

# *Annual Report 2018*







## 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.”

## TABLE OF CONTENTS

<b>COMPANY PROFILE</b>	<b>2</b>
<b>PART I. GENERAL</b>	<b>4</b>
A. Administrative	4
B. Financial/ Commercial	6
C. Technical	8
D. Operational	9
<b>PART II. PROFILE</b>	
<b>1. THE WATER DISTRICT &amp; ITS PHYSICAL SYSTEM'S FACILITIES</b>	<b>12</b>
A. Organization	12
B. Existing System's Facilities	12
<b>2. CURRENT OPERATION/FINANCIAL HIGHLIGHTS</b>	<b>15</b>
A. Existing Water Rates	15
B. Operating Income/Expenses	15
C. Financial Highlights	16
<b>3. COMMUNITY ECONOMIC PROFILE</b>	<b>16</b>
<b>4. OTHER INFORMATION</b>	<b>17</b>
<b>ANNEXES</b>	
A. Functional Chart	19
B. Organizational Structure	20
C. List of Plantilla of Personnel for 2018	21
D. Summary of Policy-Setting Resolutions	24
E. Financial Statements	25
F. Summary of Loan Payments	93
G. Approved Water Rates Schedule	94
H. Summary of Water Production and Consumption	95
I. DWD Water Sources	96
J. Service Connection Growth	97
K. List of Major Equipments	98
L. Summary of Bacteriological Analysis	108

## DIGOS WATER DISTRICT

### ANNUAL REPORT

For the Period January 01, 2018 to December 31, 2018

#### PART I - GENERAL

##### ADMINISTRATIVE

1. Attach Water District's approved Organizational Charts in effect as of report year's end  
**Annex A** - Functional Chart  
**Annex B** - Position/Organizational Chart (Key Employees Only) - Showing permanent positions and incumbents
  
2. Attach list of employed personnel with pertinent information. (List of Plantilla of Personnel for the Fiscal Year 2017) **Annex C**

The following summarizes the District's staffing:

a. Total Number of Employees	122
b. Number of Permanent Employees	81
c. Number of Casual/Temporary Employees	41
d. Number of Employees Meeting Minimum Qualifications Per Job Descriptions Adopted by the Water District	122
e. Number of not Classified Casuals/Temporary who Do Not Meet the qualifications Established by the Water District	

3. Has the district adopted a policy prohibiting the hiring of personnel related up to the fourth degree by affinity or consanguinity? (Yes or No) Yes

If not, how many of the of the employees are related to the appointing or recommending officer/authority, or of the chief of the bureau or officer or the person exercising immediate supervision over the appointee within the fourth degree by affinity or consanguinity? (2017 Omnibus Rules on Appointment & Other HR Actions)

4. Has the district adopted rules and regulations regarding the following:
  - a. Personnel Matters? Yes
  
  - b. Utility Customers Relations Yes
  
  - c. General Utility Operations? Yes

# Annual Report 2018

5. Attach list of policy setting resolutions adopted, repealed, or amended by the District Board including those adopting LWUA guidelines. **(Annex D)**

6. Has the district written and properly updated, reliable records of the following? (Yes or No)

a. Customer's complaints/ (Yes or No)

*Yes*

b. Billing and Collections? (Yes or No)

*Yes*

c. Delinquencies in Payment of Water Bills

*Yes*

d. Meter Histories

*Yes*

e. Service Connections

*Yes*

f. Equipment Downtime

*Yes*

g. Equipment Histories

*Yes*

h. Bacteriological Tests

*Yes*

i. System Pressures

*Yes*

j. Leak Reports

*Yes*

k. Unaccounted for Water

*Yes*

l. Pump Efficiencies

*Yes*

m. Water Production

*Yes*

n. Valve and Pipeline Location

*Yes*

o. General Accounting

*Yes*



# Annual Report 2018

p. Stock Inventory	Yes
q. Stores Usage	Yes
r. Employees Record	Yes
s. Minutes and Board Meetings	Yes

7. For this year, Auditing has been done by Commission on Audit

## B. FINANCIAL/COMMERCIAL

1. Attach the district 's financial statements for the report year, including a comparison of the immediate past year (**Annex E**)

2. For the year under report, the district's gross budgetary outlay was broken down into (Source: Approved Budget):

a. Operating Outlay	127,273,540
b. Capital Outlay	81,798,711.00
c. Special budget, if any (Additional Budget) - (Supplemental)	7,661,675.67
d. Financial Expenses	2,992,250.00
e. Reserves	none

3. For the same one-year period, district's Gross Revenue was broken down into (Source: Financial Report):

a. Revenue from Water Sales	146,673,276.66
b. Other water Revenues	13,270,589.73

# Annual Report 2018

c. Other Non-Operating Income	740,604.77
d. Proceeds from LWUA loan to finance new service connections	None
4. For this same one-year period, the District's expenditure was broken down into: (Source: Financial Report)	
a. Operational (operation and maintenance expenses, including depreciation)	91,136,283.06
b. Capital Outlay	13,001,863.54
c. Annual Debt Servicing ( <b>Annex F - Summary of Loan Payments to DBP &amp; LWUA</b> )	
5. For this same one-year period, the total salaries, wages & other emoluments paid for the District's employees were broken down into:	
a. For permanent employees	24,752,566.24
b. For casual/temporary	3,259,130.71
c. Allowance, Benefit & Emoluments	24,840,476.99
6. Expenses for power/fuel for pumping during the year :	23,210,463.59
7. Total amount billed during the year is broken down into:	
a. Total Billings (Current)	147,835,398.05
b. Old Accounts (A/R Beginning)	8,649,593.93
8. Total amount collected (Water sales only during the year is broken down into:	
a. Current billings	104,224,288.42
b. Arrears	38,436,480.89
9. Total amount collected (delinquent) at the year's end (excluding bad debts)	7,115,627.14
10. Total net income/loss at year's end	14,760,501.46

# Annual Report 2018

11. Complaints filed, processed and settled during the year	
a. Total Number Filed, processed and settled during the year	20,916 <i>Customer Complaints</i>
b. Number Dismissed For Lack of Merit/withdrawn	191 <i>Complaints</i>
c. Number Investigated	696 <i>(due to high consumption)</i>
d. Number Settled to the Satisfaction of Complaints	20,622
e. Number Elevated to the District Board of Directors	None
f. Number Settled By the Board	None
g. Number Elevated to Higher Authorities	None

## 12. At year's end, the following water rate charges were in force: ([Annex G - Approved Water Rates Schedule](#))

Had these rates been submitted to LWUA for review? (Yes or No)

### C. TECHNICAL

1. Has the District adopted by Board Resolutions, a set of design and construction standard? (Yes or No)

If so, who prepared it?

Is it being adhered to strictly?

2. Does the District undertake bacteriological test of its water? (Yes or No)

How often are these test made per year?

Is LWUA being furnished copies of these reports? (Yes or No)

For the report year, how many such reports were submitted to LWUA?



# Annual Report 2018

3. State the method of water treatment employed by the District, if any

*Chlorination*

4. Does the District undertake regular pump efficiency test? (Yes or No)

*Yes*

How many of these pumps does the District have in its system?

*Ten (10)*

How many of these pumps are operational?

*Ten (10)*

## D. OPERATIONAL

1. Total water production during the year in cubic meters (**Annex H - Summary of Water Production and Consumption**)

Total water billed in cubic meters

*5,077,619 cu.m*

Average per capita consumption in lpd

*127.41*

2. Attach list of Water Sources (**Annex I - WD Water Sources**)

3. Is the District provided with measuring devices to measure their water production? (Yes or No)

*Yes*

If yes, what type?

*Flowmeter*

If not, how do you measure productions?

*n/a*

4. As of year's end, the District has the following existing service connections and related information. (**Annex J - Service Connection Growth**)

a. Total number of existing connections (Active and Inactive Connections)

*25,598*

b. Number of Active Connections	21,254
c. Number of metered Connections	
1. With functioning meters	21,254
2. With non-functioning meters	None
d. Number of flat rate connections	None
e. Number of connections regularly billed	21,254
f. Number of delinquent concessionaires	4,005
g. Average number of customers per connections (HH)	5
5. Estimated population of district service areas (21 out of 26 Barangays)	161,476
a. Estimated population served by utility whether fully or partially (21 out of 26 Barangays)	161,476
6. Because of inadequate facilities, the District has to provide partial service in accordance with the following average length of time each 24-hours day:	
a. Less than 6 hours service	None
b. 7-12 hours service	None
c. 13-18 hours service	<i>13-18 hours in elevated areas like Kiagot, Kibanban, Cogon Upper part of Sambas Area</i>
d. 19-24 hours service (Note: You may vary the number of hours as may be necessary to suit actual conditions)	<i>All areas except areas stated in item c</i>

# Annual Report 2018

7. Attach list of major equipment and machinery (with an initial cost of at least P15,000.00 including pertinent information). (**Annex K - List of Major Equipments**)

8. Does the District keep written record of request for service? (Yes or No)

*Yes*

a. Does the record show the date when such requests were made and the nature of the service requested? (Yes or No)

*Yes*

b. On the average, how long (in days) does it take the District to respond and attend such requests?

*1.5 days*

c. How many such reports were received during the year?

*9,233*

d. How many of these reports were attended to during the year?

*9,233*

## DIGOS WATER DISTRICT

### ANNUAL REPORT

For the Period January 01, 2018 to December 31, 2018

#### PART II - PROFILE

#### 1. THE WATER DISTRICT & ITS PHYSICAL SYSTEM'S FACILITIES

##### A. ORGANIZATION

1. Date formed	<i>July 10, 1980</i>
2. Date CCC was issued	<i>January 12, 1981</i>
Age (months) as of 12/31/18	<i>461 months</i>
CCC No.	<i>CCC No. 147</i>
3. Personnel	<i>122</i>
Comments: (adequacy, qualification, performance & others)	

##### B. EXISTING SYSTEM'S FACILITIES

1. Service	
1.1 Service Area	<i>Digos City</i>
1.2 Population of Service Area (Latest)	<i>181,671</i>
1.3 No. of Households	<i>41,550</i>
1.4 No. of Persons/Household	<i>5</i>



1.5 Service Time (hrs./day)

24hrs/day

## 2. Structure and Equipment

2.1 Administration Building

Office Area

978 sq. m.

Office Equipment (*Annex K List of Major Equipments*)

2.2 If rented, how much per month?

n/a

2.3 Type of Water Source

Deep well

Rated capacity per day (cu.m/day)

25,500 cu.m/day

2.4 Reservoir (description, built and capacity):

LOCATION	TYPE	CAPACITY (cu.m)	DATE CONSTRUCTED
PS #1 - Luna Street	Concrete/Elevated	172	From NAWASA
Res.2- Digos Hill	Ground/Concrete	1,200	
PS #7- Colorado	Ground/Concrete	600	2002

LOCATION	TYPE	CAPACITY (cu.m)	DATE CONSTRUCTED
PS #8- Ruparan	Ground/Concrete	2,400	2014
Brgy. Dulangan	Ground/Concrete	170	2014
Brgy. Dulangan	Steel/Elevated	8	
Brgy. San Roque	Ground/Concrete	8	
Brgy. Mahayahay	Steel/Elevated	5	
Brgy. Kiagot/Center	Ground/Concrete	100	
Brgy. Kiagot/Upper	Steel/Elevated	10	2008
Kibanban, Sinawilan	Steel/Elevated	20	2012
Brgy. Lungag	Geound/Concrete	8	

## 2.5 Water Sources (Annex I - WD Water Sources)

## 2.6 Service Connections

Customer Category	No. of Active Connections	%
Residential	19,496	91.7%
Government	214	1.0%
Commercial	1,544	7.3%
TOTAL	21,254	100%

## 2.7 Production

Average Monthly Production

535,452 cu.m

a. Bulk Water (cu. m)

n/a

Production Efficiency % (Average/month)  
(Total Water Utilized/Total Production)

79.02%

NRW% ( ) YTD

20.98%

## 2. CURRENT OPERATION/FINANCIAL HIGHLIGHTS

### A. EXISTING WATER RATES (Annex G - Water Rates Schedule)

### B. OPERATING INCOME/EXPENSES

Average Water Sales (average/mo)

Php 12,222,773.06

Average Collection (average/mo)

Php 968,160.23

Average Expenses - O & M for the year (average/mo)

4,572,817.98

## C. FINANCIAL HIGHLIGHTS (Rate & Status)

Current Ratio = Current Assets/Current Liabilities	3.16 : 1
Long-term debt/Equity Ratio	0.25 : 1
Monthly Billing (average/mo)	13,323,580.14
Collection Efficiency - % of On-Time Payment (YTD)	93.97%

## 3. COMMUNITY ECONOMIC PROFILE

A. Total Population (covered by the Water District) (20 barangays)	181,671
B. Average Monthly Family Income in the Area	20,583.33
C. Major Source of Funds	<i>Agriculture</i>
D. Average Monthly Family Expenditure in the Area	15,833.33
E. City/Municipal Revenue (CY 2016)	728,768,279.59
F. Average Rate of Mortality per 100,000 population due to waterborne diseases (e.g. diarrhea), (data source: DOH Food and Waterborne Diseases <b>Region XI</b> , 2017)	<i>Diarrhea: 2 Cholera: 0</i>
G. Average Rate of Morbidity per 100,000 population due to waterborne diseases (e.g. diarrhea), (data source: DOH Food and Waterborne Diseases <b>Region XI</b> , 2017)	<i>Diarrhea: 306 Cholera: 4</i>
H. Major Agricultural, Industrial, and Commercial activities	<i>Coconut, sugarcane, mango, banana, palay, commercial establishments, tile factory, etc.</i>

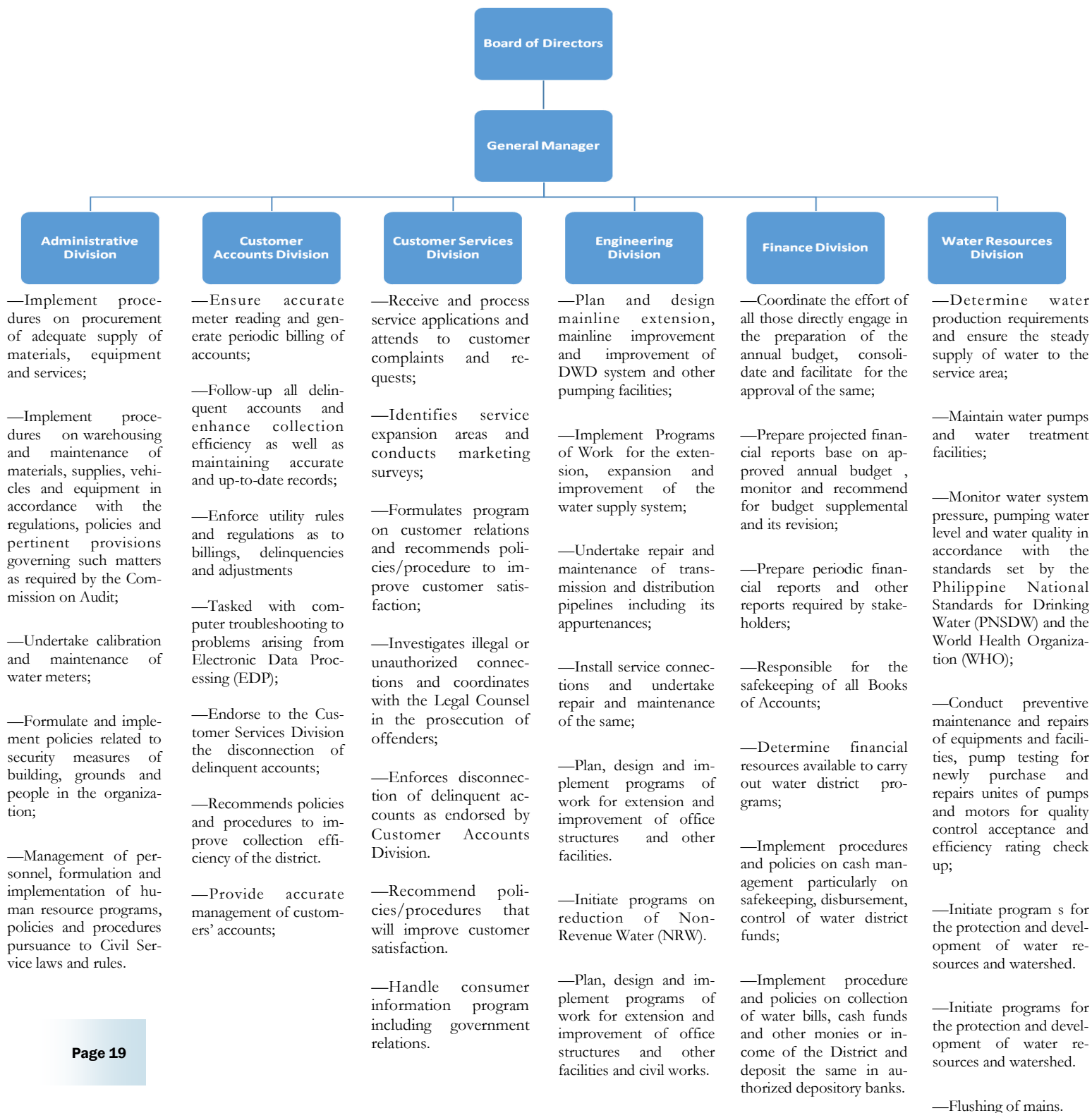


## 4. OTHER INFORMATION

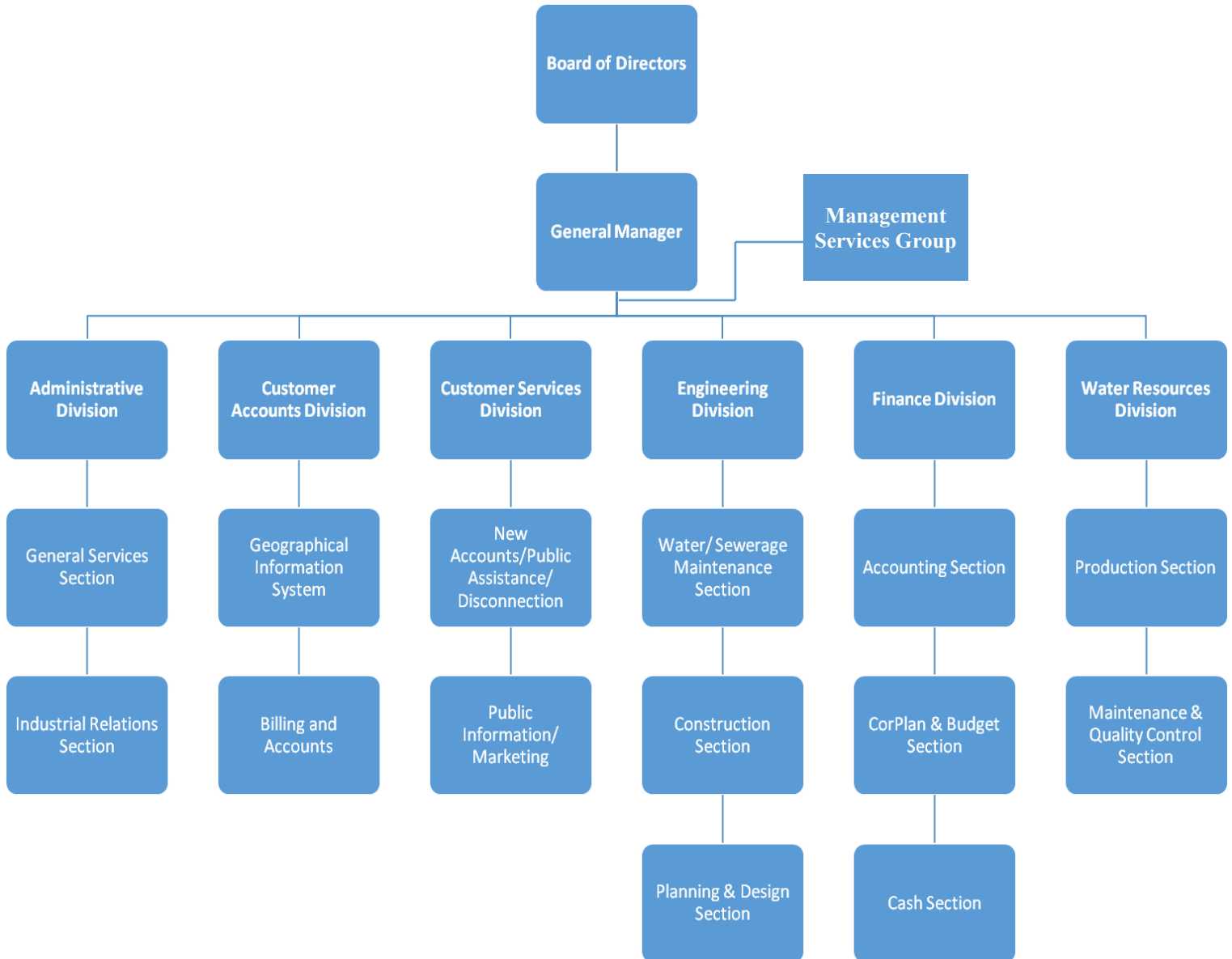
- |   |   |
|---|---|
| 1. The District has been paying the _____ Water District an average of ___ cubic meter of Bulk Water per month.   | <input type="text" value="n/a"/>                |
| 2. The District has implemented the Meter Clustering System to help alleviate water pilferage.  | <input type="text" value="Yes, in some areas"/> |
| 3. The District regularly monitors the Residual Chlorine in various strategic points of its water supply system ( <b>Annex L Summary of Bacteriological Analysis 2018</b> ) | <input type="text" value="Yes"/>                |
| 4. The District has maintained its established safety programs and standard operating procedure   | <input type="text" value="Yes"/>                |
| 5. The District has continued implementing the 5% discount for water bill of Senior Citizens  | <input type="text" value="Yes"/>                |
| 6. The District has approved the Gender and Development Budget for CY 2018 in compliance with RA 9710   | <input type="text" value="Yes"/>                |
| 7. The District has adopted and implemented the approved Strategic Performance Management System (SPMS)   | <input type="text" value="Yes"/>                |
| 8. The District has religiously paid the principal and interest of its various loans to LWUA.   | <input type="text" value="Yes"/>                |

# ANNEXES

## ANNEX A (Functional Chart)



## ANNEX B (Organizational Structure)





## ANNEX C

### (List of Plantilla of Personnel for the Year 2018)

<b><i>1ST LEVEL POSITIONS (PERMANENT)</i></b>		
<b>NO</b>	<b>EMPLOYEE NAME</b>	<b>POSITIONS</b>
1	ABABON, MARIO	SENIOR WATER RESOURCES FACILITIES OPERATOR A
2	ACERO, NENENG	ADMINISTRATION SERVICES AIDE
3	ALCONTIN, ALEJANDRINO	WATER RESOURCES FACILITIES OPERATOR B
4	ANDRION, RONALD	DRIVER
5	AQUINO, EDWIN	SENIOR INSTRUMENT TECHNICIAN
6	BAGTASO, BERNARD	UTILITIES/CUSTOMER SERVICE ASSISTANT B
7	BANOGBANOG, RUELITO	WATER RESOURCES FACILITIES OPERATOR B
8	CASIS , RODRIGO	UTILITY WORKER B
9	CUEVAS, VICENTE	SENIOR WATER/SEWERAGE MAINTENANCE MAN A
10	DECENA, MARY BERNADETTE	ACCOUNTING PROCESSOR A
11	DUMABOC, MARIA CECILIA	CASHIERING ASSISTANT
12	DUÑO, CARLITO	WATER RESOURCES FACILITIES OPERATOR A
13	DUROPAN, JERRY	UTILITIES/CUSTOMER SERVICE ASSISTANT A
14	ELESTERIO, MARVIN	LIAISON AIDE
15	FERNANDEZ, PROCURO	UTILITY WORKER B
16	FORMENTERA, JIMMY	LABORATORY AIDE A
17	GALLARDO, NICOLAS	UTILITY WORKER B
18	GOMEZ, ARVIN L.	WATER/SEWERAGE MAINTENANCE MAN B
19	GOMEZ, RENATO S.	WATER/SEWERAGE MAINTENANCE MAN B
20	GONZALES, JULIUS	UTILITIES/CUSTOMER SERVICE ASSISTANT A
21	GUEVARRA, ANTONIO	WATER/SEWERAGE MAINTENANCE MAN A
22	GUJILDE, RUBEN	UTILITY WORKER A
23	HERDA, REYNALDO	WATER/SEWERAGE MAINTENANCE MAN A
24	LAÑAS, NOEL FLORANTE	UTILITY WORKER B
25	LAURETA, CECILE	WATER/SEWERAGE MAINTENANCE MAN A
26	LAYAGIN, GENEROSO	WATER RESOURCES FACILITIES OPERATOR B
27	MARAVILLAS, VICENTE	SENIOR WATER RESOURCES FACILITIES OPERATOR A
28	MASANEGRA, ARCADIO	WELDER A
29	MONTEZA, LENDON	UTILITY WORKER B

# Annual Report 2018

30	ODONZO, ELDEN	UTILITY WORKER B
31	PANUGALING, REYNALDO	WATER/SEWERAGE MAINTENANCE MAN B
32	PELIGRINO, EUSTACIO JR.	AUTO MECHANIC B
33	PELIGRINO, MARTINIANO	SENIOR WATER RESOURCES FACILITIES TECHNICIAN
34	PILLAZO, REYNALDO	WATER/SEWERAGE MAINTENANCE FOREMAN
35	POSADAS, CRISTIAN	UTILITIES/CUSTOMER SERVICE ASSISTANT D
36	PINEDA, JESSA CLAIRE	UTILITIES/CUSTOMER SERVICE ASSISTANT D
37	RENOY, RONALD	UTILITY WORKER B
38	ROMAGUERA, ALEXANDER	WATER RESOURCES FACILITIES OPERATOR B
39	RUFINO, RYAN	STATISTICAL ASSISTANT B
40	RUIZO, LUIS	WATER RESOURCES FACILITIES OPERATOR FOREMAN
41	SAMPILO, EDUARDO	UTILITY WORKER B
42	SAMSON, LEONIE	UTILITIES/CUSTOMER SERVICE ASSISTANT A
43	SANCHEZ, REMEGIO	CARPENTER A
44	SANCHEZ, RUEL	UTILITY WORKER B
45	SARSONA, EUSTAQUIO JR.	WATER RESOURCES FACILITIES OPERATOR FOREMAN
46	SIRVAN, JOEL	WATER/SEWERAGE MAINTENANCE MAN B
47	SODE, PEPE	UTILITIES/CUSTOMER SERVICE ASSISTANT D
48	TAPDASAN, EDWIN	WATER RESOURCES FACILITIES OPERATOR C
49	TORREON , ELMER	UTILITY WORKER A
50	VILLANUEVA, FELIX	STOREKEEPER A
51	VILLARTA, DINDO	UTILITY WORKER A

## **2ND LEVEL POSITIONS (PERMANENT)**

<b>NO</b>	<b>EMPLOYEE NAME</b>	<b>POSITIONS</b>
1	ADRALES, APHRODITE	EXECUTIVE ASSISTANT B
2	ANG, MARIVIC	CORPORATE BUDGET ANALYST B
3	BANOGBANOG, AILEEN	SENIOR WATER UTILITIES MANAGEMENT OFFICER
4	BARRO, JUAN	SUPERVISING UTILITIES/CUSTOMER SERVICES OFFICER
5	BUAC, MAYLEEN	UTILITIES/CUSTOMER SERVICE OFFICER B
6	COBIAS, MARY CATHERINE	SUPERVISING INDUSTRIAL RELATIONS MANAGEMENT OFFICER A
7	COMETA, ARTURO JR.	WATER UTILITIES MANAGEMENT OFFICER B
8	CORONADO, SAMUEL	SENIOR CORPORATE ACCOUNTS ANALYST
9	CUBAR, GOLDA MAE	INDUSTRIAL RELATIONS MANAGEMENT OFFICER A
10	DACQUEL, GEM BERNADINE	SENIOR FINANCIAL PLANNING ANALYST
11	DASMARIÑAS, MAY FRANCES	MANAGEMENT INFORMATION SYSTEMS RESEARCHER
12	DAUB, FELOMINO	DIVISION MANAGER B
13	DURANO, EMMYLOU	CORPORATE PLANNING ANALYST A
14	GRAVADOR, ISAUROS	GENERAL MANAGER B
15	MARTEL, MARYLUTH	DIVISION MANAGER B

# Annual Report 2018

16	NADELA, IRIS	UTILITIES/CUSTOMER SERVICE OFFICER B
17	PAQUIBOT, AMANCIO	DIVISION MANAGER B
18	RAGONTON, LEILANI	HEAD/SUPERVISING CASHIER
19	RELATADO, MERCEDES	DIVISION MANAGER B
20	RETES, FRANKLIN	SUPERVISING WATER UTILITIES MANAGEMENT OFFICER
21	RULONA, KAREN LOU	MINUTES/AGENDA OFFICER B
22	SALVACION, FERDINAND	SENIOR CORPORATE ACCOUNTS ANALYST
23	SANCHEZ, DAISY MAE	SENIOR INDUSTRIAL RELATIONS DEVELOPMENT OFFICER B
24	SOLOMON, MICHELLE AMOR	CASHIER C
25	SORNITO, CESAR	GENERAL SERVICES CHIEF B
26	SUBAAN, RAUL	UTILITIES/CUSTOMER SERVICE OFFICER A
27	TOLARESA, JOVITO	GENERAL SERVICES OFFICER A
28	TORREGOSA, CRESENTE	PROPERTY/SUPPLY OFFICER A
29	VELARDE, AMELIA	DIVISION MANAGER B
30	VERGARA, OSWALDO	SENIOR WATER UTILITIES MANAGEMENT OFFICER
31	VILLEGAS, BELEN	DIVISION MANAGER B

<b>FEMALE</b>	
1	ANG, KITCHIE ROSS
2	BISNAR, HANNAH
3	CAÑADA, EMILY CHRISTINE
4	CARALOS, DIANNE
5	CARIQUITAN, HAZEL JOY
6	DAVILA, MARIE GIAN NICOLE
7	DELOY, MAILYN BREIN
8	EBON, KRISTY
9	ESTINOSO, RENALEN SHEEN
10	GEMILGA, LILI SHAYNE
11	GREJALDO, SHARYL
12	MANSUETO, LADY JANE
13	MATA, LYNA FE
14	MENDOZA, MARIA MELISA GOYNA
15	NIONES, JULIE ANN
16	PARATO, ELAIZA
17	RAFAELA, KHIM BERLY
18	SAMBILAD, ROGINE
19	SASUMAN, MICHELLE

<b>MALE</b>	
1	ABAYABAY, JENEFER
2	ARRANGUEZ, JE CARL
3	CALAPAN, MICHAEL, JR.
4	DE LOS REYES, AGUSTIN
5	DIONIO, CHRISTIAN BRYAN
6	ESTOSE, ROLDAN
7	GENEROSO, PETER PAUL
8	JAITONI, IMLANI
9	LANGOTE, EDJASTENE
10	MANCIA, ROY
11	MELLEJOR, RONIE
12	MUAÑA, RODOLFO
13	PAHALLA, HENRY
14	PURUGGANAN, IAN MARK
15	QUION, JOEL
16	ROBREDILLO, VINCENT
17	SIMEON, FELICISIMO
18	SIROT, ALLAN
19	TORIBIO, JOUSTIN ANTHONY
20	TORRES, BRYAN
21	TUBAC, LINBERG
22	VILLAMIL, SYLVESTER

## ANNEX D

### (Summary of Policy-Setting Board Resolutions)

Resolution No.	Date	Resolution Content
<b>02-06, series of 2018</b>	January 25, 2018	A Resolution Approving the Proposed Policy on Project Cost Undertaken by Administration
<b>19-14, series of 2018</b>	April 26,2018	A Resolution Approving the Water Safety Plan of Digos Water District



## ANNEX E (Financial Statements)

### DIGOS WATER DISTRICT

#### STATEMENT OF FINANCIAL POSITION

As at December 31, 2018

(With Comparative Figures for CY 2017)  
(Amounts in Philippine Peso)

	Notes	2018	2017
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	5.00	97,747,031.49	67,771,947.23
Receivables	6	7,175,621.32	5,190,631.39
Inventories	7	12,642,617.60	10,340,988.54
Other Assets	8	24,013,071.87	21,105,447.38
		<b>141,578,342.28</b>	<b>104,409,014.54</b>
<b>Non-current Assets</b>			
Investments	9	6,488,503.37	6,438,393.82
Property, Plant and Equipment	10	166,736,441.70	107,961,750.20
Construction in Progress	11	16,601,910.57	36,096,944.09
Development in Progress	12	550,000.00	-
		<b>190,376,855.64</b>	<b>150,497,088.11</b>
<b>TOTAL ASSETS</b>		<b>331,955,197.92</b>	<b>254,906,102.65</b>

# Annual Report 2018

## LIABILITIES AND EQUITY

### LIABILITIES

#### Current Liabilities

Financial Liabilities	13	13,523,342.87	9,686,489.49
Inter-Agency Payables	14	2,111,531.66	2,090,644.84
Trust Liabilities	15	14,132,540.94	12,630,178.57
Provisions	16	14,801,275.37	13,402,032.73
Other Payable	17	299,754.08	397,720.47
		<b>44,868,444.92</b>	<b>38,207,066.10</b>

#### Non-current Liabilities

Loans Payable-Domestic	18	21,549,667.10	26,570,605.34
		<b>21,549,667.10</b>	<b>26,570,605.34</b>

### TOTAL LIABILITIES

**66,418,112.02**      **64,777,671.44**

### EQUITY

Government Equity	19	7,356,477.86	7,356,477.86
Revaluation Surplus	20	60,486,721.68	0.00
Retained Earnings	21	197,693,886.36	182,771,953.35
		<b>265,537,085.90</b>	<b>190,128,431.21</b>

### TOTAL EQUITY

**265,537,085.90**      **190,128,431.21**

### TOTAL LIABILITIES AND EQUITY

**331,955,197.92**      **254,906,102.65**

*See accompanying Notes to Financial Statements*

## STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended December 31, 2018

(With Comparative Figures for CY 2017)

(Amounts in Philippine Peso)

	Notes	2018-December	2017-December
<b>REVENUE</b>			
Service Income	22.1	220,200.00	72,237.45
Business Income	22.2	159,723,666.39	143,881,513.86
Other Income	22.3	740,604.77	1,662.04
<b>Total Revenue</b>		<b>160,684,471.16</b>	<b>143,955,413.35</b>
<b>EXPENSES</b>			
Personal Services	23	52,852,173.94	49,703,024.41
Maintenance and Other Operating Expenses	24	91,136,283.06	59,794,321.52
Financial Expenses	25	1,935,512.70	2,220,542.71
<b>Total Expenses</b>		<b>145,923,969.70</b>	<b>111,717,888.64</b>
<b>Profit/Loss</b>		<b>14,760,501.46</b>	<b>32,237,524.71</b>
<b>Comprehensive Income</b>			
Revaluation Surplus		60,486,721.68	-
<b>Total Comprehensive Income</b>		<b>75,247,223.14</b>	<b>32,237,524.71</b>

See accompanying Notes to Financial Statements

**DIGOS WATER DISTRICT  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2018**

				Cumulative Translation Adjustment	Cumulative Changes in Fair Value of Investments	Revaluation Surplus	Retained Earnings/(Deficit)	Contributed Capital	Share Capital	Share Premium	Government Equity	TOTAL
<b>BALANCE AT JANUARY 1, 2017</b>				-	-	-	175,433,779.20	-	-	-	7,356,477.86	182,790,257.06
<b>ADJUSTMENTS:</b>												
	Add/(Deduct):											
	Changes in Accounting Policy											0.00
	Prior Period Errors											0.00
	Other Adjustments											0.00
<b>RESTATED BALANCE AT JANUARY 1, 2017</b>				-	-	-	175,433,779.20	-	-	-	7,356,477.86	182,790,257.06
<b>CHANGES IN EQUITY FOR 2017</b>												
	Add/(Deduct):											
	Additional Capital from National Government											0.00
	Additions(deductions)						(24,899,350.56)					(24,899,350.56)
	Net income(loss) for the period						32,237,524.71					32,237,524.71
												0.00
<b>BALANCE AT DECEMBER 31, 2017</b>				-	-	-	182,771,953.35	-	-	-	7,356,477.86	190,128,431.21
<b>CHANGES IN EQUITY FOR 2018</b>												
	Add/(Deduct):											
	Revaluation of Property, Plant and Equipment					60,486,721.68						60,486,721.68
	Additional Capital from National Government											0.00
	Additions(deductions)						161,431.55					161,431.55
	Net income(loss) for the period						14,760,501.46					14,760,501.46
<b>BALANCE AT DECEMBER 31, 2018</b>				<b>0.00</b>	<b>0.00</b>	<b>60,486,721.68</b>	<b>197,693,886.36</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7,356,477.86</b>	<b>265,537,085.90</b>

## DIGOS WATER DISTRICT

### STATEMENT OF CASH FLOWS

For the Year ended December 31, 2018

(With Comparative Figures for CY 2017)

(Amounts in Philippine Peso)

	Note s	2018	2017
<b>Cash Flows from Operating Activities :</b>			
<b>Cash Inflows :</b>			
Collection of Receivables		155,617,922.75	141,379,868.34
Collection of Other Income		5,609.77	2,502.00
Receipt of Bidder's Bond		96,904.00	62,907.25
Receipt from Cash Advance		237,921.75	181,005.54
Collection from Customer's Deposit		2,117,868.53	1,898,686.46
Collection of Other Receivables		1,491,470.69	833,261.66
Interest Income		68,448.88	108,483.51
<b>Total Cash Inflows :</b>		<b>159,636,146.37</b>	<b>144,466,714.76</b>
<b>Cash Outflows :</b>			
Payment of Operating Expenses		81,909,222.14	64,023,553.47
Payment of Operating Expenses -Inventory		5,236,843.10	1,084,389.96
Payment of Payables		4,424,860.40	6,532,503.99
Remittance of GSIS/Pagibig/Withholding		16,781,319.76	17,918,809.58
Purchases of Office and Other Supplies			
Office Supplies Inventory		688,732.18	1,306,538.08
Accountable Forms Inventory		151,200.00	322,920.00
Non-Accountable Forms Inventory		15,340.00	-
Medical, Dental & Laboratory Supplies Inventory		-	174,000.00
Fuel ,Oil & Lubricants Inventory		115,534.00	196,730.00



# Annual Report 2018

Other Supplies and Materials Inventory	1,083,803.80	1,920,292.05
Chemical and Filtering Supplies Inventory	1,069,500.00	890,250.00
Semi-Expendable- Office Equipment	19,916.00	-
Semi-Expendable- Furniture and Fixture	-	978,260.00
Semi-Expendable- Info & Comm Tech Equipment	173,934.00	159,710.00
Semi-Expendable- Communication Equipment	2,960.00	2,699.00
Semi-Expendable- Other Machinery Equipment	130,424.70	272,634.50
Semi-Expendable- Technical & Scientific Equipment	583,985.00	2,998,585.00
Semi-Expendable- Books	-	20,215.00
Semi-Expendable- Medical Equipment	13,160.00	-
Payment of Prepaid Expenses	606,677.55	476,294.88
<b>Total Cash Outflows</b>	<b>113,007,412.63</b>	<b>99,278,385.51</b>

**Cash Provided by Operating Activities** **46,628,733.74** **45,188,329.25**

## Cash Flows from Investing Activities :

### Cash Inflows :

Proceeds from Sale of Disposed Assets	735,000.00	0.00
<b>Total Cash Inflows :</b>	<b>735,000.00</b>	<b>0.00</b>

### Cash Outflows :

Payment of Liabilities for the Purchase/  
Construction of:

Land		
Other Land Improvements		
Plant- Utility Plant in Service (UPIS)		630,000.00
Buildings		
Other Structures		
Office Equipment	250,920.00	2,298,046.48
Furnitures and Fixtures		268,700.00
Information & Communication Technology Equipment	1,532,997.60	580,820.00
Communication Equipment		
Technical and Scientific Equipment	2,066,233.00	498,000.00
Other Equipment	491,256.50	2,420,370.00
Motor Vehicles		551,200.00
Other Property Plant & Equipment		

**PPE -Total Cash Outflows** **4,341,407.10** **7,247,136.48**

# Annual Report 2018

Payments of Liabilities for the purchase/payment of		
Payroll on various construction-in-progress		
Materials (Inventory) on various construction-in-progress		
Semi-Expendable on various construction-in-progress		
Purchase of land on account on previous year		305,140.50
Payroll on various construction-in-progress	2,505,743.80	3,354,432.34
Materials (Inventory) on various construction-in-progress	3,623,450.14	7,200,168.29
Well Drilling	-	1,613,942.04
<b>Total Cash Outflows :</b>	<b>10,470,601.04</b>	<b>19,720,819.65</b>
<b>Cash Used by Investing Activities</b>	<b>(9,735,601.04)</b>	<b>(19,720,819.65)</b>
<b>Cash Flow from Financing Activities:</b>		
<b>Cash Inflows:</b>		
Receipt of Cash Loan Proceeds	-	-
<b>Total Cash Inflow</b>	<b>-</b>	<b>-</b>
<b>Cash Outflows:</b>		
Cash Payment on Loan Principal (LWUA/DBP)	4,991,413.24	4,964,014.24
Payment of interest on Domestic Loans (LWUA/DBP)	1,926,635.20	2,213,292.71
<b>Total Cash Outflows :</b>	<b>(6,918,048.44)</b>	<b>(7,177,306.95)</b>
<b>Cash Provided/Used by Financing Activities</b>	<b>(6,918,048.44)</b>	<b>(7,177,306.95)</b>
<b>Cash provided by Operating, Investing and Financing Activities</b>	<b>29,975,084.26</b>	<b>18,290,202.65</b>
<b>Add : Cash Balance-Beginning (January 01, 2017)</b>	<b>67,771,947.23</b>	<b>49,481,744.58</b>
<b>CASH BALANCE - ENDING ( December 31, 2017)</b>	<b>97,747,031.49</b>	<b>67,771,947.23</b>

See accompanying Notes to Financial Statements

## NOTES TO FINANCIAL STATEMENTS (All amounts in Philippine Pesos unless otherwise stated)

### 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 favour 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	Chairperson	Professional
Engr. Emilio D. Almazan	Vice Chairperson	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.

# Annual Report 2018

Effective 10 October 2018 until 31 December 2018 or until the Board of Directors appoint a new General Manager, operation of the District is headed by an Officer-In-Charge Engr. Felomino A. Daub following the end of term of Atty. Isauros B. Gravador. Appointment was effected by Board Resolution No. 21-33 series of 2018.

## 2018 Operational and Financial Highlights

### Financial Highlights

A comparative financial condition, results of operations and sources and application of funds for CY 2018 and 2017 is presented below:

#### Comparative Financial Position:

The comparative financial condition of the District shows an uptrend. The total assets increased by **30%** associated by increase in cash and cash equivalents by 34%, inventories by 22% and property, plant and equipment by 54% due to revaluation. The total liabilities also increase by **3%** compared to 2017's data. The uptrend is correlated in the increase in accounts payable and bill/bonds payable by 44% due to recognition of While equity for this quarter rises by **14.90%** compared to prior year's third quarter.

Particulars	2018	2017	Increase (Decrease)	%
<b>Assets</b>	<b>331,955,197.00</b>	254,906,102.65	77,049,094.35	30%
<b>Liabilities</b>	<b>66,418,112.02</b>	64,777,671.44	1,640,440.58	3%
<b>Equity</b>	<b>265,537,084.98</b>	190,128,431.21	75,408,653.77	40%

#### Comparative Results of Operation:

Net income for 2018 has decreased by 54% compared to previous year. The decrease was sourced from the recognition of the impairment loss due to revaluation of Property Plant and Equipment amounting to Php 21,403,439.41. This is also caused a 31% leaped in expenses for 2018. While total revenue has 12% increase due to 11% increase in water sales, inspection fee and recognition of gain on sale of various PPE.

Particulars	2018	2017	Increase (Decrease)	%
<b>Gross Income</b>	<b>160,684,471.16</b>	143,955,413.35	16,729,057.81	12%
<b>Expenses</b>	<b>145,923,969.70</b>	111,717,888.64	34,206,081.06	31%
<b>Net Income</b>	<b>14,760,501.46</b>	32,237,524.71	(17,477,023.25)	(54%)

#### Comparative Sources and Application of Funds:

The District's operating budget increased by **22%** over that of the prior year's budget. Funds expended for Personnel Services increased by **6.34%**. This increase is due to the 6% increase of salaries and wages and the 17% increase in other personnel contribution benefits accounts as various job order employees of the District have been promoted to casual status.

The Miscellaneous and Other Operating Expenses (MOOE) increased by **52.42%**. The increased in MOOE was again due to the recognition of impairment loss on revalued Property, Plant and Equipment.

On the other hand, the favorable decrease in Financial Expense of **12.84%** is the effect of the diminishing interest rate availed by the district on its loan.

# Annual Report 2017

Sources of Funds	2018	2017	Increase (Decrease)	%
<b>Current Operating Budget</b>	<b>144,265,790.04</b>	118,719,300.00	25,546,490.04	22%
<b>Application of Funds:</b>				
<b>Personnel Services</b>	<b>52,852,173.94</b>	49,703,024.41	3,149,149.53	6.34%
<b>MOOE</b>	<b>91,136,283.06</b>	59,794,321.52	31,341,961.54	52.42%
<b>Financial Expenses</b>	<b>1,935,512.70</b>	2,220,542.71	(285,030.01)	(12.84%)

There has been a 15% in the current of the district from 2.73:1 from 2017 to 3.16:1 in 2018. This can be sourced from the 44% increase in cash and cash equivalents account.

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 9% which is lower by 59% compared to the ROI of 22% in 2017. The significant decrease is still the effect of the impairment loss recognized in 2018.

Furthermore, there is a 3% decrease in Asset Turnover (ATO) from last year's 56% to this year's 55%. The DWD's Equity Multiplier (EM) has decrease by 7% from 1.34 in 2017 to 1.25 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. Though there has been a decrease, the financial position showed that only 25% of district's assets were being financed by loan whereas 75% is financed by equity. The 2018 ROE of 6% positioned a decrease by 63% compared to the 2017's ROE of 17%. The data elucidates that the decrease in ROE is underscored to a decrease in ROI and a decrease in ATO.

Still, 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, 2018, it has active service connections of 21,254 and serves an estimated population of 148,778. Moreover, total staff to total active connection ratio is 1:174 for CY 2018.

## Summary of Significant Accounting Policies

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

### 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.

### 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.

### 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.



# Annual Report 2018

## **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.

## **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.

## **Significant accounting policies observed for each account**

### **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.

### **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.

### **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.

### **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, water pipes and portable ultrasonic clamp and payment of premium of bonded employees.

# Annual Report 2018

## **Investment**

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

## **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.

Effective December 2018, the District adopted Revaluation Model- (Elimination Approach) as measurement of the Property, Plant and Equipment.

## **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.

# Annual Report 2018

## **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.

## **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.

## **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

## **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

## **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.

## **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.

# Annual Report 2018

## **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.

## **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.

## **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.

## **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.

## **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:

PROPERTY, PLANT and EQUIPMENT			
<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:

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;

Demolition of properties which caused discontinuance of 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;

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

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. Additional impairment loss for 2018 has been recognized amounting to P606,104.11 per BOD Resolution # 09-56 Series of 2018 dated December 18, 2018.

## 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.

# Annual Report 2018

## Cash and Cash Equivalent

This account consists of the following:

	2018	2017
Cash on Hand	405,332.04	345,915.74
Cash in Bank - Local Currency	97,341,699.45	67,426,031.49
<b>Total</b>	<b>97,747,031.49</b>	<b>67,771,947.23</b>

## Cash on Hand

This account can be broken down as follows:

	2018	2017
Cash - Collecting Officers	399,322.04	339,915.74
Petty Cash Fund/Change Fund	6,000.00	6,000.00
<b>Total</b>	<b>405,332.04</b>	<b>345,915.74</b>

Pursuant to Office Policy No.C-28-90 on handling cash collection, office collections from 8:00am to 12:00nn 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.

## Cash in Bank – Local Currency

This account can be broken down as follows:

	2018	2017
Cash in Bank - Local Currency, Current Account	97,341,699.45	67,426,031.49
<b>Total</b>	<b>97,341,699.45</b>	<b>67,426,031.49</b>

## Cash in Bank – Local Currency, Current Account

This account can be broken down as follows:

Name of Depository Bank	Account No.	2018	2017
DBP	0920-008783-080	86,224,719.98	P61,402,707.22
LBP	0332-0053-40	11,116,979.47	6,023,324.27
<b>Total</b>		<b>97,341,699.45</b>	<b>67,426,031.49</b>



# Annual Report 2018

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.

## Receivables

This account can be broken down as follows:

Receivable Accounts	2018	2017
Accounts Receivable-Current	11,243,966.74	8,649,593.93
<b>Total Accounts Receivable</b>	<b>11,243,966.74</b>	8,649,593.93
Less: Allowance for Impairment Loss	(4,068,209.03)	3,458,962.54
<b>Total</b>	<b>7,175,621.32</b>	5,190,631.39

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.

## Accounts Receivable:

This account can be broken down as follows:

	2018	2017
Accounts Receivable	11,303,166.83	8,696,035.55
Add/Less: Reconciling Items	(59,200.09)	(46,441.62)
<b>Total</b>	<b>11,243,966.74</b>	8,649,593.93

## Aging of Accounts Receivable for CY 2018 is presented as follows: AGING OF ACCOUNTS SUMMARY

Zone	1-30 Days	31-60 Days	61-90 Days	91-120 Days	Over 120 Days	Balance
1	-	-	-	15,191.42	685,069.52	700,260.94
2	-	-	-	-	260,130.39	260,130.39
3	-	62,034.55	50,370.88	18,451.04	808,383.61	939,240.08
4	547,092.62	248,940.87	87,250.12	66,638.22	1,056,905.26	2,006,827.09
5	317,443.47	92,080.08	19,186.75	18,086.43	381,112.86	827,909.59
6	294,572.54	78,934.34	27,097.51	29,664.78	389,100.28	819,369.45
7	170,257.76	68,589.10	22,558.40	15,063.10	284,931.86	561,400.22
8	322,443.69	132,221.52	33,402.24	20,868.41	476,671.30	985,607.16
9	439,510.11	162,708.19	77,711.94	35,714.13	548,215.02	1,263,859.39
10	146,272.56	45,683.40	23,104.08	27,091.57	93,073.71	335,225.32
11	224,621.19	65,584.00	18,591.12	11,145.47	259,249.45	579,191.23
12	184,978.08	64,106.74	20,504.35	18,944.44	234,030.13	522,563.74
13	289,180.59	96,099.02	18,393.77	9,298.34	152,313.74	565,285.46
14	115,012.42	25,717.37	8,005.35	3,262.50	33,481.67	185,479.31
15	167,946.25	67,242.84	29,259.04	18,070.31	131,048.69	413,567.13
16	155,740.06	52,081.25	18,926.55	5,640.66	104,861.81	337,250.33
Sub-Total	3,375,071.34	1,262,023.27	454,362.10	313,130.82	5,898,579.30	11,303,166.83
Add: Reconciling Item	(59,200.09)					(59,200.09)
<b>TOTAL</b>	<b>3,315,871.25</b>	<b>1,262,023.27</b>	<b>454,362.10</b>	<b>313,130.82</b>	<b>5,898,579.30</b>	<b>11,243,966.74</b>

12/31/2018

# Annual Report 2018

The aging of this account is detailed as follows:

<b>Accounts Receivable</b>	<b>2018</b>	<b>2017</b>
1-30 days	3,375,071.34	P2,463,767.97
31-60 days	1,262,023.27	996,369.44
61-90 days	454,362.10	324,111.96
90 days above	6,211,710.12	4,911,786.18
Add/Less: Adjustment (Reconciling Items)	(59,200.09)	(46,441.62)
		P8,649,593.93
<b>Less: Allowance for Impairment Loss</b>	<b>4,068,209.03</b>	<b>3,458,962.54</b>
<b>Total</b>	<b>7,715,757.71</b>	<b>P5,190,631.39</b>

## Reconciling Items:

For CY 2018, this account can be broken down as follows:

<b>RECONCILIATION OF ACCOUNTS RECEIVABLE REPORT</b>			
<b>As of December 31, 2018</b>			
			<b>11,303,166.83</b>
<b>Reconciling items</b>			
0102	Acctno 025397 aging should be -211.00 not 0.00	(211.00)	
0102	Acctno 016662 aging should be 375.21 not 1358.21	(983.00)	
0104	Acctno 025445 aging should be -211.00 not 0.00	(211.00)	
0106	Acctno 011859 aging should be 308.37 not 1719.12	(1,410.75)	
0108	Acctno 025457 aging should be -211.00 not 0.00	(211.00)	
0108	Acctno 006566 aging should be 999.65 not 1041.03	(41.38)	
0113	Acctno 025338 aging should be -326.00 not 0.00	(326.00)	
0113	Acctno 025373 aging should be -211.00 not 0.00	(211.00)	
0113	Acctno 025393 aging should be -1424.00 not 0.00	(1,424.00)	
0113	Acctno 025395 aging should be -211.00 not 0.00	(211.00)	
0201	Acctno 004761 aging should be 0.00 not 8.34	(8.34)	
0201	Acctno 000773 aging should be 1294.30 not -577.60	(1,871.90)	
0203	Acctno 000668 aging should be 882.49 not 912.28	(29.79)	
0301	Acctno 001175 aging should be 0.00 not 210.95	(210.95)	
0304	Acctno 025333 aging should be -211.00 not 0.00	(211.00)	
0304	Acctno 025334 aging should be -234.00 not 0.00	(234.00)	
0404	Acctno 025442 aging should be -211.00 not 0.00	(211.00)	
0404	Acctno 023163 nov aging should be -0.49 not -23.38	(22.89)	
0405	Acctno 025398 aging should be -211.00 not 0.00	(211.00)	
0405	Acctno 016762 nov aging should be -305.56 not -326.16	(20.60)	
0405	Acctno 017520 nov aging should be -0.20 not -20.80	(20.60)	
0407	Acctno 001988 aging should be 0.00 not 210.95	(210.95)	
0408	Acctno 025451 aging should be -211.00 not 0.00	(211.00)	
0422	Acctno 025431 aging should be -572.00 not 0.00	(572.00)	
0423	Acctno 025347 aging should be -598.00 not 0.00	(598.00)	
0427	Acctno 017121 aging should 0.00 not 649.65	(649.65)	

# Annual Report 2018

0502	Acctno 007065 aging should be 0.00 not 458.09	(458.09)	
0502	Acctno 015297 aging should be 0.00 not 4896.59	(4,896.59)	
0502	Acctno 023915 aging should be 0.00 not 4379.40	(4,379.40)	
0502	Acctno 021238 adjusted twice in Dec BAM -2312.30	(2,312.30)	
0506	Acctno 007118 double entry in BAM summary -162.85	(162.85)	
0506	Acctno 011129 double entry in BAM summary -75.73	(75.73)	
0506	Acctno 012530 double entry in BAM summary -46.16	(46.16)	
0506	Acctno 012917 double entry in BAM summary -54.01	(54.01)	
0506	Acctno 015884 double entry in BAM summary -201.35	(201.35)	
0506	Acctno 018097 double entry in BAM summary -20.60	(20.60)	
0506	Acctno 023884 double entry in BAM summary -51.39	(51.39)	
0507	Acctno 002228 aging should be 0.00 not 233.90	(233.90)	
0509	Acctno 001192 aging should be 401.35 not 1103.30	(701.95)	
0509	Acctno 006257 aging should be 1167.89 not 1869.84	(701.95)	
0509	Acctno 007850 aging should be 0.00 not 627.82	(627.82)	
0509	Acctno 007785 aging should be 0.00 not 656.59	(656.59)	
0509	Acctno 007518 aging should be 102.86 not 804.81	(701.95)	
0509	Acctno 011975 aging should be -702.35 not -0.40	(701.95)	
0509	Acctno 010230 aging should be 0.00 not 348.65	(348.65)	
0511	Acctno 021568 aging should be 0.00 not 484.00	(484.00)	
0511	Acctno 021570 aging should be 0.00 not 231.55	(231.55)	
0601	Acctno 003308 aging should be 169.19 not 871.14	(701.95)	
0602	Acctno 002265 aging should be 0.00 not 357.77	(357.77)	
0603	Acctno 006317 aging should be -312.72 not 389.23	(701.95)	
0603	Acctno 017438 aging should be -702.50 not -183.60	(518.90)	
0604	Acctno 015485 aging should be 169.19 not 871.14	(701.95)	
0605	Various accts due to rounded-off march blng with a difference in April aging of 26.19	26.19	
0605	Various accts with difference in aging due to rounded-off billing +.02	0.02	
0606	Acctno 001867 aging should be 0.00 not 357.77	(357.77)	
0607	Acctno 009228 aging should be -702.80 not -331.20	(371.60)	
0609	Acctno 007956 aging should be -56.96 not 401.79	(458.75)	
0609	Acctno 014510 aging should be -702.26 not -353.61	(348.65)	
0610	Acctno 007853 aging should be 0.00 not 332.53	(332.53)	
0703	Acctno 005482 aging should be -701.95 not -235.35	(466.60)	
0801	Acctno 024357 aging should be 3106.79 not -390.71	3,497.50	
0802	Acctno 005013 aging should be 61.22 not 763.17	(701.95)	
0802	Acctno 021442 aging should be -18.38 not 666.97	(685.35)	
0804	Acctno 012125 aging should be -701.95 not -353.30	(348.65)	
0807	Acctno 002504 aging should be -3663.45 not -3416.93	(246.52)	
0807	Acctno 009917 aging should be -0.83 not 53.18	(54.01)	
0808	Acctno 010504 aging should be 0.00 not 656.59	(656.59)	
0902	Acctno 003142 aging should be -701.95 not -52.30	(649.65)	
0902	Acctno 010231 aging should be 0.00 not 1108.45	(1,108.45)	
0903	Acctno 002626 aging should be 0.00 not 627.82	(627.82)	
0903	Acctno 003107 aging should be -0.10 not -0.09	(0.01)	
0903	Acctno 003215 nov aging should be 382.92 not 382.91	(0.01)	
0904	Acctno 003344 aging should be -761.35 not -320.90	(440.45)	
0904	Acctno 003268 aging should be -702.80 not -0.85	(701.95)	
0905	Acctno 009783 aging should be 480.20 not 1182.15	(701.95)	
0905	Acctno 008879 aging should be 0.00 not 231.55	(231.55)	
0905	Acctno 010239 aging should be 0.00 not 210.95	(210.95)	
0906	Acctno 009148 aging should be 2869.85 not 3571.80	(701.95)	
0908	Acctno 024311 aging should be 67.08 not 742.88	(675.80)	
1001	Acctno 006755 aging should be 1477.73 not 2179.68	(701.95)	
1002	Acctno 019696 aging should be -0.80 not 598.26	(599.06)	

# Annual Report 2018

1002	Acctno 018078 aging should be 846.73 not 4605.92	(3,759.19)	
1003	Acctno 014978 aging should be -702.30 not -52.65	(649.65)	
1104	Acctno 023405 aging should be 1925.09 not 2835.09	(910.00)	
1301	Acctno 015562 aging should be -283.09 not 462.91	(746.00)	
1301	Acctno 015672 aging should be 2758.15 not 3913.15	(1,155.00)	
1301	Acctno 019952 nov aging should be 639.54 not 3138.12	(2,853.45)	
1304	Acctno 013316 aging should be -721.14 not -19.19	(701.95)	
1304	Acctno 020824 aging should be 1102.82 not 356.82	746.00	
1401	Acctno 005726 aging should be 148.44 not 850.39	(701.95)	
1401	Acctno 010027 aging should be -189.40 not 467.19	(656.59)	
1402	Acctno 016150 aging should be 0.00 not 1318.45	(1,318.45)	
1402	Various accounts with rounded-off billing with a total difference of -4.50	(4.50)	
1501	Acctno 012293 aging should be 0.00 not 599.06	(599.06)	
1501	Acctno 013262 aging should be -303.38 not 346.27	(649.65)	
1501	Acctno 022057 aging should be 362.20 not 3779.90	(3,417.50)	
1601	Acctno 011127 aging should be 0.00 not 943.15	(943.15)	(59,200.09)
			<b>11,243,966.74</b>

## Reconciliation of Accounts Receivable as Presented in the Financial Statement: As of December 2018

<b>Receivable Beg. 2018</b>	<b>8,649,593.93</b>
<b>Add: Sales (Income)</b>	
<b>Business Income ( excluding interest income &amp; sales revenue )</b>	<b>159,452,204.85</b>
<b>Waterworks System Fees</b>	<b>153,676,340.49</b>
Waterworks System Fees ( <i>Metered Sales to General Customers</i> )	<b>146,726,573.62</b>
Waterworks System Fees ( <i>Unmetered Sales to General Customers</i> )-bulk water	47,563.61
Waterworks System Fees ( <i>Other Waterworks System Fees</i> )	<b>7,003,063.83</b>
Waterworks System Fees ( <i>Other Waterworks System Fees</i> )-meter maintenance	1,209,685.00
Waterworks System Fees ( <i>Other Waterworks System Fees</i> )-recon,transfer & installation fee	5,793,378.83
<b>Less: Discount on Senior Citizen</b>	<b>100,860.57</b>
<b>Fines and Penalties - Business Income</b>	<b>5,775,864.36</b>
<b>Total Receivable</b>	<b>168,101,798.78</b>
<b>Less : Collection (Cash Flow)</b>	
Collection of Receivables (CRR-121,629,628-678-A)	155,617,922.75
	<b>155,617,922.75</b>
<b>Ending Balance</b>	<b>12,483,876.03</b>
<b>Less : A/R Ending per Balance Sheet</b>	
Receivable End , Dec 2018	11,243,966.74
<b>Receivable End =Accounted</b>	<b>11,243,966.74</b>
<b>Variance</b>	<b>1,239,909.29</b>
<i>Variance is accounted as follows :</i>	
<b>Non-cash adjustments:</b>	
<b>Consumption Deposit Offsetted</b>	324,162.94
<b>Other Personnel Benefits (Water Subsidy)</b>	534,660.45
<b>Taxes, Duties and Licenses</b>	138,763.13
<b>Water Expenses</b>	191,985.14
<b>Refund and Salary Deduction</b>	51,850.18
<b>Repairs &amp; Maintenance (854)</b>	-
<b>Accounts Written Off</b>	(3,142.38)
<b>Other Adjustment ( Water System Fees)</b>	1,629.83
<b>Senior Citizen Discount overstated collection</b>	
<b>TOTAL</b>	<b>1,239,909.29</b>

# Annual Report 2018

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.

## Inventories

This account consists of the following:

	2018	2017
Inventories Held for Consumption	11,421,434.11	7,678,732.67
Semi-Expendable Machinery & Equipment	1,221,183.49	2,329,445.07
Semi-Expendable Furniture, Fixture & Books	0.00	332,810.80
<b>Total</b>	<b>12,642,617.60</b>	<b>10,340,988.54</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:

	2018	2017
Office Supplies	741,480.82	P 562,258.97
Accountable Forms, Plates, and Stickers	222,709.53	192,515.18
Non Accountable Forms	7,551.50	8,048.25
Drugs and Medicines	0.00	611.00
Medical, Dental & Laboratory Supplies	0.11	172,663.11
Fuel, Oil & Lubricants	240,287.18	207,672.81
Other Supplies & Materials Inventory	864,362.76	1,086,389.75
Chemical and Filtering Supplies	456,934.04	56,813.66
Construction Materials	8,888,108.17	5,391,759.94
<b>Total</b>	<b>11,421,434.11</b>	<b>7,678,732.67</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 outright expenses. (NGAS – Corp Manual page 48);

# Annual Report 2018

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.

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	562,258.97	562,258.97	688,732.18	1,185,128.72	942,968.80	1,005,906.87	308,022.35	741,480.82	(433,458.47)
10404020	Accountable Forms	192,515.18	192,515.18	151,200.00	151,200.00	121,005.65	121,005.65	222,709.53	222,709.53	-
10404030	Non-Accountable Forms	8,048.25	8,048.25	15,340.00	33,340.00	33,836.75	33,836.75	(10,448.50)	7,551.50	(18,000.00)
10404060	Drugs and Medicines Inventory	611.00	611.00	-	(611.00)	11,142.99	-	(10,531.99)	-	(10,531.99)
10404070	Medical, Dental & Laboratory Supplies	172,663.11	172,663.11	-	(172,663.00)	13,710.00	-	158,953.11	0.11	158,953.00
10404080	Fuel, Oil & Lubricants	207,672.81	207,672.81	115,534.00	238,267.00	1,597,440.54	205,652.63	(1,274,233.73)	240,287.18	(1,514,520.91)
10404990	Other Supplies & material	1,086,389.75	1,086,389.75	1,083,803.80	3,502,947.52	241,699.45	3,724,974.51	1,928,494.10	864,362.76	1,064,131.34
10404120	Chemical & Filtering Exp	56,813.66	56,813.66	1,069,500.00	1,324,500.00	924,379.62	924,379.62	201,934.04	456,934.04	(255,000.00)
10405020	Semi-Exp (Office Eq)	-	-	19,916.00	21,416.00	-	21,416.00	19,916.00	-	19,916.00
10405030	Semi-Exp (IT Equip)	74,010.00	74,010.00	173,934.00	200,861.35	-	204,896.35	247,944.00	69,975.00	177,969.00
10405070	Semi-Exp (Comm. Eq)	-	-	2,960.00	15,960.00	-	2,960.00	2,960.00	13,000.00	(10,040.00)
10405190	Semi-Exp (Other Mach)	4,589.73	4,589.73	130,424.70	314,300.30	463,124.76	214,319.45	(328,110.33)	104,570.58	(432,680.91)
10405100	Semi-Exp (Medical Equip)	-	-	13,160.00	13,160.00	-	13,160.00	13,160.00	-	13,160.00
10405130	Semi-Exp (Technical & Scientific)	2,250,845.34	2,250,845.34	583,985.00	2,112,959.00	-	3,330,166.43	2,834,830.34	1,033,637.91	1,801,192.43
10406010/20	Semi-Exp (Books, Furniture & Fixtures)	332,810.80	332,810.80	-	28,310.00	14,300.00	361,120.80	318,510.80	-	318,510.80
		4,949,228.60	4,949,228.60	4,048,489.68	8,969,075.89	4,363,608.56	10,163,795.06	4,634,109.72	3,754,509.43	879,600.29
	Difference	-	-	4,920,586.21	-	5,800,186.50	-	(879,600.29)	-	-

## Reconciliation of Inventory as Presented in the Financial Statement: As of December 2018

Inventory :	
Office Supplies Inventory	562,258.97
Accountable Forms, Plates and Stickers Inventory	192,515.18
Non Accountable Forms Inventory	8,048.25
Drugs and Medicine Inventory	611.00
Medical, Dental & Laboratory Supplies Inventory	172,663.11
Fuel, Oil and Lubricants Inventory	207,672.81
Other Supplies and Materials Inventory	1,086,389.75



# Annual Report 2018

Chemical & Filtering Supplies Inventory	56,813.66
Semi-Expendable- Info & Comm tech Equipment	74,010.00
Semi-Expendable- Communication Equipment	
Semi-Expendable- Other Machinery and Equipment	4,589.73
Semi-Expendable- Technical & Scientific Equipment	2,250,845.34
Semi-Expendable- Furniture & Fixtures	332,810.80
<b>Beginning ( SoFP)</b>	<b>4,949,228.60</b>
Office Supplies Inventory	688,732.18
Accountable Forms, Plates and Stickers Inventory	151,200.00
Non-Accountable Forms Inventory	15,340.00
Drugs and Medicine Inventory	-
Medical, Dental & Laboratory Supplies Inventory	-
Fuel, Oil and Lubricants Inventory	115,534.00
Other Supplies and Materials Inventory	1,083,803.80
Chemical & Filtering Supplies Inventory	1,069,500.00
Semi-Expendable - Furniture, Fixtures	-
Semi-Expendable -Info & Comm Tech Equipment	173,934.00
Semi-Expendable -Communication Equipment	2,960.00
Semi-Expendable -Office Equipment	19,916.00
Semi-Expendable -Medical Equipment	583,985.00
Semi-Expendable -Other Machinery Equipment	13,160.00
Semi-Expendable -Other Machinery Equipment	130,424.70
<b>Acquisition (Cash Flow)</b>	<b>4,048,489.68</b>
<b>Available for Use</b>	<b>8,997,718.28</b>
Office Supplies Expenses	942,968.80
Accountable Forms Expenses	121,005.65
Non-Accountable Forms Expenses	33,836.75
Drugs and Medicine Expense	11,142.99
Medical, Dental and Laboratory Supplies Expenses	13,710.00
Fuel, Oil and Lubricants Expenses	1,597,440.54
Other Supplies and Materials Expenses	241,699.45
Agricultural and Marine Supplies Expense	-
Chemical and Filtering Supplies Expense	924,379.62
Semi-Expendable Machinery and Equipment Expenses	463,124.76
Semi-Expendable Furniture, Fixtures and Books Expenses	14,300.00
<b>Reported Inventory Expense ( SoCI)</b>	<b>4,363,608.56</b>
<b>Ending Balance</b>	<b>4,634,109.72</b>
Office Supplies Inventory	741,480.82
Accountable Forms, Plates and Stickers Inventory	222,709.53
Non Accountable Forms Inventory	7,551.50
Drugs and Medicine Inventory	-
Medical, Dental & Laboratory Supplies Inventory	0.11
Fuel, Oil and Lubricants Inventory	240,287.18
Other Supplies and Materials Inventory	864,362.76
Chemical & Filtering Supplies Inventory	456,934.04
Semi-Expendable- Office Equipment	-
Semi-Expendable- Info & Comm tech Equipment	69,975.00
Semi-Expendable- Communication Equipment	13,000.00
Semi-Expendable- Other Machinery and Equipment	104,570.58
Semi-Expendable- Technical & Scientific Equipment	1,033,637.91
Semi-Expendable- Furniture & Fixtures	-
Other Supplies and Materials Inventory	-
<b>Reported Ending Balance(SoFC)</b>	<b>3,754,509.43</b>

# Annual Report 2018

<b>Variance</b>	<b>879,600.29</b>
<i>Variance is accounted as follows :</i>	
Office Supplies Inventory charged to Accountable forms expense & other expenses	(433,458.47)
Accountable Forms Inventory charged to other expenses	-
Non-Accountable Forms Inventory charged to other expenses	(18,000.00)
Drugs and Medicines recorded as direct expense	(10,531.99)
Medical Dental & Laboratory Supplies	158,953.00
Fuel & Oil Lubricants Inventory charged to other expenses	(1,514,520.91)
Other Supplies Inventory charged to other expenses	1,064,131.34
Chemical Filtering Inventory charged to other expenses	(255,000.00)
Semi-Expendable expenses	1,888,027.32
<b>TOTAL</b>	<b>879,600.29</b>

## Semi-Expendable Machinery & Equipment

This account can be broken down as follows:

	2018	2017
Semi-Expendable Information & Communication Technology Equipment	69,975.00	74,010.00
Semi-Expendable Technical & Scientific Equipment	1,033,637.91	2,250,845.34
Semi-Expendable Other Machinery & Equipment	104,570.58	4,589.73
Semi-Expendable Communication Equipment	13,000.00	
<b>Total</b>	<b>1,221,183.49</b>	<b>2,329,445.07</b>

## Semi-Expendable Furniture, Fixture & Books

This account can be broken down as follows:

	2018	2017
Semi-Expendable Furniture, Fixtures	0.00	332,810.80
<b>Total</b>	<b>0.00</b>	<b>332,810.80</b>

## Other Current Assets

This account consists of the following:

<b>Other Current Assets</b>	<b>2018</b>	<b>2017</b>
Prepayments	270,087.08	302,657.07
Deposits	23,742,984.79	20,802,790.31
<b>Total</b>	<b>24,013,071.87</b>	<b>21,105,447.38</b>

# Annual Report 2018

## Prepayments

This account can be broken down as follows:

	2018	2017
Prepaid Insurance	270,087.08	302,657.07
<b>Total</b>	<b>270,087.08</b>	<b>302,657.07</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.

## Prepaid Insurance

This account can be broken down as follows:

Name of Insurance Company	Nature of Insurance	2018	2017
Government Service Insurance System(GSIS)	Vehicle	P73,615.59	P70,525.50
Government Service Insurance System(GSIS)	Pump Stations & Contents	0.00	156,986.90
Government Service Insurance System(GSIS)	Building & Contents	P142,222.71	7,291.36
Bureau of Treasury	Employees' Bond	P54,248.72	46,355.40
Government Service Insurance System(GSIS)	Water Pipes & Portable Electronic Clamp	0.00	21,497.91
<b>TOTAL</b>		<b>270,087.02</b>	<b>P302,657.07</b>

\*Note: Starting 2018 insurance of pumping station and water pipes and portable electronic clamp was recorded/classified in building insurance.

## Deposits

This account consists of the following:

	2018	2017
Guaranty Deposits	872,226.82	401,852.16
Other Deposits	22,870,757.97	20,400,938.15
<b>Total</b>	<b>23,742,984.79</b>	<b>21,105,447.38</b>

## Guaranty Deposits

This account consists of the following:

Particulars	2018	2017
a.) Pryce Gases Inc.	5,000.00	5,000.00
b.) DASURECO	i. Temporary Lighting	44,814.97
	ii. Bill Deposit	463,458.85
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	359,299.88	167,767.04
<b>TOTAL</b>	<b><u>880,634.20</u></b>	<b><u>401,852.16</u></b>

# Annual Report 2018

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.

## Other Deposits

This account consists of the following:

	2018	2017
Other Deposits	22,870,757.97	20,400,938.15
Total	22,870,757.97	20,400,938.15

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 leaves and reserves for district's current projects.

## Other Deposits

This account consists of the following:

	Account #	2018	2017
Cash In Bank-Customers' Guaranty Deposit	DBP-5000012-01-7	P9,928,449.85	P7,570,133.79
Cash In Bank-Customers' Guaranty Deposit (Treasury Bills)	DBP-0920-017705-160	3,053,356.05	3,031,997.37
Cash In Bank - Employees' Terminal Leave Fund	DBP-5000321-01-0	1,483,530.27	1,473,152.77
Cash In Bank-Debt Service with LWUA/WD Joint Accounts	DBP -5000013-01-2	6,483,748.62	6,438,393.82
Equity Reserves for Current DWD projects	DBP-5000136-01-5	3,373,726.61	3,348,638.41
Equity Reserves for Current DWD projects	DBP-5000137-02-5	5,014,749.31	4,977,015.81
<b>TOTAL</b>		<b>29,337,560.71</b>	20,400,938.15

**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.

# Annual Report 2018

## Investments

This account consists of the following:

Investments	2018	2017
Sinking Fund	P6,483,748.62	P6,438,393.82
<b>Total</b>	<b>P6,483,748.62</b>	<b>P6,438,393.82</b>

## Sinking Fund

This account can be broken down as follows:

ACCOUNT NUMBERS	2018	2017
DBP-5000136-01-5		
DBP-5000137-02-5		
DBP-5000013-01-2	P6,483,748.62	6,438,393.82
<b>Total</b>	<b>P6,483,748.62</b>	<b>6,438,393.82</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.

## Property, Plant and Equipment

This account consists of the following:

<b>Property, Plant and Equipment</b>	2018	2017
Land	49,947,327.95	3,585,597.16
Land Improvements	953,990.85	2,393,125.45
Water Supply System	811,925.80	1,291,352.44
UPIS	62,999,394.41	59,415,994.28
Office Building	20,584,461.78	7,115,779.35
Other Structures	4,050,582.46	1,556,272.68
Machinery	4,692,100.38	4,237,893.40
Office Equipment	1,345,383.53	2,659,580.63
IT Equipment and Software	3,874,200.74	4,352,726.04
Communication Equipment	1,710.00	1,710.00
Construction & Heavy Equip	760,889.50	854,637.10
Firefighting Equip & Accessories	0.00	1.00
Technical and Scientific Equipment	11,174,031.78	10,639,103.25
Other Equipment	1,671,258.46	3,413,533.09
Motor Vehicle	2,018,293.66	3,737,202.31
Other Transportation	0.00	0.00
Furniture and Fixtures	836,753.02	1,389,360.54
Other Property, Plant & Equipment	1,176,263.60	1,317,881.48
<b>Total</b>	<b>166,736,441.70</b>	<b>107,961,750.20</b>

# Annual Report 2018

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.

Revaluation model for Property, Plant and Equipment was adopted by the District on December 31, 2018. The PPE was appraised by Cuervo Appraisers Inc.

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.

<b>Reconciliation of Property, Plant and Equipment as Presented in the Financial Statement:</b>	
<b>As of December 31, 2018</b>	
<b>COST</b>	
Property, Plant & Equipment Beg. 2018	218,675,528.46
Add: Acquisition ( St. of Cash Flow)	4,341,407.10
<b>Total</b>	<b>223,016,935.56</b>
<b>Adjustment /Reclassification</b>	
Various adjustments/reclassification as Of Nov.2018 (i.e., reclassification of CIP, errors in booking amounts)	28,418,705.76
Revaluation Surplus	60,486,721.68
Impairment Loss	(21,403,439.41)
Accumulated Depreciation closed to PPE accounts	(88,478,570.49)
<b>Ending Balance</b>	<b>202,040,353.10</b>
<b>Reported Ending Balance ( St. of Fin.Position)</b>	<b>203,022,430.38</b>
<b>Variance</b>	<b>(982,077.28)</b>
<b>ACCUMULATED DEPRECIATION</b>	
Accumulated Depreciation Beg. 2018	110,713,778.26
Depreciation Expense ( St. of Comprhnsv. Inc)	14,305,775.91
<b>Total</b>	<b>125,019,554.17</b>
Less : Adjustment (Revaluation)	(88,478,570.49)
<b>Ending Balance</b>	<b>36,540,983.68</b>
<b>Reported Ending Balance ( St. of Fin.Position)</b>	<b>36,285,988.68</b>
<b>Variance</b>	<b>254,995.00</b>
<b>NET BOOK VALUE</b>	
Net Book Value -as computed	165,499,369.42
Net Book Value -reported	166,736,441.70
<b>Variance</b>	<b>(1,237,072.28)</b>
<i>Variance is accounted as follows:</i>	
Various adjustments on distribution lines	935,752.28
Additional PPE on December	301,320.00
<b>TOTAL</b>	<b>1,237,072.28</b>



# Annual Report 2018

## Construction in Progress

This account consists of the following:

	2018	2017
Construction in Progress – Buildings & other Structures	4,812,784.61	23,466,452.38
Construction in Progress –Land Improvements	2,559,695.36	1,277,555.02
Construction in Progress –Infrastructure Assets	8,930,932.82	11,046,118.91
Construction in Progress –Furniture & Fixtures	298,497.78	306,817.78
<b>Total</b>	<b>16,601,910.57</b>	<b>36,096,944.09</b>

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

## Development in Progress

	2018	2017
Development –n Progress – Computer Software	550,000.00	0.00
<b>Total</b>	<b>550,000.00</b>	<b>0.00</b>

This account refers to the agency's Inventory, PPE and Human Resource Electronic Systems.

## CURRENT LIABILITIES

### Financial Liabilities

This account consists of the following:

	2018	2017
Payable Accounts	8,502,404.63	4,695,076.25
Bills/Bonds/Loans Payable	5,020,938.24	4,991,413.24
<b>Total</b>	<b>13,523,342.87</b>	<b>9,686,489.49</b>

### Payable Accounts

This account can be broken down as follows:

	2018	2017
Accounts Payable	8,235,648.25	4,580,850.40
Due to Officers and Employees	266,756.38	114,225.85
<b>Total</b>	<b>8,502,404.63</b>	<b>4,695,076.25</b>

# Annual Report 2018

## Accounts Payable

### Aging of Payable Accounts for CY 2018:

<u>SUPPLIER/CREDITOR</u>	<u>1-30 Days</u>	<u>31-90 Days</u>	<u>91-180 Days</u>	<u>181-360 Days</u>	<u>over 360 Days</u>	<u>Balance End</u>
ABS Printing Depot			3,930.00			3,930.00
Airo Jean Auto Airconditioning	5,848.00					5,848.00
Atty. Benjamin Fernandez	4,500.00					4,500.00
Axzeen Security Agency	256,770.09					256,770.09
Bajalla Hardware & Construction Supply			5,160.00			5,160.00
BM Torregosa Enterprise	37,263.00					37,263.00
Boyet Marketing	23,635.00					23,635.00
Caraga Plumbing Concepts	367,848.00					367,848.00
Columbia Computer Center	62,120.00					62,120.00
Cor Jesu Shell Station	124,001.66					124,001.66
Davao Cathay Parts & Hardware	83,908.50					83,908.50
Davao Home Builders Center		14,025.00				14,025.00
Detch Micro Services, Inc.	201,703.00					201,703.00
DIWACO	148,616.00					148,616.00
Drona Marketing, Inc.	25,539.00					25,539.00
Fabian's Catering Services	128,700.00					128,700.00
Gemini Dream Printshop	39,000.00					39,000.00
GH Office Depot	13,550.80					13,550.80
Hannah Via Construction, Inc.		452,500.00				452,500.00
Hardy Tracks Auto Supply	29,950.00					29,950.00
Horton Metal Craft & Allied Services	2,200.00					2,200.00
JCR Printing Press	10,000.00					10,000.00
JNT-del Sur Hardware	698,751.00					698,751.00
Karl Gelson Industrial	91,452.00					91,452.00
Lockseal Industrial Corporation	14,475.00					14,475.00
Medical Center Digos Coop.	976,000.00					976,000.00
Melrose Ann Losdoc					1,300.00	1,300.00
New Gonzales Store, Inc.	10,798.00					10,798.00
NLC Construction and Supplies	1,568,865.50					1,568,865.50
Nxt'gen Technologies, Inc.	289,486.00					289,486.00
Oreal Paint & Hardware	4,551.00					4,551.00
PMS Hollowblock, Sand & Gravel Dealer	94,300.00					94,300.00
Power Up Tires, Battery & Auto Supply	5,460.00					5,460.00
Prince Educational Supply	20,445.25					20,445.25
R.O. Tesoro & Sons, Inc.	308,000.00					308,000.00
Reinsoft Computer Service/Lynvi M. Democrito		150,000.00				150,000.00
Sezzie Enterprises	65,000.00					65,000.00
Shobe Auto Supply & Accessories Dealer	6,330.00					6,330.00
Techno Trade Resources	271,586.45					271,586.45
Toyosam Auto Parts Dealer	13,240.00					13,240.00
University of Mindanao Broadcasting Network	1,875.00					1,875.00
V.S. Tay, Inc.	15,961.00					15,961.00
V-Three SMS Aluminum Glass & Steel Works	49,310.00					49,310.00
Weekly Payroll - Unclaimed payroll per OR# 2015					760.00	760.00
Woodworks Kiln Dried Products	5,000.00					5,000.00
XD Ever Transformer Service Corp.		1,528,974.00				1,528,974.00
Zampaga Print Shoppe	2,960.00					2,960.00
<b>Total</b>	<b>6,078,999.25</b>	<b>2,145,499.00</b>	<b>9,090.00</b>	<b>-</b>	<b>2,060.00</b>	<b>8,235,648.25</b>

# Annual Report 2018

## Due to Officers and Employees

Due to Officers and Employees	2018	2017
Regular Employees-year-end overtime	170,542.49	103,859.84
Casual Employees-year-end overtime	95,213.89	8,866.01
Teller's Allowance	1,000.00	1,500.00
<b>Total</b>	<b>266,756.38</b>	<b>114,651.35</b>

This can be broken down as follows:

### Aging of Due to Officers and Employees for CY 2018

REGULAR EMPLOYEE	1-60 Days	60-180 Days	180-360 Days	Over 360 Days	Total Amount
Ababon, M.	2,572.74				2,572.74
Acero, N	600.00				600.00
Alcontin, A	7,558.08				7,558.08
Bagtaso, B.	5,000.00				5,000.00
Banogbanog, A.	12,825.87				12,825.87
Banogbanog, R.	5,844.65				5,844.65
Casis, R.	3,819.70				3,819.70
Decena, MB	1,922.89				1,922.89
Duño, C.	2,200.00				2,200.00
Elesterio, M.	1,500.00				1,500.00
Fernandez, P	3,000.00				3,000.00
Formentera, J.	4,065.60				4,065.60
Gallardo, N.	6,867.36				6,867.36
Gomez, A.	4,000.00				4,000.00
Gomez, R.	12,000.00				12,000.00
Guevarra, A.	9,000.00				9,000.00
Lañas, N.	2,000.00				2,000.00
Laureta, C.	4,929.76				4,929.76
Layagin, G.	2,700.00				2,700.00
Maravillas, V.	7,000.00				7,000.00
Odonzo, E.	4,000.00				4,000.00
Panugaling, R.	12,415.42				12,415.42
Peligrino, M	21,380.45				21,380.45
Pillazo, R.	6,000.00				6,000.00
Posadas, C.	1,100.00				1,100.00
Romaguera, A.	4,000.00				4,000.00
Sampilo, E.	6,922.78				6,922.78
Samson, L.	5,000.00				5,000.00
Sode, P	3,000.00				3,000.00
Tapdasan, E.	4,000.00				4,000.00
Tolaresa, J.	767.15				767.15
Torreon, E.	1,200.00				1,200.00
Villanueva, F.	1,350.04				1,350.04
<b>TOTAL</b>					<b>170,542.49</b>

# Annual Report 2018

CASUAL EMPLOYEE	1-60 Days	61-180 Days	180-360 Days	Over 360 Days	Total Amount
Jaitoni, Imlani	7,000.00				7,000.00
Grejaldo, Sharyl	3,547.55				3,547.55
Mancia, Roy	3,000.00				3,000.00
Sambilad, Rogine	253.86				253.86
Muaña, Rodolfo	1,400.00				1,400.00
Calapan, Michael	2,610.94				2,610.94
Deloy, Mailyn	1,380.15				1,380.15
Toribio, Joustin	6,275.74				6,275.74
Tubac, Linberg	6,800.00				6,800.00
Robredillo, Vincent	7,046.16				7,046.16
Quion, Joel	9,702.16				9,702.16
Generoso, Peter Paul	9,195.84				9,195.84
Pahalla, Henry	9,076.40				9,076.40
Mellejor, Ronnie	19,006.73				19,006.73
Purugganan, Ian Mark	656.55				656.55
Sasuman, Michelle	883.41				883.41
Delos Reyes, Agustin	1,000.00				1,000.00
Villamil, Sylvester	2,100.00				2,100.00
Estinoso, RS	609.24				609.24
Dionio, CB	812.32				812.32
Abayabay, Jenefer	1,200.00				1,200.00
Langote, E	1,000.00				1,000.00
Siro, A	656.84				656.84
<b>TOTAL</b>					<b>95,213.89</b>

## 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 2018	Current Portion of Loan 2017
DBP (Take Out A)	Loan Refinancing	07-11, S. 2011	<b>P1,119,888.00</b>	P1,119,888.00
DBP (Take Out B)	Loan Refinancing	07-06, S. 2012	<b>1,150,757.40</b>	1,150,757.40
DBP (CAPEX)	Ground Source Dev., Pipeline Rehabilitation	07-05, S. 201	<b>2,340,459.84</b>	2,340,459.84
LA No. 4-2543	Improvement of Water Facilities & Water Supply System	21-09, S. 2008	<b>409,833.00</b>	380,308.00
<b>Total</b>			<b>P5,020,938.24</b>	<b>P 4,991,413.24</b>

# Annual Report 2018

## Inter – Agency Payables

This account consists of the following:

	2018	2017
Due to BIR	1,247,546.17	1,330,219.24
Due to GSIS	733,892.49	640,171.09
Due to PAG-IBIG	67,449.92	74,804.51
Due to PHILHEALTH	62,643.08	45,450.00
<b>Total</b>	<b>2,111,531.66</b>	<b>2,090,644.84</b>

### Due to BIR

This account can be broken down as follows:

PARTICULARS	2018	2017
Due to BIR -Withholding Tax on Compensation	363,621.11	627,463.20
Due to BIR -Expanded/Final Withholding Tax	18,670.66	101,747.81
Due to BIR – Withholding tax on Gov’t Money Payments-Percentage Tax	791,326.77	287,812.73
Due to BIR – Withholding tax on Gov’t Money Payments-Percentage Tax	73,927.63	313,195.50
<b>TOTAL</b>	<b>1,247,546.17</b>	<b>1,330,219.24</b>

### Due to GSIS

This account can be broken down as follows:

	2018	2017
Due to GSIS- Life & Retirement Premium	517,886.46	429,779.28
Due to GSIS- ECC		9,599.24
Due to GSIS- Salary Loan	200,907.08	197,493.62
Due to GSIS- Policy Loan	2,898.95	3,298.95
<b>TOTAL</b>	<b>733,892.49</b>	<b>640,171.09</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.

### Due to PAG-IBIG

This account can be broken down as follows:

	2018	2017
Due to Pag-ibig - Premium	32,663.68	32,502.48
Due to Pag-ibig – Multi-Purpose Loan	32,739.04	40,254.83
Due to Pag-ibig – Housing Loan	2,047.20	2,047.20
<b>TOTAL</b>	<b>67,449.92</b>	<b>74,804.51</b>

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

# Annual Report 2018

## Due to PhilHealth

This account can be broken down as follows:

	2018	2017
Due to PHILHEALTH	62,643.08	45,450.00

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

## Trust Liabilities

This account can be broken down as follows:

Trust Liabilities	2018	2017
Customers' Deposits Payable	12,840,930.12	11,049,341.43
Guaranty/Security Deposits Payable	1,291,610.82	1,580,837.14
<b>Total</b>	<b>14,132,540.94</b>	<b>12,630,178.57</b>

## Customers' Deposits Payable

This account consists of:

Customers' Deposits Payable	2018	2017
Customers' Deposits Payable	12,840,930.12	11,049,341.43
<b>Total</b>	<b>12,840,930.12</b>	<b>11,049,341.43</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.

AGING OF CONSUMPTION DEPOSIT	
As of December 31, 2018	
1-30 days	130,300.00
31-60 days	116,600.00
61-90 days	133,700.00
91-120 days	124,000.00
over 120 days	1,315,771.77
<b>Total 2018</b>	<b>1,820,371.77</b>
2017	1,534,562.93
2016	1,591,409.73
2015	1,383,928.25
2014	1,176,512.14
2013	1,048,293.37
2012	512,434.63
1980-2011	3,773,417.30
Previous years 1980-2017	11,020,558.35
<b>Total</b>	<b>12,840,930.12</b>



# Annual Report 2018

## Guaranty/Security Deposits Payable

This account consists of:

	2018	2017
Guaranty/Security Deposits Payable	1,291,610.82	1,580,837.14
<b>Total</b>	<b>1,291,610.82</b>	<b>1,580,837.14</b>

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

GUARANTY/SECURITY DEPOSIT PAYABLE SCHEDULE			
2018			
	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		
Dtech Micro Services, Inc.	3,000.00		
Caraga Plumbing Concepts	3,408.08		
Crystalla Glass Art Gallery Enterprises		91,250.00	
BSPH Marketing		100,000.00	
MIE Oro Plast Corporation		62,907.25	
Techno-Trade Resources, Inc.		96,904.00	
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
Nxt'gen Technologies, Inc.			1,138.00
NLC Construction and Supplies			7,110.50
Waterkonsult Equipment & Services, Inc.			5,092.88
Waterkonsult Equipment & Services, Inc.			5,289.29
Dtech Micro Services, Inc.			528.00
Dtech Micro Services, Inc.			585.00
Dtech Micro Services, Inc.			498.00
Nxt'gen Technologies, Inc.			4,769.40
Nxt'gen Technologies, Inc.			835.00
Nxt'gen Technologies, Inc.			977.00
Nxt'gen Technologies, Inc.			883.80
Nxt'gen Technologies, Inc.			653.80
Nxt'gen Technologies, Inc.			2,095.50
Nxt'gen Technologies, Inc.			3,320.40
Digital Interface			196.77

# Annual Report 2018

Sinian International Corporation			37,583.68
MIE Oro Plast Corporation			12,581.45
Mechanical Handling Equipment Company, Inc.			3,040.00
Mechanical Handling Equipment Company, Inc.			3,315.00
MMU Enterprise & General Merchandise			2,059.00
MMU Enterprise & General Merchandise			2,171.19
Loc-Seal Industrial Corporation			125.00
Mystic Water Philippines, Inc.			2,980.00
Mystic Water Philippines, Inc.			1,890.00
Hanna Via Construction, Inc.			6,300.00
Ketzka Information Technology Solutions			2,077.00
Ketzka Information Technology Solutions			2,800.00
Krypton Industrial Resources, Co.			1,430.00
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
Dimdi Centre, Inc.			668.00
Dimdi Centre, Inc.			233.20
Greater RJ Appliance & Trading Corp.			481.20
Greater RJ Appliance & Trading Corp.			185.00
Electrobrain Enterprises			3,094.98
Keylargo Industrial Sales			16,980.00
Philippine Duplicators, Inc.			1,360.00
Yana Chemodities, Inc.			1,840.00
Flow Harmonic Commercial, Inc.			1,125.00
Reinsoft Computer Services			2,500.00
Hanna Via Construction Inc.			100,580.00
<b>Sub-total</b>	<b>378,525.17</b>	<b>351,061.25</b>	<b>562,024.40</b>
<b>TOTAL</b>			<b>1,291,610.82</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.

## 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.

# Annual Report 2018

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 therefore. Bidders, however, shall have the right to refuse to grant such extension without forfeiting their bid security.

### **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.

# Annual Report 2018

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

<b>Form of Performance Security</b>	<b>Amount of Performance Security</b> <i>(Equal to Percentage of the Total Contract Price)</i>
Cash or cashier's/manager's check issued by a Universal or Commercial Bank.	Goods and Consulting Services – Five percent (5%) Infrastructure Projects – Ten percent (10%)
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.	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:

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

## 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.**

**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.

# Annual Report 2018

**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.

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.

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.

**Provisions**

This account can be broken down as follows:

Provisions	2018	2017
Leave Benefits Payable	14,801,275.37	13,402,032.73
<b>Total</b>	<b>14,801,275.37</b>	<b>13,402,032.73</b>

This account is composed of accumulated leave credits of DWD employees as of December 31, 2018.

**Other Payables**

This account can be broken down as follows:

Other Payables	2018	2017
Other Payables	299,754.08	397,720.47
<b>Total</b>	<b>299,754.08</b>	<b>397,720.47</b>

# Annual Report 2018

## 2018 Aging of Other Payables

	<u>1-60 Days</u>	<u>61-180 Days</u>	<u>181-360 Days</u>	<u>Over 360 Days</u>	<u>Balance End</u>
Aileen Banogbanog	3,500.00				3,500.00
Alicio Llevado	1,054.50				1,054.50
BOD - Per diem (Arturo S. Ang)	10,604.00				10,604.00
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 (Lilia G. Mina)	10,604.00				10,604.00
BOD - Per diem (Ollita P. Atillo-Anyog)	13,498.40				13,498.40
Carlo Garcia	1,791.49				1,791.49
DBP (Excavation payroll)	131,102.56				131,102.56
DBP (job-order employees' payroll)	10,101.66				10,101.66
DBP (Reimbursement of Travel)	4,160.00				4,160.00
DIWACO	52,195.67				52,195.67
EME of the OIC (Felomino Daub)	12,010.00				12,010.00
Francisco Recaña	594.36				594.36
Hiny Gealon	808.32				808.32
Horrice Centillas	769.56				769.56
Joezl Juaner	1,433.19				1,433.19
Liquidated Damages/Snacks/ Bid Docs/ BAC Honorarium	14,752.77				14,752.77
Medel Bacamante, Jr.	548.64				548.64
Michael Salaysay	674.52				674.52
Petty Cash Fund (Michelle Amor Solomon)	3,507.00				3,507.00
Rhyan Jimenez	1,515.00				1,515.00
Ricardo Bongabong	904.44				904.44
Romelo Degamo	1,565.16				1,565.16
Roy Ferrer	825.84				825.84
SAMADIWAD	25.00				25.00
					<b>299,754.08</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

#### Bills/Bonds/Loans Payable

This account consists of the following:

	2018	2017
<b>Loans Payable - Domestic</b>	<b>21,549,667.10</b>	<b>26,570,605.34</b>
<b>Total</b>	<b>21,549,667.10</b>	<b>26,570,605.34</b>



# Annual Report 2018

## Loans Payable - Domestic

Details of Loans Payable are as follows:

Loan Accounts	Paying Period	Interest Rate	Loans Availed	Balance As of 12/31/2018	Balance As of 12/31/2017
DBP (Take Out A)	15 years	6.40%	16,798,320.36	6,999,300.36	8,119,188.36
DBP (Take Out B)	12 years	6.00%	12,619,802.83	4,852,190.38	6,002,947.78
DBP (CAPEX)	10 years	7.28%	19,113,755.40	7,996,571.16	10,337,031.00
LA No. 4-2543	10 years	7.50%	3,891,327.20	1,701,605.20	2,111,438.20
<b>Total</b>			<b>P52,423,205.79</b>	<b>21,549,667.10</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	<p>Interest rate shall be 6.40% per annum exclusive of Gross Receipts Tax (GRT)</p> <p>Front-end fee of 0.5% of the commitment. Assignment of Accounts Receivables from various consumers served as guaranty/collateral of the loan.</p> <p>The loan is also secured by holdout on deposit. A percentage rate of 0.02% finance charges to total amount financed.</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 extra judicial expenses.</p> <p>Prepayment penalty of 3% of the amount to be pre-paid or breakfunding cost whichever is higher with 60 days advance notice.</p>

# Annual Report 2018

<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: 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. *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. As post relief requirement, the borrower shall submit the following documents: 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: 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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# Annual Report 2018

<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: 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. *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. As post relief requirement, the borrower shall submit the following documents: 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: 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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# Annual Report 2018

Digos WD Water Supply System Improvement	LWUA Loan Account# 4-2543 P3,975,221.00	Source development, pumping facilities, pipes appurtenances, engineering study, construction supervision, contingencies	Drilling of exploratory well, construction supervision, pumping facilities, pipes and appurtenances, engineering study and contingencies.	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.
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Equity	2018	2017
Balance at the beginning of the period	190,128,431.21	P182,790,257.06
Additions/Deductions	161,431.55	(24,899,350.56)
Net Income (loss for the period)	14,760,501.46	32,237,524.71
Balance at the end of the period	P205,050,364.22	P190,128,431.21
<b>Donated Capital</b>		
Balance at the beginning of the period		0.00
Balance at the end of the period		0.00
<b>Revaluation Surplus</b>		
Balance at the beginning of the period	0.00	0.00
Additions/(Deductions)	60,486,721.68	0.00
Balance at the end of the period	60,486,721.68	
<b>Restricted Capital</b>		
Balance at the beginning of the period		0.00
Balance at the end of the period		0.00
<b>Total</b>	<b>265,537,085.90</b>	<b>190,128,431.21</b>

Appropriations of Net Income	2018	2017
Debt Service	3,615,125.366	P 8,059,381.188
Operating & Maintenance Expenses	3,615,125.36	8,059,381.18
Expansion & Improvements of Physical Facilities	7,230,250.73	16,118,762.35
Balance at the end of the period	14,460,501.46	P 32,237,524.71

# Annual Report 2018

## Government Equity

This account consists of the following:

	2018	2017
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

### . Revaluation Surplus

	2018	2017
Change in the Value of PPE	60,486,721.68	0.00
<b>Revaluation Surplus</b>	<b>60,486,721.68</b>	<b>0.00</b>

PPE	Book Value	Appraised Value	Surplus
Machinery	3,345,606.90	3,595,504.71	249,897.81
UPIS-Wells	5,575,281.58	6,648,318.47	1,073,036.89
Land	3,559,669.21	49,921,400.00	46,361,730.79
Other Structure	2,948,423.39	4,378,647.26	1,430,223.87
UPIS-Reservoir & Tanks	15,205,230.13	19,887,927.36	4,682,697.23
UPIS-Hydrants	1,356,920.00	8,046,055.09	6,689,135.09
			<b>60,486,721.68</b>

### Retained Earnings

Equity	2018	2017
Balance at the beginning of the period	190,128,431.21	P182,790,257.06
Additions/Deductions	161,431.55	(24,899,350.56)
Net Income (loss for the period)	14,760,501.46	32,237,524.71
Balance at the end of the period	<b>P205,050,364.22</b>	<b>P190,128,431.21</b>

# Annual Report 2018

## Prior Years' Adjustments/Retained Earnings

	2018	2017
Prior Years' Adjustments	161,431.55	24,899,350.56
Retained Earnings	161,431.55	24,899,350.56

For CY 2018, Retained Earnings account can be broken down as follows:

Month	Particulars	Amount
January	To record staled check No.0056884776 dtd July 18, 2017	(8,000.00)
	To record reissuance of new check for staled check No.0056884776 dtd July 18, 2017	8,000.00
	To record excess in the appropriated amount in payment for the physical examination CY 2017	109,480.00
March	To record interests earned for the month of Dec.2017	15,016.71
July	To reverse entry due to staled checks per JEV 16-10-2263,17-01-0076,17-12-2546	14,144.00
September	To adjust bank recon statement as of Aug. 31, 2018	438.44
December	To transfer charging of JEV 2016-04-0957	22,352.40
		<b>161,431.55</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 2018

Projected number of Active Connections at the end of Year 2018.

8% growth from 2017 Active Connections

	2017	2018
a. Residential	17,658	19,242
b. Commercial	1,443	1,564
c. Government	202	222
d. Total Service Connections	19,303	21,028

Projected revenue has 10% increase from 2017 Actual Revenue

Projected net income is 10% of gross income

Penalty Charges is 5% of the water sales

Collection ratio is 92%

Projected new service connections is 1,752

Staff productivity index is 180:1

Senior Citizens' discount is 0.12% of residential water sales

Non-revenue water is 21%

Billing adjustment is 1.5% of gross water sales

Personnel services is 37% of gross income

MOOE, including non-cash expenses is 56% of gross income

Financial expenses is 2% of gross income



# Annual Report 2018

## Schedule of 2017 Targeted Income vs. Annual Income

Sources of Income	Budget	Actual	Unrealized
<b>Service and Business Income</b>			
<b>Service Income</b>	-	<b>220,200.00</b>	-
Inspection Fees	-	220,200.00	-
Other Service Income		-	-
<b>Business Income</b>	<b>158,292,932.00</b>	<b>159,723,666.39</b>	(1,430,734.39)
Waterworks System Fees	<b>152,215,641.00</b>	<b>153,676,340.49</b>	(1,460,699.49)
Waterworks System Fees ( <i>Metered Sales to General Customers</i> )	145,959,553.00	146,726,573.62	(767,020.62)
Waterworks System Fees ( <i>Unmetered Sales to General Customers</i> )-bulk water		47,563.61	(47,563.61)
Waterworks System Fees ( <i>Other Waterworks System Fees</i> )	<b>6,386,180.00</b>	<b>7,003,063.83</b>	(616,883.83)
Waterworks System Fees ( <i>Other Waterworks System Fees</i> )-meter maintenance	1,206,180.00	1,209,685.00	(3,505.00)
Waterworks System Fees ( <i>Other Waterworks System Fees</i> )-recon, transfer & installation fee	5,180,000.00	5,793,378.83	(613,378.83)
Less: Discount on Senior Citizen	<b>130,092.00</b>	100,860.57	29,231.43
Sales Revenue			-
Interest Income			-
Interest Income ( <i>Due from Other Banks</i> )	150,000.00	271,461.54	(121,461.54)
Fines and Penalties - Business Income	<b>5,927,291.00</b>	<b>5,775,864.36</b>	151,426.64
<b>Total Operating Income</b>	<b>158,292,932.00</b>	<b>159,943,866.39</b>	(1,650,934.39)
<b>Other Non-Operating Income</b>			-
<b>Miscellaneous Income</b>	-	<b>740,604.77</b>	(740,604.77)
Miscellaneous Income	-	5,060.21	(5,060.21)
Gain/Loss on Sale of Disposed Assets		735,544.56	(735,544.56)
<b>Total Non-Operating Income</b>	-	<b>740,604.77</b>	(740,604.77)
<b>Gross Income</b>	<b>158,292,932.00</b>	<b>160,684,471.16</b>	(2,391,539.16)

## REVENUE

### Revenue

This account consists of the following:

	2018	2017
Service Income	<b>220,200.00</b>	72,237.45
Business Income	<b>159,723,666.39</b>	143,881,513.86
Miscellaneous Income	<b>740,604.77</b>	1,662.04
Total	<b>160,684,471.16</b>	P143,953,751.31

### Service Income:

This account can be broken down as follows:

Service Income	2018	2017
Inspection Fees	<b>220,200.00</b>	62,202.00
Other Service Income	<b>0.00</b>	10,035.45
Total	<b>220,200.00</b>	P72,237.45

# Annual Report 2018

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	2018
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

## Business Income:

This account can be broken down as follows:

Business Income	2018	2017
Waterworks System Fees (Metered Sales to General Public)	<b>153,676,340.49</b>	138,274,819.72
Sales Revenue	<b>0.00</b>	840.00
Interest Revenue	<b>271,461.54</b>	301,420.66
Fines and Penalties	<b>5,775,864.36</b>	5,304,433.48
Total	<b>159,723,666.39</b>	143,881,513.86

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.”

# Annual Report 2018

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."

## Waterworks System Fees

	2018	2017
Metered Sales to General Customers	146,726,573.62	132,747,879.74
Unmetered Sales to General Customers (Bulk Water)	47,563.61	35,745.03
Other Waterworks System Fees	7,003,063.83	5,583,415.45
Discount on Senior Citizen	(100,860.57)	(92,220.50)
<b>Total</b>	<b>153,676,340.49</b>	<b>138,274,819.72</b>

## Interest Income

This account can be broken down as follows:

	2018	2017
Interest Income	271,461.54	301,420.66
<b>Total</b>	<b>271,461.54</b>	<b>301,420.66</b>

This account can be broken down as follows:

	2018	2017
Cash in Banks	51,532.17	84,307.49
Other Current Assets	169,819.82	152,713.78
Sinking Fund	50,109.55	55,882.87
Restricted Fund	0.00	8,516.52
<b>Total</b>	<b>271,461.54</b>	<b>301,420.66</b>

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

# Annual Report 2018

## Other Non-Operating Income

Miscellaneous Income	2018	2017
Miscellaneous Income	5,060.21	1,662.04
Gain/Loss on Sale of Disposed Asset	735,544.56	
Total	740,604.77	1,662.04

Gain on Sale/Loss on Sale of Disposed Asset is detailed as follows:

Item No.	Unit	Description	Book Value	Selling Price	Gain on Sale
1	unit	Motorcycle Honda XRM SM 1268	1.00	3,500.00	3,499.00
1	unit	Motorcycle Kawasaki SE 5031	1.00	2,400.00	2,399.00
1	unit	Motorcycle Kawasaki SE 5018	1.00	2,400.00	2,399.00
1	unit	Motorcycle SE5009	1.00	2,400.00	2,399.00
1	unit	Motorcycle Janshe SE5643	1.00	1,300.00	1,299.00
1	unit	Shredding machine	0.00	70.00	70.00
1	kg	Assorted Plastic Chair (lot)	0.00	80.00	80.00
6680	kg	Assorted Scrap iron	0.00	52,104.00	52,104.00
48	pcs	Assorted Batteries (lot)	0.00	9,900.00	9,900.00
45	pcs	Assorted tires (lot)	0.00	6,100.00	6,100.00
6887	pcs	Water Meter (brass)	0.00	655,295.56	655,295.56
			0.00	735,549.56	735,544.56

## Personnel Services

This account consists of the following:

	2018	2017
Salaries and Wages	28,011,696.95	25,681,914.25
Other Compensation	15,271,087.78	15,664,915.35
Personnel Benefits Contribution	3,838,820.45	3,461,574.94
Other Personnel Benefits	5,730,568.76	4,894,619.87
Total	52,852,173.94	49,703,024.41

## Salaries and Wages

This account can be broken down as follows:

	2018	2017
Salaries and Wages - Regular	24,752,533.24	23,790,485.00
Salaries and Wages – Casual	3,259,130.71	1,891,429.25
TOTAL	28,011,696.95	25,681,914.25

# Annual Report 2018

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.

## Other Compensation

This account can be broken down as follows:

	2018	2017
Personnel Economic Relief Allow.(PERA)	2,497,830.64	2,340,000.00
Representation Allowance(RA)	434,000.00	462,000.00
Transportation Allowance(TA)	434,000.00	462,000.00
Clothing/Uniform Allowance	582,000.00	490,000.00
Other Bonuses and Allowances	6,109,600.75	7,914,090.78
Longevity Pay	120,000.00	100,000.00
Overtime and Night Pay	2,040,235.00	1,249,380.67
Cash Gift	516,250.00	489,500.00
Year-End Bonus	2,306,170.90	2,157,943.90
<b>Total</b>	<b>15,271,087.78</b>	<b>15,664,915.35</b>

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

This account can be broken down as follows:

	2018	2017
Rice Allowance	371,824.42	382,000.00
Staple Food Allowance	223,094.65	229,200.00
Medical, Dental & Hospitalization Allowance	93,000.00	99,000.00
Teller's Allowance	17,000.00	17,500.00
Mid-Year Bonus	2,259,048.00	2,158,450.00
CSC-Prime HRM		0.00
Productive Enhancement Incentive	532,000.00	485,000.00
Financial Assistance	1,065,121.00	987,358.00
Productivity Based Bonus	0.00	1,405,582.78
Collective Negotiation Agreement	1,548,512.68	2,150,000.00
<b>Total</b>	<b>6,109,600.75</b>	<b>7,914,090.78</b>

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

## Personnel Benefits Contributions

This account can be broken down as follows:

	2018	2017
Retirement and Life Insurance Premiums	3,251,326.66	2,957,055.12
Pag-IBIG Contributions	123,182.43	115,800.00
PhilHealth Contributions	340,364.64	272,750.00
Employees Compensation Insurance Premiums	123,946.72	115,969.82
<b>TOTAL</b>	<b>3,838,820.45</b>	<b>3,461,574.94</b>

# Annual Report 2018

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.

## Other Personnel Benefits

This account consists of the following:

Other Personnel Benefits	2018	2017
Terminal Leave Benefits	2,544,066.51	2,420,947.97
Other Personnel Benefits	3,176,502.25	2,473,671.90
<b>Total</b>	<b>5,730,568.76</b>	<b>4,894,619.87</b>

## Other Personnel Benefits

This account can be broken down as follows:

	2018	2017
Mortuary Fund		234,000.00
Monetization of Leave Credits		0.00
Annual Water Subsidy		571,398.90
Annual Physical Examination		948,660.00
Tellers' Shortage Allowance		0.00
Mid-Year Evaluation		0.00
BAC Honorarium		0.00
PRAISE Program		719,613.00
<b>Total</b>		<b>2,473,671.90</b>

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

## Maintenance and Other Operating Expenses

This account consists of the following:

	2018	2017
Traveling Expenses	968,010.02	938,901.25
Training and Scholarship Expenses	982,448.94	943,704.00
Supplies and Materials Expenses	4,363,608.56	3,800,339.05
Utility Expenses	24,571,987.22	18,781,118.12
Communication Expenses	368,530.58	565,888.32
Awards, Rewards, Prizes & Indemnities	254,253.00	168,666.00



# Annual Report 2018

Survey, Research, Exploration & Dev't Exp.	117,970.00	70,000.00
Generation, Transmission & Distribution Exp.	6,399,736.55	5,518,603.02
Confidential, Intelligence & Extraordinary Exp.	66,571.32	26,358.56
Professional Services	1,105,704.32	691,342.22
General Services	4,535,626.39	4,485,836.65
Repairs and Maintenance	5,547,595.46	5,170,804.27
Financial Assistance/Subsidy	80,646.00	48,144.59
Taxes, Insurance Premiums & Other Fees	3,752,746.64	3,267,300.96
Other Maintenance & Operating Expenses	1,705,528.63	1,928,839.89
Depreciation	14,305,775.91	12,980,405.41
Impairment Loss	22,009,543.524	408,069.21
<b>Total</b>	<b>91,136,283.064</b>	<b>59,794,321.52</b>

The maintenance and other operating expenses totalled P59,794,321.52 and P54,700,279.98 for 2018 and 2017, 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%) .

## Travelling Expenses

This account can be broken down as follows:

	2018	2017
Travelling Expense - Local	968,010.02	938,901.25
Travelling Expense - Foreign	0.00	0.00
<b>TOTAL</b>	<b>968,010.02</b>	<b>938,901.25</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.

## Training and Scholarship Expense

This account can be broken down as follows:

	2018	2017
Training Expense	982,448.94	943,704.00
<b>TOTAL</b>	<b>982,448.94</b>	<b>943,704.00</b>

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

# Annual Report 2018

## Supplies and Materials Expenses

This account can be broken down as follows:

	2018	2017
Office Supplies Expense	942,968.80	886,926.56
Accountable Forms Expense	121,005.65	68,748.03
Non-Accountable Forms Expense	33,836.75	8,427.75
Drugs and Medicine Expense	11,142.99	2,967.90
Medical, Dental & Laboratory expenses	13,710.00	5,600.00
Fuel, Oil & Lubricants Expense	1,597,440.54	1,000,613.81
Chemical and Filtering Supplies Expense	924,379.62	1,153,086.23
Semi-Expendable Machinery & Equipment Expenses	463,124.76	316,311.55
Semi-Expendable Furniture, Fixtures & Books Expenses	14,300.00	36,985.00
Other Supplies and Materials Expense	241,699.45	320,672.22
<b>TOTAL</b>	<b>4,363,608.56</b>	<b>3,800,339.05</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.

## Utility Expenses

This account can be broken down as follows:

	2018	2017
Water Expense	191,985.14	114,911.33
Electricity Expense	24,380,002.08	18,666,206.79
<b>Total</b>	<b>24,571,987.22</b>	<b>18,781,118.12</b>

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

## Communication Expenses

This account can be broken down as follows:

	2018	2017
Postage and Deliveries	13,890.96	177,584.62
Telephone Expense-landline	89,432.93	93,525.36
Telephone Expense-Mobile	204,828.53	220,161.68
Internet Subscription Expenses	57,878.16	69,066.66
Cable, Satellite, Telegraph and Radio Expenses	2,500.00	5,550.00
<b>Total</b>	<b>368,530.58</b>	<b>565,888.32</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.

# Annual Report 2018

## Awards, Rewards, Prizes and Indemnities

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

<b>Awards, Rewards, Prizes and Indemnities</b>	<b>2018</b>	<b>2017</b>
Prizes	<b>254,253.00</b>	168,666.00
<b>Total</b>	<b>254,253.00</b>	168,666.00

## Survey, Research, Exploration & Development Expense

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

	<b>2018</b>	<b>2017</b>
Year-End Evaluation & Planning Activity		70,000.00
Survey Expense	<b>29,970.00</b>	
Research, Exploration and Development Expense	<b>88,000.00</b>	
<b>Total</b>	<b>117,970.00</b>	70,000.00

## Generation, Transmission & Distribution Expenses

This account can be broken down as follows:

	<b>2018</b>	<b>2017</b>
a.)Disconnection Materials	<b>27,742.16</b>	12,783.06
b.)Microbiological Analysis	<b>215,124.00</b>	172,032.00
c.)Rapid Bacti Test	<b>5,600.00</b>	11,200.00
d.)Physical and Chemical Bacti-Testing	<b>105,780.00</b>	51,624.00
e.)Fertilizer/Pesticide Residue Analysis	<b>34,000.00</b>	30,600.00
f.)Benzene	<b>0.00</b>	18,000.00
g.)New Service Connections	<b>4,552,047.84</b>	4,743,326.99
h.)Water Meters	<b>1,455,442.55</b>	476,015.31
i)Others	<b>4,000.00</b>	3,021.66
<b>Total</b>	<b>6,399,736.55</b>	5,518,603.02

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.

# Annual Report 2018

## Confidential, Intelligence, Extraordinary and Miscellaneous Expenses

This account can be broken down as follows:

<b>Extraordinary and Miscellaneous Expenses</b>	<b>2018</b>	<b>2017</b>
Extraordinary Expense	<b>41,610.00</b>	26,019.56
Miscellaneous Expenses	<b>24,961.32</b>	339.00
<b>Total</b>	<b>66,571.32</b>	26,358.56

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:

	<b>2018</b>	<b>2017</b>
Other Miscellaneous - Admin	<b>0.00</b>	339.00
Other Miscellaneous - OGM	<b>24,961.32</b>	0.00
<b>Total</b>	<b>24,961.32</b>	339.00

## Professional Services

This account can be broken down as follows:

<b>Professional Services</b>	<b>2018</b>	<b>2017</b>
Legal Services	<b>60,000.00</b>	65,000.00
Auditing Services	<b>0.00</b>	134,122.38
Other Professional Services	<b>873,704.32</b>	492,219.84
Consultancy Services	<b>172,000.00</b>	0.00
<b>Total</b>	<b>1,105,704.32</b>	691,342.22

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.

## Legal Services

This account can be broken down as follows:

<b>Legal Services</b>	<b>2018</b>	<b>2017</b>
Legal Services	<b>60,000.00</b>	65,000.00
<b>Total</b>	<b>60,000.00</b>	65,000.00

# Annual Report 2018

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.

## Auditing Services:

This account can be broken down as follows:

AUDIT FEE	2018	2017
Calendar Year 2016	0.00	23,082.63
Calendar Year 2014	0.00	111,039.75
<b>Total</b>	<b>0.00</b>	<b>134,122.38</b>

## Other Professional Services:

This account can be broken down as follows:

Other Professional Services:	2018	2017
Read and Bill Accounts	873,704.32	492,219.84
<b>Total</b>	<b>873,704.32</b>	<b>492,219.84</b>

## Consultancy Services

Other Professional Services:	2018	2017
Appraisal of PPE	172,000.00	0.00
<b>Total</b>	<b>172,000.00</b>	<b>0.00</b>

## General Services

This account can be broken down as follows:

General Services	2018	2017
Environment/Sanitary Services	107,720.00	103,105.00
Security Services	1,927,633.36	1,678,189.68
Janitorial Services	31,162.33	0.00
Other General Services	2,469,110.70	2,704,541.97
<b>Total</b>	<b>4,535,626.39</b>	<b>4,485,836.65</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 2018 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.

# Annual Report 2018

## Repairs and Maintenance

This account can be broken down as follows:

<b>Repairs and Maintenance</b>	<b>2018</b>	<b>2017</b>
R & M – Infrastructure Assets	3,709,732.42	4,071,262.75
R & M – Buildings & Other Structures	351,331.99	34,927.48
R & M – Machinery & Equipment	889,388.43	618,038.02
R & M – Transportation Equipment	562,839.44	443,986.68
R & M – Furniture & Fixtures	30,623.18	2,589.34
R & M-Semi-Expendable Machinery & Equipment	3,680.00	0.00
<b>Total</b>	<b>5,547,595.46</b>	<b>5,170,804.27</b>

## Repairs and Maintenance –Infrastructure Assets

This account can be broken down as follows:

<b>Plant-Utility Plant In Service (UPIS)</b>	<b>2018</b>	<b>2017</b>
Maintenance of Hydrants	32,317.95	123,426.34
Maintenance of Pipelines	1,712,377.95	2,493,057.53
Maintenance of Services Lines	1,916,150.25	1,454,778.88
Maintenance of Gate Valves	48,886.27	0.00
<b>Total</b>	<b>2,709,732.42</b>	<b>4,071,262.75</b>

## Repairs and Maintenance – Buildings & Other Structures

This account can be broken down as follows:

<b>Repairs and Maintenance – Buildings &amp; Other Structures</b>	<b>2018</b>	<b>2017</b>
Repairs & Maintenance – Buildings	1,853.44	693.68
Repairs & Maintenance – Water Plant, Structure, Improvements	0.00	484.00
Repairs & Maintenance – Other Structures	349,478.55	33,749.80
<b>Total</b>	<b>351,331.99</b>	<b>34,927.48</b>

## Repairs and Maintenance – Machinery & Equipment

This account can be broken down as follows:

<b>Repairs and Maintenance – Machinery &amp; Equipment</b>	<b>2018</b>	<b>2017</b>
Repairs & Maintenance- Office Equipment	31,597.64	40,308.13
Repairs & Maintenance- Info & Com.Tech Eqpt.	41,500.53	114,137.67
Repairs & Maintenance –Communication Equipment	44,051.00	0.00
Repairs & Maintenance –Technical & Scientific Equipment	45,669.74	236,443.82
Repairs & Maintenance –Other Machinery & Equipment	726,569.52	227,148.40
Repairs & Maintenance–IT Equip & Software	00.00	0.00
<b>Total</b>	<b>889,388.43</b>	<b>618,038.02</b>

# Annual Report 2018

## Repairs and Maintenance – Transportation Equipment

This account can be broken down as follows:

<b>Repairs and Maintenance – Transportation Equipment</b>	<b>2018</b>	<b>2017</b>
Repairs & Maintenance- Motor Vehicles	<b>727,000.00</b>	443,986.68
Repairs & Maintenance- Other Transportation Equipment	<b>0.00</b>	0.00
<b>Total</b>	<b>727,000.00</b>	443,986.68

## Repairs and Maintenance – Furniture & Fixtures

This account can be broken down as follows:

<b>Repairs and Maintenance – Furniture &amp; Fixtures</b>	<b>2018</b>	<b>2017</b>
Repairs & Maintenance- Furniture & Fixture	<b>60,000.00</b>	2,589.34
<b>Total</b>	<b>60,000.00</b>	2,589.34

## Financial Assistance/Subsidy

This account can be broken down as follows:

<b>Financial Assistance/Subsidy</b>	<b>2018</b>	<b>2017</b>
Financial Assistance to NGAs	<b>80,646.00</b>	48,144.59
<b>Total</b>	<b>80,646.00</b>	48,144.59

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

## Taxes, Insurance Premiums and Other Fees

This account can be broken down as follows:

<b>Taxes, Insurance Premiums and Other Fees</b>	<b>2018</b>	<b>2017</b>
Taxes, Duties & Licenses	<b>3,320,990.78</b>	2,921,481.93
Fidelity Bond Premiums	<b>75,863.75</b>	82,645.63
Insurance Expense	<b>355,892.11</b>	263,173.40
<b>Total</b>	<b>3,752,746.64</b>	3,267,300.96

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.



# Annual Report 2018

## Other Maintenance and Operating Expenses

This account can be broken down as follows:

	2018	2017
Advertising, Promotional and Marketing Expenses	523,050.00	557,180.00
Printing and Publication Expenses	100,239.39	172,133.58
Representation Expenses	155,823.21	101,234.95
Transportation and Delivery Expense	3,568.28	0.00
Membership Dues and Contributions to Organizations	73,266.25	113,322.86
Subscription Expenses	5,580.00	7,380.00
Donations	0.00	0.00
Directors and Committee Members' Fees	691,038.00	727,218.00
Major Events and Conventions Expenses	61,300.00	174,634.50
Other Maintenance and Operating Expenses	91,663.50	75,736.00
<b>Total</b>	<b>1,705,528.63</b>	<b>1,928,839.89</b>

## Advertising, Promotional and Marketing Expenses

This account can be broken down as follows:

	2018	2017
Radio, Print & TV infomercial -CSD	182,000.00	213,180.00
Crawler Ads	1,050.00	0.00
Newspaper	22,000.00	0.00
Give-aways (mugs & folders)-OGM	318,000.00	344,000.00
<b>TOTAL</b>	<b>523,050.00</b>	<b>557,180.00</b>

## Printing and Publication Expenses

This account can be broken down as follows:

	2018	2017
Printing & Binding Expense-Finance		87,633.58
Printing & Binding Expense-Admin	806.73	0.00
Printing & Binding Expense-CSD	3,482.66	16,500.00
Printing & Binding Expense-CAD	11,200.00	0.00
Printing & Binding Expense-OGM	84,750.00	68,000.00
<b>TOTAL</b>	<b>100,239.39</b>	<b>172,133.58</b>

This account includes bookbinding of 2017 COA audited financial statements, Journal Entry Vouchers, columnar books and various important books of the district.

# Annual Report 2018

## Representation Expense

This account can be broken down as follows:

	2018	2017
Representation Expense-Administrative	0.00	10,705.00
Representation Expense-CSD	0.00	2,228.00
Representation Expense-Watershed Protection & Management (Water Resources)	0.00	10,000.00
Representation Expense-OGM	120,522.42	78,301.95
<b>TOTAL</b>	<b>120,522.42</b>	<b>101,234.95</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.

## Membership, Dues & Contribution to Organizations

	2018	2017
Membership Dues & Contr. To Org.	73,266.25	113,322.86
<b>Total</b>	<b>73,266.25</b>	<b>113,322.86</b>

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

## Subscription Expense

This account can be broken down as follows:

	2018	2017
Subscription Expense	5,580.00	7,380.00
<b>Total</b>	<b>5,580.00</b>	<b>7,380.00</b>

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

## Donation

This account can be broken down as follows:

	2018	2017
Donations	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</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.

## Directors and Committee Members' Fees

This account can be broken down as follows:

<b>Directors and Committee Members' Fees</b>	2018	2017
BOD's per diem	691,038.00	727,218.00
<b>Total</b>	<b>691,038.00</b>	<b>727,218.00</b>

# Annual Report 2018

## Major Events and Conventions Expenses

This account can be broken down as follows:

<b>Major Events</b>	<b>2018</b>	<b>2017</b>
Information Education and Communication & Other Advocacy Celebrations		114,334.50
Quiz Bowl & Essay Writing Contests		60,300.00
Watershed Summit	<b>16,000.00</b>	
Bloodletting (Admin)	<b>19,800.00</b>	
Honoraria-Quiz Bowl & Essay Writing Contests (OGM)	<b>4,500.00</b>	
Venue & Catering-Quiz Bowl & Essay Writing Contests (OGM)	<b>21,000.00</b>	
<b>Total</b>	<b>45,300.00</b>	174,634.50

This account is used to recognize the expenses incurred by the district in holding major activities in furtherance of the district's mandate and/or events not related to trainings.

## Other Maintenance and Operating Expenses

This account can be broken down as follows:

<b>Other Maintenance and Operating Expenses</b>	<b>2018</b>	<b>2017</b>
Cultural & Athletic Activities	<b>63,500.00</b>	53,516.00
Other Activities	<b>28,163.50</b>	22,220.00
<b>Total</b>	<b>91,663.50</b>	75,736.00

## Non-Cash Expenses

This account can be broken down as follows:

<b>Non-Cash Expenses</b>	<b>2018</b>	<b>2017</b>
<b>Depreciation Expense</b>	<b>14,305,775.91</b>	12,980,405.41
<b>Impairment Loss Expense</b>	<b>22,009,543.52</b>	408,069.21
<b>Total</b>	<b>36,315,319.43</b>	13,388,474.62

## Depreciation Expense

This account can be broken down as follows:

<b>Depreciation Expense</b>	<b>2018</b>	<b>2017</b>
Depreciation Expense – Land Improvements	<b>301,160.95</b>	<b>303,367.33</b>
Depreciation Expense – Infrastructure Assets	<b>6,226,089.72</b>	<b>6,118,151.12</b>
Depreciation Expense – Buildings & Other Structures	<b>1,250,356.69</b>	<b>904,155.76</b>
Depreciation Expense – Machinery & Equipment	<b>5,426,744.77</b>	<b>4,503,262.00</b>
Depreciation Expense – Transportation Equipment	<b>716,001.66</b>	<b>810,436.67</b>
Depreciation Expense – Furniture, Fixtures and Books	<b>243,804.24</b>	<b>193,900.19</b>
Depreciation Expense – Other Property Plant & Equipment	<b>141,617.88</b>	<b>147,132.34</b>
<b>Total</b>	<b>14,305,775.91</b>	<b>12,980,405.41</b>

# Annual Report 2018

## Depreciation – Land Improvements

This account can be broken down as follows:

<b>Depreciation – Land Improvements</b>	<b>2018</b>	<b>2017</b>
Depreciation-Land Improvements	301,160.95	303,367.33
Depreciation-Electrification, Power And Energy Structures	0.00	0.00
<b>Total</b>	<b>301,160.95</b>	<b>303,367.33</b>

## Depreciation – Infrastructure Assets

This account can be broken down as follows:

<b>Depreciation – Infrastructure Assets</b>	<b>2018</b>	<b>2017</b>
Depreciation-IA (Water Supply System)	479,426.64	479,426.64
Depreciation-IA( Plant Utility in Service)	5,746,663.08	5,638,724.48
<b>Total</b>	<b>6,226,089.72</b>	<b>6,118,151.12</b>

## Depreciation – Buildings & Other Structures

This account can be broken down as follows:

<b>Depreciation – Buildings &amp; Other Structures</b>	<b>2018</b>	<b>2017</b>
Depreciation- Office Buildings	1,088,849.10	761,294.04
Depreciation – Other Structures	161,507.59	142,861.72
<b>Total</b>	<b>1,250,356.69</b>	<b>904,155.76</b>

## Depreciation – Machinery and Equipment

<b>Depreciation – Machinery and Equipment</b>	<b>2018</b>	<b>2017</b>
Depreciation- Machinery	607,560.83	515,496.30
Depreciation- Office Equipment	561,533.49	196,551.37
Depreciation- Info & Com Tech Equipment	1,091,588.70	1,076,129.06
Depreciation–Communication Equipment	0.00	0.00
Depreciation–Construction and Heavy Equip	93,747.60	115,266.74
Depreciation–Disaster Response & Rescue Equip	0.00	0.00
Depreciation–Disaster Response & Rescue Equip	2,416,559.47	2,104,380.67
Depreciation – Technical & Scientific Equip	655,754.68	495,437.86
Depreciation – Other Machinery & Equipment		
<b>Total</b>	<b>5,426,744.77</b>	<b>4,503,262.00</b>

This account can be broken down as follows:

# Annual Report 2018

## Depreciation – Transportation Equipment

This account can be broken down as follows:

<b>Depreciation – Transportation Equipment</b>	<b>2018</b>	<b>2017</b>
Depreciation- Motor Vehicles	716,001.66	810,436.67
Depreciation-Other Transportation Equip	0.00	0.00
<b>Total</b>	<b>716,001.66</b>	<b>810,436.67</b>

## Depreciation – Furniture, Fixtures and Books

This account can be broken down as follows:

<b>Depreciation – Furniture, Fixtures and Books</b>	<b>2018</b>	<b>2017</b>
Depreciation- Furniture &Fixtures	243,804.24	193,900.19
Depreciation-Books	0.00	0.00
<b>Total</b>	<b>243,804.24</b>	<b>193,900.19</b>

## Depreciation – Other Property Plant & Equipment

This account can be broken down as follows:

<b>Depreciation – Other Property Plant &amp; Equipment</b>	<b>2018</b>	<b>2017</b>
Depreciation-Plant (Other Property Plant and Equipment)	141,617.88	147,132.34
<b>Total</b>	<b>141,617.88</b>	<b>147,132.34</b>

## Impairment Loss Expenses

This account can be broken down as follows:

<b>Impairment Loss Expenses</b>	<b>2018</b>	<b>2017</b>
Impairment Loss-Loans and Receivable	606,104.11	408,069.21
Impairment Loss-Property Plant and Equipment	21,403,439.41	
<b>Total</b>	<b>22,009,543.52</b>	<b>408,069.21</b>

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 :

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;

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;

# Annual Report 2018

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

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

## Impairment Loss-Loans and Receivable

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.

In 2018, BOD Resolution # 09-056 Series of 2018 dated December 18, 2018 was enacted for the recognition of P 606,104.11 as impairment loss on past due accounts or inactive accounts which have been outstanding for several years.

## Impairment Loss-Property Plant and Equipment:

PPE	Book Value	Appraised Value	Loss
UPIS-Transmission and Distribution Lines	37,485,933.39	23,994,080.58	(13,491,852.81)
UPIS-Plant/Stations	651,484.35	640,104.09	(11,380.26)
Building	4,966,521.36	3,151,325.44	(1,815,195.92)
Motor Vehicles	2,755,138.76	1,696,736.77	(1,058,401.99)
Other Land Improvements	2,155,629.84	874,257.45	(1,281,372.39)
Information and Communication Equipment	2,496,860.79	1,093,906.59	(1,402,954.20)
Other Equipment	1,763,008.48	686,227.53	(1,076,780.95)
Furniture and Fixture	1,145,556.30	810,753.02	(334,803.28)
Office Equipment	1,862,086.50	931,388.89	(930,697.61)
			<b>(21,403,439.41)</b>

## Financial Expenses

This account consists of the following:

Financial Expenses	2018	2017
Bank Charges	9,177.50	7,250.00
Loan Interest/Penalty Expenses	1,926,335.20	2,213,292.71
<b>Total</b>	<b>1,935,512.70</b>	<b>2,220,542.71</b>

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

## Income Tax Expense (Benefit)

The District has no Income Tax Expense

## 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.

# Annual Report 2018

## 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 aforesaid 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.

### 29. 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:

#### Withholding & Business Taxes

Withholding taxes filed thru EFPS :	CY 2018	CY 2017
Tax on compensation and benefits	2,277,066.11	4,269,207.65
Creditable withholding tax	2,250,024.48	2,302,109.62
Franchise Tax	2,493,988.59	2,727,103.19
Annual Registration	500.00	500.00



# Annual Report 2018

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

Other taxes ,duties and licenses paid amounted to:	CY 2018	CY 2017
Real Property Taxes	27,990.19	P4,724.07
Radio Licenses	14,572.00	17,718.00
Vehicle Registration	44,806.16	48,845.54
Zoning Certification/Transfer Tax	138,763.13	3,486.00
Taxes withheld by concessionaires	0.00	119,005.13
Others	0.00	0.00

## 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.

## 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.

## 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.

### 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.

### 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 an increase in current ratio from 2.73:1 in 2017 to 3.16:1 in 2018.

# Annual Report 2018

## 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 2017 and 2018 (except for current ratio) as actual ratios are shown below.

	2018	2017
Collection Ratio	93.97%	93.59%
Operation Ratio	76.26%	66.76%
Current Ratio	3.16:1	2.73:1

There has been a 15% in the current of the district and this is due to the 44% increase of cash and cash equivalents account.

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.

## Authorization for the Issuance of Financial Statements

The Financial Statement of the District for the year ended December 31, 2018 was approved and authorized for issue by the Board of Directors on January 23, 2019.

## ANNEX F

### (Summary of Loan Payments)

<b>MONTH</b>	<b>Cash Payments of Interest Domestic Loan (LWUA/DBP)</b>	<b>Cash Payments on Loan Principal</b>	<b>Total</b>
<b>JANUARY 2018</b>	172,544.33	414,876.77	587,421.10
<b>FEBRUARY 2018</b>	165,182.26	415,067.77	580,250.03
<b>MARCH 2018</b>	158,054.35	415,260.77	573,315.12
<b>APRIL 2018</b>	164,263.48	415,453.77	579,717.25
<b>MAY 2018</b>	162,503.93	415,648.77	578,152.70
<b>JUNE 2018</b>	162,562.54	415,844.77	578,407.31
<b>JULY 2018</b>	157,850.73	416,042.77	573,893.50
<b>AUGUST 2018</b>	159,297.25	416,240.77	575,538.02
<b>SEPTEMBER 2018</b>	158,316.18	416,440.77	574,756.95
<b>OCTOBER 2018</b>	153,570.77	416,642.77	570,213.54
<b>NOVEMBER 2018</b>	153,495.90	416,844.77	570,339.67
<b>DECEMBER 2018</b>	158,994.48	417,048.77	576,043.25
<b>TOTAL</b>			<b>6,918,048.44</b>

## ANNEX G

### (Approved Water Rates Schedule)

CATEGORY	METER SIZE	MINIMUM	COMMODITY CHARGES			
			0-10 cu.m	11-20 cu.m	21-30 cu.m	31-40 cu.m
Residential/ Government	1/2	205.95	22.95	26.15	30.15	35.00
	3/4	329.50	22.95	26.15	30.15	35.00
	1	659.00	22.95	26.15	30.15	35.00
Commercial	Double the Residential Rates					
Bulk	Triple the Residential Rates					

## ANNEX H

### (Summary of Water Production and Consumption)

Month	Produced (cu.m)	Consumption (cu.m) (Residential)	No. of Consumers (Residential)	LPCD
January	515,651	337,061	17,734	126.71
February	515,277	334,717	17,874	133.76
March	526,352	350,304	17,947	125.93
April	512,084	347,113	18,032	128.33
May	510,039	348,999	18,245	123.41
June	539,413	367,575	18,382	133.31
July	525,855	351,349	18,552	122.18
August	543,908	359,051	18,664	124.11
September	550,318	365,317	18,811	129.47
October	551,062	362,784	18,911	123.77
November	567,831	374,156	19,026	131.10
December	567,636	377,042	19,173	126.87
<b>TOTAL</b>	<b>6,425,426</b>	<b>4,275,468</b>		<b>127.41</b>
<b>Page 95</b>				<b>Average</b>

## ANNEX I (DWD Water Sources)

PS No.	Location	Capacity (lps)
1	Gen. Luna St.	14
2	Lapu-lapu Ext.	25
3	Roxas Ext.	29
4	SFD Tres de Mayo	55
5	Jumao-as St.	49
6	Ruparan Road	38
7	Brgy. Colorado	29
8	San Vicente, Ruparan	48
9	Brgy. Ruparan	18
10	San Nicholas	22

## ANNEX J (Service Connection Growth)

Category	Year		Percent Increase (Decrease)
	2017	2018	
Residential	17,873	19,496	9%
Government	209	214	2%
Commercial	1,451	1,544	6%
<b>Total</b>	<b>19,533</b>	<b>21,254</b>	<b>9%</b>



## ANNEX K (List of Major Equipments)

Account Code	Property No.	Item Description	Year	Acquisition Cost
10605030	372-8-067	Laserjet Printer 1100	2001	18,000.00
10605030	372-8-050	Computer Pentium 4, 1.3ghz	2001	45,000.00
10605030	372-8-015	Computer Accounting	2002	90,440.00
10605030	372-8-027	Computer-Commercial	2002	104,900.00
10605030	372-8-032	Heavy Duty Printer, etc Ok Microline	2002	71,635.00
10605030	372-8-033	Computer	2002	46,900.00
10605030	372-8-035	Computer w/printer	2002	41,250.00
10605030	372-8-037	2 computer, 1 processor,1 harddisk	2002	96,200.00
10605030	372-8-041	Computer	2002	53,850.00
10605030	372-8-043	Intel Pentium 111 866 MBX w/o Monitor	2002	23,000.00
10605030	372-8-047	Comp. Printer (Pentium 111 866 MH2 Com)	2002	91,795.00
10605030	372-8-052	upgrading of Cobias' Computer	2002	29,650.00
10605030	372-8-056	Comp. & Acc.	2002	122,800.00
10605030	372-8-057	Computer	2002	36,300.00
10605030	372-8-058	MS Office Licenses & Operating System	2002	209,700.00
10605030	372-8-061	Printer, Epson LQ2180	2002	31,380.00
10605030	372-8-060	1 unit laser jet printer 1200	2002	20,300.00
10605030	372-8-079	Intel Pentium	2002	26,700.00
10605030	372-8-084	Inventory System	2003	260,000.00
10605030	372-8-081	Laserjet Printer 1200	2003	22,400.00
10605030	372-8-082	Computer w/ accessories	2003	46,900.00
10605030	372-8-083	Computer w/Accessories	2003	46,900.00
10605030	372-8-085	Computer Unit Intel Pentium	2003	64,000.00
10605030	372-8-086	Epson LQ2180	2003	31,800.00
10605030	372-8-088	1 set Computer notebook	2003	100,695.00
10605030	372-8-091	1 unit computer pentium IV-2.8GHz	2003	39,700.00
10605030	372-8-090	HP Laserjet 1300 Series	2003	21,945.00
10605030	372-8-093	Epson 2180 Printer	2003	32,550.00
10605030	372-8-094	HP Laserjett1300 Printer	2004	22,880.00
10605030	372-8-096	Computer w/ accessories	2004	63,450.00
10605030	372-8-098	Computer Printer	2004	27,800.00
10605030	372-8-100	Computer	2004	65,000.00
10605030	372-8-099	Printer & Acc	2004	18,738.00
10605030	221-003	UPS-1500/AVR	2005	18,500.00
10605030	223-001	Computer Pentium 4 2.4ghz	2005	31,800.00
10605030	223-002	Computer unit	2005	77,350.00
10605030	229-001	Multi Media Projector	2005	58,875.00
10605030	223-008	1 unit computer	2005	61,800.00
10605030	223-007	Computer Workabout for PSion System	2005	34,845.00
10605030	223-022	Automated Time Keeping Machine	2005	80,000.00
10605030	223-012	Computer	2005	56,175.00

# Annual Report 2018

10605030	223-009	Computer	2005	19,185.00
10605030	223-016	Desktop Computer	2006	55,150.00
10605030	223-017	Desktop Computer	2006	55,150.00
10605030	223-018	Desktop Computer	2006	55,150.00
10605030	223-014	Desktop Computer	2006	72,500.00
10605030	223-015	Printer, DOT Matrix 24 pins	2006	35,495.00
10605030	223-019	Computer	2006	77,628.00
10605030	223-020	IntelliCAD Software	2006	26,400.00
10605030	223-021	Desktop Computer	2006	71,975.00
10605030	223-024	Desktop Computer	2006	87,300.00
10605030	223-027	UPS 1000VA	2006	26,800.00
10605030	223-030	Computer System Unit	2006	20,750.00
10605030	372-8-029	Printer Epson LQ2180	2006	27,850.00
10605030	223-032	Computer Set	2006	57,565.00
10605030	223-031	Computer Set	2006	57,565.00
10605030	221-012	DVD Computer System	2006	24,990.00
10605030	223-035A	Billing and Collection Program - Upgrade	2007	88,000.00
10605030	223-036	Computer	2007	55,000.00
10605030	223-038	Desktop Computer	2007	56,500.00
10605030	223-040	Printer LQ2180	2007	36,950.00
10605030	223-042	UPS	2007	21,365.00
10605030	223-048	Desktop Computer	2007	38,325.00
10605030	223-050	Microsoft Windows Office 2007	2007	17,840.00
10605030	223-054	Desktop Computer	2007	63,615.00
10605030	223-055	Desktop Computer	2007	63,615.00
10605030	223-056	Desktop Computer	2008	57,495.00
10605030	223-063	Desktop Computer	2008	42,520.00
10605030	223-062	Printer	2008	15,880.00
10605030	223-064	Microsoft Office Professional 2007	2008	15,690.00
10605030	372-8-087	1 set intel pentium computer w/acc.	2008	29,485.00
10605030	223-066	USB Fingerprint Scanner	2008	15,810.00
10605030	223-029	Printer LQ2180	2008	36,985.00
10605030	223-068	UPS, Smart (XL 1000VA)	2008	73,600.00
10605030	223-069	LAserjet Printer (ALL in 1)	2008	23,360.00
10605030	223-071	Computer	2008	45,250.00
10605030	223-073	Inventory Software Modification	2008	70,000.00
10605030	223-072	Computer (intel)core 2 duo	2008	45,250.00
10605030	223-074	IP Surveillance camera	2008	93,000.00
10605030	223-076	Laptop	2008	73,500.00
10605030	223-098	Printer, C7280 photosmart	2008	15,990.00
10605030	223-080	CPU	2009	20,500.00
10605030	223-082	Computer Set	2009	35,500.00
10605030	223-081	Computer Set	2009	35,500.00
10605030	223-086	Printer, HP Laserjet CP1215	2009	20,085.00
10605030	240-040	Handled GPS Instrument	2009	30,000.00
10605030	223-091	Desktop Computer	2009	48,500.00
10605030	223-090	Printer, Epson LQ2180	2009	38,300.00
10605030	223-092	LCD Projector	2009	99,500.00
10605030	223-095	Computer	2009	49,200.00

# Annual Report 2018

10605030	223-096	Printer, Photosmart	2009	15,990.00
10605030	223-097	Billing and Collection System	2009	288,000.00
10605030	223-099	Teller Report System	2009	145,000.00
10605030	223-100	Data File/Server	2010	239,650.00
10605030	223-102	Printer, Epson LQ2180	2010	38,900.00
10605030	223-108	Computer Set	2010	45,845.00
10605030	223-107	Inventory System Improvement	2010	125,000.00
10605030	223-109	Desktop Computer	2010	51,700.00
10605030	223-110	Desktop Computer	2010	52,900.00
10605030	223-111	Laptop	2010	89,000.00
10605030	223-112	Desktop Computer (Hardware)	2010	51,500.00
10605030	223-117	Desktop Computer	2011	53,500.00
10605030	223-118	Desktop Computer	2011	53,500.00
10605030	223-119	Printer, Laserjet	2011	23,900.00
10605030	223-120	HUB LinkSystem, 24 Ports GB	2011	49,695.00
10605030	223-121	Printer, Epson LQ2190	2011	38,745.00
10605030	223-124	Printer, Epson LQ2190	2011	38,745.00
10605030	223-125	CPU	2011	16,088.00
10605030	223-126	CPU	2011	16,088.00
10605030	223-131	Printer, dot matrix 32 pins	2011	38,700.00
10605030	223-132	Laptop	2012	58,850.00
10605030	223-133	Hydraulic Modelling Software	2012	1,652,000.00
10605030	223-134	Laptop	2012	66,500.00
10605030	223-136	Printer, Epson LQ2190	2012	38,900.00
10605030	223-137	Printer, Epson LQ2190	2012	39,220.00
10605030	223-141	GPS Handheld	2012	28,000.00
10605030	223-142	GPS Handheld	2012	28,000.00
10605030	223-143	Desktop Computer	2012	32,595.00
10605030	223-145	Ultrabook/Laptop	2012	67,840.00
10605030	223-146	Ultrabook/Laptop	2012	67,840.00
10605030	223-147	Ultrabook/Laptop	2012	67,840.00
10605030	223-148	Desktop Computer	2013	36,888.00
10605030	223-149	Desktop Computer	2013	36,888.00
10605030	223-154	Desktop Computer	2013	35,360.00
10605030	223-155	Desktop Computer	2013	35,360.00
10605030	223-156	Desktop Computer	2013	34,556.00
10605030	223-157	Desktop Computer	2013	49,775.00
10605030	223-162	Queuing Machine	2013	60,950.00
10605030	254-214	Data Logger for Zone Metering	2013	153,650.00
10605030	223-165	Desktop Computer	2013	33,485.00
10605030	223-167	Desktop Computer	2013	38,600.00
10605030	223-168	Desktop Computer	2013	38,600.00
10605030	223-169	License Autocad 2014	2013	360,000.00
10605030	223-171	Desktop Computer (Slim)	2013	41,495.00
10605030	223-172	Desktop Computer (Slim)	2013	41,495.00
10605030	223-173	Desktop Computer	2013	15,325.00
10605030	223-174	UPS 2800watts	2013	299,888.00
10605030	223-181	Desktop Computer	2014	53,200.00
10605030	223-182	Desktop Computer	2014	27,488.00
10605030	223-184	Licensed GIS	2014	1,960,000.00

# Annual Report 2018

10605030	223-185	Projector	2014	84,650.00
10605030	223-194	Desktop Computer	2014	32,640.00
10605030	223-195	Desktop Computer	2014	31,900.00
10605030	223-199	AC Smart UPS 1500VA	2015	29,995.00
10605030	223-202	Printer, Epson LQ2190	2015	39,200.00
10605030	223-205	Desktop Computer	2015	31,480.00
10605030	223-206	Desktop Computer (High End)	2015	80,280.00
10605030	223-208	Laptop	2015	50,480.00
10605030	223-211	Desktop Computer	2015	26,480.00
10605030	223-214	Desktop Computer	2015	25,299.00
10605030	223-215	Desktop Computer	2015	25,299.00
10605030	223-218	Printer, Epson LQ2180	2015	39,200.00
10605030	223-219	Computer System	2015	16,090.00
10605030	223-220	Projector	2015	27,950.00
10605030	223-221	Laptop	2015	26,477.00
10605030	223-225	Laptop	2015	50,380.00
10605030	223-226	Laptop	2015	55,480.00
10605030	223-227	LED Digital Signage	2015	60,200.00
10605030	223-228	Desktop Computer & Printer L355	2015	44,600.00
10605030	223-230	Desktop Computer	2015	64,200.00
10605030	223-234	Desktop Computer	2015	45,998.00
10605030	223-235	Desktop Computer	2015	45,998.00
10605030	223-236	Computer System Unit	2015	22,150.00
10605030	223-239	Laptop	2015	59,780.00
10605030	223-242	Desktop Computer	2015	48,900.00
10605030	223-243	Desktop Computer	2015	48,900.00
10605030	223-248	HRIS	2015	250,000.00
10605030	223-249	Printer, Epson LQ2190	2015	38,980.00
10605030	223-255	Desktop Computer	2015	53,880.00
10605030	223-257	UPS Smart 1500VA	2016	26,705.00
10605030	223-258	Desktop Computer	2016	49,995.00
10605030	223-261	Desktop Computer	2016	38,200.00
10605030	223-262	Desktop Computer	2016	38,200.00
10605030	223-268	UPS, Smart 1500VA	2016	35,777.00
10605030	223-274	Desktop Computer	2016	49,500.00
10605030	223-275	Desktop Computer	2016	41,750.00
10605030	223-281	Windows 10 w/ Microsoft prof	2016	18,750.00
10605030	223-277	GPS	2016	27,500.00
10605030	223-278	Desktop Computer	2016	56,900.00
10605030	223-279	Desktop Computer	2016	56,900.00
10605030	223-280	Desktop Computer	2016	42,200.00
10605030	223-282	Desktop Computer	2016	53,380.00
10605030	223-283	Desktop Computer	2016	53,380.00
10605030	283-284	Server DL380	2016	300,000.00
10605030	223-285	Printer, L1300	2016	19,677.00
10605030	223-286	Desktop Computer	2016	52,800.00
10605030	223-287	Desktop Computer	2016	73,480.00

# Annual Report 2018

10605030	223-288	GPS	2017	27,800.00
10605030	223-289	Laptop	2017	61,190.00
10605030	223-299	1 unit laptop	2017	64,900.00
10605030	223-300	Desktop Computer	2017	49,290.00
10605030	223-301	Desktop Computer	2017	66,250.00
10605030	223-302	Desktop Computer	2017	38,990.00
10605030	223-303	Desktop CComputer	2017	90,800.00
10605030	223-304	Desktop Computer	2017	90,800.00
10605030	223-305	Desktop Computer	2017	90,800.00
10605030	223-306	LCD Projector w/ Pointer & Tripod	2017	83,500.00
10605030	223-307	Desktop Computer	2017	97,700.00
10605030	403-001	Desktop Computer	2018	44,190.00
10605030	403-002	Desktop Computer	2018	44,190.00
10605030	403-004	Printer,Multi Function A3 Business Inkjet Colour	2018	26,390.00
10605030	403-005	Laptop	2018	38,990.00
10605030	403-003	Printer,A3 Ink tank	2018	19,700.00
10605030	403-006	Installation & Commissioning of CCTV Camera	2018	280,000.00
10605030	403-007	Automized Queue Management System (AQMS)	2018	309,497.60
10605030	403-008	Desktop Computer with Printer	2018	58,500.00
10605030	403-009	Desktop Computer	2018	69,850.00
10605030	403-010	Desktop Computer	2018	69,850.00
10605030	403-011	Desktop Computer	2018	69,850.00
10605030	403-012	Data Server	2018	306,650.00
10605030	403-013	Document Scanner, Flatbed Color	2018	24,900.00
10605030	403-014	Document Scanner, Flatbed Color	2018	24,900.00
10605030	403-015	Document Scanner, Flatbed color w/ ADF	2018	25,450.00
10605030	403-016	Installation of CCTV Camera @PS#2	2018	207,700.00
10605030	403-017	Autodesk Autocad LT2018	2018	47,350.00
10605030	403-018	Autodesk Autocad LT2018	2018	47,350.00
10605030	403-019	Document Scanner	2018	25,390.00
10605030	403-020	Desktop Computer	2018	51,980.00
10605030	403-021	Printer, On demand Inkjet Colored	2018	25,490.00
10605030	403-022	Printer, On demand Inkjet Colored	2018	25,490.00
10605030	403-023	Desktop Computer	2018	86,180.00
10605030	403-024	Desktop Computer	2018	86,180.00
<b>SUB TOTAL</b>		<b>Information and Communication Technology Equipment</b>		<b>16,930,497.60</b>



# Annual Report 2018

Account Code	Property No.	Item Description	Year/Month	Acquisition Cost
10605010	322-007	Standby unit perkins M-4236	1987	234,520.00
10605010	323-036	PS#3 standby unit	1997	51,065.32
10605010	323-048	Standby unit PS#4	2001	88,360.81
10605010	378-058	Dewatering Pump & Accessories	2002	16,520.00
10605010	378-086	Standby unit for Admin etc,	2002	70,000.00
10605010	378-108	Hydro Testing Machine	2002	16,500.00
10605010	254-111	Generator Set	2010	805,000.00
10605010	240-068	Dewatering Pump	2011	19,665.00
10605010	241-013	Electric Chain Hoist	2012	425,600.00
10605010	240-093	Mini Chainsaw	2013	38,000.00
10605010	240-096	Generator Set PS#5	2013	750,000.00
10605010	240-099	Grass Cutter	2013	17,280.00
10605010	240-100	Grass Cutter	2013	17,280.00
10605010	240-105	140KVA Generator Set PS#4	2014	638,000.00
10605010	240-130	Generator Set(Silent Type)	2015	988,000.00
10605010	240-131	Generator Set PS#8	2015	918,000.00
10605010	240-189	Pneumatic portable Compressor	2016	1,290,000.00
10605010	240-078	Diesel electric Generator PS#3	2017	875,000.00
10605010	240-216	Generator Set	2017	811,870.00
<b>SUB TOTAL</b>	<b>Machinery</b>			<b>8,070,661.13</b>

Account Code	Property No.	Item Description	Year/Month	Acquisition Cost
10605020	372-3-024	1 unit Cash vault	1999	15,500.00
10605020	379-039	Package Type Ceiling Mounted Aircon	2001	107,500.00
10605020	372-9-042	1 Unit Manual Checkwriter	2001	15,450.00
10605020	379-032	1.5hp Split Type Koppel Aircon	2002	28,100.00
10605020	379-034	2hp window type Carrier Aircon	2002	20,700.00
10605020	379-035	Aircon	2002	20,600.00
10605020	372-9-032	Air Compressor, Welding Mach 300amp &Acc	2002	30,466.07
10605020	379-040	Window Type Aircon	2002	17,155.00
10605020	372-1-006	Olympia Manual Typewriter	2002	17,750.00
10605020	379-041	2 Units window Type aircon 2hp	2003	39,152.00
10605020	372-9-047	1 Unit Photocopying Machine (powder)	2003	46,000.00
10605020	379-042	1 unit Air conditioner-window-type	2004	20,497.00
10605020	221-002	1 unit 3 tons Package Type Aircon Ceiling Mounted 2p	2005	53,400.00
10605020	221-004	Typewriter , Manual	2005	17,700.00
10605020	221-013	1 unit Airconditioning Unit 2hp-window type	2006	21,000.00
10605020	221-015	Aircon	2006	36,919.00
10605020	221-016	Aircon	2006	36,919.00
10605020	221-018	Bill Counter	2007	50,000.00

# Annual Report 2018

10605020	221-023	Aircon	2007	103,000.00
10605020	221-036	Aircon, floor mounted	2008	95,890.00
10605020	221-040	Television, 29" w/ DVD	2008	25,489.00
10605020	221-044	Aircon	2009	23,390.00
10605020	221-045	Aircon	2009	123,000.00
10605020	221-046	Aircon	2009	42,300.00
10605020	221-052	Aircon, ceiling type	2010	64,811.00
10605020	221-053A	Aircon, window type	2010	24,700.00
10605020	221-053B	Aircon, window type	2010	24,700.00
10605020	221-054A	Aircon, wall mounted	2010	31,105.00
10605020	221-054B	Aircon, wall mounted	2010	31,105.00
10605020	221-059	Aircon, Room 1HP	2011	17,995.00
10605020	221-060	Aircon, Room	2011	27,095.00
10605020	221-061	Aircon, Room	2011	27,095.00
10605020	223-127	Fingerprint Time Reader	2011	65,200.00
10605020	221-062	Digital Duplicator Machine	2012	135,000.00
10605020	221-067	Typewriter	2012	18,000.00
10605020	221-070	Aircon, Floor Mounted	2013	54,000.00
10605020	221-071	Aircon, Floor Mounted	2013	54,000.00
10605020	221-072	Aircon, Floor Mounted	2013	54,000.00
10605020	221-089	Television, 47" LED	2014	44,990.00
10605020	221-090	Aircon, 3TR	2014	64,150.00
10605020	221-091	Aircon, 2HP	2014	37,995.00
10605020	221-092	Aircon, 1HP	2014	22,300.00
10605020	221-100	Sound System	2015	49,890.50
10605020	221-104	LED TV 58"-60"	2015	44,950.00
10605020	221-106	Aircon	2016	53,095.00
10605020	221-108	Currency Counter	2016	52,000.00
10605020	221-118	Aircon	2016	81,700.00
10605020	221-119	Aircon	2016	81,700.00
10605020	221-120	Sound System	2017	22,260.00
10605020	221-121	2.0 Tonner Ceiling Casette Inverter Airconditioning Unit	2017	86,431.14
10605020	221-122	2.0 Tonner Ceiling Casette Inverter Airconditioning Unit	2017	86,431.14
10605020	221-123	2.0 Tonner Ceiling Casette Inverter Airconditioning Unit	2017	86,431.14
10605020	221-124	2.0 Tonner Ceiling Casette Inverter Airconditioning Unit	2017	86,431.14
10605020	221-125	2.0 Tonner Ceiling Casette Inverter Airconditioning Unit	2017	86,431.14
10605020	221-126	2.0 Tonner Ceiling Casette Inverter Airconditioning Unit	2017	86,431.14
10605020	221-127	2.0 Tonner Ceiling Casette Inverter Airconditioning Unit	2017	86,431.14
10605020	221-128	3.0 Tonner Floor Mounted Inverter Airconditioning Unit	2017	94,484.86
10605020	221-129	3.0 Tonner Floor Mounted Inverter Airconditioning Unit	2017	94,484.86
10605020	221-130	3.0 Tonner Floor Mounted Inverter Airconditioning Unit	2017	94,484.86
10605020	221-131	3.0 Tonner Floor Mounted Inverter Airconditioning Unit	2017	94,484.86
10605020	221-132	3.0 Tonner Floor Mounted Inverter Airconditioning Unit	2017	94,484.86
10605020	221-133	3.0 Tonner Floor Mounted Inverter Airconditioning Unit	2017	94,484.86
10605020	221-134	3.0 Tonner Floor Mounted Inverter Airconditioning Unit	2017	94,484.86
10605020	221-135	3.0 Tonner Casette Type Inverter Airconditioning Unit	2017	110,829.08



# Annual Report 2018

10605020	221-136	3.0 Tonner Casette Type Inverter Airconditioning Unit	2017	110,829.08
10605020	221-137	3.0 Tonner Casette Type Inverter Airconditioning Unit	2017	110,829.08
10605020	221-138	3.0 Tonner Casette Type Inverter Airconditioning Unit	2017	110,829.08
10605020	221-139	3.0 Tonner Casette Type Inverter Airconditioning Unit	2017	110,829.08
10605020	221-140	3.0 Tonner Casette Type Inverter Airconditioning Unit	2017	110,829.08
10605020	221-141	Airconditioning Unit, window type 1.5 hp	2017	18,599.00
10605020	221-142	Airconditioning Unit, window type 1.5 hp	2017	18,599.00
10605020	221-143	Airconditioning Unit-wall mounted	2017	40,000.00
10605020	221-144	Floor Polisher	2017	31,800.00
10605020	221-145	Floor Polisher	2017	31,800.00
10605020	221-146	Electronic Typewriter	2017	32,000.00
10605020	221-147	Vault	2017	125,300.00
10605020	402-001	UHD TV "55 Curved Screen Design	2018	66,800.00
10605020	402-002	Television	2018	48,120.00
10605020	402-003	Digital B&W Multi-functional Printer/Photocopier/Printer/Scanner	2018	136,000.00

**SUB TOTAL Office Equipment 4,672,118.05**

Account Code	Property No.	Item Description	Year/Month	Acquisition Cost
10605990	323-002	Elect.Motor w/ 1 unit Magnetic Starter	1976	15,803.25
10605990	323-009	Electric Motor	1987	56,713.15
10605990	378-077	Electric Theodolite w/ complete accessories	1997	63,400.00
10605990	378-103	Concrete Cutter w/o motor & Diamond Wheel 14"	2001	16,300.00
10605990	378-2-019	Pipe Threader-Ridgid Ratchet Handle & Acc.	2002	20,402.00
10605990	323-052	Transformer-PS#4	2002	58,800.00
10605990	323-057	Electrical Central Panel & Accessories	2003	130,000.00
10605990	323-058	KVA Transformer & Accessories	2003	36,122.00
10605990	323-059	Pump Bowl Assembly 10AQ 6 Stages	2003	83,015.00
10605990	323-060	25KVA Transformer	2003	108,941.00
10605990	378-111	Pipe, Combination	2003	16,800.00
10605990	323-063	15KVA Transformer	2003	53,400.00
10605990	323-064	Soft Starter	2003	229,000.00
10605990	378-113	Ladder Aluminum	2003	19,471.68
10605990	323-066	Electrical Motor	2004	29,511.00
10605990	240-007	Yoke Vise	2006	21,140.00
10605990	240-021	Chlorine Residual Kit	2006	39,649.98
10605990	240-017	Pipe Wrench 48", 6" CAP	2006	15,470.00
10605990	240-018	Pipe wrench 60", 8" CAP	2006	22,390.00
10605990	240-020	Chain Pipe Tong 8" CAP	2006	30,190.00
10605990	240-023	Adjustment JEV06-11-2404 (Oct)	2006	22,355.25
10605990	240-026	Pipe Threader 1/2", 3/4", 1 Dia	2007	15,500.00

# Annual Report 2018

10605990	240-027	Pipe Threader 1/2", 3/4", 1 Dia.	2007	15,500.00
10605990	240-028	Pipe Threader 1/2", 3/4" 1" Dia	2007	15,500.00
10605990	240-029	Pipe Threader 1/2", 3/4", 1" Dia.	2007	15,500.00
10605990	254-064	Motor Controller	2008	200,000.00
10605990	240-036	Router/Jigsaw	2008	17,080.00
10605990	254-080	Soft Stop Motor Controller	2009	95,000.00
10605990	254-090	Distribution Transformer	2009	246,000.00
10605990	240-044	Materials issued(October)	2009	49,580.00
10605990	240-042	Materials Issued (November)	2009	56,575.00
10605990	240-043	Materials Issued (December)	2009	43,610.00
10605990	240-062	Materials Issued (April)	2010	63,000.00
10605990	254-112	Electrical Control Panel	2010	167,000.00
10605990	254-115	37.5KVA Dist. Transformer	2010	300,000.00
10605990	240-052	Infrared Thermometer	2010	35,500.00
10605990	240-053	Insulation Resistance Tester	2010	33,000.00
10605990	240-056	Elec Pipe Threader/Cutter	2010	137,300.00
10605990	240-057	Chain Block	2010	33,000.00
10605990	240-058	Straight Pipe Wrench PO#1586	2010	29,000.00
10605990	240-060	Chain Tong 48"	2010	23,100.00
10605990	240-061	Materials Issued (December)	2010	137,188.97
10605990	254-137	25KVA Distribution Transformer	2011	267,510.00
10605990	254-187	Motor Controller-Electric Motor	2012	295,255.08
10605990	240-083	Wire Crimper	2012	20,460.00
10605990	240-090	Handrill	2012	18,900.00
10605990	254-190	Distribution transformer	2012	67,000.00
10605990	240-092	Bar Cutter	2013	24,000.00
10605990	254-199	Softstarter	2013	78,000.00
10605990	254-201	Chem-feed Diaphragm	2013	40,300.00
10605990	254-201B	Chem-Feed Diaphragm	2013	40,300.00
10605990	254-201C	Chem-Feed diaphragm	2013	40,300.00
10605990	240-097	AVR, Single Phase 155A	2013	16,000.00
10605990	240-098	Power Converter 5.5HP	2013	32,500.00
10605990	240-103	S/D(3) 25KVA Distribution transformer	2013	278,000.00
10605990	240-104	S/D(3) 10KVA Distribution Transformer	2013	190,000.00
10605990	240-106	3-Phase Line for PS#8	2014	89,960.00
10605990	240-108	Engine Motor for Concrete Cutter	2014	45,000.00
10605990	240-111	3Phase Line for PS#9	2014	385,000.00
10605990	254-263	Pump Lifter Tripod PS#7	2014	89,205.95
10605990	240-113	Impact Wrench 1/2"	2015	15,000.00
10605990	240-133	25KVA Transformer	2015	80,000.00
10605990	240-134	25KVA Transformer PO#0552	2015	80,000.00
10605990	240-135	25KVA Transformer	2015	80,000.00
10605990	240-155	Soft Starter	2015	95,248.00
10605990	240-156	Soft Starter	2015	95,248.00
10605990	254-342	Pump Lifter Tripod PS#8	2015	91,397.76
10605990	240-172	UV Lamp	2016	20,440.00
10605990	240-171	Portable Incubator / Digital Incubator	2016	35,800.00
10605990	240-185	Electric Drill #HB2810	2016	18,520.00
10605990	240-199	Chain Tong 1 1/2	2017	31,080.00

# Annual Report 2018

10605990	240-200	Chain wrench 4 1/2	2017	15,000.00
10605990	240-201	Clamp Meter	2017	20,250.00
10605990	240-202	Pipe Threader 1/2 to 2	2017	51,120.00
10605990	240-203	Distribution Transformer 25KVA w/transformation hanger	2017	98,687.50
10605990	240-204	Distribution Transformer 25KVA	2017	93,187.50
10605990	240-205	Distribution Transformer 25KVA	2017	93,187.50
10605990	240-206	Distribution Transformer 10KVA W/transfoemer hanger	2017	75,630.00
10605990	240-207	Distribution Transformer 10KVA	2017	70,130.00
10605990	240-208	Distribution Transformer 10KVA	2017	70,130.00
10605990	408-001	Hydraulic Floor Jack 5 Tons	2018	22,000.00
10605990	408-002	Pressure Regulating Valve	2018	143,756.50
10605990	408-003	Dewatering Pump	2018	27,000.00
10605990	408-004	Dewatering Pump	2018	27,000.00
10605990	408-005	Three Phase Conversion	2018	990,000.00
10605990	408-006	3 units of 25 KVA Distribution Transformer	2018	293,500.00
<b>SUB TOTAL</b>	<b>Other Equipment</b>			<b>7,567,812.07</b>

## ANNEX L

### (Summary of Bacteriological Analysis)

		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1	Population served by utility (No. of connections x no. of persons per service connection)	97,910	98,385	99,285	100,230	100,965	101,875	102,740	103,395	103,700	104,665	105,385	106,270
3	Sample Requirement												
	a. No. of samples examined	22	26	27	24	24	24	24	24	24	24	25	25
	b. Percent to the minimum required	123	118	123	109	109	109	104	136.84	100	100	104	104
	c. Meets standard (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Method												
	4.1 Multiple Tube Fermentation Technique												
	a. Number of samples showing presence of coliform group	0	0	0	0	0	0	0	0	0	0	0	0
	b. Percent to samples examined (4.1a/3.ax100)	0	0	0	0	0	0	0	0	0	0	0	0
	c. Meets standard (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	4.2 Membrane Filter Technique												
	a. Number of samples showing presence of coliform colonies												
	b. Percent to the total number of samples analyzed (4.2.a/3.ax100)												
	c. Meets standard (Yes/No)												

# Annual Report 2018

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
4.3 Enzyme Substrate Coliform (EST)												
a. Number of samples showing presence of coliform	0	0	0	0	0	0	0					
b. Percent (%) to total number of sample examined (4.3.a/3.ax100)												
c. Meets standard (Yes/no)	Yes	Yes	Yes	Yes	Yes	Yes	Yes					
4.4 Heterotrophic Count												
a. Number of HPC tests conducted	27	26	27	24	24	24	24	24	24	24	25	25
b. Number of samples showing HPC value < 500CFU/ml	27	26	27	24	24	24	24	24	24	24	25	25
c. Percent to the number of tests conducted (b/ax100)	100	100	100	100	100	100	100	100	100	100	100	100
d. Meets standard (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5 AVERAGE CHLORINE RESIDUAL	0.48ppm	0.47ppm	0.45ppm	0.45ppm	0.48ppm	0.48ppm	0.48ppm	0.48ppm	0.48ppm	0.48ppm	0.48ppm	0.48ppm

