Digos Water District.

## 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 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.

To beef up our communication strategies and ensure dissemination of information to customers, we make use of mass media and online platforms such as facebook. DWD's facebook page, [www.facebook.com/digos.water](http://www.facebook.com/digos.water), was launched in 2015.

During the year, we were able to attend to a total of 48, 167 complaints/inquiries and 8,557 requests all acted upon.

## Customer Care Program

To maintain good relations to our valued clients, the Customer Services Division initiated the Customer Care Program which entails sending "Thank You Letter" for new customers. In this manner, the customers will be given an overview on what to expect from DWD. The program also includes an orientation on DWD's basic policies every Monday and Wednesday from 1pm to 3pm.

## Customer Management Program

It is also essential to know who the water district's customers are. This will help in making important decisions concerning market expansion.

For a start, a survey was conducted to determine the demographic information of the water district's customers. Through the survey, the water district is apprised of the percentage who can still be a potential market, and all other information necessary for the matter.

## Ensuring Water Quality

We are committed to deliver safe and potable 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 we deliver meets the Philippine National Standards for Drinking Water of the Department of Health.

In the year 2017, the district conducted water quality testing on a monthly basis and tested 242 samples for microbiological analysis. For physical and chemical analyses, the water district also submitted 360 water samples for pesticide/fertilizer residue analysis, including benzene, which yielded satisfactory results.

## DWD Flowing Raffle Bonanza

The management devised a program aimed at recognizing the efforts of customers in prompt payments of water service. The program commenced last June 2017 wherein concessionaires who paid in full are given raffle tickets for a chance to win prizes on a monthly raffle draw. This year, the grand raffle draw was conducted last December 28 within the DWD office premises.





## 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



Figure 1. Organizational Hierarchy of DWD

### 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 representatives 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	Sex	Sector Represented
Chairperson	Atty. Ollita P. Atillo-Anyog	F	Professional
Vice-Chairperson	Engr. Emilio D. Almazan	M	Civic
Secretary	Dir. Esther S. Molina	F	Women
Member	Dir. Arturo S. Ang	M	Business
Member	Dir. Lilia G. Mina	F	Education

Table 4 Members of the Board of Directors.

### 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. A total of 24 Board meetings were conducted in 2017.

Board Member	Meetings Attended	Percentage
Atty. Ollita P. Atillo-Anyog	23	96%
Engr. Emilio D. Almazan	24	100%
Dir. Esther S. Molina	24	100%
Dir. Arturo S. Ang	22	92%
Dir. Lilia G. Mina	23	96%

Table 5 BOD Attendance to Board Meetings

## 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 and officers in accordance with the 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.

## 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

Table 6 DWD Middle Management

## HUMAN RESOURCE DEVELOPMENT

### Leadership Development and Succession Program

For the first time in 37 years, the Digos Water District has finally kicked off its Leadership Development and Succession Program, August 16.

In 2014, the members of the board, the top management and the key personnel of the agency revisited the water district's vision and mission and established its goals for the medium term. The planning team has come to the realization that the water district needs to choose leaders whose skills are aligned with the present and future goals and the strategic vision of DWD.

The Digos Water District leadership development and succession program aims to ensure leadership continuity in managerial and other key positions and to retain and develop knowledge capital and relations for the future. The process includes the identification and development of specific candidates to fill managerial and supervisory positions and to develop a talent pool with capacity of becoming effective leaders in any number of key positions.

One distinctive feature of the program is that it is open to anybody who would like to join the program. Interested employees are required to express their intent in writing.

The plan was communicated to the employees in the occasion of the Annual Performance Review and was announced through the issuance of Inter-Office Memorandum.

### Collective Negotiations 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 management and the employees association agreed to renew the collective negotiation agreement (C NA) for the period 2017-2020, ushering three (3) years of harmonious relationship between the management and the rank-and-file employees.



### 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 centres and are aligned with efficiency targets, health and safety, improvement of working conditions and leadership development as well.

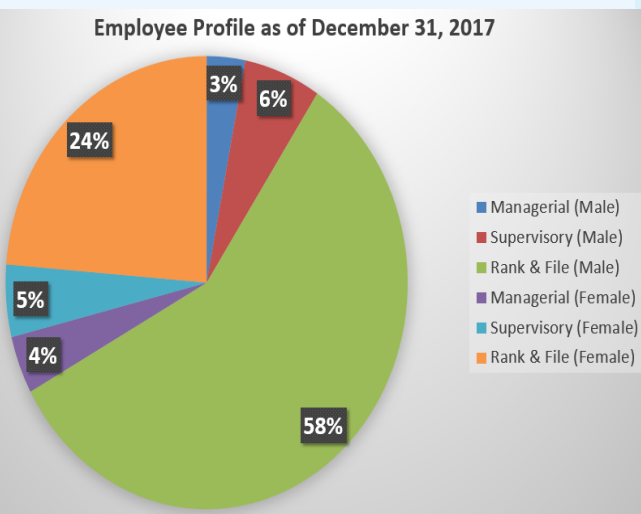


Figure 2. Sex-disaggregated data of the Employees of DWD

Training Category	Training Hours
Induction Program	24
New Employee Welcome Program	20
Values Development Program	16
Re-orientation Programs	-
Basic Skills Trainings	40
Professional/Technical/Scientific programs	414
Middle Management Development Program	56
Executive Development Program	56
Others	176

Training Profile	
Number of Employees	Permanent-81 Casual-14 Temporary-1
Average training hours	13.46 hours
No. of Employees who attended seminars	Permanent= 80/81 Temporary=1/1 Casual = 14/14
Percentage of EE who attended seminars	99%

Table 7 DWD Training Profile



## 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.

### Alliance Building for Watershed Protection and Management

In order to strengthen partnership with stakeholders, DWD initiated the program for Alliance Building for Watershed Protection and Management on 27th day of July, 2016 which aims to protect the Digos Watershed from further degradation. For 2017, the alliance convened last 02 August at Brgy. Kapatagan, Digos City to discuss on how to attract more agencies to join and share updates to the fellow member of the organization.

### 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 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 that 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 Digos River. DWD is maintaining a 200-meter strip of the bank and it has become a show-window for other landowners in managing lands that are adjacent to rivers or body of water.

### Environmental Management

The Digos Water District, being a major stakeholder of the watershed, is faced with the challenge of managing the local watershed or any activity that may impact on the quantity and quality of water the district is providing to the people. In its commitment 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.



### World Water Day

A worldwide celebration aiming to increase awareness on the importance of water, threats and the looming water crisis, DWD initiated the tree growing activity on March 2016 to participate in the World Water Day celebration every 15th day of March.

### Environment Awareness Month

Every month of June, the Philippines is celebrating the Environment Awareness Month. DWD also celebrated the said event through Information and Education Campaign. The water district conducted DWD Water Quiz Bowl and Essay Writing Competition for elementary and high school students to

highlight the importance of environment conservation.

### Water, Sanitation and Health (WaSH) Program

DWD integrates its Corporate Social Responsibility (CSR) Programs to Gender and Development (GAD) Plan to promote a more gender-responsive CSR Activities.

In response to the needs of the pupils of Matti Elementary School and Marawer Elementary School. DWD, in partnership with Global Village Association, distributed hygiene and school supply packs to over a hundred students. This is for the purpose of promoting basic personal hygiene among children, with the required monitoring from their parents or guardians.



# Financials

**DIGOS WATER DISTRICT**  
**STATEMENT OF FINANCIAL POSITION**  
**As of December 31, 2017**  
**(With comparative figures for CY 2016)**  
 (Amounts in Philippine Peso)

	Notes	2017	2016
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5	67,771,947.23	49,481,744.58
Receivables	6	5,190,631.39	4,554,477.26
Inventories	7	10,340,988.54	9,761,328.86
Other Current Assets	8	21,105,447.38	17,927,656.27
<b>Total Current Assets</b>		<b>104,409,014.54</b>	<b>81,725,206.97</b>
<b>Non-Current Assets</b>			
Investments	9	6,438,393.82	8,257,464.90
Property, Plant and Equipment	10	107,961,750.20	126,511,918.15
Construction in Progress	11	36,096,944.09	23,099,066.55
<b>Total Non-Current Assets</b>		<b>150,497,088.11</b>	<b>157,868,449.60</b>
<b>TOTAL ASSETS</b>		<b>254,906,102.65</b>	<b>239,593,656.57</b>
<b>LIABILITIES AND NET ASSETS/ EQUITY</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Financial Liabilities	12	9,686,489.49	11,875,499.53
Inter-Agency Payables	13	2,090,644.84	1,692,420.48
Trust Liabilities	14	12,630,178.57	11,010,389.59
Provisions	15	13,402,032.73	-
Other Payables	16	397,720.47	663,071.33
<b>Total Current Liabilities</b>		<b>38,207,066.10</b>	<b>25,241,380.93</b>
<b>Non-Current Liabilities</b>			
Bills/Bonds/Loans Payable	17	26,570,605.34	31,562,018.58
<b>Total Non-Current Liabilities</b>		<b>26,570,605.34</b>	<b>31,562,018.58</b>
<b>TOTAL LIABILITIES</b>		<b>64,777,671.44</b>	<b>56,803,399.51</b>



**DIGOS WATER DISTRICT**  
**STATEMENT OF FINANCIAL POSITION**  
**As of December 31, 2017**  
**(With comparative figures for CY 2016)**  
(Amounts in Philippine Peso)

<b>NET ASSET/EQUITY</b>			
<b>Equity</b>			
Government Equity		7,356,477.86	7,356,477.86
Retained Earnings/(Deficit)		182,771,953.35	175,433,779.20
<b>TOTAL NET ASSETS/EQUITY</b>	<b>18</b>	<b>190,128,431.21</b>	<b>182,790,257.06</b>
<b>TOTAL LIABILITIES AND NET ASSETS/EQUITY</b>		<b>254,906,102.65</b>	<b>239,593,656.57</b>

See accompanying Notes to Financial Statements.

**DIGOS WATER DISTRICT**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the Year Ended December 31, 2017**  
**(With comparative figures for CY 2016)**  
(Amounts in Philippine Peso)

	Notes	2017	2016
<b>Revenue</b>			
Service and Business Income	19	143,953,751.31	138,351,049.77
Other Non-Operating Income	20	1,662.04	6,633.01
<b>Less: Current Operating Expenses</b>			
Personnel Services	21	49,703,024.41	45,755,298.02
Maintenance and Other Operating Expenses	22	59,794,321.52	54,700,279.98
Financial Expenses	23	2,220,542.71	2,548,890.30
<b>Total Current Operating Expenses</b>		<b>111,717,888.64</b>	<b>103,004,468.30</b>
<b>Surplus/(Deficit) from Current Operations</b>		<b>32,237,524.71</b>	<b>35,353,214.48</b>
Gain/Loss Accounts		0.00	0.00
<b>Surplus /(Deficit) for the period</b>		<b>32,237,524.71</b>	<b>35,353,214.48</b>
		#REF!	

See accompanying Notes to Financial Statements.

DIGOS WATER DISTRICT  
STATEMENT OF CHANGES IN NET ASSETS/EQUITY

For the Year Ended December 31, 2017

(With comparative figures for CY 2016)

(Amounts in Philippine Peso)

	Notes	2017	2016
<b>Government Equity</b>			
Balance at the beginning of the period		182,790,257.06	146,224,874.24
Additions (deductions)		(24,899,350.56)	1,212,168.34
Net income (loss) for the period		32,237,524.71	35,353,215.48
<b>Balance at the end of the period</b>		<b>190,128,431.21</b>	<b>182,790,257.06</b>
<b>Donated Capital</b>			
Balance at the beginning of the period		0.00	0.00
Additions (deductions)		0.00	0.00
<b>Balance at the end of the period</b>		<b>0.00</b>	<b>0.00</b>
<b>Restricted Capital</b>			
Balance at the beginning of the period		0.00	0.00
Additions (deductions)		0.00	0.00
<b>Balance at the end of the period</b>		<b>0.00</b>	<b>0.00</b>
<b>TOTAL</b>	<b>18</b>	<b>190,128,431.21</b>	<b>182,790,257.06</b>

See accompanying Notes to Financial Statements.

#REF!

**DIGOS WATER DISTRICT**  
**STATEMENT OF CASH FLOW**  
**For the Year Ended December 31, 2017**  
**(With comparative figures for CY 2016)**  
(Amounts in Philippine Peso)

Notes	2017	2016
<b>Cash Flow from Operating Activities</b>		
<b>Cash Inflows:</b>		
Collection of Receivables	141,379,868.34	136,499,118.06
Collection of Income	2,502.00	6,633.01
Receipt of Bidder's Bond	62,907.25	367,981.76
Refund from Cash Advance	181,005.54	492,062.60
Collection from Customer's Deposit	1,898,686.46	1,806,798.80
Collection of Other Receivables	833,261.66	1,864,290.70
Interest Income	108,483.51	79,412.83
<b>Total Cash Inflows</b>	<b>144,466,714.76</b>	<b>140,817,665.80</b>
<b>Cash Outflows:</b>		
Payment of Operating Expenses	64,009,028.30	59,206,647.53
Payment of Operating Expenses - Inventory	1,083,389.96	
Payment of Payables	6,532,503.99	3,744,897.39
Remittance of GSIS/Pagibig/Withholding	17,933,334.75	17,092,643.04
Purchase of Office and Other Supplies :		
Office Supplies Inventory	1,306,538.08	605,604.63
Accountable Forms, Plates & Stickers Inventory	322,920.00	36,140.00
Medical, Dental & Laboratory		
Supplies Inventory	174,000.00	1,048,712.00
Fuel, Oil & Lubricants Inventory	196,730.00	116,447.40
Other Supplies & Materials Inventory	1,920,292.05	837,090.36
Chemical & Filtering Supplies Inventory	890,250.00	
Semi-Expendable – Furniture & Fixtures	978,260.00	
Semi-Expendable – Info & Comm Tech Equipment	159,710.00	
Semi-Expendable – Communication Equipment	2,699.00	
Semi-Expendable – Other Machinery Equipment	272,634.50	
Semi-Expendable – Expendable Tech <sup>1</sup> & Scient. Equipment	2,998,585.00	
Semi-Expendable – Books	20,215.00	
Total Purchases of Office and Other Supplies	9,242,833.63	2,643,994.39
Payment of Prepaid Expenses	476,294.88	231,474.57
<b>Total Cash Outflows</b>	<b>99,278,385.51</b>	<b>82,919,656.92</b>
<b>Net Cash Flows</b> Provided by (Used In) Operating Activities	<b>45,188,329.25</b>	<b>57,898,008.88</b>



**DIGOS WATER DISTRICT**  
**STATEMENT OF CASH FLOW**

**For the Year Ended December 31, 2017**

**(With comparative figures for CY 2016)**

(Amounts in Philippine Peso)

**Cash Flows from Investing Activities**

**Cash Inflows:**

Proceeds from Sale of Disposed Assets	-	-
Maturing Time Deposit		

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<b>Total Cash Inflows</b>	<b>-</b>	<b>-</b>
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**Cash Outflows:**

Payment of Liabilities for the Purchase/ Construction of:		
Land		144,859.50
Other Land Improvements		621,788.70
Plant-Utility Plant in Service (UPIS)	<b>630,000.00</b>	
Buildings		11,081,781.07
Other Structures		2,075,143.69
Office Equipment	<b>2,298,046.48</b>	431,742.00
Furniture and Fixtures	<b>268,700.00</b>	19,890.00
Information & Communication Tech. Equipment	<b>580,820.00</b>	574,981.00
Communication Equipment		62,250.00
Technical & Scientific Equipment	<b>498,000.00</b>	
Other Equipment	<b>2,420,370.00</b>	5,824,409.84
Other Transportation Equipment		
Motor Vehicles	<b>551,200.00</b>	67,200.00
Other Property, Plant & Equipment	-	15,503,142.33
<b>PPE - Total Cash Outflows</b>	<b>7,247,136.48</b>	<b>36,407,188.13</b>

**Payments of Liabilities for the purchase/payment of**

Purchase of land on account on previous year	<b>305,140.50</b>	-
Payroll on construction	<b>3,354,432.34</b>	-
Materials	<b>7,200,168.29</b>	-
Well Drilling	<b>1,613,942.04</b>	-
	<b>12,473,683.17</b>	-

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<b>Total Cash Outflows</b>	<b>19,720,819.65</b>	<b>36,407,188.13</b>
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<b>Net Cash Flows</b> Provided by (Used In) Investing Activities	<b>(19,720,819.65)</b>	<b>(36,407,188.13)</b>
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DIGOS WATER DISTRICT  
**STATEMENT OF CASH FLOW**  
 For the Year Ended December 31, 2017  
 (With comparative figures for CY 2016)  
 (Amounts in Philippine Peso)

**Cash flows from Financing Activities**

**Cash Inflows:**

Proceeds for borrowing	0.00	0.00
<b>Total Cash Inflows</b>	<b>0.00</b>	<b>0.00</b>

**Cash Outflows:**

Cash Payment on Loan Principal	4,964,014.24	4,938,591.24
Payment of interest on Domestic Loans (LWUA/LBP)	2,213,292.71	2,548,688.80

<b>Total Cash Outflows</b>	<b>7,177,306.95</b>	<b>7,487,280.04</b>
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<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(7,177,306.95)</b>	<b>(7,487,280.04)</b>
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<b>Increase in Cash and Cash Equivalents</b>	<b>18,290,202.65</b>	<b>14,003,540.71</b>
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<b>Cash and Cash Equivalents, January 1, 2017</b>	<b>49,481,744.58</b>	<b>35,478,203.87</b>
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<b>Cash and Cash Equivalents, December 31, 2017</b>	<b>5</b>	<b>67,771,947.23</b>	<b>49,481,744.58</b>
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See accompanying Notes to Financial Statements.

## NOTES TO FINANCIAL STATEMENTS

(All amounts in Philippine Pesos unless otherwise stated)

### 1. AGENCY BACKGROUND

Presidential Decree No. 198, otherwise known as the Provincial Water Utilities Act of 1973, as amended by Presidential Decree Nos. 768 and 1479 and Republic Act 9286 provides that it is the declared national policy of government to favor the local operation and control of water systems thru the water districts. As such, water districts are established to facilitate the maintenance and improvement of the water utilities sector. Title III of said Presidential Decree prescribes the governance and administration of the water utilities with the creation of the Local Water Utilities Administration (LWUA). The agency is tasked to provide financial, technical, and institutional development and regulatory services to established water districts nationwide.

In 1980, Digos Water District (DWD), was created operating as a quasi-public utility, implemented its projects in calculated phases and stages. Transmission and distribution lines, sources, pumping stations and reservoirs were established as DWD coped with Digos City's progress.

On March 12, 1992, the Supreme Court declared with finality that all water districts in the country created under PD 198 are government-owned or controlled corporations (201 SCRA 593).

The DWD was classified by LWUA as Category B effective March 2012 and was given three (3) years to comply with the re-categorization. Thus, its organizational structure migrated to LWUA-MacRo Category B structure.

The mandates of the District are as follows:

- To acquire, install, improve, maintain and operate water supply and distribution systems for domestic, industrial, municipal and agricultural uses for residents and lands within the franchise area;
- To provide, maintain and operate waste water collection treatment and disposal facilities; and,
- To conduct such other functions and operations incidental to water resources development, utilization and disposal within the district necessary or incidental to said purpose (Sec. 5, Chapter II, PD 198 as amended).

#### Mission

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

#### 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 work force.”



The policy-making body of the water district is the Board of Directors, composed of five members.

Name	Designation	Sector
Atty. Ollita P. Atillo-Anyog, CPA	Chairman	Professional
Engr. Emilio D. Almazan	Vice Chairman	Civic
Mrs. Esther S. Molina	Secretary	Women
Mrs. Lilia G. Mina	Member	Education
Mr. Arturo S. Ang, CPA	Member	Business

Section 8 of the PD 198, as amended, provides that the LWUA may appoint any of its personnel to sit in the Board as its sixth member, with all the rights and privileges appertaining to a regular member of the board, when such water utility avails of financial assistance from the LWUA and until the indebtedness is fully paid.

The operation of the District is headed by a General Manager, Atty. Isauros B. Gravador, appointed by the Civil Service Commission. The General Manager, subject to the approval of the Board, has full supervision and control over the maintenance, operation and construction of water supply and wastewater disposal and administrative facilities of the district with full power and authority to exercise management prerogatives.

### 2017 Operational and Financial Highlights

#### Financial Highlights

A comparative financial condition, results of operations and sources and application of funds for CY 2017 and 2016 is presented below:

#### Comparative Statement of Financial Position:

The comparative financial condition of the District shows an uptrend. The total assets increases by **6.39%** and total liabilities by **14.04%** compared to prior year's data. Consequently, equity rises by **4.01%**.

PARTICULARS	2017	2016	INCREASE (DECREASE)	%
Assets	254,906,102.65	239,593,656.57	15,312,446.08	6.39%
Liabilities	64,777,671.44	56,803,399.51	7,974,271.93	14.04%
Equity	190,128,431.21	182,790,257.06	7,338,174.15	4.01%

**Comparative Statement of Comprehensive Income:**

The comparative results of operation indicate a robust growth. The gross income for CY 2016 inches by **4.05%** as compared last year due to increase in the income from waterworks system by **4%**; fines and penalties by **6%** and interest income by **7%**. The net income shows a slight decrease by **8.81%** owing to increase in total expenses by **8.46%** associated with the increase in personnel expenses and maintenance & other operating expenses by **9%** compared last year.

PARTICULARS	2017	2016	INCREASE (DECREASE)	%
Gross Income	143,955,413.35	138,357,682.78	<b>5,597,730.57</b>	<b>4.05%</b>
Expenses	111,717,888.64	103,004,468.30	<b>8,713,420.34</b>	<b>8.46%</b>
Net Income	32,237,524.71	35,353,214.48	<b>(3,115,689.77)</b>	<b>(8.81%)</b>

**Comparative Statement of Cash Flows:**

The District's operating budget increases by **11.36%** over that of the prior year's budget. Funds expended for Personnel Services increases by **8.63%** owing to increase of salaries and wages of employees by 14% ,personnel benefit contribution by 11%, other personnel benefits by 34% .Miscellaneous and Other Operating Expenses (MOOE) increases by **9.31%** ,sourced from increase of training expenses by 6% , supplies and materials expenses by 35%; professional services by 33%, general services by 5%, repairs and maintenance by 18% as compared from last year's data .Financial Expenses on the other hand, has a favorable decrease by **12.88%** in effect of the diminishing interest rate availed by the district on its loan.

SOURCES OF FUNDS	2017	2016	INCREASE (DECREASE)	%
Current Operating Budget	118,719,300.00	106,604,400.00	<b>12,114,900.00</b>	<b>11.36%</b>
<b>Application of Funds</b>				
Personnel Services	49,703,024.41	45,755,298.02	<b>3,947,726.39</b>	<b>8.63%</b>
MOOE	59,794,321.52	54,700,279.98	<b>5,094,041.54</b>	<b>9.31%</b>
Financial Expenses	2,220,542.71	2,548,890.30	<b>(328,347.59)</b>	<b>(12.88%)</b>

The District's ability to meet its financial obligations in terms of liquidity denotes a decrease of its current ratio from 3.31:1 in 2016 to 2.73:1 in 2017 due to reclassification of accounts in compliance to Revised Chart of Accounts.

The DuPont analysis is a tool of performance indicators used by the district in the review of its financial performance. This year's ROI of 22% denotes a decrease of 12% compared to the ROI of 26% a year ago. Furthermore, there is a 5% decrease in Asset Turnover (ATO) from the last year's 58% to this year's 56%. The DWD's Equity Multiplier (EM) is increased by 2% from 1.31 in 2016 to 1.34 this year. The said EM is a measure of financial prudence which reveals that there is a generally conservative approach of the district on debt management with only 34% of its assets being financed by loan whereas 66% is financed by equity. The 2017 ROE of 17% positioned a slight decrease by 12% compared to the ROE a year ago of 19%. The data elucidates that a minor decrease in ROE is underscored to a decrease in ROI and a decrease in ATO.

The District is operating profitably and maintains a good financial position, indicating its capability to recover the cost invested to the system operation. As of December 31, 2017, it has active service connections of 19,533 and serves an estimated population of 136,731. Moreover, total staff to total active connection ratio is 1:201 for CY 2017.

PLANS AND PROGRAMS FOR CY 2017

MFO / KEY RESULT AREAS/ OBJECTIVES/ PROGRAMS / ACTIVITIES/ PROJECTS	SUCCESS INDICATOR (SI)/ PERFORMANCE INDICATOR (PI)	RESPONSIBILITY CENTER	BUDGET					ACTUAL				
			ON GOING	NEW	SUPPLEMENTAL	MOOE	PS	ON GOING	NEW	MOOE	PS	
<b>MFO 1: WATER FACILITY SERVICE MANAGEMENT</b>												
<b>KRA/OBJECTIVE 1. Water Accessibility &amp; Reliability</b> <i>(Expansion &amp; Improvement of service coverage in areas with no water and/or those with less than 24 hrs/low pressure water service)</i>	a. No. of barangays with access to potable water within the coverage area of Digos Water District											
	b. Percentage of Household connections receiving 24/7 water supply											
	c. Source Capacity to meet demand											
<b>PROGRAM 1. Service Expansion and Improvement</b>						18,000,000.00				17,618,649.95		
Project 1.1. Mainline expansion/Improvement Projects												
>List of Projects/Areas for Expansion of Mainline/Transmission Lines	% of project completion. Kms. Of pipelines laid	ED	7,215,000.00	9,885,200.00				1,204,655.40	447,297.60			
>Procurement of Elf Boom Crane Truck		ED	1,000,000.00									
Project 1.2. Generation of Additional Water Resources												
>Well Drilling	Cu.m. of water produced	WRD	3,000,000.00	2,500,000.00				2,534,986.95	2,088,300.00			
>Acquisition of Electro-Mechanical Equipments		WRD	2,000,000.00	2,500,000.00				1,698,000.00				
>Acquisition of 3-Phase Conversion & Transformer		WRD	1,000,000.00	500,000.00				990,000.00	285,062.50			





MFO / KEY RESULT AREAS/ OBJECTIVES/ PROGRAMS / ACTIVITIES/ PROJECTS	SUCCESS INDICATOR (SI)/ PERFORMANCE INDICATOR (PI)	RESPONSIBILITY CENTER	BUDGET					ACTUAL				
			ON GOING	NEW	SUPPLEMENTAL	MOOE	PS	ON GOING	NEW	MOOE	PS	
>Rehabilitation of Pump House @ PS#2 (WO# 2016-06-37)			35,000.00									
>Sites for Development - 1 well site developed and secured with Fence		WRD		1,000,000.00					925,984.75			
>Installation of Tri-Pod Tower		WRD		120,000.00					69,982.00			
>Construction of Control Room		WRD		250,000.00					198,213.42			
Project 2.4. Upgrading of Booster Pumps												
>Acquisition of 3 units 10 KVA Distribution Transformers, 220V		WRD		255,000.00					215,890.00			
Project 2.5. Pumps, Motors & Accessories Spare Maintenance Program				3,000,000.00		1,500,000.00			454,612.62			
>Generator Set with Diesel Engine for PS#3		WRD		1,000,000.00					811,870.00			
>Submersible Pump coupled with 7.5hp motor (Kibanban, Upper Kiagot, San Roque)	% of pumps, motors & accessories maintenance program undertaken with not more than 7 unexpected breakdowns within a year.	WRD		750,000.00					525,000.00			
>Submersible Pump coupled with 5hp motor (Dulangan)		WRD		150,000.00					124,000.00			
>Submersible Pump coupled with 6.5hp motor (Spare)		WRD		600,000.00					498,000.00			
>Electronic Flowmeter		WRD		500,000.00					304,000.00			

















MFO / KEY RESULT AREAS/ OBJECTIVES/ PROGRAMS / ACTIVITIES/ PROJECTS	SUCCESS INDICATOR (SI)/ PERFORMANCE INDICATOR (PI)	RESPONSIBILITY CENTER	BUDGET					ACTUAL				
			ON GOING	NEW	SUPPLEMENTAL	MOOE	PS	ON GOING	NEW	MOOE	PS	
>Demo - lition of Front Building & Construction of Drainage & Walkway		AD		1,500,000.00								
>Rehabilita - tion of Old Adminis- trative Building		AD		1,500,000.00								
>Repaint -ing of Warehouse Build- ing @ PS#2 (WO# 2016-08-40)		AD	280,000.00					160,519.00				
>Concrete Fencing of PS#2		AD		650,000.00					143,089.25			
>Rehabilita - tion of Old PS#2 Warehouse & Con- struction of Records Room		AD		1,300,000.00								
>Construct - ion of GenSet Housing		AD		150,000.00					58,044.75			
1.1.c. Office Ventilation & Airconditioning Program												
>Replace - ment of Aircondition		AD		40,000.00					40,000.00			
>Acquisi - tion & Installation of Airconditioning Units (New Building)		AD		1,931,386.48					1,931,386.48			
1.1.d. Maintenance of Work Area		AD		100,000.00		427,200.00			63,600.00			
<b>Program 1.2. Communication, Information Technology &amp; Security System Management</b>						347,400.00				278,879.34		
1.2.a. Human Resource Information System												
>HRIS Update - Biometric Scanner		AD										
>HRIS Update -Payroll Sys- tem		AD	250,000.00						240,000.00			
1.2.b. Communication, Informa- tion & Security System Administration						15,000.00						

MFO / KEY RESULT AREAS/ OBJECTIVES/ PROGRAMS / ACTIVITIES/ PROJECTS	SUCCESS INDICATOR (SI)/ PERFORMANCE INDICATOR (PI)	RESPONSIBILITY CENTER	BUDGET					ACTUAL				
			ON GOING	NEW	SUPPLEMENTAL	MOOE	PS	ON GOING	NEW	MOOE	PS	
>Wiring and Installation of Communication & Security System - New Building		AD		800,000.00								
>Installation of CCTV @ PS#2		AD		600,000.00					207,700.00			
1.2.c. Information Technology Equipment Management												
>Replacement and Maintenance of IT Equipments						186,000.00					114,137.67	
<b>Program 1.3. Inventory Management Program (Budget - Replacement of Supplies &amp; Equipment including Repairs &amp; Maintenance)</b>						276,200.00					177,665.97	
1.3.a. Vehicle Management System												
>Replacement and Maintenance of Motor Vehicles				300,000.00		900,000.00			275,600.00		443,986.68	
1.3.b. Tools & Other Machinery Equipment Management System				660,700.00		359,000.00			546,448.00		119,113.39	
1.3.c. Supplies & Other PPE Inventory Management System				70,000.00		541,000.00			32,000.00		125,435.90	
<b>Program 1.4. Records Management Program (Budget - Steel Cabinets, Racks, Cabinets for files/ record/documents safekeeping)</b>				400,000.00		90,000.00			306,916.00		87,633.58	
<b>Program 1.5. Quality Management System</b>												
1.5.a. Upgrading of Test Bench												
<b>Program 1.6. Safe Management</b>				410,000.00		1,805,000.00			394,000.00		1,681,157.58	
<b>KRA/OBJECTIVE 2. Corporate Social Responsibility</b>												
<b>Program 2.1. Environmental Protection</b>												
2.1.a. Watershed Protection & Management Program						125,000.00					10,000.00	



## PLANS AND PROGRAMS FOR CY 2016

MAJOR FINAL OUTPUTS/ PROJECTS/ PROGRAMS/ ACTIVITIES	PERFORMANCE INDICATOR	DIVISION	ACCOMPLISHMENT		BUDGET		ACTUAL	
			TARGET	ACTUAL	CO	MOOE	CO	MOOE
<b>Water Facility Service Management</b>								
access to potable water	no. of barangays with access to potable water within the coverage area of Digos Water District		21	20				
1. Water Extraction/Production	cu.m of water produced	Water Resources	430,000/month	470,000/month				
- Well Drilling/ Exploration					3,600,000		2,984,986.95	
-Rehabilitation/ Upgrading/ Maintenance of Water Facility					2,500,000		547,263.20	
-Purchase of Equipment					4,680,000		1,292,255.34	
-Purchase of Transportation Equipment					2,000,000		-	
-Establishment of Natural Lagoon					750,000		787,297.90	
-Structure Facilities Improvement					1,450,000		888,345.20	
2. Pipe Laying & Commissioning	kms of pipeline laid	Engineering	21	27	14,681,000		7,469,570.46	
3. Marketing Activities	no. of marketing activities	Customer Services	2	3	25,000	805,000	26,777.00	603,020.00
reliability of service	Percentage of household connections receiving 24/7 supply of water		91%	n/a				





MAJOR FINAL OUTPUTS/ PROJECTS/ PROGRAMS/ ACTIVITIES	PERFORMANCE INDICATOR	DIVISION	ACCOMPLISHMENT		BUDGET		ACTUAL	
			TARGET	ACTUAL	CO	MOOE	CO	MOOE
potability	Average deviation from PNSDW, percentage of compliance to standards		100%	100%				
2. Water Quality Management & Monitoring		Water Resources	100%	100%	2,000,000	900,000	-	846,124.00
adequacy/ reliability of service	average response time to restore service when there are interruptions based on the Citizen's Charter of DWD proposed for approval of CSC		4 hrs	4 hrs				
3. Fire Hydrants Installation		Engineering	100%	100%	300,000		-	
4. New Service Connections Installations	No. of New Service Connections	Engineering, Customer Services	1,290		4,500,000	451,000	4,310,849.51	345,959.93
5. Installation of Gate Valves		Engineering	100%	100%	350,000		204,849.00	
<b>Support to Operations</b>								
	Staff Productivity Index		185:1	183:1				
affordability	Reasonableness/ affordability of water rates to consumers with access connections. Water rate for the 1st cu.m must not exceed 5% of the average income of		2.50%	2.35%				

MAJOR FINAL OUTPUTS/ PROJECTS/ PROGRAMS/ ACTIVITIES	PERFORMANCE INDICATOR	DIVISION	ACCOMPLISHMENT		BUDGET		ACTUAL	
			TARGET	ACTUAL	CO	MOOE	CO	MOOE
Customer Satisfaction	Percentage of Customer Complaints acted upon against received complaints		96%	99.45%				
1. Billing Adjustment Services	% of request onbilling adjustments are acted upon in accordance with the existing policy on the matter	Customer Accounts Division	100%	100%		155,000		178,391.18
2. Water Quality Monitoring	% of complaints on water quality are acted upon within the prescribed period	Water Resources	100%	100%		500,000		268,386.22
3. Customer Satisfaction Survey	no. CSS conducted	Customer Services	1	1	115,000	78,500	106,252.00	83,249.35
Corporate Social Responsibility					50,000	600,000	-	487,595.80
4. Information, Education & Communication (EIC activities)	no. of activities conducted		6	10				
5. Water Sanitation and Health (WaSH) Program	no. of wash program conducted		1	2				





MAJOR FINAL OUTPUTS/ PROJECTS/ PROGRAMS/ ACTIVITIES	PERFORMANCE INDICATOR	DIVISION	ACCOMPLISHMENT		BUDGET		ACTUAL	
			TARGET	ACTUAL	CO	MOOE	CO	MOOE
10. Public Information Program	no. of newsletter published	Mgt. Services Group	1	1	68,000	113,000	58,800.00	105,281.00
<b>General Administration &amp; Support Services</b>								
PI 1.	<b>Financial viability &amp; sustainability of LWD operations</b>					185,000		225,387.44
	a. Collection Ratio		93%	94%				
	b. Operating Ratio		not more than 75%	58%				
	c. Current Ratio		3:1	3.31:1				
	d. Revenue Performance		98%	102%				
1. Collection Efficiency Program	no. of initiative implemented	Customer Accounts	3	3				
	no. of Official Receipts issued to customers	Finance	100%	100%	175,000	100,000	137,964.00	66,007.38

MAJOR FINAL OUT-PUTS/ PROJECTS/ PROGRAMS/ ACTIVITIES	PERFORMANCE INDICATOR	DIVISION	ACCOMPLISHMENT		BUDGET		ACTUAL	
			TARGET	ACTUAL	CO	MOOE	CO	MOOE
2. Customer Billing Services	% of service connections due for billing that are billed every month	Customer Accounts	100%	100%	700,000	700,000	419,927.00	568,383.37
3. Agency Policies & Standard Services	% of resolutions/ memorandum drafted for board's/GM's approval	Mgt. Services Group	100%	100%	87,000	3,625,500	63,750.00	3,069,728.72
4. Building Administration & Maintenance					5,426,500	1,440,000	4,327,381.41	1,213,939.15
5. Human Resource Information System					574,000		279,360.00	
6. Human Resource Development					524,000	5,240,000	106,457.00	3,771,626.06
-Training			100%	100%		1,351,000		890,202.00
-Employees' Welfare & Development			100%	100%		3,530,000		2,697,114.80
-PRAISE Mechanisms			100%	100%		-		-
-Improvement of Working Condition						2,250,000		1,578,594.96

## CONSOLIDATED PROJECTS FOR CY 2017

<i>Project Name</i>	<i>Name of Contractor</i>	<i>Work Order No.</i>	<i>Budget</i>	<i>Actual</i>	<i>Balance As of Dec. 31, 2017</i>	<i>Balance As of Dec. 31, 2017</i>
<b>Construction in Progress - Land Improvements (1 06 99 010)</b>						
Proposed Steel fence @ DWD Compound	By Admin	2017-03-36	1,597,966.24	1,215,013.77	1,215,013.77	76%
Proposed Rehabilitation of fence line of DWD Compound @ Lapu-lapu Ext., Digos City	By Admin	2017-10-76	222,171.40	62,541.25	62,541.25	28%
<b>Sub-Total</b>				<b>1,277,555.02</b>	<b>1,277,555.02</b>	
<b>Construction in Progress - Infrastructure Assets (1 06 99 020)</b>						
Proposed Distribution Line @ San Miguel-Dulangan	By Admin	2016-01-01	1,020,000.00	10,412.86	10,412.86	1%
Proposed Dist. Line - Brgy. Kiagot (Upper Alta Vista - Quarry Site)	By Admin	2015-02-01	227,750.00	-	-	
Proposed Dist. Line - Cabrillos St. (Roxas Ext. - cor. Estrada St.)	By Admin	2015-02-02	339,152.00	244,821.11	244,821.11	55%
Proposed Dist. Line - cor. V. Sotto St. - Estrada 5th St.	By Admin	2015-02-07	443,252.00	348,528.61	348,528.61	79%
Proposed Dist. Line - Gallarde St. (cor. 1st Crumb St. - Mary Crumb St.)	By Admin	2015-02-08	278,226.00	168,393.25	168,393.25	61%
Proposed Dist. Line - Luna Ext. (Rizal Ave. - J.P. Laurel St.)	By Admin	2015-02-13	663,025.00	454,207.81	454,207.81	69%
Proposed Dist. Line - Quezon Ave. ("Y" Junction Rd.-Rizal Ave. Ju-mao-as Rd.)	By Admin	2015-02-14	3,421,142.00	2,271,722.38	2,271,722.38	66%

Proposed Dist. Line - Brgy. Ruparan (San Vicente - Riverside Proper)	By Admin	2015-02-16	294,050.00	234,686.17	234,686.17	80%
Proposed Dist. Line - Sacred Heart Ave.(cor. Cabrillos St. -cor. Rizal Ave.)	By Admin	2015-02-20	192,540.00	105,270.49	105,270.49	55%
Proposed realignment of Distribution Line (Due to road widening)	By Admin	2015-10-01	451,214.00	186,931.15	186,931.15	41%
Proposed Distribution Line @ Rizal Ave. (Lapu-lapu-Mabini)	By Admin	2016-01-02	395,000.00	364,512.30	364,512.30	92%
Proposed Distribution Line @ Rizal Ave. (Lim-Mabini East)	By Admin	2016-01-03	235,000.00	218,494.38	218,494.38	93%
Proposed Distribution Line @ Rizal Ave. (Roxas-Crumb)	By Admin	2016-01-04	615,000.00	550,184.33	550,184.33	89%
Proposed Distribution Line @ Rizal Ave. (Ebreo-Sto. Rosario)	By Admin	2016-01-05	960,000.00	752,763.05	752,763.05	78%
Proposed Distribution Line @ Parallel Road (lower Matti)	By Admin	2016-01-06	890,000.00	882,513.79	882,513.79	99%
Proposed Distribution Line @ Capitol Road (Parallel-McArthur)	By Admin	2016-01-07	305,000.00	234,672.25	234,672.25	77%
Proposed Distribution Line @ 3rd St. (Aurora-Dawis Road)	By Admin	2016-01-09	370,000.00	321,873.62	321,873.62	87%
Proposed Distribution Line @ Latasa Village (Colorado)	By Admin	2016-01-19	100,000.00	41,152.80	41,152.80	41%
Proposed Distribution Line @ Biao Balisong	By Admin	2016-01-20	304,400.00	212,386.78	212,386.78	70%

Proposed Distribution Line @ Sitio San Rosario, Ruparan	By Admin	2016-02-29	120,000.00	100,843.48	100,843.48	84%
Proposed Installation of Hydrant Valve	By Admin	2016-07-38	300,000.00	246,056.67	246,056.67	82%
Proposed Installation of Gate Valve (Capex 2016)	By Admin	2016-07-39	350,000.00	158,403.00	158,403.00	45%
DL - San Roque - Lungag Prov'l Road	By Admin	2017-01-22	570,000.00	412,068.63	412,068.63	72%
Three-phase conversion	By Admin	2017-05-44	1,000,000.00	990,000.00	990,000.00	99%
Drilling of one exploratory/production well - Hanna Via Construction, Inc.	By Admin			1,535,220.00	1,535,220.00	
<b>Sub-Total</b>				<b>11,046,118.91</b>	<b>11,046,118.91</b>	

**Construction in Progress - Buildings and Other Structures (1 06 99 030)**

Professional Service of a Licensed Structural Engineer	By Admin	2014-06-01	52,000.00	49,500.00	49,500.00	95%
Proposed 2-storey Building	By Admin	2015-05-24	18,000,000.00	16,015,364.65	16,015,364.65	89%
Proposed Exterior Painting Works for Concrete Reservoir - Alta Vista Brgy. Kiagot	By Admin	2016-06-32	280,000.00	237,047.50	237,047.50	85%
Proposed Exterior Painting Works for Concrete Reservoir - San Roque St., Colorado	By Admin	2016-06-33	175,000.00	165,173.26	165,173.26	94%
Proposed Exterior Painting Works for Concrete Reservoir - Brgy. Kiagot Center	By Admin	2016-06-34	80,000.00	62,373.46	62,373.46	78%



Proposed Exterior Painting Works for Concrete Reservoir - Eco-Park LearningCenter, Dulangan	By Admin	2016-06-35	90,000.00	64,648.89	64,648.89	72%
Proposed Exterior Painting Works for Concrete Reservoir - San Vicente	By Admin	2016-06-36	565,000.00	368,865.80	368,865.80	65%
Proposed Rehabilitation of Pump House @ PS#2 , Lapu-lapu Ext.	By Admin	2016-06-37	110,000.00	30,362.55	30,362.55	28%
Proposed Painting of Bodega @ PS#2	By Admin	2016-08-40	500,000.00	449,072.30	449,072.30	90%
Proposed Completion of Admin Building (Phase 2)	By Admin	2017-03-38	1,500,000.00	1,353,270.20	1,353,270.20	90%
Proposed Construction of Control Room @ PS#3, Roxas Ext.	By Admin	2017-03-39	250,000.00	184,474.35	184,474.35	74%
Proposed Construction of Site Development of PS#10 @ San Nicholas, Tres de Mayo, Digos City	By Admin	2017-05-40	1,000,000.00	996,126.97	996,126.97	100%
System Software and Inventory (on going)	By Admin			550,000.00	550,000.00	
Drilling of one exploratory/production well - Sinian International Corporation	By Admin			2,534,986.95	2,534,986.95	
Proposed Installation of CCTV Camera @ PS#2	By Admin	2017-08-41	266,400.00	207,700.00	207,700.00	78%

Materials for aircondition electrical supply @ DWD Admin Bldg	By Admin	2017-09-43	366,430.00	173,431.75	173,431.75	47%
Construction of Proposed Generator set shed @ DWD Compound	By Admin	2017-10-77	82,302.44	24,053.75	24,053.75	29%
<b>Sub-Total</b>				<b>23,466,452.38</b>	<b>23,466,452.38</b>	

**Construction in Progress - Furnitures and Fixtures (1 06 99 060)**

Proposed Racks & Cabinets for Stocks & Record Room *PS#2 Compound, Lapu-lapu Ext.)	By Admin	2017-03-37	400,000.00	306,817.78	306,817.78	77%
<b>Sub-Total</b>				<b>306,817.78</b>	<b>306,817.78</b>	

## CONSOLIDATED PROJECTS FOR CY 2016.

Work Order No.	Projects/ Programs/ Activity Name	Location	Total Cost	Date Started	Date Finished	Length of Pipe (Meters)	Target Completion Date	Project Status		Remarks
								% of Completion (Physical)	Total Cost Incurred to date	
<b>ENGINEERING</b>										
2015-02-01	Proposed Distribution Line	Brgy. Kiagot (Upper Alta Vista - Quarry Site)	(227,750.00 )							Cancelled due to non-purchase of materials
2015-02-02	Proposed Distribution Line	Cabrillos St. (Roxas Ext. - cor. Estrada St.)	339,152.00	May 5, 2016	on going	360	210 CD-for WO2015-02 -01 to 22 upon delivery of Matls	75%	187,687.94	Pipe Laying
2015-02-03	Proposed Distribution Line	1st Crumb St. (Rizal Ave. - cor. Bataan St.)	740,842.00	February 9, 2016	June 6, 2016	1146	210 CD-for WO2015-02 -01 to 22 upon delivery of Matls	100%	533,083.49	Completed, ready for Commissioning
2015-02-04	Proposed Distribution Line	Del Rosario St. (cor. Lim St. - cor. Aurora St.)	200,044.00	March 24, 2016	June 27, 2016	552	210 CD-for WO2015-02 -01 to 22 upon delivery of Matls	100%	109,974.63	Completed, ready for Commissioning
2015-02-05	Proposed Distribution Line	Doña Aurora St. (Rizal Ave., cor. Diversion Rd.)	420,040.00	December 8, 2015	February 2, 2016	1206	210 CD-for WO2015-02 -01 to 22 upon delivery of Matls	100%	329,002.38	Completed, ready for Commissioning
2015-02-06	Proposed Distribution Line	cor. Estrada 5th St. - cor. Rufino Rd.	194,076.00	April 7, 2016	June 10, 2016	426	210 CD-for WO2015-02 -01 to 22 upon delivery of Matls	100%	79,608.21	Completed, ready for Commissioning
2015-02-07	Proposed Distribution Line	cor. V. Sotto St. - Estrada 5th St.	443,252.00	April 12, 2016	on going	546	210 CD-for WO2015-02 -01 to 22 upon delivery of Matls	80%	209,933.43	For interconnection

2015-02-08	Proposed Distribution Line	Gallarde St. (cor. 1st Crumb St. - Mary Crumb St.)	278,226.00	April 26, 2016	on going	252	210 CD-for WO2015-02 -01 to 22 upon delivery of Matls	80%	67,743.69	For interconnection/ Portion for concrete cutting
2015-02-09	Proposed Distribution Line	Brgy. Igpit Prov' Rd. (Igpit Elem. School - Cagas Village)	391,573.00	February 20, 2016	March 14, 2016	1188	210 CD-for WO2015-02 -01 to 22 upon delivery of Matls	100%	198,951.15	Completed, ready for Commissioning
2015-02-10	Proposed Distribution Line	J. Abad Santos (cor. Lim St. - cor. Aurora St.)	207,904.00	March 21, 2016	June 27, 2016	552	210 CD-for WO2015-02 -01 to 22 upon delivery of Matls	100%	156,177.35	Completed, ready for Commissioning
2015-02-11	Proposed Distribution Line	J. Abad Santos (cor. J. Luna St. -cor. Lapu-lapu St.)	117,206.00	March 29, 2016	June 11, 2016	210	210 CD-for WO2015-02 -01 to 22 upon delivery of Matls	100%	65,708.34	Completed, ready for Commissioning
2015-02-12	Proposed Distribution Line	Lim Ext. (Rizal Ave.- J.P. Laurel St.)	629,605.00	March 7, 2016	on going	1098	210 CD-for WO2015-02 -01 to 22 upon delivery of Matls	100%	342,101.82	For interconnection
2015-02-13	Proposed Distribution Line	Luna Ext. (Rizal Ave.- J.P. Laurel St.)	663,025.00	February 29, 2016	on going	690	210 CD-for WO2015-02 -01 to 22 upon delivery of Matls	90%	406,932.21	For interconnection/ Portion for concrete cutting
2015-02-14	Proposed Distribution Line	Quezon Ave. ("Y"Junction Rd.- RizalAve.Jumao-as Rd.)	3,421,142.00	December 21, 2015	on going	1122	210 CD-for WO2015-02 -01 to 22 upon delivery of Matls	85%	2,146,087.51	For interconnection/ Portion for concrete cutting

2015-02-15	Proposed Distribution Line	Roxas St. (cor. Magsaysay St.-cor. Bataan St.)	322,270.00	March 30, 2016	June 30, 2016	630	210 CD-for WO2015-02 -01 to 22 upon delivery of Matls	100%	154,225.10	Completed, ready for Commissioning
2015-02-16	Proposed Distribution Line	Brgy. Rurapan (San Vicente-Riverside Proper)	294,050.00				210 CD-for WO2015-02 -01 to 22 upon delivery of Matls			for implementation
2015-02-20	Proposed Distribution Line	Sacred Heart Ave. (cor. Cabrillos St.-cor. Rizal Ave.)	192,540.00				210 CD-for WO2015-02 -01 to 22 upon delivery of Matls			for implementation
2015-02-21	Proposed Distribution Line	Tandang Sora St. (cor. J.Luna St. - cor. Lapulapu St.)	163,596.00	December 6, 2015	May 21, 2016	222	210 CD-for WO2015-02 -01 to 22 upon delivery of Matls	100%	92,930.69	Completed, ready for Commissioning
2015-02-22	Proposed Distribution Line	Vinzon St. (cor. J.Luna St. - cor. Lapulapu St.)	141,270.00	April 16, 2016	June 11, 2016	210	210 CD-for WO2015-02 -01 to 22 upon delivery of Matls	100%	61,082.07	Completed, ready for Commissioning
2015-05-24/ 2014-06-01	Building	Proposed 2-storey building	18,052,000.00	October 15, 2015	on going	1 unit	365 CD, October 15, 2016	98%	15,683,432.41	on going
2015-09-01	Proposed Distribution Line	Proposed installation of Flow Meter (Zone Metering)	1,000,000.00	April 1, 2016	on going	1 lot	210 CD-for WO2015-02 -01 to 22 upon delivery of Matls	100%	560,387.82	Completed, ready for Commissioning
2015-10-01	Proposed Distribution Line	Proposed realignment of Distribution Line (Due to road widening)	451,214.00	April 1, 2016	July 30, 2016	1 lot	210 CD-for WO2015-02 -01 to 22 upon delivery of Matls	100%	186,931.15	Completed, ready for Commissioning



2015-10-02	Proposed Distribution Line	Proposed installation of Hydrant & Blowoffs	300,000.00	April 1, 2016	June, 2016	1 lot	210 CD-for WO2015-02 -01 to 22 upon delivery of Matls	100%	298,079.13	Completed, ready for Commissioning
2015-11-01	Proposed Distribution Line	Proposed Installation of Gate Valve	350,000.00	April 1, 2016	July 30, 2016	1 lot	210 CD-for WO2015-02 -01 to 22 upon delivery of Matls	100%	173,418.19	Completed, ready for Commissioning
2016-01-01	Proposed Distribution Line	Proposed Distribution Line @ San Miguel-Dulangan	1,020,000.00	October 23, 2016	on going	1560	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	95%	904,550.32	on going
2016-01-02	Proposed Distribution Line	Proposed Distribution Line @ Rizal Ave. (Lapu-lapu-Mabini)	395,000.00				290 CD-for WO2016-01 -01 to 30 upon delivery of Matls		92.00	for implementation
2016-01-03	Proposed Distribution Line	Proposed Distribution Line @ Rizal Ave. (Lim-Mabini East)	235,000.00				290 CD-for WO2016-01 -01 to 30 upon delivery of Matls		150,974.50	for implementation
2016-01-04	Proposed Distribution Line	Proposed Distribution Line @ Rizal Ave. (Roxas-Crumb)	615,000.00	August 1, 2016	on going	1397	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	30%	421,954.04	For interconnection
2016-01-05	Proposed Distribution Line	Proposed Distribution Line @ Rizal Ave. (Ebreo-Sto. Rosario)	960,000.00				290 CD-for WO2016-01 -01 to 30 upon delivery of Matls		46.00	for implementation
2016-01-06	Proposed Distribution Line	Proposed Distribution Line @ Parallel Rd. (lower Matti)	890,000.00	August 13, 2016	on going	2532	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	75%	684,168.31	on going

2016-01-07	Proposed Distribution Line	Proposed Distribution Line @ Capitol (Parallel - McArthur)	305,000.00				290 CD-for WO2016-01 -01 to 30 upon delivery of Matls		13,184.00	for implementation
2016-01-08	Proposed Distribution Line	Proposed Distribution Line @ Road 1 (Aurora-Odaca)	195,000.00	June 1, 2016	June 16, 2016	420	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	100%	167,116.34	Completed, ready for Commissioning
2016-01-09	Proposed Distribution Line	Proposed Distribution Line @ 3rd St. (Aurora-Dawis)	370,000.00	July 19, 2016	on going	1032	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	90%	231,253.22	For interconnection
2016-01-10	Proposed Distribution Line	Proposed Distribution Line @ Kiagot (Steel Res-SDA Rd.)	295,500.00	September 22, 2016	October 5, 2016	1200	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	100%	174,570.00	Completed, ready for Commissioning
2016-01-11	Proposed Distribution Line	Proposed Distribution Line @ Kiagot (Nangkaan)	160,000.00	October 5, 2016	October 13, 2016	606	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	100%	95,953.00	Completed, ready for Commissioning
2016-01-12	Proposed Distribution Line	Proposed Distribution Line between Lim-Mabini	85,000.00	January 18, 2016	January 21, 2016	168	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	100%	42,376.92	Completed, ready for Commissioning
2016-01-13	Proposed Distribution Line	Proposed Distribution Line @ Aplaya (Bing Sumatra)	110,000.00	September 10, 2016	September 14, 2016	246	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	100%	39,793.09	Completed, ready for Commissioning
2016-01-14	Proposed Distribution Line	Proposed Distribution Line @ Aplaya (Libre Road)	116,000.00	September 10, 2016	September 14, 2016	102	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	100%	37,647.33	Completed, ready for Commissioning
2016-01-15	Proposed Distribution Line	Proposed Distribution Line @ Balutakay Subdivision	85,500.00	October 22, 2016	October 29, 2016	246	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	100%	37,652.09	Completed, ready for Commissioning

2016-01-16	Proposed Distribution Line	Proposed Distribution Line @ Doña Aurora Ext. (Calunsag)	222,100.00	September 13, 2016	September 16, 2016	564	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	100%	129,744.14	Completed, ready for Commissioning
2016-01-17	Proposed Distribution Line	Proposed Distribution Line @ Aplaya (Mamac-DMVEMC)	286,000.00	August 2, 2016	August 13, 2016	1542	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	100%	193,257.16	Completed, ready for Commissioning
2016-01-18	Proposed Distribution Line	Proposed Distribution Line @ 6th St. (Aurora-Dawis Rd.)	276,000.00	July 11, 2016	July 11, 2016	1041	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	100%	176,514.14	Completed, ready for Commissioning
2016-01-19	Proposed Distribution Line	Proposed Distribution Line @ Latasa Village (Colorado)	100,000.00	April 29, 2016	May 8, 2016	396	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	100%	30,982.80	Completed, ready for Commissioning
2016-01-20	Proposed Distribution Line	Proposed Distribution Line @ Biao Balisong	304,400.00				290 CD-for WO2016-01 -01 to 30 upon delivery of Matls		133,794.45	for implementation
2016-01-21	Proposed Distribution Line	Proposed Distribution Line @ Tres De Mayo (Brgy. Hall)	146,500.00	July 1, 2016	July 1, 2016	600	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	100%	68,771.00	Completed, ready for Commissioning
2016-01-22	Proposed Distribution Line	Proposed Distribution Line @ Lower Matti (Bagtasao Rd.)	89,000.00	September 5, 2016	September 9, 2016	264	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	100%	41,556.56	Completed, ready for Commissioning
2016-01-23	Proposed Distribution Line	Proposed Distribution Line @ Road 2 (Aurora-Odaca)	127,000.00	July 5, 2016	July 11, 2016	420	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	100%	96,058.54	Completed, ready for Commissioning

2016-01-24	Proposed Distribution Line	Proposed Distribution Line @ Road (Odaca-Cavan Res)	123,000.00	September 15, 2016	September 19, 2016	408	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	100%	58,611.39	Completed, ready for Commissioning
2016-01-25	Proposed Distribution Line	Proposed Distribution Line @ Register of Deeds Road 1	90,000.00	January 21, 2016	January 30, 2016	228	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	100%	63,589.81	Completed, ready for Commissioning
2016-01-26	Proposed Distribution Line	Proposed Distribution Line @ Register of Deeds Road 2	90,000.00	January 21, 2016	March 30, 2016	228	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	100%	54,634.21	Completed, ready for Commissioning
2016-02-29	Proposed Distribution Line	Proposed Distribution Line @ Sitio Sto. Rosario, Ruparan	120,000.00	October 15, 2016	on going	438	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	70%	68,290.28	on going
2016-02-30	Proposed Distribution Line	Proposed Distribution Line @ Sitio San Miguel, Ruparan	181,450.00	March 1, 2016	March 8, 2016	552	290 CD-for WO2016-01 -01 to 30 upon delivery of Matls	100%	69,755.67	Completed, ready for Commissioning
2016-07-38	Proposed Installation of Hydrant	Various Area in Digos City	300,000.00				290 CD-for WO2016-01 -01 to 30 upon delivery of Matls			for implementation
2016-07-39	Proposed Installation of Gate Valve	Various Area in Digos City	350,000.00				290 CD-for WO2016-01 -01 to 30 upon delivery of Matls		9,840.00	for implementation
<b>WATER RESOURCES</b>										
2015-09-05	Proposed Construction of Public Toilet in Eco Living and Learning Park	Brgy. Dulangan	190,000.00	Feb-16			November 2016	100%	174,490.91	Completed
2015-12-01	Proposed Installation of Pump Lifter Tripod @ PS 9	Brgy. Ruparan	80,000.00	Jan-16	May-16		June 2016	100%	65,147.20	Completed

2015-12-02	Proposed Drainage System @ PS 9	Brgy. Ruparan	150,000.00	Jan-16	Apr-16		May 2016	100%	149,943.27	Completed
2016-02-28	Proposed Construction of Naural Lagoon in Eco Living and Learning Park	Brgy. Dulangan	750,000.00	Mar-16	Sep-16		September 2016	100%	742,483.39	Completed
2016-06-32	Proposed Exterior Painting Works For Concrete Reservoir	Brgy. Kiagot	280,000.00	Jul-16	Sep-16		September 2016	100%	237,047.50	on going
2016-06-33	Proposed Exterior Painting Works For Concrete Reservoir	Brgy. Colorado	175,000.00						165,173.26	on going
2016-06-34	Proposed Exterior Painting Works For Concrete Reservoir	Brgy. Kiagot Center	80,000.00						25,186.00	on going
2016-06-35	Proposed Exterior Painting Works For Concrete Reservoir	Brgy. Kiagot Center	90,000.00						64,648.89	for implementation
2016-06-36	Proposed Exterior Painting Works For Concrete Reservoir	San Vicente	565,000.00						238,895.30	for implementation
2016-06-37	Proposed Rehabilitation of Pump House @ PS# 2	Lapu-lapu Ext.	110,000.00						53,260.45	on going
<b>ADMINISTRATIVE</b>										
	System Software and Inventory	DWD Office, GSO	550,000.00				1st week of June 2017	75%		on going
2016-01-27	Proposed Pipe Rack @ Pump Station 2	Lapu-lapu Extension, Digos City	180,000.00	January 25, 2016	August 31, 2016		1st week of April 2016	100%	167,201.90	completed

2016-03-31	Proposed Warehouse Extension @ PS 2	Lapu-lapu Extension, Digos City	1,000,000.00	March 30, 2016	October 31, 2016	1st week of September 2016	100%	800,058.53	completed
2016-08-40	Proposed Painting of Warehouse @ PS 2	Lapu-lapu Extension, Digos City	500,000.00	November 2, 2016		January 2017	40%	210,482.30	on going
	<i>Php</i>	<b>42,427,727.00</b>				<i>Php</i>	<b>29,334,228.92</b>		

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below.

### 2.1 Basis of Financial Statement Presentation

In line with the commitment of the Commission on Audit to adhere to International Financial Reporting Standards, water districts, like other GOCCs, are encouraged to adopt the Philippine Financial Reporting Standards (PFRS). Corollary thereto, it observes the reportorial requirements of regulatory agencies such as the Commercial Practices Systems (CPS), an accounting system prescribed by the LWUA. With the implementation of the New Government Accounting System (NGAS) under COA Circular No. 2004-002, dated April 29, 2004, water districts are required to convert their accounts to NGAS. Subsequently, LWUA issued Memorandum Circular No. 003-08, dated June 16, 2008, prescribing the use of the CPS-NGAS Modified Chart of Accounts for use of water districts to facilitate the implementation of a unified accounting system that conforms to both NGAS and LWUA's regulatory and reportorial requirements. Understandably both CPS and NGAS, as their names connote, are accounting systems needing the further guidance of standards prescribed under the PFRS.

### 2.2 Significant Accounting Judgments and Estimates

The preparation of the financial statements in accordance with the PFRS and the generally accepted accounting principles (GAAP) require the use of certain critical accounting estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses. It also requires management to exercise its judgment in applying the water districts' accounting policies. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

### 2.3 Basis of Recording

The District adopts the accrual method of accounting. All expenses are recognized when incurred and reported in the financial statements in the period to which they relate. Income is on accrual basis except transactions where accrual basis is impractical or when law requires other methods.

The District adopts the Revised Chart of Accounts for Government Corporation pursuant to COA Circular No. 2015-010 which took effect on January 01, 2016.



## 2.4 Monetary Denomination Used

These financial statements are presented in Philippine peso as its monetary denomination used to facilitate proper recording and reporting of the transactions except when otherwise indicated.

## 2.5 Method of Accounting

The District uses the Revised Chart of Accounts for Government Corporation pursuant to COA Circular No. 2015-010 which took effect on January 01, 2016.

## 2.6 Significant accounting policies observed for each account

### 2.6.1 Cash and Cash Equivalents

Cash includes cash on hand and cash in banks. Cash is valued at face value. Pursuant to Office Policy No.C-28-90 on handling cash collection, office collections from 8:00 am to 12:00 noon are deposited at 2:30'o'clock in the afternoon on the same day and collections from 12:01 pm to 5:00 pm are deposited intact the following day.

Petty Cash Fund shall be maintained under the imprest system. All replenishments are directly charged to appropriate expense account. The fund shall be used for small incidental expenditures and is sufficient for the non-recurring, emergency and petty expenses.

Change Fund is the fund set up for cashiering assistants for daily beginning balance in collection.

Restricted Funds include cash deposits earmarked for a specific purpose and therefore not available for immediate and general use.

### 2.6.2 Receivables

Receivables are stated at face value, less allowance for impairment loss.

Recognized impairment loss as reflected in the books refers to receivables from inactive customers which includes all amounts due arising from services rendered to customers for water sales and incidental services which have been outstanding for several years.

Periodic evaluation of accounts is conducted to identify those requiring sufficient level of allowance and determine proper level thereof. This account is divided into 16 zone groups to facilitate its reconciliation with the customers' subsidiary ledger accounts

### Policy on Impairment Loss on Accounts Receivable

PAS 39 provides that a financial asset is impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Board Resolution No.17-053 Series of 2016 has been enacted approving the proposed policy on Impairment Loss on Accounts Receivable.

### 2.6.3 Inventories

Regular purchases shall be coursed thru the inventory account and issuances thereof shall be recorded as they take place except those purchased out of petty cash fund which shall be for immediate use and not for stock. Such case shall be charged immediately to the appropriate expense accounts.

Purchase of supplies and materials for stock, regardless of whether or not they are consumed within the accounting period is recorded as inventory.

Inventories are valued at cost using the moving average method. A physical count is undertaken at least once a year.

Inventories include assets for consumption in the normal course of operations. Inventories of the District include materials and supplies that are kept in stock for future use in operations. These are grouped into office supplies, accountable forms, medical dental & laboratory supplies, other supplies and materials, chemical and filtering supplies and drugs and medicines inventory.

### 2.6.4 Prepayments

Prepayments are measured at cost. Prepayments are prepaid insurances and other expenses applicable to future period.

This account includes payment to GSIS for the insurance premium of vehicles, building and its contents, pumping stations, waterpipes and portable ultrasonic clamp and payment of premium of bonded employees.

### 2.6.5 Investment

This pertains to the Sinking fund of DWD for LWUA funded projects deposited under Development Bank of the Philippines (DBP).

### 2.6.6 Property, plant and equipment

Property, plant and equipment consist of land, buildings, facilities and equipment.

Except for land, the District's property and equipment are stated at cost less accumulated depreciation and amortization and impairment in value, if any.

### *Initial Recognition*

The initial cost of property and equipment consists of its purchase price, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use like transportation, freight, installation costs, etc. In the books of accounts, the purchase is immediately recorded as asset.

### *Subsequent recognition*

Expenditures incurred after the assets have been put into operation, such as repairs and maintenance, are normally charged to Maintenance and Other Operating Expenses (MOOE) in the period in which the costs are incurred.

In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its original assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

### *Derecognition*

When assets are sold and retired, their cost and accumulated depreciation and amortization are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of income and expenses.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets.

### *Depreciation*

The straight-line method of depreciation is used over the estimated useful lives of the assets per COA Circular No. 2003-007 dated December 11, 2003. A residual value equivalent to ten percent (10%) of the cost is set-up and depreciation starts on the second month after purchase/completion of the property, plant and equipment.

Adjustments arising from the revision of the assets' useful life were charged to the current and subsequent year's depreciation expenses of the particular assets. (COA Circular No. 2004-005 dated August 9, 2004).

The District's Salvage Value of properties acquired before the issuance of New Government Accounting System is Php 1.00. Properties acquired thereafter, salvage value is 10% of the acquisition cost.

## **2.6.7 Construction in Progress**

Construction in-progress is stated at cost. While the construction of the project is in progress, no provision for depreciation is recognized.

Construction in-progress is transferred to the related Property, Plant and Equipment account when the construction or installation and related activities necessary to prepare the property, plant and equipment for their intended use have been completed, and the property, plant and equipment are ready for service.

Any related expenses incurred during the construction of the project, such as license fees, permit fee, clearance fees, etc. shall be capitalized.

### 2.6.8 Other Current Assets

This account includes Other Deposits which comprise of time deposits made with government bank for high yielding interest rates with 30 days of maturity.

Guaranty deposit include deposits to suppliers of tanks/cylinders, temporary lighting of pumping station , repairs of damage on national roads which will be refunded to the district upon project completion and restoration. The PS-DBM Airline Ticket Procurement Service represents deposits to Department Budget and Management for the procurement of airline tickets for Board of Directors, management and staff incurred during travels and seminars on official business.

### 2.6.9 Liabilities

Current liabilities are present obligations of the District arising from past event, the settlement of which is expected to result in an outflow from the District of resources embodying economic benefits. It includes payable accounts, inter-agency payables and other liability accounts.

Liability shall be recognized at the time goods and services are accepted or rendered and supplier/creditor bills are received.

Borrowings are proceeds of repayable obligations, generally with interest from the bank. All borrowings incurred shall be recorded directly to the appropriate liability accounts.

Long Term Liabilities pertains to the loan of the Water District that is not due within one year from the date of the balance sheet.

### 2.6.10 Provisions

Provisions are recognized when the district has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the district expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

### 2.6.11 Revenue

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise. However, when an uncertainty arises about the collectability of an amount already included in revenue, the uncollectable amount, or the amount in respect of which recovery has ceased to be probable, is recognized as an expense, rather than as an adjustment of the amount of revenue originally recognized

The District has adopted the accrual basis of accounting in recording the income except where it is impractical or when other methods are required by law.

Fines and Penalties are recognized as income of the year these were collected

### 2.6.12 Expenses

The District adopts the modified accrual basis of accounting for income and expense recognition in accordance with Paragraph 2.1 (d) of COA Resolution No. 2006-006 dated January 31, 2006. Under this method, all expenses shall be recognized when incurred and reported in the financial statements in the period to which they relate

### 2.6.13 Events after the Balance Sheet Date

Any post year-end events that provide additional information about the District's position at balance sheet date (adjusting events) are reflected in the financial statements. Any post year-end event that is not adjusting event is disclosed in the notes to financial statements, when material.

### 2.6.14 Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

### 2.6.15 Employee benefits

The employees of the District are member of the Government Service Insurance System (GSIS), which provides life and retirement insurance coverage.

The District recognizes the undiscounted amount of short term employee benefits, like salaries, wages, bonuses, allowance, etc., as expense.

### 2.6.16 Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (1) entities that directly, or indirectly through one or more intermediaries, control, or are controlled by, the reporting entity; (2) associates; (3) individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity and close members of the family of any such individual; and (4) key management personnel, and close members of the family of key management personnel.

### 2.6.17 Changes in accounting policies and estimates

The District recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

The District recognizes the effects of changes in accounting estimates prospectively by including in surplus or deficit.

### 2.6.18 Correction of Errors

Fundamental errors of prior years are adjusted to the Prior Period Adjustment Account. Errors affecting current year's operations are charged to the current year's accounts.

Some accounts were reclassified to conform with the new Chart of Accounts prescribed under the applicable Chart of Accounts.

## 3. SIGNIFICANT MANAGEMENT'S ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the District's financial statements in conformity with Philippine Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the amounts reported in the District's financial statements and accompanying notes.

The estimates and assumptions used in the Agency's financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the District's financial statements.

Actual results could differ from such estimates. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 3.1 Key Sources of Estimation Uncertainty

In the application of the District's accounting policies, management is required to make, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.



The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following represents a summary of the significant estimates and judgments and related impact and associated risks in the Agency's financial statements.

**A.) Estimated Useful Lives of Property and Equipment**

The District estimates the useful lives of property, plant and equipment based on the LWUA's Commercial Practices Manual and COA guidelines.

Depreciation and amortization are calculated on a straight-line basis, and assets are depreciated over the following estimated useful lives as follows:

<b>PROPERTY, PLANT and EQUIPMENT</b>			
<i>Account No.</i>	<i>Account Name</i>	<i>Depreciation Method</i>	<i>Estimated Useful Life</i>
202	Land Improvements	Straight Line Method	10 years
211	Office Building	Straight Line Method	10-30 years
215	Other Structures	Straight Line Method	10-30 years
221	Office Equipment	Straight Line Method	2-5 years
222	Furnitures and Fixtures	Straight Line Method	2-15 years
223	IT Equipment and Software	Straight Line Method	2-10 years
229	Communication Equipment	Straight Line Method	5-15 years
240	Other Machinery and Equipment	Straight Line Method	2-15 years
241	Motor Vehicle	Straight Line Method	3-15 years
250	Other Property,Plant & Equipment	Straight Line Method	5-30 years

**B.) Recognition of Impairment Loss**

PAS 39. Paragraph 59 states: A financial asset is impaired and impairment loss are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. It may not be possible to identify a single, discrete event that caused the impairment. Rather the combined effect of several events may have caused the impairment. Losses expected as a result of future events, no matter how likely, are not recognized.

Based on the district's records and other information found through investigation, it is evident that the Accounts Receivable amounting to P3,760,895.89 is impaired due to the following loss events :

- A. Significant financial difficulty of our customers which resulted to disconnection and ultimately becoming dormant accounts **for five years or more**. Although, we had exerted utmost efforts to collect by sending three (3) written notices, unfortunately, these accounts were not paid;

B. Demolition of properties which caused discontinuance of water services. With our DWD experience, demolition of edifices occurred due to road widening, the old Digos City Public Market was demolished to construct a Mega Market, the demolition of some houses located at Jumao-as Street and Quezon Avenue due to the construction of a 5 hectare Gaisano Grand Mall of Digos, and the city-wide construction boom which led residential owners to sell their properties to Commercial and Industrial businesses. Unfortunately, most accounts that were demolished had not been reconnected and collection of outstanding balances could no longer be made;

C. Adverse changes and or abrupt increase in consumption pattern due to leakages and high consumption complaints which lead to disconnection due to inability and unwillingness to pay concerned customers; and

D. Unwillingness of the owner to pay the outstanding balances of their renter/lessor.

Ergo, BOD Resolution # 17-053 Series of 2016 dated November 24, 2016 was enacted for the recognition of P3,760,895.89 as impairment loss on past due accounts which have been outstanding for several years.

#### 4. BUDGET INFORMATION

The Department of Budget and Management authorized augmentation of funds or realignment of savings within the expense class without the need of prior approval.

Section 3.3 of DBM Corporate Circular No. 20 dated April 27, 2005 states that any increase in the approved principal corporate operating budget in the course of the budget year, as may be warranted by additional corporate receipts, shall require submission and approval of a supplemental corporate budget to cover the additional expenditures in line with the national government decentralization policy.

#### 5. CASH AND CASH EQUIVALENT

This account consists of the following:

	2017	2016
Cash on Hand	345,915.74	249,159.75
Cash in National Treasury	0.00	0.00
Cash in Bank - Local Currency	67,426,031.49	49,232,584.83
Cash in Bank - Foreign Currency	0.00	0.00
Payroll Fund	0.00	0.00
<b>Total</b>	<b>67,771,947.23</b>	<b>49,481,117.58</b>

**5.1 Cash on Hand**

This account can be broken down as follows:

	2017	2016
Cash in Vault	0.00	0.00
Cash - Collecting Officers	339,915.74	243,159.75
Cash - Disbursing Officers	0.00	0.00
Petty Cash Fund/Change Fund	6,000.00	6,000.00
<b>Total</b>	<b>345,915.74</b>	<b>249,159.75</b>

Pursuant to Office Policy No.C-28-90 on handling cash collection, office collections from 8:00 am to 12:00 nn are deposited at 2:30 o'clock in the afternoon on the same day and collections from 12:01 pm to 5:00 pm is deposited intact the following day to the government authorized depository bank.

A total of Six Thousand (P6,000.00) Change Fund shall be set up for cashiering assistants for daily beginning balance in collection.

**5.2 Cash in Bank – Local Currency**

This account can be broken down as follows:

	2017	2016
Cash in Bank - Local Currency, Current Account	67,426,031.49	49,232,584.83
<b>Total</b>	<b>67,426,031.49</b>	<b>49,232,584.83</b>

**5.2.1 Cash in Bank – Local Currency, Current Account**

This account can be broken down as follows:

Name of Depository Bank	Account No.	2017	2016
DBP	0920-008783-080	P61,402,707.22	P46,578,352.86
LBP	0332-0053-40	6,023,324.27	2,654,231.97
<b>Total</b>		<b>67,426,031.49</b>	<b>49,232,584.83</b>

Development Bank of the Philippines (DBP) Cash in Bank is under current account and is used by the District in its daily operation while Land Bank of the Philippines (LBP) Cash in Bank account is intended for BIR –Electronic and Filing Payment System. Increase in amounts is due to transfer of accounts and interest earned for the entire year.

## 6. RECEIVABLES

This account consists of the following:

### Loans & Receivable Account

	2017	2016
Accounts Receivable	8,649,593.93	8,399,366.82
Allowance for Impairment Loss	(3,458,962.54)	(3,844,889.56)
Advances for Payroll	0.00	0.00
Advances to Special Disbursing Officer	0.00	0.00
Advances to Officers & Employees	0.00	0.00
<b>Total</b>	<b>5,190,631.39</b>	<b>4,554,477.26</b>

### 6.1 Receivable Accounts

This account can be broken down as follows:

	2017	2016
Accounts Receivable-Current	8,649,593.93	8,399,366.82
Accounts Receivable-Delinquent	0.00	0.00
<b>Total Accounts Receivable</b>	<b>8,649,593.93</b>	<b>8,399,366.82</b>
Less: Allowance for Doubtful Accounts	0.00	0.00
Less: Allowance for Impairment Loss	3,458,962.54	3,844,889.56
<b>Total</b>	<b>5,190,631.39</b>	<b>4,554,477.26</b>

Accounts Receivable – Current refers to receivables from customers which includes all amounts due arising from services rendered to customers for water sales and incidental services aged 365 days and below as per Aging of Accounts Receivable. This account is divided into 16 zone groups to facilitate its reconciliation with the customers' subsidiary ledger accounts.

**6.1.1 Accounts Receivable:**

This account can be broken down as follows:

	2017	2016
Accounts Receivable	8,696,035.55	8,398,707.90
Add/Less: Reconciling Items	(46,441.62)	658.92
<b>Total</b>	<b>8,649,593.93</b>	<b>8,399,366.82</b>

6.1.1B Aging of Accounts Receivable for CY 2017 is presented as follows:

## AGING OF ACCOUNTS SUMMARY

12/31/2017

Zone	1-30 Days	31-60 Days	61-90 Days	91-120 Days	OVER 120 Days	Balance
1	0.00	0.00	0.00	0.00	413,710.86	413,710.86
2	0.00	0.00	0.00	0.00	20,357.87	20,357.87
3	0.00	0.00	0.00	13,903.06	769,904.69	783,807.75
4	374,274.74	158,824.39	62,918.32	25,201.59	893,666.63	1,514,885.67
5	274,984.68	101,324.33	9,556.88	4,597.28	253,885.63	644,348.80
6	264,144.31	67,381.23	30,746.75	5,687.32	285,494.16	653,453.77
7	175,936.71	78,370.65	13,510.62	4,604.78	274,334.87	546,757.63
8	288,398.66	92,938.78	30,205.30	5,903.59	490,106.06	907,552.39
9	243,573.30	122,553.60	49,778.16	12,552.38	518,527.17	946,984.61
10	96,185.32	36,297.46	12,210.64	1,240.75	60,650.67	206,584.84
11	164,137.23	57,307.26	14,713.69	6,974.98	240,709.94	483,843.10
12	174,541.02	84,753.47	12,747.81	3,705.45	216,470.20	492,217.95
13	208,092.68	112,965.63	61,337.56	6,374.64	127,459.01	516,229.52
14	67,156.14	24,645.83	5,598.14	1,476.34	31,684.59	130,561.04
15	51,978.60	39,328.34	15,031.82	9,651.63	100,619.32	216,609.71
16	80,364.58	19,678.47	5,756.27	1,519.38	110,811.34	218,130.04
Sub-Total	2,463,767.97	996,369.44	324,111.96	103,393.17	4,808,393.01	8,696,035.55
Add: Reconciling Item	(46,441.62)					(46,441.62)
<b>TOTALS</b>	<b>2,417,326.35</b>	<b>996,369.44</b>	<b>324,111.96</b>	<b>103,393.17</b>	<b>4,808,393.01</b>	<b>8,649,593.93</b>

6.1.1A Aging of Accounts Receivable for CY 2016 is presented as follows:

**AGING OF ACCOUNTS SUMMARY**  
12/31/2016

Zone	1-30 Days	31-60 Days	61-90 Days	91-120 Days	Over 120 Days	Balance
1	0.00	0.00	0.00	0.00	374,105.21	374,105.21
2	0.00	0.00	0.00	0.00	65,784.71	65,784.71
3	0.00	0.00	0.00	0.00	837,083.73	837,083.73
4	380,763.43	97,693.09	34,139.85	12,488.57	1,078,589.81	1,603,674.75
5	250,940.46	52,500.50	11,870.82	29,113.91	281,788.54	626,214.23
6	283,269.62	55,711.30	11,160.83	8,283.59	304,680.90	663,106.24
7	152,777.69	39,978.98	9,348.78	2,499.66	298,122.99	502,728.10
8	270,690.86	74,601.91	13,178.98	6,726.10	545,301.00	910,498.85
9	107,607.63	80,018.08	21,305.27	30,238.02	508,866.57	748,035.57
10	82,153.81	25,455.63	4,458.80	3,262.12	53,288.09	168,618.45
11	231,992.97	34,088.94	5,219.42	7,651.18	214,486.14	493,438.65
12	110,285.28	31,951.19	2,767.85	1,106.25	219,799.54	365,910.11
13	216,075.88	73,344.12	17,591.34	9,140.01	109,738.01	425,889.36
14	66,472.43	16,572.32	1,625.00	231.55	32,206.32	117,107.62
15	96,888.80	52,320.16	9,229.06	3,527.47	121,242.14	283,207.63
16	66,117.21	23,105.69	1,934.95	4,685.48	117,461.36	213,304.69
Sub-Total	2,316,036.07	657,341.91	143,830.95	118,953.91	5,162,545.06	8,398,707.90
Add: Reconciling Item	0.00	0.00	0.00	0.00	658.92	658.92
<b>Totals</b>	<b>2,316,036.07</b>	<b>657,341.91</b>	<b>143,830.95</b>	<b>118,953.91</b>	<b>5,163,203.98</b>	<b>8,399,366.82</b>

### 6.2 Accounts Receivable, Current

The aging of this account is detailed as follows:

	2017	2016
<b>Accounts Receivable</b>		
1-30 days	<b>P2,463,767.97</b>	P1,646,337.88
31-60 days	<b>996,369.44</b>	717,192.11
61-90 days	<b>324,111.96</b>	184,807.37
90 days above	<b>4,911,786.18</b>	5,850,370.54
Add/Less: Adjustment (Reconciling Items)	<b>(46,441.62)</b>	658.92
	<b>P8,649,593.93</b>	<b>P8,399,366.82</b>
Add: <b>Accounts Receivable (Others)</b>		
Less: Allowance for Doubtful Accounts		
Less: Allowance for Impairment Loss	<b>3,458,962.54</b>	3,844,889.56
<b>Total</b>	<b>P5,190,631.39</b>	<b>P4,554,477.26</b>

### 6.3 Accounts Receivable, Current

The aging of this account is detailed as follows:

	2017	2016
<b>Accounts Receivable</b>		
1-30 days	<b>P2,463,767.97</b>	P2,316,036.07
31-60 days	<b>996,369.44</b>	657,341.91
61-90 days	<b>324,111.96</b>	143,830.95
90 days above	<b>4,911,786.18</b>	5,281,498.97
<b>Total – Aging of Receivable</b>	<b>P8,696,035.55</b>	8,398,707.90
Add: Reconciling Items	<b>(46,441.62)</b>	658.92
<b>Total</b>	<b>P8,649,593.93</b>	<b>P 8,399,366.82</b>

**Accounts Receivables** are receivables arising from services rendered to customers for water sales and other incidental services. The concessionaires are categorized as Residential, Government and Commercial.



Programming on the Billing and Collection of Receivables is coursed through the DCTECH MICRO SERVICES, INC. The District availed of the DCTECH METER READING and ROUTE MANAGEMENT SYSTEM Software, including accessories and maintenance as evidenced by the Memorandum of Agreement (MOA) executed between the DCTECH and the DIGOS WATER DISTRICT (DWD) dated September 18, 2012.

### 6.2.1 Reconciling Items:

For CY 2017, this account can be broken down as follows:

ZONE	PARTICULARS	AMOUNT
0101	Acctno 003777 written off still in aging	(146.73)
0102	Acctnos: 003644 ; Acctno 007604 written off still in aging; Acctno 019141 a difference of 229.50 erroneous in billing report but correct in acct ledger	(760.34)
0103	Acctno 008681 written off still in aging	(117.31)
0104	Acctno 004470 transferred to 0307 P-0.42; Acctnos 008985 ; Acctno 009700 written off still aging	(880.05)
0105	Acctno 000428 a difference of 1720.90 erroneous in billing report but correct in acct ledger; Acctno 010493 transferred to 1504 0.86	1,720.04
0106	Acctno 023508 should be - 211.00 not 0 in aging	(211.00)
0108	Acctno 004355 written off still in aging	(1,823.66)
0109	Acctnos 004304 : acctno 009201 written-off still in aging	(553.46)
0110	Acctno 023513 shoul be -763.00 not 0 ; Acctno 005554 , acctno 005580 ; Acctno 000347 , Acctno 006347 , Acctno 008303 1317.37 written off accts still in aging, Acctno 023317 with balance 0.15 and Acctno 023349 with balance 0.96 were transferred to 0114	(5,569.51)
0111	Acctno 000272 written off accts still in aging	(403.87)
0112	Acctno 023519 should b - 211 not 0 in aging	(211.00)
0113	Acctno 004355 Dec. aging should be -0.34 not 0.00	(0.34)
0114	Acctnos 000347, Acctno 006347, Acctno 008303 adjustments should not be posted in ledger, Acctno 023317 with balance 0.15 and Acctno 023349 with balance 0.96 were transferred from 0110	3,681.87
0201	Acctnos 008406; Acctno 009835 written off accts still in aging; Acctno 004624 paid 210.95, possible erroneous posting of payment, no reconnection request, no outstanding balance	(642.05)
0202	Acctno 023566 should be -865.19 not 0 and Acctno 023596 should be -555.00 not 0 blng; Acctno 000685 with balance 325.69 already written-off still in aging	(1,745.88)
0203	Acctno 000638 written off accts still in aging;	(156.17)
0204	Acctno 023603 should be -211.00 not 0; Acctno 006633 written off ; Acctno 015118 with 30.57 difference, erroneous charging of tax withheld should be to acctno 018118	(474.13)

0205	Acctno 023568 should be -303.00 not 0	(303.00)
0302	Acctno 023594 should be -417.00 not 0 and Acctno 023599 should be - 647.00 not 0 ; Acctno 005065 written off accts; Acctno 005246 Dec. aging should be 453.75 not 0.00; Acctno 005085 Dec aging should be 84.06 not 0.00 with adjustment on surcharge in Jan.	(1,859.19)
0303	Acctno 023575 should be - 211.00 not 0; Acctno 009129 with 800.00 added to balance due to consumption deposit charging.	589.00
0304	Acctnos 008816 , Acctno 008921 ; Acctno 009676 written off accts still in aging	(1,860.76)
0305	Acctno 023590 should be - 463.00 not 0; Acctnos 001000; acctno 007437 written off accts still in aging	(1,180.18)
0307	Acctno 004470 transferred from 0104 P0.42;	0.42
0401	Acctnos 001818 ; Acctno 001715 written off accts still in aging	(800.38)
0402	Acctnos 001723 ; Acctno 001954 ; Acctno 006280 written off accts; Acctno 000822 transferred to 0413 1815.11	(3,830.50)
0403	Acctnos 002024 , Acctno 006701 ; Acctno 010467 written-off accts still in aging	(1,314.95)
0404	Acctnos 001717 , Acctno 003790 and Acctno 007450 written-off accts still in aging	(1,189.45)
0405	Acctnos 005644 ; Acctno 008689 written-off accts still in aging	(445.59)
0406	Acctnos 001446 ;and Acctno 003117 written-off accts still in aging	(960.65)
0407	Acctno 005298 written-off accts still in aging	(146.17)
0409	Acctnos 001956 ;acctno 007753 written-off accts still in aging	(473.91)
0410	Acctnos 001581 , acctno 007028 written off accts and acctno 007301 with balance 2082.74 were transferred to 0424	(8,962.82)
0411	Acctno 023521 should be -441.00 not 0; Acctno 006445 with balance 275.09 written off accts still in aging	(716.09)
0412	Acctno 023561 should be -280.00 not 0	(280.00)
0413	Acctno 000822 transferred from 0402 1815.11; Acctnos 007052 with balance 543.59 ; Acctno 008934 with balance 5148.49 written-off accts still in aging	(3,876.97)
0415	Various accounts with a total 77834.88 were transferred to 0425; Acctno 005892 written off accts still in aging	76,976.88
0420	Acctno 008712 with balance 146.17 written off accts still in aging	(146.17)
0422	Acctno 023514 should be - 234.00 not 0 and Acctno 023585 should be -326.00 not 0	(560.00)

0424	Acctno 001581 with balance 618.07, acctno 007028 with balance 6262.01 and acctno 007301 with balance 2082.74 were transferred from 0410	8,962.82
0425	Various accounts with a total 77834.88 were transferred from 0415	(77,834.88)
0501	Acctno 007401 with balance 417.30 written-off accts still in aging	(417.30)
0502	Acctno 002091 with balance 533.84 written-off still in aging	(533.84)
0503	Acctno 007331 adjustment amounting to 418.35 and Acctno adjustment amounting to 20.60 was not posted in BAM summary report but posted in IUMS	438.95
0504	Acctno 008291 with balance 288.24 written off accts still in aging	(288.24)
0505	Acctno 009534 with balance 411.68 written off accts in aging	(411.68)
0510	Acctno 006313 with balance 3359.94 was transferred to 0511; Acctno 010520 with SF charging before write-off; Acctno 008169 Oct blng was reported as 210.95 not 440.45	(2,589.44)
0511	Acctno 006313 with balance 3359.94 was transferred from 0510 to 0512; Various accounts were transferred to 0512	61,618.15
0512	Various accounts were transferred from 0511	(58,258.21)
0601	Acctno 002403 with balance 280.38, acctno 003104 with balance 365.56 and acctno 006532 with balance 579.10 written-off still in aging; Various accounts with a total 35444.71 were transferred to 0608	(36,669.75)
0602	Acctno 002323 with balance 288.98 and acctno 009634 with balance 273.84 written-off still in aging	(562.82)
0603	Acctno 002353 with balance 454.02 written off still in aging	(454.02)
0604	Acctno 008463 with balance 130.38 written-off still in aging	(130.38)
0608	Various accounts with a total 35444.71 were transferred from 0601	35,444.71
0701	Acctno 002616 with balance 463.20, acctno 002624 with balance 280.38, acctno 002672 with balance 349.80, acctno 002795 with balance 245.64, acctno 004503 with balance 585.29, acctno 005616 with balance 383.28, acctno 005634 with balance 454.76 and acctno 006670 with balance 149.45 already written-off; Acctno 002709 paid 500.00 before write-off; Acctno 002574 with balance 981.04 and acctno 023066 with balance 0.11 were transferred to 0702	(4,392.95)

0702	Acctno 004139 with balance 532.95, acctno 002746 with balance 2648.50 and acctno 002760 with balance 1378.97 were transferred to 0703; Acctno 002574 with balance 981.04 and acctno 023066 with balance 0.11 were transferred from 0701	(3,579.27)
0703	Acctno 004139 with balance 532.95 (already written-off), acctno 002746 with balance 2648.50 and acctno 002760 with balance 1378.97 were transferred from 0702; Acctno 002697 with balance 550.12 and acctno 009529 with balance 302.72 already written-off but still in aging.	3,174.63
0801	Acctno 002978 with balance 553.84, acctno 004281 with balance 289.63 and acctno 005148 with balance 423.31 already written-off; Acctno 009442 with balance 1.20 was transferred from 0803; Acctno 023183 with balance 9608.10 was transferred from 0803	(10,873.68)
0802	Acctno 007167 with balance 304.02 already written-off but still in aging; Acctno 010666 transferred from 0805 15.39	(288.63)
0803	Acctno 009442 with balance 1.20 was transferred to 0801; Acctno 023183 with balance 9608.10 was transferred to 0801; Accounts with balances still in aging: acctno 002999-375.67, 003026-301.03, 005086-338.24, 006551-356.22, 007890-177.74 and 009735-130.38; Acctno 003663 with SF 362.60 written-off; Acctno 008655 with balance 2020.87 was transferred to 0807	6,269.35
0804	Acctnos 001391 ; Acctno 005753 already written-off but still in aging	(1,599.38)
0805	Acctno 010666 transferred to 0802 15.39	(15.39)
0807	Acctno 008655 was transferred from 0803 with balance 2020.87	2,020.87
0808	Various accounts were transferred to 0810 amounting to 73377.28; Acctno 023412 Nov and Dec aging should be -211.00 not 0.00	73,166.28
0810	Various accounts were transferred from 0808 amounting to 73377.28	(73,377.28)
0901	Acctno 003069 with balance 454.86 already written off but still in aging	(454.86)
0902	Acctno 003200 with balance 312.31 and Acctno 003764 with balance 393.96 already written off	(706.27)
0903	Acctno 003217 with balance 390.38, acctno 007756 with balance 185.74 and acctno 009051 with balance 599.06 already written off but still in aging	(1,175.18)
0905	Acctno 008405 with balance 580.79 already written off but still in aging	(580.79)
1001	Acctno 008520 with balance 373.32 already written off but still in aging	(373.32)

1101	Acctno 003851 with balance 335.74, Acctno 004080 with balance 528.16 and acctno 009185 with balance 194.55 already written-off; Acctno 004392 with balance 7875.28 was transferred to 1102	(8,933.73)
1102	Acctno 004392 with balance 7875.28 was transferred from 1101; Acctno 015220 was transferred to 1103 0.60	7,874.68
1103	Acctno 015220 was transferred from 1102 0.60	0.60
1301	Acctno 009540 with balance 273.84 already written-off but still in aging; Acctno 014826 with balance 0.92 and acctno 016600 with balance 0.06 were transferred to 1304	(274.82)
1304	Acctno 014826 with balance 0.92 and acctno 016600 were transferred from 1301 and Nov billing is under reported with 551.24	(550.32)
1501	Acctno 006035 with balance 422.45 already written-off but still in aging; Acctno 005993 transferred to 1502 0.49	(422.94)
1502	Acctno 005993 transferred from 1501 0.49	0.49
1503	Acctno 020066 with SC 10.30 and 020230 with SC 28.31 were transferred to 1504; Acctno 010493 with balance 0.86 was transferred to 1504	39.47
1504	Acctno 010493 transferred from 0105 0.86; Acctno 020066 with SC 10.30 and 020230 with SC 28.31 were transferred from 1503; Acctno 010493 with balance 0.86 was transferred from 1503	(38.61)
1601	Acctno 007961 with balance 0.48 was transferred to 1603; Acctno 015118 with adjustment 30.57 was erroneously assigned with acctno for tax withheld instead of 018118	(31.05)
1603	Acctno 007961 with balance 0.48 was transferred from 1601;	0.48
TOTAL		(46,441.62)

## 6.2.1 Reconciling Items:

For CY 2016, this account can be broken down as follows:

ZONE	PARTICULARS	AMOUNT
101	Acct. No. 22039 should be (P325.70) in aging	(325.70)
106	Acct. No. 22033 should be (P372.00) in aging	(372.00)
107	Acct. No. 22025 should be (P211.00) in aging	(211.00)
108	Acct. No. 21986 should be (P395.00) in aging	(395.00)
108	Acct. No. 22012 should be (P210.95) in aging	(210.95)
111	Acct. No. 22011 should be (P509.00) in aging	(509.00)
204	Acct. No. 22043 should be (P372.00) in aging	(372.00)
205	Acct. No. 14111 should be (P.99) in aging	(300.00)
304	Acct. No. 22049 should be (P210.95) in aging	(210.95)
306	Acct. No. 22034 should be (P257.00) in aging	(257.00)
306	Acct. No. 12311 should be (P212.85) in aging not (P233.45)	20.60
402	Acct. No. 22045 should be (P463.00) in aging	(463.00)
402	Acct. No. 22076 should be (P211.00) in aging	(211.00)
406	Acct. No. 22094 should be (P211.00) in aging	(211.00)
408	Acct. No. 22013 should be (P441.00) in aging	(441.00)
602	Acct. No. 02261 should be (P468.18) in aging	(468.18)
603	Acct. No. 02516 should be (P4,999.90) in aging not (P5,000.10)	10,000.00
15	various surcharges not included in billing summary for adjustment in 2017)	(4,403.90)
<b>TOTAL</b>		<b>658.92</b>

<b>Reconciliation of Accounts Receivable as Presented in the Financial Statement:</b>	
<b>As of December 2017</b>	
Receivable Beg. 2017	8,399,366.82
Add: Sales (Income)	
Business Income (excluding interest income & sales revenue)	143,579,253.16
Waterworks System Fees	138,274,819.68
Waterworks System Fees (Metered Sales to General Customers)	132,747,879.74
Waterworks System Fees (Unmetered Sales to General Customers) - bulk water	35,745.03
Waterworks System Fees (Other Waterworks System Fees)	5,583,415.45
Waterworks System Fees (Other Waterworks System Fees) - meter maintenance	1,119,535.00
Waterworks System Fees (Other Waterworks System Fees) - recon, transfer & installation fee	4,463,880.45
Less: Discount on Senior Citizen	92,220.54
Fines and Penalties - Business Income	5,304,433.48
<b>Total Receivable</b>	<b>151,978,619.98</b>
Less: Collection (Cash Flow)	
Collection of Receivables	141,379,868.34
	141,379,868.34
Ending Balance	10,598,751.64
Less: A/R Ending per Balance Sheet	
Receivable End, December 2017	8,649,593.93
Receivable End = Accounted	8,649,593.93
Variance	<b>1,949,157.71</b>
<i>Variance is accounted as follows:</i>	
Non-cash adjustments:	
Consumption Deposit Offsetted	377,819.76
Other Personnel Benefits (Water Subsidy)	571,398.90
Taxes, Duties and Licenses	119,005.13
Water Expenses	114,911.33
Refund and Salary Deduction	59,496.07
Repairs & Maintenance	(1,526.00)
Accounts Written Off	710,002.56
Other Adjustments (Water System Fees)	(1,950.00)
Senior Citizen Discount overstated collection	(0.04)
<b>Total</b>	<b>1,949,157.71</b>



<b>Reconciliation of Accounts Receivable as Presented in the Financial Statement:</b>	
<b>As of December 31, 2016</b>	
Receivable Beginning 2016	3,308,118.70
Add: Receivable Beginning - Delinquent	4,977,141.00
<b>Total Beginning Balance</b>	<b>8,285,259.70</b>
Add: Sales (Income)	
Account#639 - Income from Waterworks System	127,529,463.81
Account#329 - Fines and Penalties	9,594,602.58
Account#628 - Other Service Income	1,037,470.00
Less: Discount on Senior Citizen	92,133.68
<b>Net</b>	<b>146,354,662.41</b>
Less: Collection - Statement of Cash Flows	
Collection of Receivables (CRR-121,629,628-678A)	136,499,118.06
Account Receivable (net) - as computed	9,855,544.35
Account Receivable - Book Balance	8,399,366.82
<b>Variance</b>	<b>1,456,177.53</b>

Variance is accounted as follows:

<b>Non Cash Adjustments:</b>	
Consumption Deposit Offsetted	492,873.84
Other Personnel Benefits (Water Subsidy)	555,639.90
Taxes, Duties and Licenses	122,446.71
Water Expenses	211,709.68
Refund and Salary Deduction	68,859.05
Service Income from Plumbers Fee	19,298.85
Plumber's Fee (DAR)	(2,910.00)
Repairs and Maintenance (854)	(3,141.00)
Refund from service fee (OR from CSD)	(8,600.00)
Adjustment on Senior Citizen's discount	0.50
<b>Total</b>	<b>1,456,177.53</b>

Non -Cash Adjustments such as offsetting of consumption deposit, water subsidy, taxes withheld by various concessionaires, water expenses, accounts written off and among others have been deducted from accounts receivable to account for the variance.

## 7. INVENTORIES

This account consists of the following:

	2017	2016
Inventories Held for Consumption	7,678,732.67	9,761,328.86
Semi-Expendable Machinery & Equipment	2,329,445.07	
Semi-Expendable Furniture, Fixture & Books	332,810.80	
<b>Total</b>	<b>10,340,988.54</b>	<b>9,761,328.86</b>

The inventory increases by 6% from last year's data.

### 7.1 Inventories Held for Consumption

This account can be broken down as follows:

	2017	2016
Office Supplies	P 562,258.97	P 219,254.71
Accountable Forms, Plates, and Stickers	192,515.18	109,779.62
Non Accountable Forms	8,048.25	
Drugs and Medicines	611.00	
Medical, Dental & Laboratory Supplies	172,663.11	319,650.00
Fuel, Oil & Lubricants	207,672.81	88,060.03
Other Supplies & Materials Inventory	1,086,389.75	514,762.90
Chemical and Filtering Supplies	56,813.66	
Construction Materials	5,391,759.94	8,509,821.60
<b>Total</b>	<b>7,678,732.67</b>	<b>9,761,328.86</b>

The following inventory accounts are accounted in determining the Total Inventory Balance in the Statement of Cash Flow of the accounting period in audit, viz:

- Office Supplies Inventory;
- Accountable Forms, Plates and Stickers Inventory;
- Non Accountable Forms Inventory;
- Medical, Dental & Laboratory Supplies Inventory;
- Fuel, Oil & Lubricants Supply Inventory;
- Other Supplies & Materials Inventory; and
- Chemical & Filtering Supplies Inventory

Supplies purchased whether acquired in cash or on account are reported as part of the inventory for the accounting period.

**Reported Inventory Expense in the Income Statement includes:**

1. Supplies and Materials purchased out of the Petty Cash Fund for immediate use and on emergency was treated as out-right expenses. (*NGAS – Corp Manual page 48*);
2. Most issuance of supplies from Other Supplies and Materials Inventory has been charged to Repairs and Maintenance Expenses;
3. Fuel consumption does not form part of the District’s Gasoline, Oil & Lubricants Supply Inventory. Thus, payment of fuel billed has been directly charged to expense; and

Medical, Dental and Laboratory Expense (760) in the year 2016 includes laboratory fees for water quality testing namely:

- Microbiological Analysis;
- Physical and Chemical Analysis; and
- General Analysis of Pesticide Residue in Water.

**INVENTORY RECONCILIATION**  
**CY 2017**  
**(As of December 2017)**

ACCOUNT CODE	DESCRIPTION	BEGINNING BALANCE		PURCHASES		ISSUANCES		As of December		VARIANCE
		FS-BS	BOOK	FS-CF	BOOK	FS-IS	BOOK	FS-BS	BOOK	
10404010	Office Supplies	219,254.71	219,254.71	1,306,538.08	1,379,625.87	886,926.56	1,036,621.61	638,866.23	562,258.97	76,607.26
10404020	Accountable Forms	109,779.62	109,779.62	322,920.00	161,460.00	68,748.03	78,724.44	363,951.59	192,515.18	171,436.41
10404030	Non-Accountable Forms				16,500.00	8,427.75	8,451.75	(8,427.75)	8,048.25	(16,476.00)
10404060	Drugs and Medicines Inventory				3,033.90	2,967.90	2,422.90	(2,967.90)	611.00	(3,578.90)
10404070	Medical, Dental and Laboratory Supplies	319,650.00	319,650.00	174,000.00	174,000.00	5,600.00	320,986.89	488,050.00	172,663.11	315,386.89
10404080	Fuel, Oil and Lubricants	88,060.03	88,060.03	196,730.00	196,730.00	1,000,613.81	77,117.22	(715,823.78)	207,672.81	(923,496.59)
10404090	Other Supplies & Materials	514,762.90	514,762.90	1,920,292.05	3,096,531.65	320,672.22	2,524,904.80	2,114,382.73	1,086,389.75	1,027,992.98
10404120	Chemical and Filtering Exp			890,250.00	890,250.00	1,153,086.23	833,436.34	(262,836.23)	56,813.66	(319,649.89)
10405030	Semi-Exp (IT Equip)			159,710.00	135,090.00		61,080.00	159,710.00	74,010.00	85,700.00
10405070	Semi-Exp (Comm. Eq)			2,699.00	2,699.00		2,699.00	2,699.00		2,699.00
10406010/20	Semi-Exp (Books, Furniture & Fixtures)			998,475.00	1,324,750.80	36,985.00	991,940.00	961,490.00	332,810.80	628,679.20
10406130	Semi-Exp (Technical & Scientific)			2,998,585.00	2,998,585.00		747,739.66	2,998,585.00	2,250,845.34	747,739.66
10405190	Semi-Exp (Other Mach)			272,634.50	157,079.50	316,311.55	152,489.77	(43,677.05)	4,589.73	(48,266.78)
		<b>1,251,507.26</b>	<b>1,251,507.26</b>	<b>9,242,833.63</b>	<b>10,536,335.72</b>	<b>3,800,339.05</b>	<b>6,838,614.38</b>	<b>6,694,001.84</b>	<b>4,949,228.60</b>	<b>1,744,773.24</b>
	Difference	-	-	<b>1,293,502.09</b>		<b>3,038,275.33</b>		<b>(1,744,773.24)</b>		

**Reconciliation of Inventory as Presented in the Financial Statement:**

**As of December 2017**

<b>Inventory:</b>	
Office Supplies Inventory	219,254.71
Accountable Forms, Plates & Stickers Inventory	109,779.62
Drugs and Medicine Inventory	
Medical, Dental and Laboratory Supplies Inventory	319,650.00
Fuel, Oil and Lubricants Inventory	88,060.03
Other Supplies & Materials Inventory	514,762.90
<b>Beginning (Statement of Financial Position)</b>	<b>1,251,507.26</b>
Office Supplies Inventory	1,306,538.08
Accountable Forms, Plates & Stickers Inventory	322,920.00
Drugs and Medicine Inventory	
Medical, Dental and Laboratory Supplies Inventory	174,000.00
Fuel, Oil and Lubricants Inventory	196,730.00

Other Supplies & Materials Inventory	1,920,292.05
Chemical and Filtering Supplies Inventory	890,250.00
Semi-Expendable - Furniture & Fixtures	978,260.00
Semi-Expendable - Info & Com Tech Equipment	159,710.00
Semi-Expendable - Communication Equipment	2,699.00
Semi-Expendable - Books	20,215.00
Semi-Expendable - Expendable Technical & Scientific Equipment	2,998,585.00
Semi-Expendable - Other Machinery Equipment	272,634.50
<b>Acquisition (Cash Flow)</b>	<b>9,242,833.63</b>
<b>Available for Use</b>	<b>10,494,340.89</b>
Office Supplies Expenses	886,926.56
Accountable Forms Expenses	68,748.03
Non-Accountable Forms Expenses	8,427.75
Drugs and Medicine Expenses	2,967.90
Medical, Dental and Laboratory Supplies Expenses	5,600.00
Fuel, Oil and Lubricants Expenses	1,000,613.81
Other Supplies & Materials Expenses	320,672.22
Agricultural and Marine Supplies Expenses	
Chemical and Filtering Supplies Expenses	1,153,086.23
Semi-Expendable - Machinery & Equipment Expenses	316,311.55
Semi-Expendable - Furniture, Fixtures & Books Expenses	36,985.00
<b>Reported Inventory Expense (Statement of Comprehensive Income)</b>	<b>3,800,339.05</b>
<b>Ending Balance</b>	<b>6,694,001.84</b>
Office Supplies Inventory	562,258.97
Accountable Forms, Plates & Stickers Inventory	192,515.18
Non-Accountable Forms Inventory	8,048.25
Drugs and Medicine Inventory	611.00
Medical, Dental and Laboratory Supplies Inventory	172,663.11
Fuel, Oil and Lubricants Inventory	207,672.81
Other Supplies & Materials Inventory	1,086,389.75
Chemical and Filtering Supplies Inventory	56,813.66
Semi-Expendable - Info & Com Tech Equipment	74,010.00
Semi-Expendable - Communication Equipment	
Semi-Expendable - Other Machinery Equipment	4,589.73
Semi-Expendable - Technical & Scientific Equipment	2,250,845.34
Semi-Expendable - Furniture & Fixtures	332,810.80
<b>Reported Ending Balance (Statement of Financial Condition)</b>	<b>4,949,228.60</b>
<b>Variance</b>	<b>1,744,773.24</b>
<i>Variance is accounted as follows:</i>	
Office Supplies Inventory charged Other Expenses	(76,607.26)
Accountable Forms Inventory charged to other expenses	(171,436.41)
Non-Accountable Forms Inventory charged to other expenses	16,476.00
Drugs and Medicines recorded as direct expense	3,578.90
Medical , Dental & Laboratory Supplies	(315,386.89)
Fuel & Oil Lubricants Inventory charged to other expenses	923,496.59
Other Supplies Inventory charged to other expenses	(1,027,992.98)
Chemical & Filtering Inventory charged to other expenses	319,649.89
Semi-expendable expenses	(1,416,551.08)

## 7.2 Semi-Expendable Machinery & Equipment

This account can be broken down as follows:

	2017	2016
Semi-Expendable Machinery		
Semi-Expendable Office Equipment		
Semi-Expendable Information & Communication Technology Equipment	74,010.00	
Semi-Expendable Communication Equipment		
Semi-Expendable Disaster Response & Rescue Equipment		
Semi-Expendable Medical Equipment		
Semi-Expendable Printing Equipment		
Semi-Expendable Sports Equipment		
Semi-Expendable Technical & Scientific Equipment	2,250,845.34	
Semi-Expendable Construction & Heavy Equipment		
Semi-Expendable Other Machinery & Equipment	4,589.73	
<b>Total</b>	<b>2,329,445.07</b>	0.00

## 7.3 Semi-Expendable Furniture, Fixture & Books

This account can be broken down as follows:

	2017	2016
Semi-Expendable Furniture, Fixtures	332,810.80	
Semi-Expendable Books		
<b>Total</b>	<b>332,810.80</b>	0.00

## 8. OTHER CURRENT ASSETS

This account consists of the following:

Other Current Assets	2017	2016
Prepayments	302,657.07	P 172,132.22
Deposits	20,802,790.31	17,564,753.90
<b>Total</b>	<b>21,105,447.38</b>	<b>P 17,927,656.27</b>

## 8.1 Prepayments

This account can be broken down as follows:

	2017	2016
Prepaid Insurance	302,657.07	P 172,132.22
<b>Total</b>	<b>302,657.07</b>	<b>P 172,132.22</b>

Prepaid Insurance represents the insurance for DWD vehicles, building and other structures insured with the Government Service Insurance System (GSIS). This account also covers the bond of accountable officers and employees of the district.

### 8.1.1 Prepaid Insurance

This account can be broken down as follows:

Name of Insurance Company	Nature of Insurance	2017	2016
Government Service Insurance System(GSIS)	Vehicle	P70,525.50	P46,834.77
Government Service Insurance System(GSIS)	Pump Stations & Contents	156,986.90	6,481.03
Government Service Insurance System(GSIS)	Building & Contents	7,291.36	18,552.44
Bureau of Treasury	Employees' Bond	46,355.40	52,968.53
Government Service Insurance System(GSIS)	Water Pipes & Portable Electronic Clamp	21,497.91	47,295.45
<b>TOTAL</b>		<b>P302,657.07</b>	<b>P172,132.22</b>

## 8.2 Deposits

This account consists of the following:

	2017	2016
Guaranty Deposits	401,852.16	190,770.15
Other Deposits	20,400,938.15	17,564,753.90
<b>Total</b>	<b>21,105,447.38</b>	<b>17,927,656.27</b>



### 8.2.1 Guaranty Deposits

This account consists of the following:

Particulars	2017	2016
a.) Pryce Gases Inc.	5,000.00	5,000.00
b.) DASURECO	i. Temporary Lighting	2,500.00
	ii. Bill Deposit	175,209.65
c.) Digos Avenue Trading	5,000.00	5,000.00
d.) Davao del Sur 1st Engineering Office	3,060.50	3,060.50
e.) PS-DBM Airline Ticket Procurement Service	167,767.04	0.00
<b>TOTAL</b>	<b><u>401,852.16</u></b>	<b><u>190,770.15</u></b>

The Guaranty Deposit consists of power-bill deposit required by Davao del Sur Electric Cooperative (DASURECO) for the temporary lighting of pump stations and is subject for refund by the latter upon disconnection of service. This account also includes deposit for acetylene and oxygen tank with Digos Avenue Trading Deposit as well as deposit to Davao del Sur 1st Engineering Office which represents the restoration bond required by the said agency for the transmission/distribution line projects of the district that will pass through national roads. The same will be refunded to the district upon project completion and restoration. The PS-DBM Airline Ticket Procurement Service represents deposits to Department Budget and Management for the procurement of airline tickets for Board of Directors, management and staff incurred during travels and seminars on official business.

### 8.2.2 Other Deposits

	2017	2016
Other Deposits	20,400,938.15	17,564,753.90
Total	20,400,938.15	17,564,753.90

This account consists of the following:

Other Deposits account is a time deposit made with bank for high yielding interest rates with 30- day maturity. This fund is earmarked for customers' guarantee deposit, employees' terminal leave and reserves for district's current projects.

## 8.2.2.1 Other Deposits

This account consists of the following:

	Account #	2017	2016
Cash In Bank-Customers' Guaranty Deposit	DBP-5000012-01-7	P7,570,133.79	P6,711,513.79
Cash In Bank-Customers' Guaranty Deposit (Treasury Bills)	DBP-0920-017705-160	3,031,997.37	3,006,977.97
Cash In Bank - Employees' Terminal Leave Fund	DBP-5000321-01-0	1,473,152.77	1,460,996.62
Cash In Bank-Debt Service with LWUA/WD Joint Accounts	DBP -5000013-01-2		6,385,265.52
Equity Reserves for Current DWD projects	DBP-5000136-01-5	3,348,638.41	
Equity Reserves for Current DWD projects	DBP-5000137-02-5	4,977,015.81	
<b>TOTAL</b>		<b>20,400,938.15</b>	P17,564,753.90

**Customers' Guarantee Deposit** pertains to deposits made by concessionaires normally before the installation of any service connection as security for the payment of subsequent bills. The amount collected from concessionaires is placed in time deposit and treasury bills so as to earn higher interest income. Moreover, deposits made for the **Employees' Terminal Leave** was reclassified from Restricted Fund to Other Current Assets per JEV No. 14-12-2388 pursuant to AOM 2014-003 (13). This account has been kept in reserve under DBP account # 5000321-01-0 as this is earmarked for terminal leave benefits of retireable employees.

Cash In Bank-Debt Service with LWUA/WD Joint Accounts(DBP -5000013-01-2) represents reserves for mandatory debt service with LWUA/WD Joint Accounts .This account has been transferred or reclassified from other deposits to sinking fund in 2017. Moreover, Equity Reserves for Current DWD projects (DBP-5000136-01-5 and DBP-5000137-02-5) have been transferred from last year's Sinking fund to Other Deposits account in 2017.Increases in the Other Deposits account is due to the interest income earned during the year.

## 9. INVESTMENTS

This account consists of the following:

	2017	2016
Sinking Fund	P6,438,393.82	P8,257,464.90
<b>Total</b>	<b>P6,438,393.82</b>	<b>P8,257,464.90</b>

### 9.1 Sinking Fund

This account can be broken down as follows:

ACCOUNT NUMBERS	2017	2016
DBP-5000136-01-5		P3,321,079.91
DBP-5000137-02-5		4,936,384.99
DBP-5000013-01-2	6,438,393.82	
<b>Total</b>	<b>6,438,393.82</b>	<b>P8,257,464.90</b>

**Sinking Fund** is a restricted asset which represents reserves for mandatory debt service with LWUA/WD Joint Accounts. There was a decrease in amount as compared last year due to transfer of charging of accounts from Sinking Fund to Other Deposits as these accounts have been earmarked for current projects of the district.

## 10. PROPERTY, PLANT AND EQUIPMENT

This account consists of the following:

Cost	2016	Additions	Adjustments	Transfers / capitalization	2017
Land	3,585,597.16	-			3,585,597.16
Land Improvements	742,483.39		4,138,611.10		4,881,094.49
Water Supply System	-		7,051,000.00		7,051,000.00
UPIS - Wells	-	630,000.00	7,932,593.14		8,562,593.14
UPIS - Pumping plants/ Stations	-		4,707,359.46		4,707,359.46
UPIS - Reservoirs & Tanks	-		22,950,938.19		22,950,938.19
UPIS - Transmission & Distribution Mains	-		73,711,191.42		73,711,191.42
UPIS - Hydrants	-		2,473,618.61		2,473,618.61
Office Building	8,657,460.04		4,146,689.05		12,804,149.09
Other Structures	27,239,657.20		(24,911,684.96)		2,327,972.24
Machinery	-		7,258,791.13		7,258,791.13
Office Equipment	3,039,869.67	2,298,046.48	(843,832.10)		4,494,084.05
IT Equipment and Software	15,714,190.54	678,520.00	(1,478,230.54)		14,914,480.00
Communication Equipment	1,191,988.93		(642,309.50)		549,679.43
Construction & Heavy Equip	-		1,208,805.00		1,208,805.00
Firefighting Equip & Accessories	-		20,190.00		20,190.00
Technical and Scientific Equipment	-	498,000.00	22,345,137.17		22,843,137.17
Other Equipment	18,176,162.26	3,069,320.00	(13,667,931.19)		7,577,551.07
Motor Vehicle	10,884,976.58	551,200.00	(9,289.60)		11,426,886.98
Other Transportation	5,400.00		(5,400.00)		-
Furniture and Fixtures	1,111,028.44	298,200.00	1,223,103.89		2,632,332.33
Other Property, Plant & Equipment	165,043,483.41	-	(162,349,405.91)		2,694,077.50
				0.00	
<b>Total</b>	<b>255,392,297.62</b>	<b>8,023,286.48</b>	<b>(44,740,055.64)</b>	<b>0.00</b>	<b>218,675,528.46</b>
				0.00	

Accumulated Depreciation	2016	Additions	Adjustments	Transfers / capitalization	2017
	-	112,599.27	2,375,369.77		2,487,969.04
Land Improvements	-	119,856.66	5,639,790.90		5,759,647.56
Water Supply System	-	1,395,842.43	51,593,864.11		52,989,706.54
UPIS	-	1,395,842.43	51,593,864.11		52,989,706.54
Office Building	3,889,484.07	617,541.36	1,181,344.31		5,688,369.74
Other Structures	17,039,026.96	1,135,554.51	(17,402,881.91)		771,699.56
Machinery	-	140,447.70	2,880,450.03		3,020,897.73
Office Equipment	2,309,530.82	274,095.79	(749,123.19)		1,834,503.42
IT Equipment and Software	11,178,852.02	1,235,102.25	(1,852,200.31)		10,561,753.96
Communication Equipment	995,593.25	56,541.24	(504,165.06)		547,969.43
Construction & Heavy Equip	-	25,503.46	328,664.44		354,167.90
Firefighting Equip & Accessories	-	-	20,189.00		20,189.00
Technical and Scientific Equipment	-	545,625.01	11,658,408.91		12,204,033.92
Other Equipment	5,916,664.07	1,974,498.90	(3,727,144.99)		4,164,017.98
Motor Vehicle	6,449,464.42	702,894.08	537,326.17		7,689,684.67
Other Transportation	5,398.00	-	(5,398.00)		-
Furniture and Fixtures	983,064.62	88,287.69	171,619.48		1,242,971.79
Other Property, Plant & Equipment	80,113,301.24	7,783,103.91	(86,520,209.13)		1,376,196.02
	<b>128,880,379.47</b>	<b>16,207,494.26</b>	<b>(34,374,095.47)</b>	0.00	110,713,778.26
<b>Total Accumulated Depreciation</b>				0.00	
<b>Net Book Value</b>	<b>126,511,918.15</b>	<b>(8,184,207.78)</b>	<b>(10,365,960.17)</b>	0.00	107,961,750.20

	2015	Additions	Adjustments	Transfers / capitalization	2016
<b>Cost</b>					
Land	3,135,597.16	450,000.00			3,585,597.16
Land Improvements	-	742,483.39			742,483.39
Water Supply System					-
UPIS - Wells					-
UPIS - Pumping plants/ Stations					-
UPIS - Reservoirs & Tanks					-
UPIS - Transmission & Distribution Mains					-
UPIS - Hydrants					-
Office Building	8,601,063.79	-	56,396.25		8,657,460.04
Other Structures	23,317,901.99	1,356,841.81	2,564,913.40		27,239,657.20
Machinery	-				-
Office Equipment	1,951,779.50	431,742.00	656,348.17		3,039,869.67
IT Equipment and Software	11,425,701.00	1,188,648.00	3,099,841.54		15,714,190.54
Communication Equipment	793,698.43	62,250.00	336,040.50		1,191,988.93
Construction & Heavy Equip					-
Firefighting Equip & Accessories					-
Technical and Scientific Equipment					-
Other Equipment	10,676,968.88	7,101,438.55	397,754.83		18,176,162.26
Motor Vehicle	10,251,892.69	67,200.00	565,883.89		10,884,976.58
Other Transportation			5,400.00		5,400.00
Furniture and Fixtures	918,872.51	33,330.00	158,825.93		1,111,028.44
Other Property, Plant & Equipment	149,800,639.00	10,828,386.57	4,414,457.84	0.00	165,043,483.41
<b>Total</b>	220,874,114.95	<b>22,262,320.32</b>	<b>12,255,862.35</b>	0.00	255,392,297.62

Accumulated Depreciation	2015	Additions	Adjustments	Transfers / capitalization	2016
<b>Cost</b>					
Land Improvements	-				-
Water Supply System	-				-
UPIS	-				-
Office Building	3,261,217.78	576,571.58	51,694.71		3,889,484.07
Other Structures	13,392,161.51	1,332,733.50	2,314,131.95		17,039,026.96
Machinery					-
Office Equipment	1,437,364.15	226,263.08	645,903.59		2,309,530.82
IT Equipment and Software	6,738,113.31	1,359,807.45	3,080,931.26		11,178,852.02
Communication Equipment	599,187.84	70,803.77	325,601.64		995,593.25
Construction & Heavy Equip					-
Firefighting Equip & Accessories					-
Technical and Scientific Equipment					-
Other Equipment	3,603,945.63	1,852,993.05	459,725.39		5,916,664.07
Motor Vehicle	5,194,032.85	689,555.68	565,875.89		6,449,464.42
Other Transportation			5,398.00		5,398.00
Furniture and Fixtures	751,729.01	62,127.69	169,207.92		983,064.62
Other Property, Plant & Equipment	64,690,665.06	10,562,981.99	4,859,505.19	0.00	80,113,301.24
<b>Total Accumulated Depreciation</b>	<b>99,668,417.14</b>	<b>16,733,837.79</b>	<b>12,477,975.54</b>	0.00	128,880,379.47
<b>Net Book Value</b>	<b>121,205,697.81</b>	<b>5,528,482.53</b>	<b>(222,113.19)</b>		126,511,918.15



Property, Plant and Equipment consists of land, buildings and facilities and equipment. Except for land, the District's property, plant and equipment are stated at cost less accumulated depreciation and amortization and impairment in value, if any. Land is stated at cost.

The initial cost of property and equipment consists of its purchase price, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use like transportation, freight, installation costs, etc. In the books of accounts, the purchase is immediately recorded as asset. Expenditures incurred after the assets have been put into operation such as repairs and maintenance have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its original assessed standard of performance, the expenditures are capitalized as an additional cost of the property, plant and equipment. When assets are sold and retired, their cost and accumulated depreciation and amortization are eliminated from accounts and any gain or loss resulting from their disposal is included in the statement of income and expenses.

The District depreciates the property, plant and equipment using the straight line method of depreciation. A residual equivalent to ten percent (10%) of the acquisition cost shall be deducted before dividing the same by the estimated useful life. Depreciation starts on the second month after purchase/completion of the property, plant and equipment.

The District's Salvage Value of properties acquired before the issuance of New Government Accounting System is Php 1.00. Properties acquired thereafter, salvage value is 10% of the acquisition cost.

The estimated useful life is based on the LWUA's Commercial Practices Manual and COA guidelines. Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets.

The management will scout for independent and qualified appraiser as required under PAS 16 and COA Resolution No.89-17. Since the engagement of appraisal services falls within the purview of R.A 9184, otherwise known as "Government Procurement Reform Act", it has to comply with various requisites such as but not limited to budget allocation, authority from the board and provision in the Annual Procurement Plan.

The column on transfer of unserviceable properties pertains to the fully depreciated assets reclassified to Other Asset as per COA recommendation as required under Section 143, Volume III of the NGAS. The addition in the accumulated depreciation includes depreciation expense charged for the year while adjustment column pertains to corrections of charging of account.

In 2017, the significant change of amounts in each account was due to the reclassification of accounts pursuant to Revised Chart of Accounts for Government Corporations per COA Circular No. 2015-010 and the reclassification of accounts per DBM Circular No. 2016-7 dated 07/20/2016.

In 2016, the amount of significant increase was caused by various completed pipelaying projects undertaken by Administration recorded to its proper PPE account as well as acquisition of additional PPE.

**10.1 Land**

This account can be broken down as follows:

	2016	Additions	Adjustments	Transfers / capitalization	2017
<b>Cost</b>					
Land	3,585,597.16	0.00	0.00	0.00	3,585,597.16
<b>Total</b>	<b>3,585,597.16</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,585,597.16</b>

	2015	Additions	Adjustments	Transfers / capitalization	2016
<b>Cost</b>					
Land	3,135,597.16	450,000.00	0.00	0.00	3,585,597.16
<b>Total</b>	<b>3,135,597.16</b>	<b>450,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,585,597.16</b>

Land includes the cost of land used in the Water District's operations.

For CY 2016, this account can be broken down as follows:

Land and Land & Building					
TCT/OCT/CCT No.	Tax Declaration No.	Classification	Exact location	Area	Acquisition Cost
TCT No. T-67717			Brgy. Colorado, Digos Davao del Sur, Phil.	1,161 sq.m.	185,000.00
TCT No. T-48845		Agricultural	Brgy. Kiagot, Digos Davao del Sur, Phil.	1157 sq.m.	104,652.68
TCT No. T-24875	87-02-20368-R	Residential	Bo. San Miguel, Digos Davao del Sur, Phil.	600 sq.m.	85,500.00
TCT No. T-46552	00-0017-00050	Residential	Brgy. San Agustin, Digos Davao del Sur, Phil.	150 sq.m.	22,104.00
TCT No. T-31364		Residential	Bo. of Poblacion, Digos Davao del Sur, Phil.	210 sq.m.	68,168.15
TCT No. T-34884		Residential	Brgy. Odaka, Digos Davao del Sur, Phil.	164 sq.m.	1,770.22
TCT No. T-24874	87-02-20209-R	Residential	Poblacion, Digos Davao del Sur, Phil.	1032 sq.m.	107,833.40
TCT No. T-19701	87-02-10609 & 87-02-10610	Commercial	Rizal Avenue, Digos Davao del Sur, Phil.	2000 sq.m.	608,872.00

TCT No. 69357	00-0024-00563	Residential	Brgy. Tres de Mayo	200 sq.m.	184,567.00
TCT No. 144-2011000782		Agricultural	Brgy. Dulangan	9227 sq.m.	656,594.76
	8-22168	Agricultural	PS# 2 Lapu-lapu Ext.	3294 sq.m.	100,034.95
			Brgy. Dulangan		600,000.00
			Ruparan (PS#8)		45,000.00
TCT No. 13000			Ruparan (PS#9)	7428 sq.m.	365,500.00
TCT No. T-41316	11-0024-04624	Agricultural	Brgy. Tres de Mayo	300 sq.m.	450,000.00
				TOTAL	<b>3,585,597.16</b>

\*PS#2 Lot located at Lapu-lapu Ext., Digos City: Transfer of Rights 600 sq.m.

## 10.2 Land Improvements

This account can be broken down as follows:

	2016	Additions	Adjustments	Transfers / capitalization	2017
<b>Cost</b>					
Land Improvements	742,483.39	0.00	4,138,611.10	0.00	4,881,094.49
Total	742,483.39	0.00	4,138,611.10	0.00	4,881,094.49
<b>Accumulated Depreciation</b>					
Land Improvements	0.00	112,599.27	2,375,369.77	0.00	2,487,969.04
Net Book Value	0.00	112,599.27	2,375,369.77	0.00	2,487,969.04

	2015	Additions	Adjustments	Transfers / capitalization	2016
<b>Cost</b>					
Land Improvements	0.00	742,483.39	0.00	0.00	742,483.39
Total	0.00	742,483.39	0.00	0.00	742,483.39
<b>Accumulated Depreciation</b>					
Land Improvements	0.00	0.00	0.00	0.00	0.00
Net Book Value	0.00	0.00	0.00	0.00	0.00

In 2017, the adjustment addresses the implementation of the Revised Chart of Accounts.

In 2016, the addition refers to the constructed Natural Lagoon in Eco-Living and Learning Park in Dulangan.

### 10.3 Infrastructure Assets

This account consists of the following :

	2017	2016
Water Supply Systems	7,051,000.00	
Accu. Dep'n -Water Supply Systems	(5,759,647.56)	
Plant-Utility Plant In Service (UPIS)	112,405,700.82	
UPIS-Wells	8,562,593.14	
UPIS-Transmission & Distribution Mains	73,711,191.42	
UPIS-Hydrants	2,473,618.61	
UPIS-Other Transmission & Distribution Mains		
Accu. Dep'n (UPIS)	(52,989,706.54)	
<b>Total Infrastructure Assets</b>	<b>60,707,346.72</b>	0.00

#### 10.3.1 Water Supply System

This account can be broken down as follows:

	2016	Additions	Adjustments	Transfers / capitalization	2017
<b>Cost</b>					
	0.00	0.00	7,051,000.00		7,051,000.00
Water Supply System				0.00	
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>7,051,000.00</b>	<b>0.00</b>	<b>7,051,000.00</b>
<b>Accumulated Depreciation</b>					
	0.00	119,856.66	5,639,790.90		5,759,647.56
Water Supply System				0.00	
<b>Net Book Value</b>	<b>0.00</b>	<b>119,856.66</b>	<b>5,639,790.90</b>	<b>0.00</b>	<b>5,759,647.56</b>
				0.00	

10.3.2 UPIS - Wells

This account can be broken down as follows:

	2016	Additions	Adjustments	Transfers / capitalization	2017
<b>Cost</b>					
UPIS - Wells	0.00	630,000.00	7,932,593.14	0.00	8,562,593.14
Total	0.00	630,000.00	7,932,593.14	0.00	8,562,593.14

10.3.3 UPIS - Pumping Plants/ Stations

	2016	Additions	Adjustments	Transfers / capitalization	2017
<b>Cost</b>					
UPIS-Pumping Plants/Stations	0.00	0.00	4,707,359.46	0.00	4,707,359.46
Total	0.00	0.00	4,707,359.46	0.00	4,707,359.46

10.3.4 UPIS - Reservoirs & Tanks

	2016	Additions	Adjustments	Transfers / capitalization	2017
<b>Cost</b>					
UPIS-Reservoirs & Tanks	0.00	0.00	22,950,938.19	0.00	22,950,938.19
Total	0.00	0.00	22,950,938.19	0.00	22,950,938.19

	2016	Additions	Adjustments	Transfers / capitalization	2017
<b>Cost</b>					
UPIS-Transmission & Distribution Mains	0.00	0.00	73,711,191.42	0.00	73,711,191.42
Total	0.00	0.00	73,711,191.42	0.00	73,711,191.42

## 10.3.6 UPIS - Hydrants

	2016	Additions	Adjustments	Transfers / capitalization	2017
<b>Cost</b>					
UPIS-Hydrants	0.00	0.00	2,473,618.61	0.00	2,473,618.61
<b>Total</b>	0.00	0.00	2,473,618.61	0.00	2,473,618.61

## 10.3.7 UPIS – Accumulated Depreciation

	2016	Additions	Adjustments	Transfers / capitalization	2017
<b>Cost</b>					
UPIS	0.00	1,395,842.43	51,593,864.11	0.00	52,989,706.54
<b>Total</b>	0.00	1,395,842.43	51,593,864.11	0.00	52,989,706.54

## 10.4 Buildings &amp; Other Structures

This account can be broken down as follows:

	2017	2016
Buildings	12,804,149.09	8,657,460.04
Accu. Dep'n – Buildings	(5,688,369.74)	(3,889,484.07)
Other Structures	2,327,972.24	27,239,672.20
Accu. Dep'n – Other Structures	(771,699.56)	(17,039,026.96)
<b>Total</b>	<b>8,672,052.03</b>	<b>14,968,621.21</b>

## 10.4.1 Buildings

This account can be broken down as follows:

	2016	Additions	Adjustments	Transfers / capitalization	2017
<b>Cost</b>					
Office Buildings	8,657,460.04	0.00	4,146,689.05	0.00	12,804,149.09
<b>Total</b>	8,657,460.04	0.00	4,146,689.05	0.00	12,804,149.09
<b>Accumulated Depreciation</b>					
Office Buildings	3,889,484.07	617,541.36	1,181,344.31	0.00	5,688,369.74
<b>Total</b>	3,889,484.07	617,541.36	1,181,344.31	0.00	5,688,369.74

	2015	Additions	Adjustments	Transfers / capitalization	2016
<b>Cost</b>					
Office Buildings	8,601,063.79	0.00	56,396.25	0.00	8,657,460.04
Total	8,601,063.79	0.00	56,396.25	0.00	8,657,460.04
<b>Accumulated Depreciation</b>					
Office Buildings	3,261,217.78	576,571.58	51,694.71	0.00	3,889,484.07
Total	3,261,217.78	576,571.58	51,694.71	0.00	3,889,484.07

10.4.2 Other Structures

This account can be broken down as follows:

	2016	Additions	Adjustments	Transfers / capitalization	2017
<b>Cost</b>					
Other Structures	27,239,657.20	0.00	(24,911,684.96)	0.00	2,327,972.24
Total	27,239,657.20	0.00	(24,911,684.96)	0.00	2,327,972.24
<b>Accumulated Depreciation</b>					
Other Structures	17,039,026.96	1,135,554.51	(17,402,881.91)	0.00	771,699.56
Total	17,039,026.96	1,135,554.51	(17,402,881.91)	0.00	771,699.56

	2015	Additions	Adjustments	Transfers / capitalization	2016
<b>Cost</b>					
Other Structures	23,317,901.99	1,356,841.81	2,564,913.40	0.00	27,239,657.20
Total	23,317,901.99	1,356,841.81	2,564,913.40	0.00	27,239,657.20
<b>Accumulated Depreciation</b>					
Other Structures	13,392,161.51	1,332,733.50	2,314,131.95	0.00	17,039,026.96
Total	13,392,161.51	1,332,733.50	2,314,131.95	0.00	17,039,026.96



## 10.5 Machinery & Equipment

This account can be broken down as follows:

	2017	2016
Machinery	7,258,791.13	
Accu. Dep'n – Machinery	(3,020,897.73)	
Office Equipment	4,494,084.05	3,039,869.67
Accu. Dep'n – Office Equipment	(1,834,503.42)	(2,309,530.82)
Info & Com tech Equipment	14,914,480.00	15,714,190.54
Accu. Dep'n – Office Equipment	(10,561,753.96)	(11,178,852.02)
Communication Equipment	549,679.43	1,191,988.932
Accu. Dep'n – Communication Equipment	(547,969.43)	(995,593.25)
Construction and Heavy Equipment	1,208,805.00	
Accu. Dep'n – Construction and Heavy Equipment	(354,167.90)	
Disaster Response & Rescue Equipment-Firefighting	20,190.00	
Accu. Dep'n – Response & Rescue Equipment-Firefighting	(20,189.00)	
Technical and Scientific Equipment	22,843,137.17	
Accu. Dep'n – Construction and Heavy Equipment	(12,204,033.92)	
Other Equipment	7,577,551.07	18,176,162.26
Accu. Dep'n – Other Equipment	(4,164,017.98)	(5,916,664.07)
<b>Total</b>	<b>26,159,184.51</b>	<b>17,721,571.24</b>

### 10.5.1 Machinery

This account can be broken down as follows:

	2016	Additions	Adjustments	Transfers / capitalization	2017
<b>Cost</b>					
Machinery	0.00	0.00	7,258,791.13	0.00	7,258,791.13
Total	0.00	0.00	7,258,791.13	0.00	7,258,791.13
<b>Accumulated Depreciation</b>					
Machinery	0.00	140,447.70	2,880,450.03	0.00	3,020,897.73
Total	0.00	140,447.70	2,880,450.03	0.00	3,020,897.73

10.5.2 Office Equipment

This account can be broken down as follows:

	2016	Additions	Adjustments	Transfers / capitalization	2017
<b>Cost</b>					
Office Equipment	3,039,869.67	2,298,046.48	(843,832.10)	0.00	4,494,084.05
Total	3,039,869.67	2,298,046.48	(843,832.10)	0.00	4,494,084.05
<b>Accumulated Depreciation</b>					
Office Equipment	2,309,530.82	274,095.79	(749,123.19)	0.00	1,834,503.42
Total	2,309,530.82	274,095.79	(749,123.19)	0.00	1,834,503.42

	2015	Additions	Adjustments	Transfers / capitalization	2016
<b>Cost</b>					
Office Equipment	1,951,779.50	431,742.00	656,348.17	0.00	3,039,869.67
Total	1,951,779.50	431,742.00	656,348.17	0.00	3,039,869.67
<b>Accumulated Depreciation</b>					
Office Equipment	1,437,364.15	226,263.08	645,903.59	0.00	2,309,530.82
Total	1,437,364.15	226,263.08	645,903.59	0.00	2,309,530.82

10.5.3 Information & Communication Technology Equipment

This account can be broken down as follows:

	2016	Additions	Adjustments	Transfers / capitalization	2017
<b>Cost</b>					
IT Equipment & Software	15,714,190.54	678,520.00	(1,478,230.54)	0.00	14,914,480.00
Total	15,714,190.54	678,520.00	(1,478,230.54)	0.00	14,914,480.00
<b>Accumulated Depreciation</b>					
IT Equipment & Software	11,178,852.02	1,235,102.25	(1,852,200.31)	0.00	10,561,753.96
Total	11,178,852.02	1,235,102.25	(1,852,200.31)	0.00	10,561,753.96

	2015	Additions	Adjustments	Transfers / capitalization	2016
<b>Cost</b>					
IT Equipment & Software	11,425,701.00	1,188,648.00	3,099,841.54	0.00	15,714,190.54
Total	11,425,701.00	1,188,648.00	3,099,841.54	0.00	15,714,190.54
<b>Accumulated Depreciation</b>					
IT Equipment & Software	6,738,113.31	1,359,807.45	3,080,931.26	0.00	11,178,852.02
Total	6,738,113.31	1,359,807.45	3,080,931.26	0.00	11,178,852.02

#### 10.5.4 Communication Equipment

Communications Equipment includes the cost of telephone, telegraph, and other communications equipment used in the Water District's operations.

This account can be broken down as follows:

	2016	Additions	Adjustments	Transfers / capitalization	2017
<b>Cost</b>					
Communication Equipment	1,191,988.93	0.00	(642,309.50)	0.00	549,679.43
Total	1,191,988.93	0.00	(642,309.50)	0.00	549,679.43
<b>Accumulated Depreciation</b>					
Communication Equipment	995,593.25	56,541.24	(504,165.06)	0.00	547,969.43
Total	995,593.25	56,541.24	(504,165.06)	0.00	547,969.43

	2015	Additions	Adjustments	Transfers / capitalization	2016
<b>Cost</b>					
Communication Equipment	793,698.43	62,250.00	336,040.50	0.00	1,191,988.93
Total	793,698.43	62,250.00	336,040.50	0.00	1,191,988.93
<b>Accumulated Depreciation</b>					
Communication Equipment	599,187.84	70,803.77	325,601.64	0.00	995,593.25
Total	599,187.84	70,803.77	325,601.64	0.00	995,593.25

**10.5.6 Construction and Heavy Equipment**

This account can be broken down as follows:

	2016	Additions	Adjustments	Transfers / capitalization	2017
<b>Cost</b>					
Construction & Heavy Equipment	0.00	0.00	1,208,805.00	0.00	1,208,805.00
Total	0.00	0.00	1,208,805.00	0.00	1,208,805.00
<b>Accumulated Depreciation</b>					
Construction & Heavy Equipment	0.00	25,503.46	328,664.44	0.00	354,167.90
Total	0.00	25,503.46	328,664.44	0.00	354,167.90

**10.5.7 Disaster Response and Rescue Equipment- Firefighting Equipment & Accessories**

This account can be broken down as follows:

	2016	Additions	Adjustments	Transfers / capitalization	2017
<b>Cost</b>					
Firefighting Equip & Accessories	0.00	0.00	20,190.00	0.00	20,190.00
Total	0.00	0.00	20,190.00	0.00	20,190.00
<b>Accumulated Depreciation</b>					
Firefighting Equip & Accessories	0.00	0.00	20,189.00	0.00	20,189.00
Total	0.00	0.00	20,189.00	0.00	20,189.00

**10.5.8 Technical & Scientific Equipment**

This account can be broken down as follows:

	2016	Additions	Adjustments	Transfers / capitalization	2017
<b>Cost</b>					
Technical and Scientific Equipment	0.00	498,000.00	22,345,137.17	0.00	22,843,137.17
Total	0.00	498,000.00	22,345,137.17	0.00	22,843,137.17
<b>Accumulated Depreciation</b>					
Technical and Scientific Equipment	0.00	545,625.01	11,658,408.91	0.00	12,204,033.92
Total	0.00	545,625.01	11,658,408.91	0.00	12,204,033.92

### 10.5.9 Other Equipment

This account can be broken down as follows:

	2016	Additions	Adjustments	Transfers / capitalization	2017
<b>Cost</b>					
Other Equipment	18,176,162.26	3,069,320.00	(13,667,931.19)	0.00	7,577,551.07
Total	18,176,162.26	3,069,320.00	(13,667,931.19)	0.00	7,577,551.07
<b>Accumulated Depreciation</b>					
Other Equipment	5,916,664.07	1,974,498.90	(3,727,144.99)	0.00	4,164,017.98
Total	5,916,664.07	1,974,498.90	(3,727,144.99)	0.00	4,164,017.98

	2015	Additions	Adjustments	Transfers / capitalization	2016
<b>Cost</b>					
Other Equipment	10,676,968.88	7,101,438.55	397,754.83	0.00	18,176,162.26
Total	10,676,968.88	7,101,438.55	397,754.83	0.00	18,176,162.26
<b>Accumulated Depreciation</b>					
Other Equipment	3,603,945.63	1,852,993.05	459,725.39	0.00	5,916,664.07
Total	3,603,945.63	1,852,993.05	459,725.39	0.00	5,916,664.07

### 10.6 Transportation Equipment

This account consists of the following:

	2017	2016
Motor Vehicles	11,426,886.98	10,884,976.58
Accu. Dep'n - Motor Vehicles	(7,689,684.67)	6,449,464.42
<b>Total</b>	<b>3,737,202.31</b>	<b>4,435,512.16</b>

#### 10.6.1 Motor Vehicle

Motor vehicle includes the cost of transportation vehicles used by the water district in its operation.

This account can be broken down as follows:

	2016	Additions	Adjustments	Transfers / capitalization	2017
<b>Cost</b>					
Motor Vehicle	10,884,976.58	551,200.00	(9,289.60)	0.00	11,426,886.98
Total	10,884,976.58	551,200.00	(9,289.60)	0.00	11,426,886.98
<b>Accumulated Depreciation</b>					
Motor Vehicle	6,449,464.42	702,894.08	537,326.17	0.00	7,689,684.67
Total	6,449,464.42	702,894.08	537,326.17	0.00	7,689,684.67

	2015	Additions	Adjustments	Transfers / capitali- zation	2016
<b>Cost</b>					
Motor Vehicle	10,251,892.69	67,200.00	565,883.89	0.00	10,884,976.58
Total	10,251,892.69	67,200.00	565,883.89	0.00	10,884,976.58
<b>Accumulated Depreciation</b>					
Motor Vehicle	5,194,032.85	689,555.68	565,875.89	0.00	6,449,464.42
Total	5,194,032.85	689,555.68	565,875.89	0.00	6,449,464.42

10.7 Other Property, Plant & Equipment

This account consists of the following:

	2017	2016
Other Property, Plant & Equipment	2,964,077.50	165,043,483.41
Accu. Dep'n - Other Property, Plant & Equipment	(1,376,196.02)	80,113,301.24
<b>Total</b>	<b>1,317,881.48</b>	<b>84,930,182.17</b>

This account can be broken down as follows:

	2016	Additions	Adjustments	Transfers / capitali- zation	2017
<b>Cost</b>					
Other Property, Plant & Equip- ment	165,043,483.41	0.00	(162,349,405.91)	0.00	2,694,077.50
Total	165,043,483.41	0.00	(162,349,405.91)	0.00	2,694,077.50
<b>Accumulated Depreciation</b>					
Other Property, Plant & Equip- ment	80,113,301.24	7,783,103.91	(86,520,209.13)	0.00	1,376,196.02
Total	80,113,301.24	7,783,103.91	(86,520,209.13)	0.00	1,376,196.02

	2015	Additions	Adjustments	Transfers / capitali- zation	2016
<b>Cost</b>					
Other Property, Plant & Equip- ment	149,800,639.00	10,828,386.57	4,414,457.84	0.00	165,043,483.41
Total	149,800,639.00	10,828,386.57	4,414,457.84	0.00	165,043,483.41
<b>Accumulated Depreciation</b>					
Other Property, Plant & Equip- ment	64,690,665.06	10,562,981.99	4,859,505.19	0.00	80,113,301.24
Total	64,690,665.06	10,562,981.99	4,859,505.19	0.00	80,113,301.24

## 10.8 Furniture and Fixtures

This account consists of the following:

	2017	2016
Furniture and Fixtures	2,632,332.33	1,111,028.44
Accu. Dep'n - Furniture and Fixture	(1,242,971.79)	938,064.62
<b>Total</b>	<b>1,389,360.54</b>	<b>172,963.82</b>

This account can be broken down as follows:

	2016	Additions	Adjustments	Transfers / capitalization	2017
<b>Cost</b>					
Furniture and Fixtures	1,111,028.44	298,200.00	1,223,103.89	0.00	2,632,332.33
Total	1,111,028.44	298,200.00	1,223,103.89	0.00	2,632,332.33
<b>Accumulated Depreciation</b>					
Furniture and Fixtures	983,064.62	88,287.69	171,619.48	0.00	1,242,971.79
Total	983,064.62	88,287.69	171,619.48	0.00	1,242,971.79

	2015	Additions	Adjustments	Transfers / capitalization	2016
<b>Cost</b>					
Furniture and Fixtures	918,872.51	33,330.00	158,825.93	0.00	1,111,028.44
Total	918,872.51	33,330.00	158,825.93	0.00	1,111,028.44
<b>Accumulated Depreciation</b>					
Furniture and Fixtures	751,729.01	62,127.69	169,207.92	0.00	983,064.62
Total	751,729.01	62,127.69	169,207.92	0.00	983,064.62

## Reconciliation of Property, Plant and Equipment as Presented in the Financial Statement

As of December 2017

<b>COST</b>	
Property, Plant & Equipment Beg. 2017	255,392,297.62
Add: Acquisition (St. of Cash Flow)	7,247,136.48
Total	262,639,434.10
Less: Adjustment/Reclassification	48,509,992.90
Ending Balance	214,129,441.20
Reported Ending Balance (St. of Fin. Position)	218,675,528.46
Variance	(4,546,087.26)
<b>ACCUMULATED DEPRECIATION</b>	
Accumulated Depreciation Beg. 2017	128,880,379.47
Depreciation Expense	12,980,405.41
Total	145,087,873.73
Less: Adjustment/Reclassification	34,374,095.47
Ending Balance	107,486,689.41
Reported Ending Balance (St. of Fin. Position)	110,713,778.26
<b>NET BOOK VALUE</b>	
Net Book Value - as computed	106,642,751.79
Net Book Value - reported	107,961,750.20
<b>Variance</b>	<b>(1,318,998.41)</b>
<i>Variance is accounted as follows:</i>	
PPE recorded as payable as of December 2017	776,200.00
Reclassification of Payroll on New Service Connection charged to Other Property, Plant & Equipment	486,720.18
Issuance/Return of Materials (MSIJ) charged to Other PPE	3,283,167.08
Adjustment on depreciation due to Reclassification of accounts	(3,227,088.55)
<b>Total</b>	<b>(1,318,998.71)</b>



## 11. CONSTRUCTION IN PROGRESS

	2017	2016
Construction in Progress – Buildings & other Structures	23,466,452.38	18,149,171.02
Construction in Progress – Land Improvements	1,277,555.02	
Construction in Progress – Infrastructure Assets	11,046,118.91	4,949,895.53
Construction in Progress – Buildings & Other Structures		
Construction in Progress – Furniture & Fixtures	306,817.78	
<b>Total</b>	<b>36,096,944.09</b>	<b>23,099,066.55</b>

This account consists of the following:

This account refers to the agency's assets which are still under construction on various projects and water supply system.

**Construction in Progress Account**  
As of December 31, 2017

<i>Project Name</i>	<i>Name of Contractor</i>	<i>Work Order No.</i>	<i>Budget</i>	<i>Actual</i>	<i>Balance As of Dec. 31, 2017</i>	<i>Balance As of Dec. 31, 2017</i>
<b>Construction in Progress - Land Improvements (1 06 99 010)</b>						
Proposed Steel fence @ DWD Compound	By Admin	2017-03-36	1,597,966.24	1,215,013.77	1,215,013.77	76%
Proposed Rehabilitation of fence line of DWD Compound @ Lapu-lapu Ext., Digos City	By Admin	2017-10-76	222,171.40	62,541.25	62,541.25	28%
<b>Sub-Total</b>				<b>1,277,555.02</b>	<b>1,277,555.02</b>	
<b>Construction in Progress - Infrastructure Assets (1 06 99 020)</b>						
Proposed Distribution Line @ San Miguel-Dulangan	By Admin	2016-01-01	1,020,000.00	10,412.86	10,412.86	1%
Proposed Dist. Line - Brgy. Kiagot (Upper Alta Vista - Quarry Site)	By Admin	2015-02-01	227,750.00	-	-	
Proposed Dist. Line - Cabrillos St. (Roxas Ext. - cor. Estrada St.)	By Admin	2015-02-02	339,152.00	244,821.11	244,821.11	55%
Proposed Dist. Line - cor. V. Sotto St. - Estrada 5th St.	By Admin	2015-02-07	443,252.00	348,528.61	348,528.61	79%
Proposed Dist. Line - Gallarde St. (cor. 1st Crumb St. - Mary Crumb St.)	By Admin	2015-02-08	278,226.00	168,393.25	168,393.25	61%
Proposed Dist. Line - Luna Ext. (Rizal Ave. - J.P. Laurel St.)	By Admin	2015-02-13	663,025.00	454,207.81	454,207.81	69%

Proposed Dist. Line - Quezon Ave. ("Y" Junction Rd.-Rizal Ave. Jumao-as Rd.)	By Admin	2015-02-14	3,421,142.00	2,271,722.38	2,271,722.38	66%
Proposed Dist. Line - Brgy. Ruparan (San Vicente - Riverside Proper)	By Admin	2015-02-16	294,050.00	234,686.17	234,686.17	80%
Proposed Dist. Line - Sacred Heart Ave.(cor. Cabrillos St. -cor. Rizal Ave.)	By Admin	2015-02-20	192,540.00	105,270.49	105,270.49	55%
Proposed realignment of Distribution Line (Due to road widening)	By Admin	2015-10-01	451,214.00	186,931.15	186,931.15	41%
Proposed Distribution Line @ Rizal Ave. (Lapu-lapu-Mabini)	By Admin	2016-01-02	395,000.00	364,512.30	364,512.30	92%
Proposed Distribution Line @ Rizal Ave. (Lim-Mabini East)	By Admin	2016-01-03	235,000.00	218,494.38	218,494.38	93%
Proposed Distribution Line @ Rizal Ave. (Roxas-Crumb)	By Admin	2016-01-04	615,000.00	550,184.33	550,184.33	89%
Proposed Distribution Line @ Rizal Ave. (Ebreo-Sto. Rosario)	By Admin	2016-01-05	960,000.00	752,763.05	752,763.05	78%
Proposed Distribution Line @ Parallel Road (lower Matti)	By Admin	2016-01-06	890,000.00	882,513.79	882,513.79	99%
Proposed Distribution Line @ Capitol Road (Parallel-McArthur)	By Admin	2016-01-07	305,000.00	234,672.25	234,672.25	77%
Proposed Distribution Line @ 3rd St. (Aurora-Dawis Road)	By Admin	2016-01-09	370,000.00	321,873.62	321,873.62	87%
Proposed Distribution Line @ Latasa Village (Colorado)	By Admin	2016-01-19	100,000.00	41,152.80	41,152.80	41%
Proposed Distribution Line @ Biao Balisong	By Admin	2016-01-20	304,400.00	212,386.78	212,386.78	70%
Proposed Distribution Line @ Sitio San Rosario, Ruparan	By Admin	2016-02-29	120,000.00	100,843.48	100,843.48	84%
Proposed Installation of Hydrant Valve	By Admin	2016-07-38	300,000.00	246,056.67	246,056.67	82%
Proposed Installation of Gate Valve (Capex 2016)	By Admin	2016-07-39	350,000.00	158,403.00	158,403.00	45%
DL - San Roque - Lungag Prov'l Road	By Admin	2017-01-22	570,000.00	412,068.63	412,068.63	72%
Three-phase conversion	By Admin	2017-05-44	1,000,000.00	990,000.00	990,000.00	99%
Drilling of one exploratory/production well - Hanna Via Construction, Inc.	By Admin			1,535,220.00	1,535,220.00	
<b>Sub-Total</b>				<b>11,046,118.91</b>	<b>11,046,118.91</b>	
<b>Construction in Progress - Buildings and Other Structures (1 06 99 030)</b>						
Professional Service of a Licensed Structural Engineer	By Admin	2014-06-01	52,000.00	49,500.00	49,500.00	95%

Proposed 2-storey Building	By Admin	2015-05-24	18,000,000.00	16,015,364.65	16,015,364.65	89%
Proposed Exterior Painting Works for Concrete Reservoir - Alta Vista Brgy. Kiagot	By Admin	2016-06-32	280,000.00	237,047.50	237,047.50	85%
Proposed Exterior Painting Works for Concrete Reservoir - San Roque St., Colorado	By Admin	2016-06-33	175,000.00	165,173.26	165,173.26	94%
Proposed Exterior Painting Works for Concrete Reservoir - Brgy. Kiagot Center	By Admin	2016-06-34	80,000.00	62,373.46	62,373.46	78%
Proposed Exterior Painting Works for Concrete Reservoir - Eco-Park LearningCenter, Dulangan	By Admin	2016-06-35	90,000.00	64,648.89	64,648.89	72%
Proposed Exterior Painting Works for Concrete Reservoir - San Vicente	By Admin	2016-06-36	565,000.00	368,865.80	368,865.80	65%
Proposed Rehabilitation of Pump House @ PS#2 , Lapu-lapu Ext.	By Admin	2016-06-37	110,000.00	30,362.55	30,362.55	28%
Proposed Painting of Bodega @ PS#2	By Admin	2016-08-40	500,000.00	449,072.30	449,072.30	90%
Proposed Completion of Admin Building (Phase 2)	By Admin	2017-03-38	1,500,000.00	1,353,270.20	1,353,270.20	90%
Proposed Construction of Control Room @ PS#3, Roxas Ext.	By Admin	2017-03-39	250,000.00	184,474.35	184,474.35	74%
Proposed Construction of Site Development of PS#10 @ San Nicholas, Tres de Mayo, Digos City	By Admin	2017-05-40	1,000,000.00	996,126.97	996,126.97	100%
System Software and Inventory (on going)	By Admin			550,000.00	550,000.00	
Drilling of one exploratory/production well - Sinian International Corporation	By Admin			2,534,986.95	2,534,986.95	
Proposed Installation of CCTV Camera @ PS#2	By Admin	2017-08-41	266,400.00	207,700.00	207,700.00	78%
Materials for aircondition electrical supply @ DWD Admin Bldg	By Admin	2017-09-43	366,430.00	173,431.75	173,431.75	47%
Construction of Proposed Generator set shed @ DWD Compound	By Admin	2017-10-77	82,302.44	24,053.75	24,053.75	29%
<b>Sub-Total</b>				<b>23,466,452.38</b>	<b>23,466,452.38</b>	
<b>Construction in Progress - Furnitures and Fixtures (1 06 99 060)</b>						
Proposed Racks & Cabinets for Stocks & Record Room *PS#2 Compound, Lapu-lapu Ext.)	By Admin	2017-03-37	400,000.00	306,817.78	306,817.78	77%
<b>Sub-Total</b>				<b>306,817.78</b>	<b>306,817.78</b>	
<b>TOTAL</b>					<b>36,096,944.09</b>	

## CONSTRUCTION IN PROGRESS (CIP)

As of December 31, 2016

Particular			Project Cost			% of Completion
Project Name	Name of Contractor	Work Order No.	Budget	Actual	Balance As of Dec. 31, 2016	Balance As of Dec. 31, 2016
<b>Construction in Progress - Buildings and Other Structures (1 06 99 030)</b>						
Professional Service of a Licensed Structural Engineer	By Admin	2014-06-01	52,000.00	49,500.00	49,500.00	95%
Proposed 2-storey Building	By Admin	2015-05-24	18,000,000.00	15,633,932.41	15,633,932.41	87%
Proposed Exterior Painting Works for Concrete Reservoir - Kiagot Center, Brgy. Kiagot	By Admin	2016-06-32	280,000.00	237,047.50	237,047.50	85%
Proposed Exterior Painting Works for Concrete Reservoir - San Roque St., Colorado	By Admin	2016-06-33	175,000.00	165,173.26	165,173.26	94%
Proposed Exterior Painting Works for Concrete Reservoir - Alta Vista, Brgy. Kiagot	By Admin	2016-06-34	80,000.00	25,186.00	25,186.00	31%
Proposed Exterior Painting Works for Concrete Reservoir - Eco-Park Learning Center, Dulangan	By Admin	2016-06-35	90,000.00	64,648.89	64,648.89	72%
Proposed Exterior Painting Works for Concrete Reservoir - San Vicente	By Admin	2016-06-36	565,000.00	238,895.30	238,895.30	42%

CONSTRUCTION IN PROGRESS (CIP)

As of December 31, 2016

Particular			Project Cost			% of Completion
Project Name	Name of Contractor	Work Order No.	Budget	Actual	Balance As of Dec. 31, 2016	Balance As of Dec. 31, 2016
<b>Construction in Progress - Buildings and Other Structures (1 06 99 030)</b>						
Professional Service of a Licensed Structural Engineer	By Admin	2014-06-01	52,000.00	49,500.00	49,500.00	95%
Proposed 2-storey Building	By Admin	2015-05-24	18,000,000.00	15,633,932.41	15,633,932.41	87%
Proposed Exterior Painting Works for Concrete Reservoir - Kiagot Center, Brgy. Kiagot	By Admin	2016-06-32	280,000.00	237,047.50	237,047.50	85%
Proposed Exterior Painting Works for Concrete Reservoir - San Roque St., Colorado	By Admin	2016-06-33	175,000.00	165,173.26	165,173.26	94%
Proposed Exterior Painting Works for Concrete Reservoir - Alta Vista, Brgy. Kiagot	By Admin	2016-06-34	80,000.00	25,186.00	25,186.00	31%
Proposed Exterior Painting Works for Concrete Reservoir - Eco-Park Learning Center, Dulangan	By Admin	2016-06-35	90,000.00	64,648.89	64,648.89	72%
Proposed Exterior Painting Works for Concrete Reservoir - San Vicente	By Admin	2016-06-36	565,000.00	238,895.30	238,895.30	42%

Proposed Rehabilitation of Pump House @ PS#2 , Lapu-lapu Ext.	By Admin	2016-06-37	110,000.00	53,260.45	53,260.45	48%
Proposed Painting of Bodega @ PS#2	By Admin	2016-08-40	500,000.00	210,482.30	210,482.30	42%
System Software and Inventory (on going)	By Admin				550,000.00	
Drilling of one exploratory/production well	By Admin		2,534,986.95	921,044.91	921,044.91	36%
<b>Sub-Total</b>					<b>18,149,171.02</b>	

**Construction in Progress - Infrastructure Assets (1 06 99 020)**

Proposed Distribution Line @ San Miguel-Dulangan	By Admin	2016-01-01	1,020,000.00	904,550.32	-	100%
Proposed Dist. Line - Brgy. Kiagot (Upper Alta Vista - Quarry Site)	By Admin	2015-02-01	227,750.00	-	-	
Proposed Dist. Line - Cabrillos St. (Roxas Ext. - cor. Estrada St.)	By Admin	2015-02-02	339,152.00	187,687.94	187,687.94	55%
Proposed Dist. Line - cor. V. Sotto St. - Estrada 5th St.	By Admin	2015-02-07	443,252.00	209,933.43	209,933.43	47%
Proposed Dist. Line - Gallarde St. (cor. 1st Crumb St. - Mary Crumb St.)	By Admin	2015-02-08	278,226.00	67,743.69	67,743.69	24%
Proposed Dist. Line - Luna Ext. (Rizal Ave. - J.P. Laurel St.)	By Admin	2015-02-13	663,025.00	406,932.21	406,932.21	61%

Proposed Dist. Line - Quezon Ave. ("Y" Junction Rd.-Rizal Ave. Jumao-as Rd.)	By Admin	2015-02-14	3,421,142.00	2,146,087.51	2,146,087.51	63%
Proposed Dist. Line - Brgy. Ruparan (San Vicente - Riverside Proper)	By Admin	2015-02-16	294,050.00	-	-	
Proposed Dist. Line - Sacred Heart Ave.(cor. Cabrillos St. -cor. Rizal Ave.)	By Admin	2015-02-20	192,540.00	-	-	
Proposed realignment of Distribution Line (Due to road widening)	By Admin	2015-10-01	451,214.00	186,931.15	186,931.15	41%
Proposed Distribution Line @ Rizal Ave. (Lapu-lapu-Mabini)	By Admin	2016-01-02	395,000.00	92.00	92.00	
Proposed Distribution Line @ Rizal Ave. (Lim-Mabini East)	By Admin	2016-01-03	235,000.00	150,974.50	150,974.50	64%
Proposed Distribution Line @ Rizal Ave. (Roxas-Crumb)	By Admin	2016-01-04	615,000.00	421,954.04	421,954.04	69%
Proposed Distribution Line @ Rizal Ave. (Ebreo-Sto. Rosario)	By Admin	2016-01-05	960,000.00	46.00	46.00	
Proposed Distribution Line @ Parallel Road (lower Matti)	By Admin	2016-01-06	890,000.00	684,168.31	684,168.31	77%
Proposed Distribution Line @ Capitol Road (Parallel-McArthur)	By Admin	2016-01-07	305,000.00	13,184.00	13,184.00	4%

Proposed Distribution Line @ 3rd St. (Aurora-Dawis Road)	By Admin	2016-01-09	370,000.00	231,253.22	231,253.22	63%
Proposed Distribution Line @ Latasa Village (Colorado)	By Admin	2016-01-19	100,000.00	30,982.80	30,982.80	31%
Proposed Distribution Line @ Biao Balisong	By Admin	2016-01-20	304,400.00	133,794.45	133,794.45	44%
Proposed Distribution Line @ Sitio San Rosario, Ruparan	By Admin	2016-02-29	120,000.00	68,290.28	68,290.28	57%
Proposed Installation of Hydrant Valve (Capex 2016)	By Admin	2016-07-38	300,000.00	-		
Proposed Installation of Gate Valve (Capex 2016)	By Admin	2016-07-39	350,000.00	9,840.00	9,840.00	3%
<b>Sub-Total</b>					<b>4,949,895.53</b>	
<b>TOTAL</b>					<b>23,099,066.5</b>	

**CURRENT LIABILITIES**

**12. FINANCIAL LIABILITIES**

This account consists of the following:

	2017	2016
Payable Accounts	4,695,076.25	6,911,485.29
Bills/Bonds/Loans Payable	4,991,413.24	4,964,014.24
<b>Total</b>	<b>9,686,489.49</b>	<b>11,875,499.53</b>

**12.1 Payable Accounts**

This account can be broken down as follows:

	2017	2016
Accounts Payable	4,580,850.40	6,820,763.99
Due to Officers and Employees	114,225.85	90,721.30
<b>Total</b>	<b>4,695,076.25</b>	<b>6,911,485.29</b>



## 12.1.1 Accounts Payable

## Aging of Payable Accounts for CY 2017:

Supplier / Creditor	Total	1 - 30 days	91 days - 1 year	More than 1-5 years
Macavir Petron Service Station	75,486.61	75,486.61		
Axzeen Security Agency	138,249.56	138,249.56		
Sur Telemedia Network	3,000.00	3,000.00		
NLC Construction & Supplies	374,005.80	374,005.80		
New Gonzales Store, Inc.	4,650.00	4,650.00		
Karl-Gelson Industrial Sales, Corp.	340,307.30	340,307.30		
Land Transportation Office	5,049.68	5,049.68		
DXDA-FM 94.3 Digos Charm Radio	1,875.00	1,875.00		
DXPM Broadcasting Network	1,900.00	1,900.00		
AR Communication Services	1,900.00	1,900.00		
Dctech Micro Services, Inc.	42,369.60	42,369.60		
Davao Home Builder's Center	22,886.00	22,886.00		
JNT del Sur Hardware	27,651.50	27,651.50		
MIE Oro Plast Corporation	137,225.00	137,225.00		
Davao Cathay Parts & Hardware	75,180.00	75,180.00		
Prince Educational Supply	39,415.00	39,415.00		
V.S. Tay, Incorporated	16,732.75	16,732.75		
Medical Center of Digos Cooperative	948,660.00	948,660.00		
AJCM Marketing	1,349.55	1,349.55		
New Interlock Sales & Services	649,000.00	649,000.00		
Techno Trade Resources (Davao), Inc.	103,640.00	103,640.00		
Hanna Via Construction, Inc.	905,220.00	905,220.00		
DIWACO	14,740.30	14,740.30		
Rosita Lao Builders & Machine Shop	1,680.00	1,680.00		
Hydrock Machineries & Equipment, Inc.	84,482.60	84,482.60		
Ronnie Budiongan Aircon & Ref. Repair Shop	4,750.00	4,750.00		
Nxt'gen Technologies, Inc.	97,700.00	97,700.00		
GH Office Depot	1,507.60	1,507.60		
Fabian's Catering Services	70,000.00	70,000.00		
RPD Calibration Services	15,950.00	15,950.00		
PMS Hollowblock and Sand & Gravel Dealer	1,492.50	1,492.50		
ABS Printing Depot	83,234.05	83,234.05		
Melrose Ann Losdoc	1,300.00		1,300.00	
Weekly Payroll - Unclaimed Payroll per OR# 2015	760.00			760.00
Reinsoft Computer Service/Lynvi M. Democrito	287,500.00			287,500.00
<b>Total</b>	<b>4,580,850.40</b>	<b>4,291,290.40</b>	<b>1,300.00</b>	<b>288,260.00</b>

## Aging of Payable Accounts for CY 2016:

Supplier / Creditor	Total	1 - 30 days	91 days - 1 year	More than 1-5 years
DASURECO	1,427,829.64	1,427,829.64		
Cor Jesu Shell Station/ Sacred Gas Station	33,369.37	33,369.37		
Innove Communication, Inc.	2,243.56	2,243.56		
NLC Construction & Supplies	92,284.59	92,284.59		
Columbia Computer Center	214,989.72	214,989.72		
Medical Center of Digos Cooperative	637,110.00	637,110.00		
Dctech Micro Services, Inc.	464,827.90	464,827.90		
Nxt'gen Technologies, Inc.	70,250.00	70,250.00		
Digital Interface, Inc.	21,912.00	21,912.00		
Philippine Duplicators, Inc.	11,371.92	11,371.92		
Digos Family Printing Press	10,800.00	10,800.00		
Davao Home Builders Center	238,966.20	238,966.20		
Oreal Paint & Hardwarer	10,220.00	10,220.00		
New Gonzales Store, Inc.	251,162.00	251,162.00		
JNT del Sur Hardware	12,871.00	12,871.00		
Davao Cathay Parts & Hardware, Inc.	46,386.00	46,386.00		
Claire & Camille Enterprises	40,260.00	40,260.00		
Boyot Marketing	3,490.00	3,490.00		
Kevyn Motor Parts	12,080.00	12,080.00		
Digos Colour Haus, Inc.	16,689.00	16,689.00		
V.S. Tay, Incorporated	1,150.00	1,150.00		
Brownstone Asia-Tech, Inc.	97,140.00	97,140.00		
Emcor, Inc.	37,198.00	37,198.00		
XD Ever Transformer Service Corporation	269,830.00	269,830.00		
Caraga Plumbing Concepts	340,808.00	340,808.00		
Rich Cleo Auto Supply	2,650.00	2,650.00		
Waterkonsult Equipment & Services, Inc.	1,038,216.99	1,038,216.99		
Sinian International Corporation	921,044.91	921,044.91		
Ronnie Budiongan Aircon & Ref Repair Shop	2,850.00	2,850.00		
DIWACO	63,200.00	63,200.00		
Hydrex Computer Sales Parts & Services	525.00	525.00		
Mike Electrical Supply & Services	18,000	18,000		
Shobe Auto Supply & Accessories Dealer	11,072.50	11,072.50		
Toyosam Auto Parts Dealer	9,452.00	9,452.00		
Joey Motor Works	12,610.00	12,610.00		
Caza Auto Parts Dealer	7,310.00	7,310.00		
Dabaw Print Distributors, Inc.	627.00	627.00		
Reinsoft Computer Service/Lynvi M. Democrito	362,500.00		362,500.00	
Weekly Payroll - Unclaimed Payroll per OR# 2015	760.00			760.00
Monolithic Construction	4,706.69			4,706.69
<b>Total</b>	<b>6,820,763.99</b>	<b>6,452,797.30</b>	<b>362,500.00</b>	<b>5,466.69</b>

## 12.1.2 Due to Officers and Employees

Due to Officers and Employees	2017	2016
Regular Employees-year-end overtime	103,859.84	79,108.62
Casual Employees-year-end overtime	8,866.01	9,612.68
Teller's Allowance	1,500.00	
<b>Total</b>	<b>114,651.35</b>	<b>90,721.30</b>

This can be broken down as follows:

## Aging of Due to Officers and Employees for CY 2017

Name of Employees	Total	1 - 60 days	61 - 180 days	181 days - 1 year
<b>Regular Employees</b>				
Ababon, Mario	3,780.54	3,780.54		
Alcontin, Alejandrino	6,605.50	6,605.50		
Bagtaso, Bernard	7,556.56	7,556.56		
Banogbanog, Ruelito	4,262.17	4,262.17		
Casis, Rodrigo	3,538.88	3,538.88		
Decena, Mary Bernadette	3,627.05	3,627.05		
Dumaboc, Maria Cecilia	500.00	500.00		
Duño, Carlito	3,300.45	3,300.45		
Elesterio, Marvin	763.41	763.41		
Fernandez, Procuero	2,608.80	2,608.80		
Formentera Jimmy	3,379.97	3,379.97		
Gallardo, Nicolas	2,821.59	2,821.59		
Gomez, Arvin	4,208.87	4,208.87		
Guevarra, Antonio	6,859.47	6,859.47		
Lañas, Noel Florante	1,500.00	1,500.00		
Layagin, Generoso	1,600.00	1,600.00		
Maravillas, Vicente	2,391.74	2,391.74		
Odonzo, Elden	1,633.35	1,633.35		
Peligrino, Martiniano	11,825.09	11,825.09		
Ragonton, Leilani	2,680.06	2,680.06		
Romaguera, Alexander	4,321.67	4,321.67		
Rufino, Ryan	500.00	500.00		
Sampilo, Eduardo	5,639.47	5,639.47		
Samson, Leonie	2,000.00	2,000.00		
Sanchez, Remegio	5,400.00	5,400.00		
Sode, Pepe	2,762.17	2,762.17		
Solomon, Michelle Amor	5,422.83	5,422.83		
Tapdasan, Edwin	2,299.99	2,299.99		
Villanueva, Felix	1,070.21	1,070.21		
<b>Sub-Total</b>	<b>104,859.84</b>	<b>104,859.84</b>		
<b>Casual Employees</b>				
Ebon, Kristy	500.00	500.00		
Gemilga, Lili Shayne	3,419.53	3,419.53		
Mancia, Roy	2,491.14	2,491.14		
Rafaela, Khim Berly	272.23	272.23		

Muaña, Rodolfo	2,683.11	2,683.11		
<i>Sub-Total</i>	<b>9,366.01</b>	<b>9,366.01</b>		
<b>Total</b>	<b>114,225.85</b>	<b>114,225.85</b>		

## Aging of Due to Officers and Employees for CY 2016

Supplier / Creditor	Total	1 - 60 days	61 - 180 days	181 days - 1 year
<b>Regular Employees</b>				
Ababon, Mario	4,615.70	4,615.70		
Alcontin, Alejandrino	4,296.70	4,296.70		
Bagtaso, Bernard	4,500.00	4,500.00		
Banogbanog, Ruelito	2,946.30	2,946.30		
Casis, Rodrigo	2,412.67	2,412.67		
Duño, Carlito	3,174.24	3,174.24		
Fernandez, Procuero	3,000.00	3,000.00		
Formentera, Jimmy	3,400.00	3,400.00		
Gallardo, Nicolas	2,197.22	2,197.22		
Gomez, Renato	2,300.00	2,300.00		
Guevarra, Antonio	646.33	646.33		
Gujilde, Ruben	5,132.62	5,132.62		
Lañas, Noel Florante	1,319.95	1,319.95		
Laureta, Cecile	3,990.61	3,990.61		
Layagín, Generoso	2,229.99	2,229.99		
Maravillas, Vicente	1,830.72	1,830.72		
Masanegra, Arcadio	2,357.89	2,357.89		
Monteza, Lendon	1,167.96	1,167.96		
Odonzo, Elden	1,033.98	1,033.98		
Panugaling, Reynaldo	3,159.22	3,159.22		
Pillazo, Reynaldo	2,300.00	2,300.00		
Posadas, Cristian	2,000.00	2,000.00		

Renoy, Ronald	2,757.94	2,757.94		
Romaguera, Alexander	3,000.00	3,000.00		
Sampilo, Eduardo	2,804.88	2,804.88		
Samson, Leonie	2,178.46	2,178.46		
Sirvan, Joel	4,400.00	4,400.00		
Sode, Pepe	1,597.51	1,597.51		
Torreon, Elmer	1,373.59	1,373.59		
Villarta, Dindo	2,984.14	2,984.14		
<i>Sub-Total</i>	<b>81,108.62</b>	<b>81,108.62</b>		
<b>Casual Employees</b>				
Estose, Roldan	2,300.00	2,300.00		
Jaitoni, Imlani	4,000.00	4,000.00		
Mancia, Roy	2,000.00	2,000.00		
Muaña, Rodolfo	1,312.68	1,312.68		
<i>Sub-Total</i>	<b>9,612.68</b>	<b>9,612.68</b>		
<b>Total</b>	<b>90,721.30</b>	<b>90,721.30</b>		

## 12.2 Bills/Bonds/Loans Payable

This account covers the current portion of Loans Payable broken down as follows:

Loan Accounts	Purpose of Loan	Board Resolution Reference No.	Current Portion of Loan 2016	Current Portion of Loan 2017
DBP (Take Out A)	Loan Refinancing	07-11, S. 2011	P1,119,888.00	P1,119,888.00
DBP (Take Out B)	Loan Refinancing	07-06, S. 2012	1,150,754.40	1,150,757.40
DBP (CAPEX)	Ground Source Dev., Pipeline Rehabilitation	07-05,S.201	2,340,459.84	2,340,459.84
LA No. 4-2543	Improvement of Water Facilities & Water Supply System	21-09, S. 2008	352,909.00	380,308.00
<b>Total</b>			<b>P4,964,014.24</b>	<b>P 4,991,413.24</b>

### 13. INTER – AGENCY PAYABLES

This account consists of the following:

	2017	2016
Due to BIR	1,330,219.24	969,955.90
Due to GSIS	640,171.09	616,802.43
Due to PAG-IBIG	74,804.51	61,512.15
Due to PHILHEALTH	45,450.00	44,150.00
<b>Total</b>	<b>2,090,644.84</b>	<b>1,692,420.48</b>

#### 13.1 Due to BIR

This account can be broken down as follows:

#### 13.2 Due to GSIS

PARTICULARS	2017	2016
Due to BIR -Withholding Tax on Compensation	627,463.20	635,144.34
Due to BIR -Expanded/Final Withholding Tax	101,747.81	23,854.33
Due to BIR - Withholding tax on Gov't Money Payments-Percentage Tax	287,812.73	228,623.43
Due to BIR - Withholding tax on Gov't Money Payments-Percentage Tax	313,195.50	82,333.80
<b>TOTAL</b>	<b>1,330,219.24</b>	<b>969,955.90</b>

This account can be broken down as follows:

	2017	2016
Due to GSIS- Life & Retirement Premium	429,779.28	407,439.06
Due to GSIS- ECC	9,599.24	9,626.92
Due to GSIS- Salary Loan	197,493.62	197,937.50
Due to GSIS- Policy Loan	3,298.95	1,798.95
<b>TOTAL</b>	<b>640,171.09</b>	<b>616,802.43</b>

This account comprises the premium contributions of the employer’s and employees' share including the payment of the latter’s loans to Government Service Insurance System (GSIS). The employees of the District are members of the GSIS, which provides life and retirement insurance coverage.

**13.3 Due to PAG-IBIG**

This account can be broken down as follows:

	2017	2016
Due to Pag-ibig - Premium	32,502.48	23,908.74
Due to Pag-ibig – Multi-Purpose Loan	40,254.83	36,366.21
Due to Pag-ibig – Housing Loan	2,047.20	2,047.20
<b>TOTAL</b>	<b>74,804.51</b>	<b>61,512.15</b>

This account comprises the premium contributions of the employer’s and employees' share including the payment of the latter’s loans to Home Development Mutual Fund.

**13.4 Due to PhilHealth**

This account can be broken down as follows:

	2017	2016
Due to PHILHEALTH	45,450.00	44,150.00

This account comprises the premium contributions of the employer’s and employees' share.

**14. TRUST LIABILITIES**

This account can be broken down as follows:

Trust Liabilities	2017	2016
Customers’ Deposits Payable	11,049,341.43	9,529,168.04
Guaranty/Security Deposits Payable	1,580,837.14	1,481,221.55
<b>Total</b>	<b>12,630,178.57</b>	<b>11,010,389.59</b>

### 14.1 Customers' Deposits Payable

This account consists of:

	2017	2016
Customers' Deposits Payable	11,049,341.43	9,529,168.04
<b>Total</b>	<b>11,049,341.43</b>	<b>9,529,168.04</b>

This account is composed of customers' deposit from various concessionaires normally paid by the latter before the installation of any service connection as security for the payment of subsequent bills.

<b>AGING OF CONSUMPTION DEPOSITS</b>	
<b>As of December 31, 2017</b>	
1-30 days	139,032.70
31-60 days	142,404.04
61-90 days	152,285.40
91-120 days	149,775.24
Over 120 days	1,431,139.62
1980-2016	9,034,704.43
<b>Total</b>	<b>11,049,341.43</b>

<b>AGING OF CONSUMPTION DEPOSITS</b>	
<b>As of December 31, 2016</b>	
1 - 30 days	149,850.00
31 - 60 days	147,200.00
61 - 90 days	157,400.00
91 - 120 days	147,000.00
Over 120 days	1,157,348.80
1980 - 2015	7,770,369.24
<b>Total</b>	<b>9,529,168.04</b>



**14.2 Guaranty/Security Deposits Payable**

This account consists of:

	2017	2016
Guaranty/Security Deposits Payable	1,580,837.14	1,481,221.55
<b>Total</b>	<b>1,580,837.14</b>	<b>1,481,221.55</b>

Bidders' Bond payable comprised of bid security, performance bond and amount of retention from various suppliers and is detailed hereunder.

2017			
Particular	Bid Security	Performance Bond	Retention
Atlanta Ind.	4,638.75		
FIL ESLON	54,137.89		
Philippine Valve Manufacturing Corporation	34,000.00		
Waterkonsult Equipment & Services	40,000.00		
Hanna Via Construction Inc.	60,000.00		
Jaykaina Machine Shop	500.00		
Davao Security and Investigation Agency	25,302.85		
Indentrade Systems Corporation	26,000.00		
BSPH Marketing	40,000.00		
Philippine Valve Manufacturing Corporation	18,600.00		
Crystalla Glass Art Gallery Enterprises	67,870.00		
Columbia Computer Center	1,067.60		
Dctech Micro Services, Inc.	3,000.00		
Caraga Plumbing Concepts	3,408.08		
Melgene Aircon Marketing & Services	-		
Crystalla Glass Art Gallery Enterprises		91,250.00	
BSPH Marketing		100,000.00	
MIE Oro Plast Corporation		62,907.25	

Hydrock Machineries & Equipment, Inc.			126,175.00
Hydrock Machineries & Equipment, Inc.			8,092.06
Tiger Motor Sales Corp.			98,500.00
Waterkonsult Equipment & Services, Inc.			57,588.30
KRZ Communication Services			25,000.00
XD Ever Transformer Service Corporation			240,991.00
XD Ever Transformer Service Corporation			29,985.85
Nxt'gen Technologies, Inc.			1,138.00
NLC Construction and Supplies			21,715.65
NLC Construction and Supplies			2,698.88
NLC Construction and Supplies			7,110.50
Waterkonsult Equipment & Services, Inc.			5,092.88
Waterkonsult Equipment & Services, Inc.			5,289.29
Dctech Micro Services, Inc.			528.00
Nxt'gen Technologies, Inc.			4,769.40
Nxt'gen Technologies, Inc.			835.00
Digital Interface			196.77
Sinian International Corporation			235,228.94
Up-town Industrial Sales, Inc.			-
Romen Marketing, Inc.			2,900.00
MIE Oro Plast Corporation			12,581.45
Mechanical Handling Equipment Company, Inc.			6,355.00
MMU Enterprise & General Merchandise			2,059.00
MMU Enterprise & General Merchandise			2,171.19
Loc-Seal Industrial Corporation			125.00
Caresystem Technology Solution Co., Inc.			19,313.86

Mystic Water Philippines, Inc.			2,980.00
Honda Megamotors Corporation			5,512.00
Hanna Via Construction, Inc.			6,300.00
Ketzka Information Technology Solutions			2,077.00
Krypton Industrial Resources, Co.			1,430.00
Licht Industrial Corporation			8,118.70
Davao Domart Enterprises Co., Inc.			320.00
V.S. Tay, Inc.			636.00
Protection Technology, Inc.			3,940.00
Ronnie Budiongan Aircon & Ref. Repair Shop			400.00
<b>TOTAL = 1,580,837.14</b>	<b>378,525.17</b>	<b>254,157.25</b>	<b>948,154.72</b>

## 2016

Particular	Bid Security	Performance Bond	Retention
Atlanta Industrial	4,638.75		
FIL ESLON	54,137.89		
Philippine Valve Manufacturing Corporation	34,000.00		
Waterkonsult Equipment & Services	40,000.00		
Hanna Via	60,000.00		
Jaykaina Machine Shop	500.00		
Davao Security and Investigation Agency	25,302.85		
Indentrade Systems Corporation	26,000.00		
BSPH Marketing	40,000.00		
Philippine Valve Manufacturing Corporation	18,600.00		
Crytalla Glass Art Gallery Enterprises	67,870.00		
Moldex Products, Inc.	-		
Crystalla Glass Art Gallery Enterprises		91,250.00	

BSPH Marketing		100,000.00	
International Heavy Equipment Corporation		-	
Hydrock Machineries & Equipment, Inc.			126,175.00
Hydrock Machineries & Equipment, Inc.			8,092.06
Tiger Motot Sales Corp.			98,500.00
New Interlock Sales & Services			952.48
GS Ferolino Construction & Supply			18,313.60
Waterkonsult Equipment & Services, Inc.			57,588.30
KRZ Communication Services			25,000.00
Nation Manufacturing & Industrial Products Corp.			-
XD Ever Transformer Service Corporation			240,991.00
Moldex Products, Inc.			320,455.97
Nxt'gen Technologies, Inc.			1,138.00
NLC Construction and Supplies			21,715.65
<b>Total = 1,481,221.55</b>	<b>371,049.49</b>	<b>191,250.00</b>	<b>918,922.06</b>

Bid Security and Retention of the Bidder's Bond Payable were retention money from supplier of goods and services, subject for refund upon satisfaction of the conditions embodied in the contract.

Performance Bonds Payable represents the performance security posted by suppliers for purchases awarded thru competitive bidding.

The district is guided by the following rules under R.A 9184 otherwise known as Government Procurement Act in retaining bid security and performance bond from respective bidders and/or suppliers.

**A. BID SECURITY**

Section 27 of RA 9184 provides:

All bids shall be accompanied by a bid security, payable to the procuring entity concerned as a guarantee that the successful bidder shall, within ten (10) calendar days or less, as indicated in the Instructions to Bidders, from receipt of the notice of award, enter into contract with the procuring entity and furnish the performance security required in Section 39 of this IRR, except when Section 37.1 of this IRR allows a longer period. Failure to enclose the required bid security in the form and amount prescribed herein shall automatically disqualify the bid concerned.

The bid security shall be in an amount equal to a percentage of the ABC in accordance with the following schedule:

Form of Bid Security	Amount of Bid Security <i>(Equal to Percentage of the ABC)</i>
Cash or cashier's/manager's check issued by a Universal or Commercial Bank.	Two percent (2%)
Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank.	
Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.	Five percent (5%)
Any combination of the foregoing.	Proportionate to share of form with respect to the total amount of security.

For biddings conducted by Digos Water District, the prospective bidder may also submit bid securities in the form of cashier's/manager's check, bank draft/guarantee, or irrevocable letter of credit from other banks certified by the BSP as authorized to issue such financial instrument.

The bid security shall be denominated in Philippine Pesos and posted in favor of the procuring entity.

Without prejudice to the provisions of the Act and this IRR on the forfeiture of bid securities, bid securities shall be returned only after the bidder with the Lowest Calculated Responsive Bid or Highest Rated Responsive Bid, as the case may be, has signed the contract and furnished the performance security, except to those declared upon by the BAC as failed or post-disqualified in accordance with this IRR, upon submission of a written waiver of their right to file a motion for reconsideration and/or protest.

In lieu of a bid security mentioned in Section 27.2 above, the bidder may submit a Bid Securing Declaration that is an undertaking which states, among others, that the bidder shall enter into contract with the procuring entity and furnish the required performance security within ten (10) calendar days, or less, as indicated in the Bidding Documents, from receipt of the Notice of Award, and committing to pay the corresponding fine and be suspended for a period of time from being qualified to participate in any government procurement activity in the event it violates any of the conditions stated therein as required in the guidelines issued by the GPPB.

In no case shall bid security or Bid Securing Declaration be returned later than the expiration of the bid validity period indicated in the Bidding Documents, unless it has been extended in accordance with Section 28.2 of the IRR.

#### Bid Validity

Bids and bid securities shall be valid for a reasonable period as determined by the Head of the Procuring Entity concerned, which shall be indicated in the Bidding Documents, but in no case, shall the period exceed one hundred twenty (120) calendar days from the date of the opening of bids.

Should it become necessary to extend the validity of the bids and bid securities beyond one hundred twenty (120) calendar days, the procuring entity concerned shall request in writing all those who submitted bids for such extension before the expiration date therefor. Bidders, however, shall have the right to refuse to grant such extension without forfeiting their bid security.

#### **B.) PERFORMANCE SECURITY/PERFORMANCE BOND**

To guarantee the faithful performance by the winning bidder of its obligations under the contract in accordance with the Bidding Documents, it shall post a performance security prior to the signing of the contract.

The performance security shall be in an amount equal to a percentage of the total contract price in accordance with the following schedule:

Form of Performance Security	Amount of Performance Security <i>(Equal to Percentage of the Total Contract Price)</i>
Cash or cashier's/manager's check issued by a Universal or Commercial Bank.	
Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: Provided, however, that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank.	Goods and Consulting Services – Five percent (5%) Infrastructure Projects – Ten percent (10%)
Surety bond callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.	Thirty percent (30%)
Any combination of the foregoing.	Proportionate to share of form with respect to the total amount of security.

For biddings conducted by Digos Water District, the prospective bidder may also submit performance securities in the form of cashier's/manager's check, bank draft/guarantee, or irrevocable letter of credit from other banks certified by the BSP as authorized to issue such financial instrument.

The performance security shall be denominated in Philippine Pesos in favour of the procuring entity, which shall be forfeited in the event it is established that the winning bidder is in default in any of its obligations under the contract.

The performance security shall remain valid under issuance by the procuring entity of the final Certificate of Acceptance.

The performance security may be released by the procuring entity after the issuance of the Certificate of Acceptance, subject to the following conditions:

- A) Procuring entity has no claims filed against the contract awardee or the surety company;
- B) It has no claims of labor and materials filed against the contractor; and
- C) Other terms of the contract.

**C. WARRANTY/RETENTION**

In order to assure that manufacturing defects shall be corrected by the Supplier, a warranty shall be required from the Supplier for a minimum period for a minimum period specified in the contract. The obligation for the warranty shall be covered by, at the Supplier's option, either retention money in an amount equivalent to at least ten percent (10%) of the final payment or a special bank guarantee equivalent to at least ten percent (10%) of the Contract Price or for every progress payment or such other amount if so specified in the contract. The said amounts shall only be released after the lapse of the warranty period provided, however, that the Supplies delivered are free from patent and latent defects and all the conditions imposed under the contract have been fully met.

The following provisions were adopted by the district pursuant to 2016 Revised IRR of RA 9184 effective December 21, 2016.

- I. For the procurement of Goods, in order to assure that manufacturing defects shall be corrected by the supplier, a warranty security shall be required from the contract awardee for the minimum period of one (1) year in the case of Non-expendable Supplies, after acceptance by the Procuring Entity of the delivered supplies.

The obligation for the warranty shall be covered by either money in an amount equivalent to at least one percent (1%) of every progress payment, or a special bank guarantee equivalent to at least one percent (1%) of the total contract price. The said amounts shall only be released after the lapse of the warranty period or, in the case of Expendable Supplies, after consumption thereof: Provided, however, that the supplies delivered are free from patent and latent defects and all the conditions imposed under the contract have been fully met.

II. For the procurement of Infrastructure Projects, the following warranties shall be made:

- A. From the time project construction commenced up to the final acceptance, the contractor shall assume full responsibility for the following:

Any damage or destruction of the works except those occasioned by *force majeure*; and

Safety, protection, security, and convenience of his personnel, third parties, and the public at large, as well as the works, equipment, installation and the like to be affected by his construction work.

- B. One (1) year from project completion up to final acceptance or the defects liability period.

B.1 The contractor shall undertake the repair works, at his own expense, of any damage to the infrastructure on account of the use of materials of inferior quality, within ninety (90) days from the time the HoPE has issued an order to undertake repair. In case of failure or refusal to comply with this mandate, the Procuring Entity shall undertake such repair works and shall be entitled to full reimbursement of expenses incurred therein upon demand.

- C. Progress payments are subject to retention of ten percent (10%) referred to as the "retention money". Such retention shall be based on the total amount due to the contractor prior to any deduction and shall be based on the total amount due to the contractor prior to any deduction and shall be retained from every progress payment until fifty percent (50%) of the value of works, as determined by the procuring entity, are completed. If, after fifty percent (50%) completion, the work is satisfactorily done and on schedule, no additional retention shall be made; otherwise, ten percent (10%) retention shall be imposed.

- D. The total "retention money" shall be due for release upon final acceptance of the work. The contractor may, however, request the substitution of the retention money for each progress billing with irrevocable standby letters of credit of from a commercial bank, bank guarantees or surety bonds callable on demand, of amounts equivalent to the retention money substituted for and accepted to Government, provided that the project is on schedule and is satisfactorily undertaken. Otherwise, the ten percent (10%) retention shall be made. Said irrevocable standby letters of credit, bank guarantees and/or surety bonds, to be posted in favour of the Government shall be valid for a duration to be determined by the concerned implementing office/agency or procuring entity and will answer for the purpose for which the ten percent (10%) retention intended, i.e., to cover uncorrected discovered defects and third party liabilities.



**15. PROVISIONS**

This account can be broken down as follows:

Provisions	2017	2016
Leave Benefits Payable	<b>13,402,032.73</b>	0.00
<b>Total</b>	<b>13,402,032.73</b>	0.00

This account is composed of accumulated leave credits of DWD employees as of December 31, 2017.

**16. OTHER PAYABLES**

This account can be broken down as follows:

**2017 Aging of Other Payables**

	2017	2016
Other Payables	<b>397,720.47</b>	<b>663,071.33</b>
<b>Total</b>	<b>397,720.47</b>	<b>663,071.33</b>

Payee	Total	1 - 30 days	31 days - 1 year	More than 1 year
BOD - Per diem (Ollita P. Atillo-Anyog)	12,774.80	12,774.80		
BOD - Per diem (Emilio D. Almazan)	10,604.00	10,604.00		
BOD - Per diem (Esther S. Molina)	10,604.00	10,604.00		
BOD - Per diem (Arturo S. Ang)	10,604.00	10,604.00		
BOD - Per diem (Lilia G. Mina)	10,604.00	10,604.00		
Bidding Documents/BAC Honorarium	4,129.37	4,129.37		
Liquidated Damages	26,158.83	26,158.83		
Isauros B. Gravador	2,506.34	2,506.34		
DBP (Excavation payroll)	109,191.56	109,191.56		
Eric Jason Alba	1,168.50	1,168.50		
John Rey Rom	2,142.25	2,142.25		
Richard Rom	2,337.00	2,337.00		
Florentino Ramos, Jr.	2,726.50	2,726.50		
Robert Arabilla	2,593.50	2,593.50		
Carlo Garcia	2,677.81	2,677.81		
Henry Aganos Jr.	2,726.50	2,726.50		
Ryan Lou Delos Reyes	1,947.50	1,947.50		
Daryl John Martinez	2,593.50	2,593.50		
Alfredo Ellorimo	1,667.25	1,667.25		

Anton Luis Villarin	2,223.00	2,223.00		
Junmel Nieves	2,726.50	2,726.50		
Jojo Oba	3,288.18	3,288.18		
Roy Ferrer	62.16	62.16		
Hiny Gealon	808.32	808.32		
Medel Bacamante, Jr.	0.18	0.18		
Adjustment - Billing	(150.00)	(150.00)		
Roldan Estose	272.22	272.22		
Ruben Gujilde	6.80	6.80		
Imlani Jaitoni	159.94	159.94		
DIWACO	168,540.96	168,540.96		
SAMADIWAD	25.00	25.00		
<b>Total</b>	<b>397,720.47</b>	<b>397,720.47</b>		

## 2016 Aging of Other Payables

Payee	Total	1 - 30 days	31 days - 1 year	More than 1 year
DWD Mortuary Fund-BOD	(250.00)	(250.00)		
BOD - Per diem (Emilio D. Almazan)	10,604.00	10,604.00		
BOD - Per diem (Esther S. Molina)	10,604.00	10,604.00		
BOD - Per diem (Arturo S. Ang)	10,604.00	10,604.00		
BOD - Per diem (Lilia G. Mina)	10,604.00	10,604.00		
DBP (job-order employees' payroll)	45,126.65	45,126.65		
Oswaldo A. Vergara (LBC-Water Samples to PIPAC)	2,065.00	2,065.00		
Roy Ferrer	62.16	62.16		
Hiny Gealon	808.32	808.32		
Medel Bacamante, Jr.	0.18	0.18		
Jesus M. Quion (Land Purchased)	305,140.50	305,140.50		
Zone Plumber	7,133.50	7,133.50		
DIWACO	261,019.02	261,019.02		
SAMADIWAD	(450.00)	(450.00)		
<b>Total</b>	<b>663,071.33</b>	<b>663,071.33</b>		

Amounts due to Provident Fund, Job-order payroll, enumerators, disconnectors, Digos Water District Cooperative (DIWACO), bidding documents and liquidated damages are items under the Other Payable Account.

Non-Current Liabilities

17. BILLS/BONDS/LOANS PAYABLE

This account consists of the following:

	2017	2016
<b>Loans Payable - Domestic</b>	<b>26,570,605.34</b>	<b>31,562,018.58</b>
<b>Total</b>	<b>26,570,605.34</b>	<b>31,562,018.58</b>

17.1 Loans Payable - Domestic

Details of Loans Payable are as follows:

Loan Accounts	Paying Period	Interest Rate	Loans Aailed	Balance As of 12/31/2016	Balance As of 12/31/2017
DBP (Take Out A)	15 years	6.40%	16,798,320.36	9,239,076.36	8,119,188.36
DBP (Take Out B)	12 years	6.00%	12,619,802.83	7,153,705.18	6,002,947.78
DBP (CAPEX)	10 years	7.28%	19,113,755.40	12,677,490.84	10,337,031.00
LA No. 4-2543	10 years	7.50%	3,891,327.20	2,491,764.20	2,111,438.20
<b>Total</b>			<b>P52,423,205.79</b>	<b>P31,562,018.58</b>	<b>P26,570,605.34</b>

Name of Loan	Loan Account & Amount	Purpose of Loan	Project Funded or to be funded of the loan and amount involved	COVENANTS	
				Positive	Negative
LWUA Loan Refinancing A	DBP (Take Out A) P16,798,320.26	Refinancing existing loan account with LWUA	Refinance of loan account with LWUA	Interest rate shall be 6.40% per annum exclusive of Gross Receipts Tax (GRT)  Front-end fee of 0.5% of the commitment. Assignment of Accounts Receivables from various consumers served as guaranty/collateral of the loan.  The loan is also secured by holdout on deposit. A percentage rate of 0.02% finance charges to total amount financed.	Default Charge of 24% per annum on past due principal and past due interest  Attorney's Fees equivalent to 10% of the total amount due but in no case less than P1,000.00, as well as costs and other judicial and extra judicial expenses.  Prepayment penalty of 3% of the amount to be prepaid or breakfunding cost whichever is higher with 60 days advance notice.

<p>LWUA Loan Refinancing B</p>	<p>DBP (Take Out B) P12,619,802.83</p>	<p>Refinancing existing loan account with LWUA</p>	<p>Refinance of loan account with LWUA</p>	<p>Additional conditions precedent to the effectiveness of the agreement:</p> <p>Submission by the borrower's borrowing resolutions;</p> <p>Submission of Monetary Board (MB) Opinion pursuant to Sec.123 of RA No. 7653 or the New Central Bank Act.</p> <p>Submission of LWUA's consent to DBP loan, to be required on a per facility basis.</p> <p>Interest rate shall be 6%*per annum of Gross Receipts Tax (GRT) or any applicable tax shall be for the account of the borrower.</p> <p>*floating, reviewable and payable monthly</p> <p>Front-end fee of 0.5% of the commitment, payable upon transaction.</p> <p>The borrower shall submit financial statements audited by COA.</p> <p>The borrower shall submit statement account of LWUA.</p> <p>As post relief requirement, the borrower shall submit the following documents:</p> <p>Official receipt from LWUA showing proof of payment of the loan/s within one month from advance.</p> <p>Semi-annual report on Billed Income / Accounts Receivable. The reports as of June and December of every year shall be due on July 10 and January 10, respectively.</p> <p>The following are specified to constitute the security document:</p> <p>Deed of Assignment with Holdout Agreement over various deposit accounts of the borrower for P1.61M;</p> <p>Assignment of collections equivalent to P724K, (the unsecured amount of the loan at the time of implementation) a notification basis only.</p> <p>Assignment of collections on a notification basis only;</p> <p>Deed of assignment with hold-out on deposit equivalent to three monthly amortizations.</p>	<p>Default Charge of 24% per annum on past due principal and past due interest</p> <p>Attorney's Fees equivalent to 10% of the total amount due but in no case less than P1,000.00, as well as costs and other judicial and extrajudicial expenses.</p> <p>Borrower to maintain an ADB on deposits equivalent to 3% of outstanding loan balance; otherwise an additional 1% per annum service fee shall be charged Advances for insurance premium, property taxes, etc. 2% service charge, regular interest on the advanced at the prevailing rate; 24% default charges, 3 months after date of advance.</p> <p>Advances for insurance premium, property taxes, etc. 2% service charge, regular interest on the advanced at the prevailing rate; 24% default charges, 3 months after date of advance.</p> <p>Prepayment penalty equal to 3% of the amount prepaid or break funding cost, whichever is higher with at least 60 days notice.</p>
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<p>Capital Expenditure Loan A &amp; B</p>	<p>DBP (CAPEX) P20,000,000.00</p>	<p>Ground Source Development, Reservoir Pipeline Rehabilitation, Generator set &amp; clamp on meter</p>	<p>Ground Source Development, Reservoir, Pipeline Rehabilitation, Generator set &amp; clamp on meter</p>	<p>Interest rate shall be 7.28%* per annum exclusive of Gross Receipts Tax (GRT). *reviewable and payable monthly  Assignment of Accounts Receivables from various consumers served as guaranty/collateral of the loan.  Front-end fee of 0.5% of the commitment, payable upon transaction.  The loan is also secured by Real Estate.</p>	<p>Default Charge of 24% per annum on past due principal and past due interest  Attorney's Fees equivalent to 10% of the total amount due but in no case less than P1,000.00, as well as costs and other judicial and extrajudicial expenses.  Borrower to maintain an ADB on deposits of at least 5% of outstanding loan balance; otherwise an additional 1% per annum service fee shall be charged.  Advances for insurance premium, property taxes, etc. 2% service charge, regular interest on the advanced at the prevailing rate; 24% default charges, 3 months after date of advance.  Prepayment penalty equal to 3% of the amount prepaid or break funding cost, whichever is higher with at least 60 days notice.</p>
<p>Digos WD Water Supply System Improvement</p>	<p>LWUA Loan Account# 4-2543 P3,975,221.00</p>	<p>Source development, pumping facilities, pipes appurtenances, engineering study, construction supervision, contingencies</p>	<p>Drilling of exploratory well, construction supervision, pumping facilities, pipes and appurtenances, engineering study and contingencies.</p>	<p>Interest rate shall be 7.5% per annum subject to repricing at the end of the 5<sup>th</sup> year, but in no way shall the interest rate be lower than 7.5% or higher than 9% per annum.  Interest is due and demandable upon initial disbursement and during the period of construction.</p>	

## EQUITY

## 18. GOVERNMENT EQUITY

This account consists of the following:

	2017	2016
Value of PPE	183,092.00	183,092.00
District's Share for the Rural Productivity Support Program Fund	631,125.00	631,125.00
International Dev. Agency under World Bank Grant	1,600,053.00	1,600,053.00
CDF-Angara	4,210,875.00	4,210,875.00
Counterpart of City Gov't of Digos For Rural Development	50,000.00	50,000.00
Donation from Benedictine Priest	30,000.00	30,000.00
Value of Turn-over Cost	11,333.00	11,333.00
Donation from CDF of Cong. Almendras	640,000.00	640,000.00
<b>Total</b>	<b>P7,356,478.00</b>	<b>P7,356,478.00</b>

Government Equity consists of contributions by the Government and other entities.

Equity	2017	2016
Balance at the beginning of the period	P182,790,257.06	P146,224,874.24
Additions/Deductions	(24,899,350.56)	1,212,168.34
Net Income (loss for the period)	32,237,524.71	35,353,215.48
Balance at the end of the period	P190,128,431.21	P182,790,257.06
<b>Donated Capital</b>		
Balance at the beginning of the period	0.00	0.00
Balance at the end of the period	0.00	0.00
<b>Restricted Capital</b>		
Balance at the beginning of the period	0.00	0.00
Balance at the end of the period	0.00	0.00
<b>Total</b>	<b>190,128,431.21</b>	<b>182,790,257.06</b>

Appropriations of Net Income	2017	2016
<b>BOD Resolution #</b>	<b>09-05 Series of 2018</b>	<b>09-004 Series of 2017</b>
Debt Service	P 8,059,381.18	P 8,838,303.87
Operating & Maintenance Expenses	8,059,381.18	8,838,303.87
Expansion & Improvements of Physical Facilities	16,118,762.35	17,676,607.74
Balance at the end of the period	<b>P 32,237,524.71</b>	<b>P 35,353,215.48</b>

### 18.1 Prior Years' Adjustments/Retained Earnings

	2017	2016
Prior Years' Adjustments		P1,212,168.34
Retained Earnings	<b>24,899,350.56</b>	

For CY 2017, this account can be broken down as follows:

Retained Earnings		
January	To record billing and adjustment memo for January 2017.	(7,430.62)
February	To close ADA per revised chart of account.	83,993.67
February	To record the amount credited by bank on excess payment on interest.	23.57
February	To correct entry per JEV# 17-01-0212 re interests earned for December 2016.	24,176.02
July	To correct changing of account re inspection fee was charged to plumbers' fee.	6,223.50
July	To reverse entry per JEV# 13-09-1737 re unserviceable assets to PPE.	149.00
September	To transfer charging of Other Property, Plant & Equipment Account to expense of prior years' various connections below P 15,000.00.	(12,572,094.52)
September	To transfer charging of Other Property, Plant & Equipment Account to expense of prior years' transactions per DBM Circular No. 2016-7 dated 07/20/2016.	(1,154,296.59)
September	To transfer charging of unserviceable properties of prior years' transactions from Property, Plant & Equipment to expense per DBM Circular No. 2016-7 dated 07/20/2016.	(277,129.35)
October	To record accumulated leave credits of DWD employees as of December 31, 2016.	(11,523,125.68)
December	To record reconciliation of accumulated depreciation as of December 31, 2017.	520,160.44
<b>TOTAL</b>		<b>(24,899,350.56)</b>

For CY 2016, this account can be broken down as follows:

Prior Years' Adjustment		
March	Amount refunded by the GSIS to the Local Water District of Digos due to latter's over-payment as a result of adjustment in MOA reckoning date	1,215,548.16
April	To record income due to check paid to supplier recognized by the bank was P118,303.07 while posted in the book was P118,303.57	0.50
June	To correct charging of account from postage and deliveries to other payable re disconnectors' retention for 2015	8,022.60
July	To correct entry per JEV# 16-06-1263 re annual water charges (NWRB).	(37,693.60)
July	To correct entry per JEV# 16-01-0084;16-02-0255;16-06-1264 re annual PAWD dues of prior years based on actual connections ending in 2014 & 2015.	(65,807.00)
November	To close doubtful accounts expense	92,097.68
<b>TOTAL</b>		<b>P1,212,168.34</b>

*The Digos Water District's corporate budget focuses on three (3) priority areas that are relevant to its mandate viz: (1) Pursuing good governance (2) Managing disaster risk; and (3) Making growth more inclusive. In furtherance thereof, the following budget assumptions have been approved in relation to Revenue.*

**BUDGET ASSUMPTIONS FOR CY 2017**

1. Projected number of Active Connections at the end of Year 2017.

7% growth from 2016 Active Connections

	2016	2017
a. Residential	16,295	17,658
b. Commercial	1,328	1,443
c. Government	197	202
d. Total Service Connections	17,820	19,303

2. Projected revenue has 10% increase from 2016 Actual Revenue

3. Penalty Charges is 5% of the water sales

4. Projected new service connections is 1,800

5. Senior Citizens' discount is 0.12% of residential water sales

6. Billing adjustment is 1% of gross water sales

7. Personnel services is 34% of gross income

8. MOOE, including non-cash expenses is 42% of gross income

9. Financial expenses is 2% of gross income

10. Projected net income is 21% of gross income

11. Collection ratio is 94%

12. Staff productivity index is 180:1

13. Non-revenue water is 21%



## Schedule of 2017 Targeted Income vs. Annual Income

Sources of Income	Targeted Income	Actual Income	Unrealized
<b>Service and Business Income</b>			
<b>Service Income</b>		72,237.45	
Inspection Fees		62,202.00	
Other Service Income		10,035.45	
<b>Business Income</b>	150,481,319.00	143,881,513.86	6,599,805.14
Waterworks System Fees	144,707,604.00	138,274,819.72	6,432,784.28
Waterworks System Fees (Metered sales to General Customers)	138,382,664.00	132,747,879.74	5,634,784.26
Waterworks System Fees (Unmetered sales to General Customers) – bulk water		35,745.03	
Waterworks System Fees (Other Waterworks System Fees)	6,430,080.00	5,583,415.45	846,644.55
Waterworks System Fees (Other Waterworks System Fees) – meter maintenance	1,130,080.00	1,119,535.00	10,545.00
Waterworks System Fees (Other Waterworks System Fees) – recon, transfer & installation fee	5,300,000.00	4,463,880.45	836,119.55
Less: Discount on Senior Citizen	105,140.00	92,220.50	12,919.50
Sales Revenue		840.00	
Interest Income			
Interest Income (Due from Other Banks)	150,000.00	301,420.66	
Fines & Penalties – Business Income	5,623,715.00	5,304,433.48	319,281.52
<b>Total Operating Income</b>	150,481,319.00	143,953,751.31	6,527,567.69
<b>Other Non-Operating Income</b>		1,662.04	
<b>Miscellaneous Income</b>		1,662.04	
<b>Total Non-Operating Income</b>		1,662.04	
<b>Gross Income</b>	150,481,319.00	143,955,413.35	6,525,905.65

## REVENUE

**19. SERVICE AND BUSINESS INCOME**

This account consists of the following:

	2017	2016
Service Income	72,237.45	
Business Income	143,881,513.86	138,351,049.77
Miscellaneous Income	1,662.04	6,633.01
<b>Total</b>	<b>P143,953,751.31</b>	<b>P138,357,682.78</b>

**19.1 Service Income:**

This account can be broken down as follows:

	2017	2016
Inspection Fees	62,202.00	
Other Service Income	10,035.45	
<b>Total</b>	<b>P72,237.45</b>	

Other service income represents the district's share on plumber's fee. The income out of the plumber's service has been curtailed in July 2017. The Inspection fee is part of the New Service Connection Fee which represents payment made by customers for inspection of the location area where water connection of the concessionaire will be installed. This has been implemented by the district in the year 2017.

Policy No. C-49-04 per Resolution No. 08-27 s. 2014 ,the Revised Policy on Service Charges as amended by BOD Resolution No. 21-21-11 provides the following service charges of the Digos Water District, viz:

SERVICE CHARGES	2017
1. Installation Fee	P2,500.00
2. Inspection Fee	100.00
3. Transfer of Meter Fee	1,500.00
4. Reconnection Fee	150.00
5. Voluntary Disconnection	150.00

**19.2 Business Income:**

This account can be broken down as follows:

	2017	2016
Waterworks System Fees	138,274,819.72	133,073,956.15
Sales Revenue	840.00	0.00
Interest Income	301,420.66	281,647.06
Fines and Penalties – Business Income	5,304,433.48	4,995,446.56
<b>Total</b>	<b>143,881,513.86</b>	<b>138,351,049.77</b>

As per LWUA approval, the water rates of the District effective May 2013 Billing are as follows;

Classification	Minimum Charge	Commodity Charges			
		0-10cu.m	11-20cu.m.	21-30cu.m.	31-40cu.m.
Domestic	205.95	22.95	26.15	30.15	35.00
Government	205.95	22.95	26.15	30.15	35.00
Commercial/Industrial	411.90	45.90	52.30	60.30	70.00
Bulk/Wholesale	617.85	68.85	78.45	90.45	105.00

The district in the collection of Meter Rentals is guided by Policy No.C-47-04 per Resolution No. 08-20, Series of 2011, viz;

Rationale:

As part of the Digos Water District metering program, every concessionaire is installed with a water meter to ensure an accurate reading of consumption. Considering the number of connections and the depreciable life span of water meter its acquisition forms a bigger part of the water district capital expenditures.

“ The depreciable life of a water meter is estimated at five (5) years; with this to consider, the annual meter rental per account would not be sufficient to cover the whole cost of the said meter. Moreover, there are already numerous reports for defective meters, some even at less than two (2) years of usage, and the district would change such meters free of charge. Nevertheless, the district is primarily a service-oriented agency and as such, it is bound to uphold first the welfare of its concessionaires.”

1. To cover partially the water district’s increasing cost of water meters.”
2. Every concessionaire installed with Digos Water District-owned meter shall pay the monthly meter rental and shall be added to his monthly bill. The following are the amount of the monthly meter rental corresponding to the sizes of water meters:

i.	½” – ¾”	P 5.00
ii.	1” – 1 ¾”	P10.00
iii.	2” – up	P15.00

3. The concessionaires shall pay the current replacement cost of the water meter in case of damage, loss due to theft, negligence or carelessness and still be required to pay the monthly meter rental.”

4. Concessionaires are not allowed to install their own meters to exempt themselves from paying the meter rental.”

**19.2.1 Waterworks System Fees**

	2017	2016
Metered Sales to General Customers	132,747,879.74	127,529,463.81
Unmetered Sales to General Customers (Bulk Water)	35,745.03	0.00
Other Waterworks System Fees	5,583,415.45	5,636,626.02
Discount on Senior Citizen	(92,220.50)	(92,133.68)
<b>Total</b>	<b>138,274,819.72</b>	<b>133,073,956.15</b>

**19.2.2 Interest Income**

This account can be broken down as follows:

	2017	2016
Interest Income	301,420.66	281,647.06
Total	301,420.66	281,647.06

This account can be broken down as follows:

	2017	2016
Cash in Banks	84,307.49	81,162.93
Other Current Assets	152,713.78	81,577.57
Sinking Fund	55,882.87	67,482.54
Restricted Fund	8,516.52	51,424.12
Total	301,420.66	281,647.06

This year's aggregate interest income is higher by 7% from the past year's interest income.

**20. OTHER NON-OPERATING INCOME**

	2017	2016
Miscellaneous Income		
Miscellaneous Income	1,662.04	6,633.01
Total	1,662.04	6,633.01

**21. PERSONNEL SERVICES**

This account consists of the following:

	2017	2016
Salaries and Wages	25,681,914.25	22,455,286.56
Other Compensation	15,664,915.35	16,528,762.22
Personnel Benefits Contribution	3,461,574.94	3,124,585.11
Other Personnel Benefits	4,894,619.87	3,646,658.13
Total	49,703,024.41	45,755,298.02

**21.1 Salaries and Wages**

	2017	2016
Salaries and Wages - Regular	23,790,485.00	21,799,546.70
Salaries and Wages - Casual	1,891,429.25	655,769.86
TOTAL	25,681,914.25	22,455,286.56

Salaries and wages account represents the employees' earnings at a particular period. This is the gross amount before deduction of taxes and other statutory and contractual obligations.

Payroll preparation is scheduled twice a month, one working day before the 15<sup>th</sup> and 30<sup>th</sup> day of each month.

## 21.2 Other Compensation

This account can be broken down as follows:

	2017	2016
Personnel Economic Relief Allow.(PERA)	2,340,000.00	2,106,972.37
Representation Allowance(RA)	462,000.00	459,875.00
Transportation Allowance(TA)	462,000.00	459,875.00
Clothing/Uniform Allowance	490,000.00	415,000.00
Other Bonuses and Allowances	7,914,090.78	9,795,712.27
Longevity Pay	100,000.00	15,000.00
Overtime and Night Pay	1,249,380.67	998,725.58
Cash Gift	489,500.00	437,000.00
Year-End Bonus	2,157,943.90	1,840,608.00
<b>Total</b>	<b>15,664,915.35</b>	<b>16,528,768.22</b>

### 21.2.1 Other Bonuses and Allowances account is composed of the following:

This account can be broken down as follows:

	2017	2016
Rice Allowance	382,000.00	402,758.92
Staple Food Allowance	229,200.00	241,655.35
Medical, Dental & Hospitalization Allowance	99,000.00	102,000.00
Teller's Allowance	17,500.00	0.00
Mid-Year Bonus	2,158,450.00	1,806,252.00
CSC-Prime HRM	0.00	2,513,472.00
Productive Enhancement Incentive	485,000.00	452,000.00
Financial Assistance	987,358.00	951,335.00
Productivity Based Bonus	1,405,582.78	1,226,239.00
Collective Negotiation Agreement	2,150,000.00	2,100,000.00
<b>Total</b>	<b>7,914,090.78</b>	<b>9,795,712.27</b>

Only incumbent employees are entitled to allowances such as rice, staple food, employees' health and welfare subsidy and financial assistance.

### 21.3 Personnel Benefits Contributions

This account can be broken down as follows:

	2017	2016
Retirement and Life Insurance Premiums	2,957,055.12	2,666,017.85
Pag-IBIG Contributions	115,800.00	105,025.89
PhilHealth Contributions	272,750.00	249,246.78
Employees Compensation Insurance Premiums	115,969.82	104,294.59
<b>TOTAL</b>	<b>3,461,574.94</b>	<b>3,124,585.11</b>

Personnel Benefits Contributions are statutory and contractual obligations. These represent the government/employer counterpart.

The foregoing contributions are accounts classified as benefits of the employees. Accumulated earned leave credits of retired employees falls squarely within the purview of terminal leave benefits. Effective January 2016 the granting of Government Share for Provident Fund Contribution was suspended pending issuance of guidelines by the Department of Budget and Management (DBM) per Board Resolution No.03-28 series of 2015 dated 13 November 2015.

### 21.4 Other Personnel Benefits

This account consists of the following:

	2017	2016
Terminal Leave Benefits	2,420,947.97	858,205.30
Other Personnel Benefits	2,473,671.90	2,788,452.83
<b>Total</b>	<b>4,894,619.87</b>	<b>3,646,658.13</b>

#### 21.4.1 Other Personnel Benefits

This account can be broken down as follows:

	2017	2016
Mortuary Fund	234,000.00	210,318.26
Monetization of Leave Credits	0.00	496,739.24
Annual Water Subsidy	571,398.90	555,639.00
Annual Physical Examination	948,660.00	637,110.00
Tellers' Shortage Allowance	0.00	18,042.00
Mid-Year Evaluation	0.00	211,656.42
BAC Honorarium	0.00	219,792.01
PRAISE Program	719,613.00	439,155.00
<b>Total</b>	<b>2,473,671.90</b>	<b>2,788,452.83</b>

Monetization of leave credits has been charged to terminal leave benefits and tellers' shortage allowance to other bonuses and allowances in 2017.

## 22. MAINTENANCE AND OTHER OPERATING EXPENSES

This account consists of the following:

	2017	2016
Traveling Expenses	938,901.25	2,208,896.16
Training and Scholarship Expenses	943,704.00	890,202.00
Supplies and Materials Expenses	3,800,339.05	3,047,934.77
Utility Expenses	18,781,118.12	13,922,567.64
Communication Expenses	565,888.32	671,558.99
Awards, Rewards, Prizes & Indemnities	168,666.00	
Survey, Research, Exploration & Dev't Exp.	70,000.00	
Generation, Transmission & Distribution Exp.	5,518,603.02	
Confidential, Intelligence & Extraordinary Exp.	26,358.56	139,737.01
Professional Services	691,342.22	520,764.12
General Services	4,485,836.65	4,259,221.86
Repairs and Maintenance	5,170,804.27	4,365,586.13
Financial Assistance/Subsidy	48,144.59	9,589.25
Taxes, Insurance Premiums & Other Fees	3,267,300.96	3,006,728.72
Other Maintenance & Operating Expenses	1,928,839.89	1,088,355.23
Depreciation	12,980,405.41	16,733,837.79
Impairment Loss	408,069.21	3,844,889.56
<b>Total</b>	<b>59,794,321.52</b>	<b>54,700,279.98</b>

The maintenance and other operating expenses totalled P59,794,321.52 and P54,700,279.98 for 2017 and 2016, respectively, representing an increase of 9%. The considerable increase was due to various percentage increases on training expenses (6%), supplies and materials expense (25%), utility expenses (35%), professional services (33%) repairs and maintenance (18%) and other maintenance and operating expense (77%).

### 22.1 Travelling Expenses

This account can be broken down as follows:

	2017	2016
Travelling Expense - Local	938,901.25	1,854,873.34
Travelling Expense - Foreign		354,022.82
<b>TOTAL</b>	<b>938,901.25</b>	<b>2,208,896.16</b>

Traveling expenses include expenses incurred for official travel of employees and monthly Board of Directors' per diem. This also includes per diem of personnel attending training programs and/or seminar. It also covers cost of various training materials and other incidental expenses. The travel expenses-foreign denotes for a seminar entitled HIDA-NGS " Program for Water Utility Business in Philippines" which was attended by the Administrative Manager and the Chairperson of the Board of Directors in Osaka Japan on March 6-13,2016 by virtue of Board Resolution #21-01 Series of 2016 dated January 14,2016.

### 22.2 Training and Scholarship Expense

This account can be broken down as follows:

	2017	2016
Training Expense	943,704.00	890,202.00
<b>TOTAL</b>	<b>943,704.00</b>	<b>890,202.00</b>

Training expense includes expenses incurred for seminars, trainings and conventions participated by the district's employees and the Board of Directors.

### 22.3 Supplies and Materials Expenses

This account can be broken down as follows:

	2017	2016
Office Supplies Expense	886,926.56	701,753.79
Accountable Forms Expense	68,748.03	66,007.38
Non-Accountable Forms Expense	8,427.75	
Drugs and Medicine Expense	2,967.90	2,496.40
Medical, Dental & Laboratory expenses	5,600.00	1,114,510.22
Fuel, Oil & Lubricants Expense	1,000,613.81	1,104,815.58
Agricultural and Marine Supplies Expense		
Chemical and Filtering Supplies Expense	1,153,086.23	
Semi-Expendable Machinery & Equipment Expenses	316,311.55	
Semi-Expendable Furniture, Fixtures & Books Expenses	36,985.00	
Other Supplies and Materials Expense	320,672.22	58,351.40
<b>TOTAL</b>	<b>3,800,339.05</b>	<b>3,047,934.77</b>



Include expenses incurred for office supplies, accountable forms, medicines, laboratory expenses such as microbiological analysis, physical and chemical analysis, general analysis of pesticide residue in water, chlorine, supplies used by transportation and other equipment of the district as well as semi-expendables expenses.

#### 22.4 Utility Expenses

This account can be broken down as follows:

	2017	2016
Water Expense	114,911.33	211,709.68
Electricity Expense	18,666,206.79	13,710,857.96
<b>Total</b>	<b>18,781,118.12</b>	<b>13,922,567.64</b>

Include expenses incurred related to water and electricity consumption of the district's offices and facilities.

#### 22.5 Communication Expenses

This account can be broken down as follows:

	2017	2016
Postage and Deliveries	177,584.62	362,380.32
Telephone Expense-landline	93,525.36	87,852.75
Telephone Expense-Mobile	220,161.68	163,863.80
Internet Subscription Expenses	69,066.66	51,812.12
Cable, Satellite, Telegraph and Radio Expenses	5,550.00	5,650.00
<b>Total</b>	<b>565,888.32</b>	<b>671,558.99</b>

Includes expenses incurred related to delivery of documents/letters to concessionaries, other offices and government agencies, telephone - landline connections, telephone - mobile connections, internet communication/connections, cable connections and radio licensing.

#### 22.6 Awards, Rewards, Prizes and Indemnities

This account consists of prizes for the Dripping Blowout Program for the various Concessionaire for the year 2017.

	2017	2016
Prizes	168,666.00	0.00
<b>Total</b>	<b>168,666.00</b>	<b>0.00</b>

**22.7 Survey, Research, Exploration & Development Expense**

This account espouses the Year-end Evaluation and planning activity of the district.

	2017	2016
Year-End Evaluation & Planning Activity	70,000.00	0.00
<b>Total</b>	<b>70,000.00</b>	<b>0.00</b>

**22.8 Generation, Transmission & Distribution Expenses**

This account can be broken down as follows:

	2017	2016
a.)Disconnection Materials	12,783.06	
b.)Microbiological Analysis	172,032.00	
c.)Rapid Bacti Test	11,200.00	
d.)Physical and Chemical Bacti-Testing	51,624.00	
e.)Fertilizer/Pesticide Residue Analysis	30,600.00	
f.)Benzene	18,000.00	
g.)New Service Connections	4,743,326.99	
h.)Water Meters	476,015.31	
i) Others	3,021.66	
<b>Total</b>	<b>5,518,603.02</b>	<b>0.00</b>

Starting in CY 2017, Generation, and Transmission & Distribution Expenses account has been broken down so as to fully account the details of such expense in compliance to Revised Chart of Accounts. In the past year, Disconnection Materials had been charged to Postage and deliveries ; Microbiological Analysis, Rapid Bacti Test, Physical and Chemical Bacti-Testing Fertilizer/Pesticide Residue Analysis and Benzene have been charged to Medical, dental & laboratory expenses and New Service Connections and Water Meters have been capitalized.

**22.9 Confidential, Intelligence, Extraordinary and Miscellaneous Expenses**

This account can be broken down as follows:

	2017	2016
Extraordinary Expense	26,019.56	94,118.92
Miscellaneous Expenses	339.00	45,618.09
<b>Total</b>	<b>26,358.56</b>	<b>139,737.01</b>

Extraordinary Expenses include expenses incurred during meetings, seminars, public relations, official entertainment, contributions to professional and civic organizations, conferences and other similar expenses related to water district operations/activities.

Meanwhile, Miscellaneous Expenses include expenses in connection with the general management of the district that are not classified under specific expenses accounts.

Miscellaneous Expenses can be broken down as follows:

	2017	2016
Other Miscellaneous - Admin	339.00	19,363.09
Other Miscellaneous - OGM		26,255.00
<b>Total</b>	<b>339.00</b>	<b>45,618.09</b>

## 22.10 Professional Services

This account can be broken down as follows:

	2017	2016
Legal Services	65,000.00	63,000.00
Auditing Services	134,122.38	0.00
Other Professional Services	492,219.84	457,764.12
<b>Total</b>	<b>691,342.22</b>	<b>520,762.12</b>

Include expenses incurred on legal matters, documentations and the conduct of audit activities by the Commission on Audit (COA). Expenses for monthly read and bill on the Programming on the Billing and Collection of Receivables forms part of the Other Professional Services account.

Programming on the Billing and Collection of Receivables is coursed through the DCTECH MICRO SERVICES, INC. The District availed of the DCTECH METER READING and ROUTE MANAGEMENT SYSTEM Software, including accessories and maintenance as evidenced by the Memorandum of Agreement (MOA) executed between the DCTECH and the DIGOS WATER DISTRICT (DWD) dated September 18, 2012.

### 22.10.1 Legal Services

This account can be broken down as follows:

	2017	2016
Legal Services	65,000.00	63,000.00
<b>Total</b>	<b>65,000.00</b>	<b>63,000.00</b>

Legal services include retainer's contract for a term of one year of Atty. Benjamin P. Fernandez as the private legal counsel of the District. The DWD needs the services of a legal counsel to handle legal matters particularly cases filed within its jurisdiction. Retainership Contract is executed after the approval of The Office of The Government Corporate Counsel (OGCC) pursuant to Section 4, Rule 6, of the 2011 OGCC Rules and Regulations and the concurrence of the Commission on Audit pursuant to its 2 April 1986 Circular 86-255.

**22.10.2 Auditing Services:**

This account can be broken down as follows:

AUDIT FEE	2017	2016
Calendar Year 2016	23,082.63	0.00
Calendar Year 2014	111,039.75	0.00
<b>Total</b>	<b>134,122.38</b>	<b>0.00</b>

**22.10.3 Other Professional Services:**

This account can be broken down as follows:

	2017	2016
Read and Bill Accounts	492,219.84	457,764.12
<b>Total</b>	<b>492,219.84</b>	<b>457,764.12</b>

**22.11 General Services**

This account can be broken down as follows:

	2017	2016
Environment/Sanitary Services	103,105.00	487,595.80
Security Services	1,678,189.68	1,181,661.03
Other General Services	2,704,541.97	2,589,965.03
<b>Total</b>	<b>4,485,836.65</b>	<b>4,259,221.86</b>

Payment to security agency for the services rendered by security personnel in the district’s premises and pump stations fall within the ambit of security services. Other General Services include payroll of job-order employees, disconnectors’ fee, gratuity pay of job-order employees. Environment/Sanitary services cover payment for the caretaker of Dulangan Watershed in 2017 while in 2016 it covers payment for the caretaker of Dulangan Watershed, conduct of eco-living and learning environmental activities and corporate social responsibility activities.

**22.12 Repairs and Maintenance**

This account can be broken down as follows:

	2017	2016
R & M - Infrastructure Assets	4,071,262.75	3,362,020.76
R & M - Buildings & Other Structures	34,927.48	152,140.21
R & M - Machinery & Equipment	618,038.02	205,583.96
R & M - Transportation Equipment	443,986.68	636,251.95
R & M - Furniture & Fixtures	2,589.34	9,589.25
<b>Total</b>	<b>5,170,804.27</b>	<b>4,365,586.13</b>

### 22.12.1 Repairs and Maintenance –Infrastructure Assets

This account can be broken down as follows:

Plant-Utility Plant In Service (UPIS)	2017	2016
Maintenance of Hydrants	123,426.34	
Maintenance of Pipelines	2,493,057.53	
Maintenance of Services Lines	1,454,778.88	
<b>Total</b>	<b>4,071,262.75</b>	3,362,020.76

In 2016, Repairs and Maintenance –Infrastructure account has been lumped into one account and is segregated only in a per division's use. Nevertheless, effective CY 2017, such account has been categorized as to hydrants, pipelines and service lines so as to fully account in details the expense on maintenance of plant-utility in service.

### 22.12.2 Repairs and Maintenance – Buildings & Other Structures

This account can be broken down as follows:

	2017	2016
Repairs & Maintenance – Buildings	693.68	70,417.76
Repairs & Maintenance – Water Plant, Structure, Improvements	484.00	81,722.45
Repairs & Maintenance – Other Structures	33,749.80	0.00
<b>Total</b>	<b>34,927.48</b>	152,140.21

### 22.12.3 Repairs and Maintenance – Machinery & Equipment

This account can be broken down as follows:

	2017	2016
Repairs & Maintenance- Office Equipment	40,308.13	22,769.00
Repairs & Maintenance- Info & Com.Tech Eqpt.	114,137.67	
Repairs & Maintenance –Communication Equipment	0.00	8,115.00
Repairs & Maintenance –Technical & Scientific Equipment	236,443.82	
Repairs & Maintenance –Other Machinery & Equipment	227,148.40	69,335.96
Repairs & Maintenance–IT Equip & Software	0.00	105,364.00
<b>Total</b>	<b>618,038.02</b>	205,583.96

**22.12.4 Repairs and Maintenance – Transportation Equipment**

This account can be broken down as follows:

	2017	2016
Repairs & Maintenance- Motor Vehicles	<b>443,986.68</b>	636,251.95
Repairs & Maintenance- Other Transportation Equipment	0.00	0.00
<b>Total</b>	<b>443,986.68</b>	636,251.95

**22.12.5 Repairs and Maintenance – Furniture & Fixtures**

This account can be broken down as follows:

	2017	2016
Repairs & Maintenance- Furniture & Fixture	<b>2,589.34</b>	9,589.25
<b>Total</b>	<b>2,589.34</b>	9,589.25

**22.13 Financial Assistance/Subsidy**

This account can be broken down as follows:

	2017	2016
Financial Assistance to NGAs	<b>48,144.59</b>	
<b>Total</b>	<b>48,144.59</b>	

This account represents the expenses incurred for Water Sanitation and Health Program of the district.

**22.14 Taxes, Insurance Premiums and Other Fees**

This account can be broken down as follows:

	2017	2016
Taxes, Duties & Licenses	<b>2,921,481.93</b>	2,791,515.63
Fidelity Bond Premiums	<b>82,645.63</b>	69,795.00
Insurance Expense	<b>263,173.40</b>	145,418.09
<b>Total</b>	<b>3,267,300.96</b>	3,006,728.72

Include expenses incurred for the payment of taxes like franchise and real property tax, bond of officials and employees and payment of insurance of various district facilities and vehicles used in the operations.

### 22.15 Other Maintenance and Operating Expenses

This account can be broken down as follows:

	2017	2016
Advertising, Promotional and Marketing Expenses	557,180.00	647,040.00
Printing and Publication Expenses	172,133.58	87,860.00
Representation Expenses	101,234.95	166,833.19
Membership Dues and Contributions to Organizations	113,322.86	58,433.92
Subscription Expenses	7,380.00	7,470.00
Donations		800.00
Directors and Committee Members' Fees	727,218.00	
Major Events and Conventions Expenses	174,634.50	
Other Maintenance and Operating Expenses	75,736.00	119,918.12
<b>Total</b>	<b>1,928,839.89</b>	<b>1,088,355.23</b>

#### 22.15.1 Advertising, Promotional and Marketing Expenses

This account can be broken down as follows:

	2017	2016
Radio, Print & TV infomercial -CSD	213,180.00	P228,149.00
Dripping Blowout Program for Concessionaire	0.00	348,887.00
Newsletter/Invitation to Bid	0.00	70,004.00
Give-aways (mugs & folders)-OGM	344,000.00	
<b>TOTAL</b>	<b>557,180.00</b>	<b>P647,040.00</b>

Charging of Dripping Blowout Program for Concessionaire has been transferred to account Awards, Rewards, Prizes and Indemnities in CY 2017.

#### 22.15.2 Printing and Publication Expenses

This account can be broken down as follows:

	2017	2016
Printing & Binding Expense-Finance	87,633.58	38,360.00
Printing & Binding Expense-CSD	16,500.00	
Printing & Binding Expense-OGM	68,000.00	49,500.00
<b>TOTAL</b>	<b>172,133.58</b>	<b>87,860.00</b>

**22.15.3 Representation Expense**

This account can be broken down as follows:

	2017	2016
Representation Expense-Administrative	10,705.00	109,638.30
Representation Expense-CSD	2,228.00	
Representation Expense-Watershed Protection & Management (Water Resources)	10,000.00	
Representation Expense-OGM	78,301.95	57,194.89
<b>TOTAL</b>	<b>101,234.95</b>	<b>166,833.19</b>

Representation includes expenses incurred for meals or snacks served during Board of Directors' meetings, BAC meetings, various committee meetings, meals served to visitors from different water districts and other government agencies pursuant to Project/Program Evaluation & Internal Communication Program approved by the Head of the Agency.

**22.15.4 Membership, Dues & Contribution to Organizations**

	2017	2016
Membership Dues & Contr. To Org.	113,322.86	58,433.92
<b>Total</b>	<b>113,322.86</b>	<b>58,433.92</b>

This account represents the annual charges to National Water Resources Board (NWRB) and annual dues to Mindanao Association of Water District (MAWD).

**22.15.5 Subscription Expense**

This account can be broken down as follows:

	2017	2016
Subscription Expense	7,380.00	7,470.00
<b>Total</b>	<b>7,380.00</b>	<b>7,470.00</b>

This accounts for daily subscription of newspaper for the district's use.

**22.15.6 Donation**

	2017	2016
Donations	0.00	800.00
<b>Total</b>	<b>0.00</b>	<b>800.00</b>



Inter-Office Memorandum No. 2016-61-A dated 14 June 2016 was issued to refrain from giving donations which are considered as irregular effective 01 July 2016 in compliance to the audit observation memorandum issued by COA.

#### 22.15.7 Directors and Committee Members' Fees

This account can be broken down as follows:

	2017	2016
BOD's per diem	727,218.00	0.00
Total	727,218.00	0.00

Board of Directors per diem and allowances in CY 2016 has been charged under Travelling Expenses. Nevertheless, in compliance with the Revised Chart of Accounts, effective CY 2017, such per diems and allowances has been recorded under the Directors and Committee Members' Fees.

#### 22.15.8 Major Events and Conventions Expenses

This account can be broken down as follows:

This account is used to recognize the expenses incurred by the district in holding major activities in furtherance of the district's

Major Events	2017	2016
Information Education and Communication & Other Advocacy Celebrations	114,334.50	0.00
Quiz Bowl & Essay Writing Contests	60,300.00	0.00
Total	174,218.00	0.00

mandate and/or events not related to trainings.

#### 22.15.9 Other Maintenance and Operating Expenses

This account can be broken down as follows:

Other Maintenance and Operating Expenses	2017	2016
Cultural & Athletic Activities	53,516.00	103,865.00
Bloodletting	0.00	0.00
Other Activities	22,220.00	16,053.12
Total	75,736.00	119,918.12

#### 22.16 Non-Cash Expenses

This account can be broken down as follows:

	2017	2016
Depreciation Expense	12,980,405.41	16,733,837.79
Impairment Loss Expense	408,069.21	3,844,889.56
Total	13,388,474.62	20,578,727.35

**22.16.1 Depreciation Expense**

This account can be broken down as follows:

	2017	2016
Depreciation Expense – Land Improvements	303,367.33	
Depreciation Expense – Infrastructure Assets	6,118,151.12	
Depreciation Expense – Buildings & Other Structures	904,155.76	1,909,305.08
Depreciation Expense – Machinery & Equipment	4,503,262.00	3,509,867.35
Depreciation Expense – Transportation Equipment	810,436.67	689,555.68
Depreciation Expense – Furniture, Fixtures and Books	193,900.19	62,127.69
Depreciation Expense – Other Property Plant & Equipment	147,132.34	10,562,981.99
<b>Total</b>	<b>12,980,405.41</b>	<b>16,733,837.79</b>

**22.16.1.1 Depreciation – Land Improvements**

This account can be broken down as follows:

	2017	2016
Depreciation-Land Improvements	303,367.33	0.00
Depreciation-Electrification, Power And Energy Structures	0.00	0.00
<b>Total</b>	<b>303,367.33</b>	<b>0.00</b>

**22.16.1.2 Depreciation – Infrastructure Assets**

This account can be broken down as follows:

	2017	2016
Depreciation-IA (Water Supply System)	479,426.64	0.00
Depreciation-IA( Plant Utility in Service)	5,638,724.48	0.00
<b>Total</b>	<b>6,118,151.12</b>	<b>0.00</b>

**22.16.1.3 Depreciation – Buildings & Other Structures**

This account can be broken down as follows:

	2017	2016
Depreciation- Office Buildings	761,294.04	576,571.58
Depreciation – Other Structures	142,861.72	1,332,733.50
<b>Total</b>	<b>904,155.76</b>	<b>1,909,305.08</b>

**22.16.1.4 Depreciation – Machinery and Equipment**

This account can be broken down as follows:

	2017	2016
Depreciation- Machinery	515,496.30	0.00
Depreciation- Office Equipment	196,551.37	226,263.08
Depreciation- Info & Com Tech Equipment	1,076,129.06	1,359,807.45
Depreciation-Communication Equipment	0.00	70,803.77
Depreciation-Construction and Heavy Equip	115,266.74	0.00
Depreciation-Disaster Response & Rescue Equip	0.00	0.00
Depreciation – Technical & Scientific Equip	2,104,380.67	0.00
Depreciation – Other Machinery & Equipment	495,437.86	1,852,993.05
<b>Total</b>	<b>4,503,262.00</b>	<b>3,509,867.35</b>

**22.16.1.5 Depreciation – Transportation Equipment**

This account can be broken down as follows:

	2017	2016
Depreciation- Motor Vehicles	810,436.67	689,555.68
Depreciation-Other Transportation Equip	0.00	0.00
<b>Total</b>	<b>810,436.67</b>	<b>689,555.68</b>

**22.16.1.6 Depreciation – Furniture, Fixtures and Books**

This account can be broken down as follows:

	2017	2016
Depreciation- Furniture & Fixtures	193,900.19	0.00
Depreciation-Books	0.00	62,127.69
<b>Total</b>	<b>193,900.19</b>	<b>62,127.69</b>

**22.16.1.7 Depreciation – Other Property Plant & Equipment**

This account can be broken down as follows:

	2017	2016
Depreciation-Plant (Other Property Plant and Equipment)	147,132.34	10,562,981.99
<b>Total</b>	<b>147,132.34</b>	<b>10,562,981.99</b>

**22.16.2 Impairment Loss Expenses**

This account can be broken down as follows:

	2017	2016
Impairment Loss	408,069.21	3,844,889.56
Total	408,069.21	3,844,889.56

PAS 39. Paragraph 59 states: A financial asset is impaired and impairment loss are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial asset that can be reliably estimated. It may not be possible to identify a single, discrete event that caused the impairment. Rather the combined effect of several events may have caused the impairment. Losses expected as a result of future events, no matter how likely, are not recognized.

Based on the district's records and other information found through investigation, it is evident that the Accounts Receivable amounting to P3,760,895.89 is impaired due to the following loss events :

A. Significant financial difficulty of our customers which resulted to disconnection and ultimately becoming dormant accounts **for five years or more**. Although, we had exerted utmost efforts to collect by sending three (3) written notices, unfortunately, these accounts were not paid;

B. Demolition of properties which caused discontinuance if water services. With our DWD experience, demolition of edifice occurred due to road widening, the old Digos City Public Market was demolished to construct a Mega Market, the demolition of some houses located at Jumao-as Street and Quezon Avenue due to the construction of a 5 hectare Gaisano Grand Mall of Digos, and the city-wide construction boom which lead residential owners to sell their properties to Commercial and Industrial businesses. Unfortunately, most accounts that were demolished had not been reconnected and collection of outstanding balances could no longer be made;

C. Adverse changes and or abrupt increase in consumption pattern due to leakages and high consumption complaints which lead to disconnection due to inability and unwillingness to pay concerned customers; and

D. Unwillingness of the owner to pay the outstanding balances of their renter/lessor.

Ergo, BOD Resolution # 09-054 Series of 2016 dated November 24,2016 was enacted for the recognition of P3,760,895.89 as impairment loss on past due accounts which have been outstanding for several years.

In 2017, BOD Resolution # 09-051 Series of 2017 dated December 28,2017 was enacted for the recognition of P 408,069.21 as impairment loss on past due accounts or inactive accounts which have been outstanding for several years.

**23. FINANCIAL EXPENSES**

This account consists of the following:

Interest expenses represent interest and other charges on loans availed by the District. In 2015, under the Other Financial

	2017	2016
Bank Charges	P 7,250.00	P 201.50
Loan Interest/Penalty Expenses	P 2,213,292.71	P 2,548,688.80
Total	P 2,220,542.71	P 2,548,890.30

Charges, P100,000.00 represents a .2% evaluation and monitoring fee on the P50M loan from the DBP per BOT No.79, 95 and 135 all series of 2012 re: Implementing Policies and Guidelines on the WD Loan Program under LWUA-Bank MOA for financing and per open account bill no.12-011-15 dated 21 December 2015. There was a decrease in the total financial expenses by 13% as compared last year.

## 24. INCOME TAX EXPENSE (BENEFIT)

The District has no Income Tax Expense

## 24. RETIREMENT PLAN

The District has no service separation plan. Nevertheless, through the DWD 2014 Program on Awards & Incentives for Service Excellence ( PRAISE) as approved by the Civil Service Commission (CSC) on May 5,2015, the DWD shall confer a “Kabuhayan Project Para sa Maginhawang Pagreretiro” by giving a start-up capital to the retirees.

## 25. COMPLIANCE WITH REPUBLIC ACT 7656

In 2015, the Philippine Association of Water Districts (PAWD) circularized Office of the Government Corporate Counsel (OGCC) Opinion No. 190, series of 2010, addressing whether all local water districts (LWDs) are required to declare and remit fifty percent (50%) of its annual earnings to the National Treasury.

The OGCC opined in the negative. Relevant portions of the said Opinion are as follows:

“Following the definition of a Government-Owned and Controlled Corporations (GOCC) in the aforementioned cases, water districts are not GOCCs but government instrumentalities exercising corporate powers. They are, therefore, not covered by RA 7656.

Moreover, it bears emphasis that water districts are created purposely for public service. Section 5, Chapter II of PD 198 provides: x x x

Local water districts also do not receive any government subsidy and financial support/appropriation from the government. Its operating income is derived principally from the collection of water consumption fees and loans from Local Water Utilities Administration (LWUA) for its development and expansion programs.

Most important, the manner of utilization and disposition of its income is restricted under Section 41 of PD 198, thus:

Sec. 41. Disposition – The income of the district shall be disposed of according to the following priorities:

“First, to pay its contractual and statutory obligations and to meet its essential current operating expenses.

“Second, to allocate at least fifty percent (50%) of the balance exclusively as a reserve for debt service and operating and maintenance, to be used for such purposes only during periods of calamities force majeure of unforeseen events.

“Third, to allocate the residue as a reserve exclusively for expansion and improvement of its facilities.” (Emphasis supplied)

Hence, no part of the water district’s income shall be used or disposed of for any other purpose than those mentioned above.”

To require the water districts to remit 50% of its earnings to National Treasury would constitute a violation of its Charter on the disposition of its income.

Relying on this legal basis, the DWD is not remitting the fifty percent (50%) of its annual earnings to the National Treasury.

## 26. INFORMATION REQUIRED UNDER REVENUE REGULATION (RR) 15-2010 OF THE BUREAU OF INTERNAL REVENUE

The Bureau of Internal Revenue (BIR) issued on November 25, 2010 Revenue Regulation (RR) 15-2010, Amending Certain Provisions of Revenue Regulations No. 21-2002, as amended, Implementing Section 6 (H) of the Tax Code of 1997, authorizing the Commissioner of Internal Revenue to prescribe additional procedures and/or documentary requirements in connection with the preparation and submission of financial statements accompanying tax returns. Under the said regulations, companies are required to provide, in addition to the disclosures mandated under PFRS, and such other standards and/or conventions as may be adopted, in the notes to the financial statements, information on taxes, duties and license fees paid or accrued during the taxable year.

In compliance with the requirements set forth by RR 15-2010 the information on taxes field through EFPS and license fees paid or accrued during the taxable year are as follows:

### A. Withholding & Business Taxes

	CY 2017	CY 2016
Withholding taxes filed thru EFPS :		
Tax on compensation and benefits	P 4,269,207.65	P 4,051,147.08
Creditable withholding taxes	2,302,109.62	2,231,782.44
Franchise Taxes	2,727,103.19	2,611,566.22
Annual Registration	500.00	500.00

### B. All other Taxes, Duties & Licenses (National and Local)

	CY 2017	CY 2016
Other taxes ,duties and licenses paid amounted to:		
Real Property Taxes	P4,724.07	P5,001.95
Radio Licenses	17,718.00	8,070.00
Vehicle Registration	48,845.54	43,930.74
Fire Code Construction Tax-New Bldg.	3,486.00	
Zoning Certification/Transfer Tax	119,005.13	122,446.71
Taxes withheld by concessionaires		
Others		

## 27. COMPARISON ON ACTUAL AND BUDGET AMOUNTS

The annual budget is prepared on the modified cash basis, that is, all planned costs and income are presented in a single statement to determine the needs of the District. As a result of the adoption of the modified cash basis for budgeting purposes, there are basis, timing or entity differences between the actual and budget amounts presented in the statement of comparison of budget and actual amounts.

**Reconciliation between Actual Amounts on a Comparable Basis as Presented in this Statement and in the Statement of Financial Performance for the Year Ended December 31, 2017.**

	Income	Personal Services	MOOE	Financial Expenses	Capital Outlay
<b><u>Comparison Statement of Budget and Actual</u></b>	<b>143,953,751</b>	<b>47,841,520</b>	<b>49,614,449</b>	<b>2,220,543</b>	<b>23,042,760</b>
Entity Differences					
Basis Differences:					
Income not considered budgetary items					
Sales Revenue					
Receipts not considered as income					
Under Appropriation of Interest Income					
Borrowings					
Non-Cash Expenses					
Depreciation					
Appropriation for Terminal Leave Credits		1,861,504			
Budgetary Items not considered as expenses					
Capital Outlay					(23,042,760)
Timing Differences					
Prepayments charged to current appropriations					
Traveling Expenses			(199,080)		
Insurance Expenses			(137,138)		
Unconsumed Inventories charged to current appropriations					
Training Expenses			(19,000)		
Office Supplies			(397,618)		
Accountable Forms Expenses			(52,212)		
Drugs and Medicines Expenses			(66)		
Fuel, Oil and Lubricants Expenses			(65,260)		
Semi-Expendable Machinery & Equipment			(39,683)		
Other Supplies Expenses			(112,425)		
Postage and Deliveries			(112)		
Generation, Transmission and Distribution Expenses			(1,130,625)		
Environment and Sanitary Expenses			(7,480)		
Repairs & Maintenance - Plant UPIS			(46,012)		
Repairs & Maintenance - Buildings			(8,042)		
Repairs & Maintenance - Machinery and Equipment			(616,400)		

Repairs & Maintenance - Motor Vehicles			(95,542)		
Financial Assistance to NGAs			(8,475)		
Representation Expenses			(20,896)		
Transportation Expenses			(432)		
Undelivered supplies charged to current appropriations					
Training Expenses			(5,194)		
Office Supplies			(141,565)		
Medical, Dental and Laboratory Supplies Expenses			(6,986)		
Semi-Expendable Machinery & Equipment			(67,443)		
Other Supplies Expenses			(145,000)		
Generation, Transmission and Distribution Expenses			(785,337)		
Consultancy Services			(172,000)		
Repairs & Maintenance - Plant UPIS			(93,000)		
Repairs & Maintenance - Other Structures			(71,639)		
Repairs & Maintenance - Machinery and Equipment			(94,475)		
Financial Assistance to NGAs			(3,125)		
Printing and Publication Expenses			(79,304)		
Consumed Inventories and deferred charges charged to Prior Period Appropriations					
Training Expenses			11,500		
Non-Accountable Forms Expenses			8,428		
Medical, Dental and Laboratory Supplies Expenses			2,800		
Chemical and Filtering Supplies Expenses			88,836		
Semi-Expendable Machinery & Equipment			49,609		
Postage and Deliveries			13,304		
Generation, Transmission and Distribution Expenses			702		
Other Professional Services			42,370		
Other General Services			5,480		
Repairs & Maintenance - Plant UPIS			853,105		
Repairs & Maintenance - Other Structures			695		
Repairs & Maintenance - Machinery and Equipment			7,883		
Taxes, Duties and Licenses			224,509		
Fidelity Bonds Premiums			6,613		
Advertising, Promotion and Operating Expenses			240		
Printing and Publication Expenses			83,234		
Major Events and Conventions Expenses			13,657		
	143,953,751	49,703,024	46,405,848	2,220,543	-
<b>PER STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>143,953,751</b>	<b>49,703,024</b>	<b>46,405,848</b>	<b>2,220,543</b>	<b>-</b>



**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT**  
**For the Year Ended December 31, 2017**

PARTICULARS	BUDGETED AMOUNT		DIFFERENCE ORIGINAL & FINAL BUDGET	ACTUAL AMOUNTS	DIFFERENCE FINAL BUDGET AND ACTUAL
	ORIGINAL	FINAL			
<b>REVENUE</b>					
Business Income					
Water Sales	138,277,524	138,277,524	-	132,691,404	5,586,120
Penalty Charges	5,623,715	5,623,715	-	5,304,433	319,282
Meter Maintenance Charge	1,130,080	1,130,080	-	1,119,535	10,545
Service Income					
Installation Fees & Other Service Charges	5,300,000	5,300,000	-	4,536,118	763,882
Other Income					
Interest Income	150,000	150,000	-	301,421	(151,421)
Sales Revenue	-	-	-	840	(840)
Receipts from Borrowings	20,000,000	20,000,000	-	-	20,000,000
<b>TOTAL REVENUES AND RECEIPTS</b>	<b>170,481,319</b>	<b>170,481,319</b>	<b>-</b>	<b>143,953,751</b>	<b>26,527,568</b>
<b>CURRENT APPROPRIATIONS</b>					
<b>Expenditures</b>					
Personal Services	51,883,400	58,571,983	6,688,583	47,841,520	10,730,463
Maintenance and Other Operating Expenses	55,238,900	60,500,900	5,262,000	49,614,449	10,886,451
Capital Expenditure	46,665,900	46,705,900	40,000	14,863,654	31,842,246
Debt Services					
Financial Expense	3,485,500	3,485,500	-	2,220,543	1,264,957
Loan Repayment	4,965,000	4,965,000	-	4,964,014	986
<b>TOTAL CURRENT APPROPRIATIONS</b>	<b>162,238,700</b>	<b>174,229,283</b>	<b>11,990,583</b>	<b>119,504,180</b>	<b>54,725,103</b>
<b>CONTINUING APPROPRIATIONS</b>					
Capital Expenditure	23,705,500	23,705,500	-	8,179,106	15,526,394
<b>TOTAL CONTINUING APPROPRIATIONS</b>	<b>23,705,500</b>	<b>23,705,500</b>	<b>-</b>	<b>8,179,106</b>	<b>15,526,394</b>
<b>TOTAL APPROPRIATIONS</b>	<b>185,944,200</b>	<b>197,934,783</b>	<b>11,990,583</b>	<b>127,683,286</b>	<b>70,251,497</b>
Add: Cash Balance, Beginning	45,226,703	45,226,703	-	49,481,745	(4,255,042)
<b>SURPLUS (DEFICIT) FOR THE PERIOD</b>	<b>29,763,822</b>	<b>17,773,239</b>	<b>(11,990,583)</b>	<b>65,752,210</b>	<b>(47,978,971)</b>

## 28. EVENTS AFTER BALANCE SHEET DATE

Any post year-end events that provide additional information about the company's position at balance sheet date (adjusting events) are reflected in the financial statements. Any post year-end event that is not adjusting event is disclosed in the notes to financial statements, when material.

## 29. CONTINGENCIES

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

The district has pending issues concerning income tax liability with the Bureau of Internal Revenue (BIR) covering the years prior to the effectivity of RA 10026. The District was assessed a deficiency in its income and franchise taxes covering the years 2000-2002 involving the amount of P31,858,839.35. The DWD availed Tax Amnesty Program under RA No. 9480 issued on 24 May 2007 through which payment of Two Hundred and Fifty Thousand Pesos (Php 250,000.00) was made via tax debit system with Land Bank of the Philippines.

RA 10026 is an act granting tax exemption to local water districts which becomes effective on March 2010. BIR Memorandum Circular No. 68-2012 dated 05 November 2012 re Condonation of Tax Liabilities of Local Water Districts set the deadline for the submission of requirements for the tax condonation application of all unpaid tax liabilities covering CY 1996 to 2009. The District signifies its intention to apply for the condonation of the income taxes and franchise taxes due for the periods 2000-2002, 2003-2009 and January to April 13, 2010 which was received by the office of the BIR Commissioner Honorable Kim S. Jacinto-Henares on 30 April 2013.

## 30. RISK MANAGEMENT OBJECTIVES AND POLICIES

The District is exposed to a variety of financial risks which result from both its operating and investing activities.

The District does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the District is exposed to are described below.

### 30.1 Interest Rate Sensitivity

The District's policy is to minimize interest cash flow risk exposures on long-term borrowings. The District is exposed to changes in market interest rates through its bank borrowings, which are subject to variable interest rates.

### 30.2 Liquidity Risk

The District manages its liquidity needs by carefully monitoring monthly scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. The District maintains cash to meet its liquidity requirements.

The District's ability to meet its financial obligations in terms of liquidity denotes a slight decrease of its current ratio from 3.31:1 in 2016 to 2.73:1 in 2017.

## 31. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objective is to ensure the District's ability to continue as a going concern and to provide 24/7 water availability to all DWD customers.

The District believes the public can be served best by self-sustained utility adequately financed with rates based on sound engineering, social, and economic principles. It strongly advocated that a properly operated and managed water utility should be a self-sufficient enterprise.

Full cost pricing, meaning setting a price per unit of water that covers all the costs involved in treating water and delivering it to the customer, is the fairest way of charging for water. To charge the total cost of water to customers as fairly as possible, the system must be 100% metered. That means every service or customer must have a meter. Changes in pricing policies to encourage conservation and wise use of water may add to the upward pressure on rates. As rates rise, so does concern about customer willingness and ability to pay for water service.

The district, being a Government Owned and Controlled Corporation operates on its own capacity, without receiving any subsidy from the Local or National Government. The capital as shown in the equity portion mainly comes from the income from water sales. Since the district is operating on its own, the Board of Directors thru its management sees to it that equity account is funded to meet future capital requirements.

Digos Water District aims to attain the following goals from 2015 to 2020:

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

DWD will employ a quality-focused strategy in order to achieve its objectives. Specifically, the District will adopt the following as its strategic statement, viz: "Instituting quality management systems all throughout the organization".

For a water district under Category B, based on LWUA standards, the district can maintain collection ratio of 91%, Operation Ratio (excluding non-cash items & financial expense) of 75% and a Current Ratio of 3.3:1 on an annual basis. The District has passed the performance indicators set by LWUA for 2016 and 2017 (except for current ratio) as actual ratios are shown below.

The decrease in current ratio could be justified due to the implementation of the Revised Chart of Accounts. Financial and budget quarterly analysis are prepared to aid the top management as one of their bases in making business decisions to develop the District's realization on its vision based on its competitive position, financial strength and profitability.

	2017	2016
Collection Ratio	93.59%	93.74%
Operation Ratio	66.76%	57.85%
Current Ratio	2.73:1	3.31:1

### 32. AUTHORIZATION FOR THE ISSUANCE OF FINANCIAL STATEMENTS

The Financial Statement of the District for the year ended December 31, 2017 was approved and authorized for issue by the General Manager, **Atty. Isauros B. Gravador** on January 25, 2018.



# **DIGOS WATER DISTRICT**

**SERVICE IS OUR BUSINESS.**

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