

Annual Report 2019



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DIGOS WATER DISTRICT

ANNUAL REPORT

For the Period January 01, 2019 to December 31, 2019

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 2019) **Annex C**

The following summarizes the District's staffing:

a. Total Number of Employees	120
b. Number of Permanent Employees	84
c. Number of Casual/Temporary Employees	36
d. Number of Employees Meeting Minimum Qualifications Per Job Descriptions Adopted by the Water District	120
e. Number of not Classified Casuals/Temporary who Do Not Meet the qualifications Established by the Water District	0

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?
 - b. Utility Customers Relations
 - c. General Utility Operations?

Yes

Yes

Yes

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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 Attach list of policy setting resolutions adopted, repealed, or amended by the District Board including those adopting LWUA guidelines.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

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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 Yes

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	130,415,600.00
b. Capital Outlay	58,244,964.25
c. Special budget, if any (Additional Budget) - (Supplemental)	18,607,833.98
d. Financial Expenses	4,260,000.00
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	172,920,061.45
b. Other water Revenues	7,053,565.28

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c. Other Non-Operating Income	332,619.29
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)	76,760,063.49
b. Capital Outlay	29,781,864.90
c. Annual Debt Servicing (Annex F - Summary of Loan Payments to DBP & LWUA)	
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	25,903,535.35
b. For casual/temporary	5,687,726.47
c. Allowance, Benefit & Emoluments	36,774,891.84
6. Expenses for power/fuel for pumping during the year :	26,613,079.66
7. Total amount billed during the year is broken down into:	
a. Total Billings (Current)	167,609,967.16
b. Old Accounts (A/R Beginning)	11,243,966.74
8. Total amount collected (Water sales only during the year is broken down into:	
a. Current billings	117,571,093.67
b. Arrears	46,296,891.30
9. Total amount collected (delinquent) at the year's end (excluding bad debts)	10,474,327.06
10. Total net income/loss at year's end	33,194,161.31

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11. Complaints filed, processed and settled during the year	55,482 (<i>complaints & inquiries</i>)
a. Total Number Filed, processed and settled during the year	
b. Number Dismissed For Lack of Merit/withdrawn	0
c. Number Investigated	750
d. Number Settled to the Satisfaction of Complaints	55,482
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) *Yes*

C. TECHNICAL

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

If so, who prepared it? *LWUA & DWD management*

Is it being adhered to strictly? *Yes*

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

How often are these test made per year? *Monthly*

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

For the report year, how many such reports were submitted to LWUA? *12*

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

5,699,878 cu.m

Average per capita consumption in lpd

132.65

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)

27,462

b. Number of Active Connections	22,638
c. Number of metered Connections	
1. With functioning meters	22,638
2. With non-functioning meters	None
d. Number of flat rate connections	None
e. Number of connections regularly billed	22,638
f. Number of delinquent concessionaires	4,824
g. Average number of customers per connections (HH)	5
5. Estimated population of district service areas (21 out of 26 Barangays)	168,071
a. Estimated population served by utility whether fully or partially (21 out of 26 Barangays) <i>(Active Connections x 5)</i>	113,190
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>

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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?

9,655 (service requests)

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

9,592 (SRs; some were cancelled because of double entry)

DIGOS WATER DISTRICT

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For the Period January 01, 2019 to December 31, 2019

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 12/31/19	<i>473 months</i>
CCC No.	<i>CCC No. 147</i>
3. Personnel	<i>120</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>180,727</i>
1.3 No. of Households	<i>36,145</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	20,836	92%
Government	227	1.0%
Commercial	1,575	7%
TOTAL	22,638	100%

2.7 Production

Average Monthly Production

609,450 cu.m

a. Bulk Water (cu. m)

n/a

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

77.94%

NRW% () YTD

22.06%

2. CURRENT OPERATION/FINANCIAL HIGHLIGHTS

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

B. OPERATING INCOME/EXPENSES

Average Water Sales (average/mo)

Php 13,967,497.26

Average Collection (average/mo)

Php 13,472,526.18

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

Php 12,093,851.43

C. FINANCIAL HIGHLIGHTS (Rate & Status)

Current Ratio = Current Assets/Current Liabilities	2.67 : 1
Long-term debt/Equity Ratio	0.27 : 1
Monthly Billing (average/mo) (cu. m)	474,989.83
Collection Efficiency - % of On-Time Payment (YTD)	93.93%

3. COMMUNITY ECONOMIC PROFILE

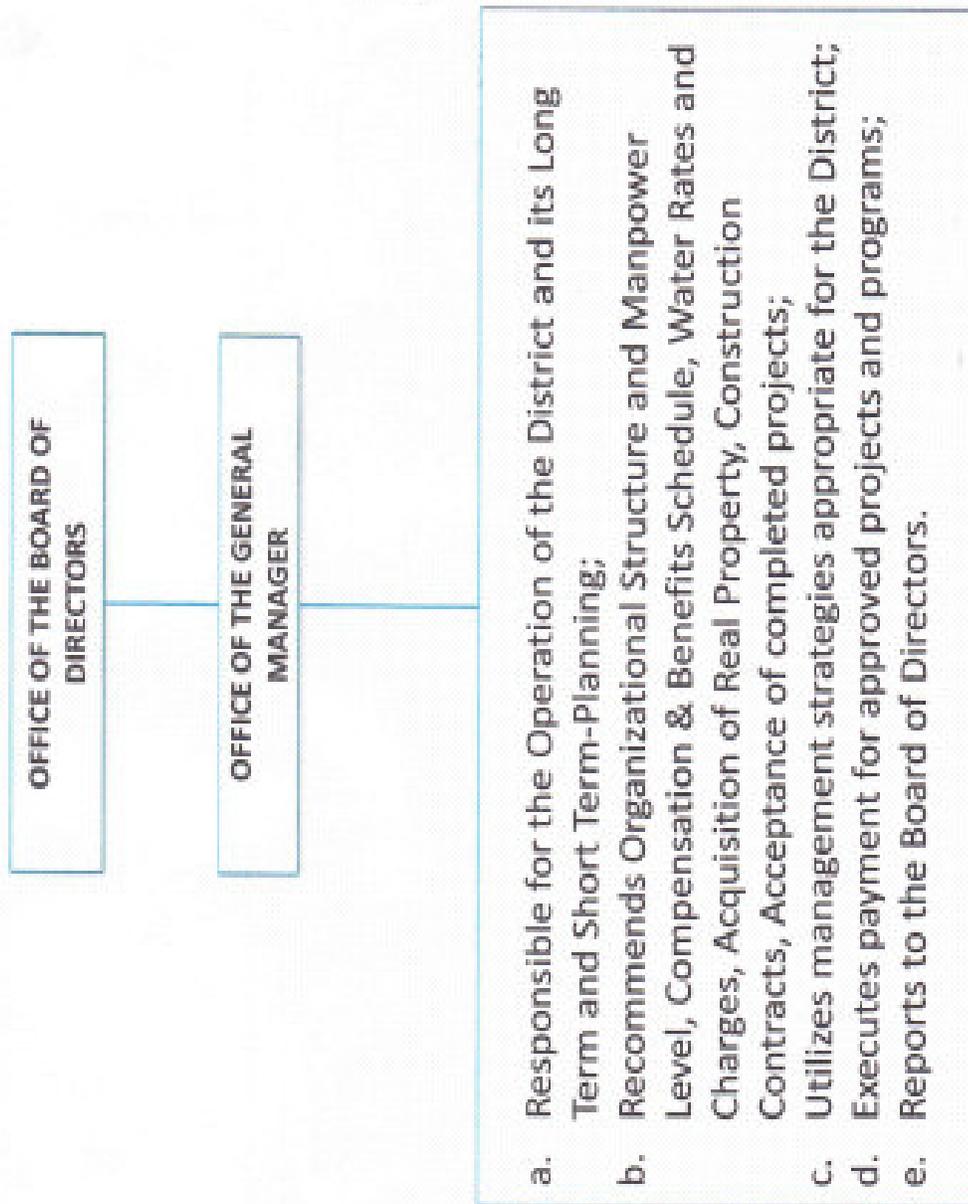
A. Total Population (covered by the Water District) (20 barangays)	180,727
B. Average Monthly Family Income in the Area	20,583.33
C. Major Source of Funds	<i>Agriculture</i>
D. Average Monthly Family Expenditure in the Area	15,833.33
E. City/Municipal Revenue (CY 2016)	728,768,279.59
F. Average Rate of Mortality per 100,000 population due to waterborne diseases (e.g. diarrhea), (data source: DOH Food and Waterborne Diseases Region XI , 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 Region XI , 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>

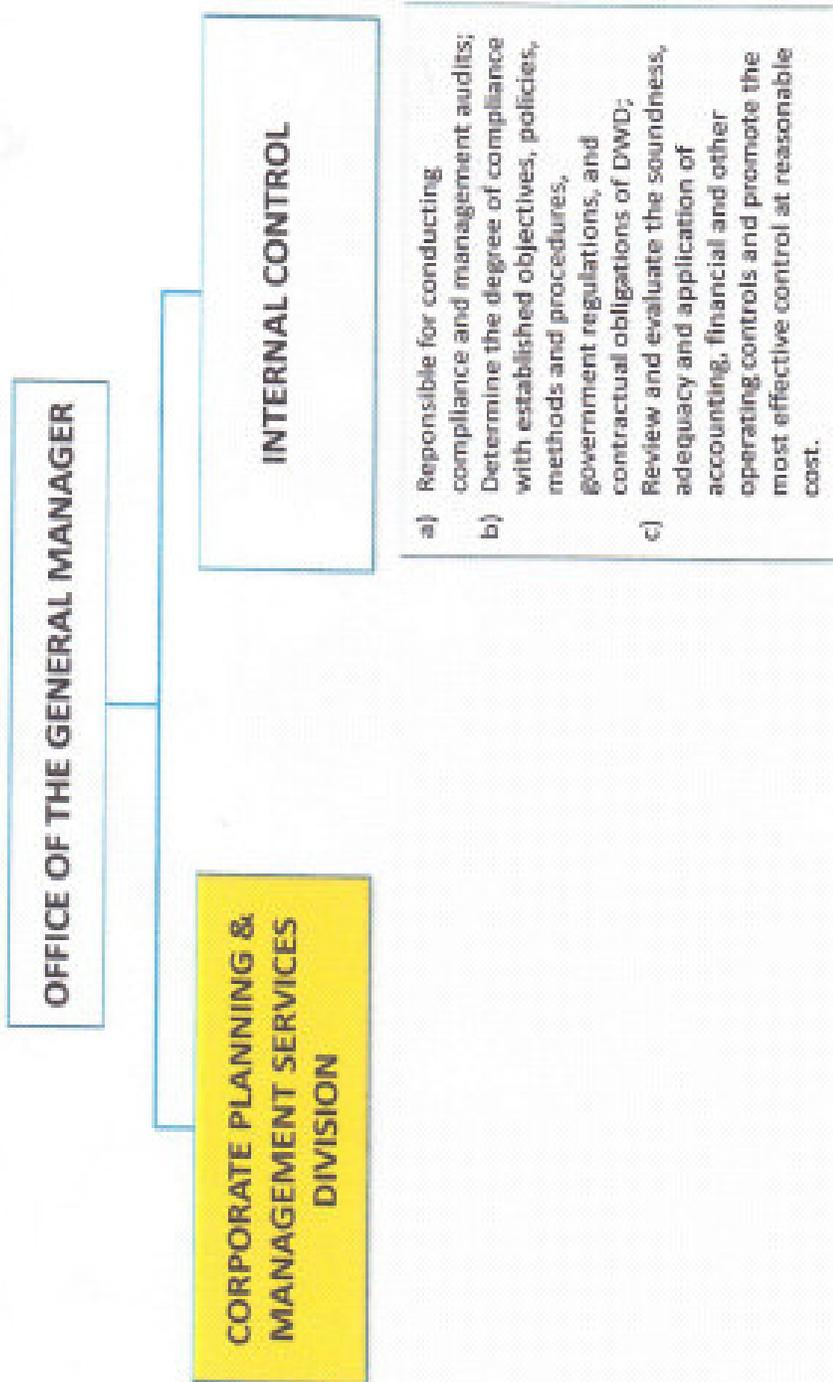
4. OTHER INFORMATION

- | | |
|---|---|
| 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 (Annex L Summary of Bacteriological Analysis 2018) | <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 2019 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"/> |

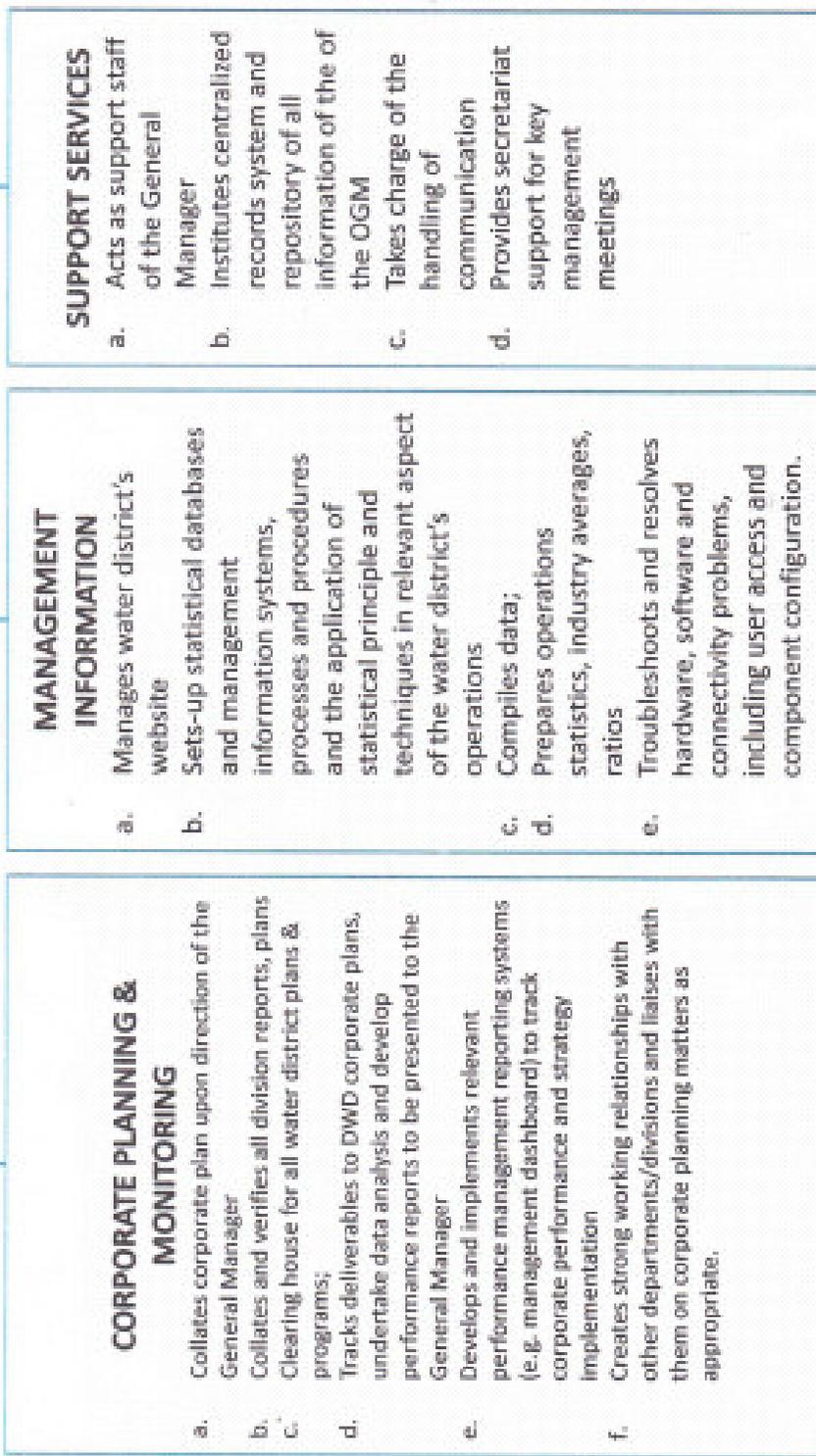
ANNEXES

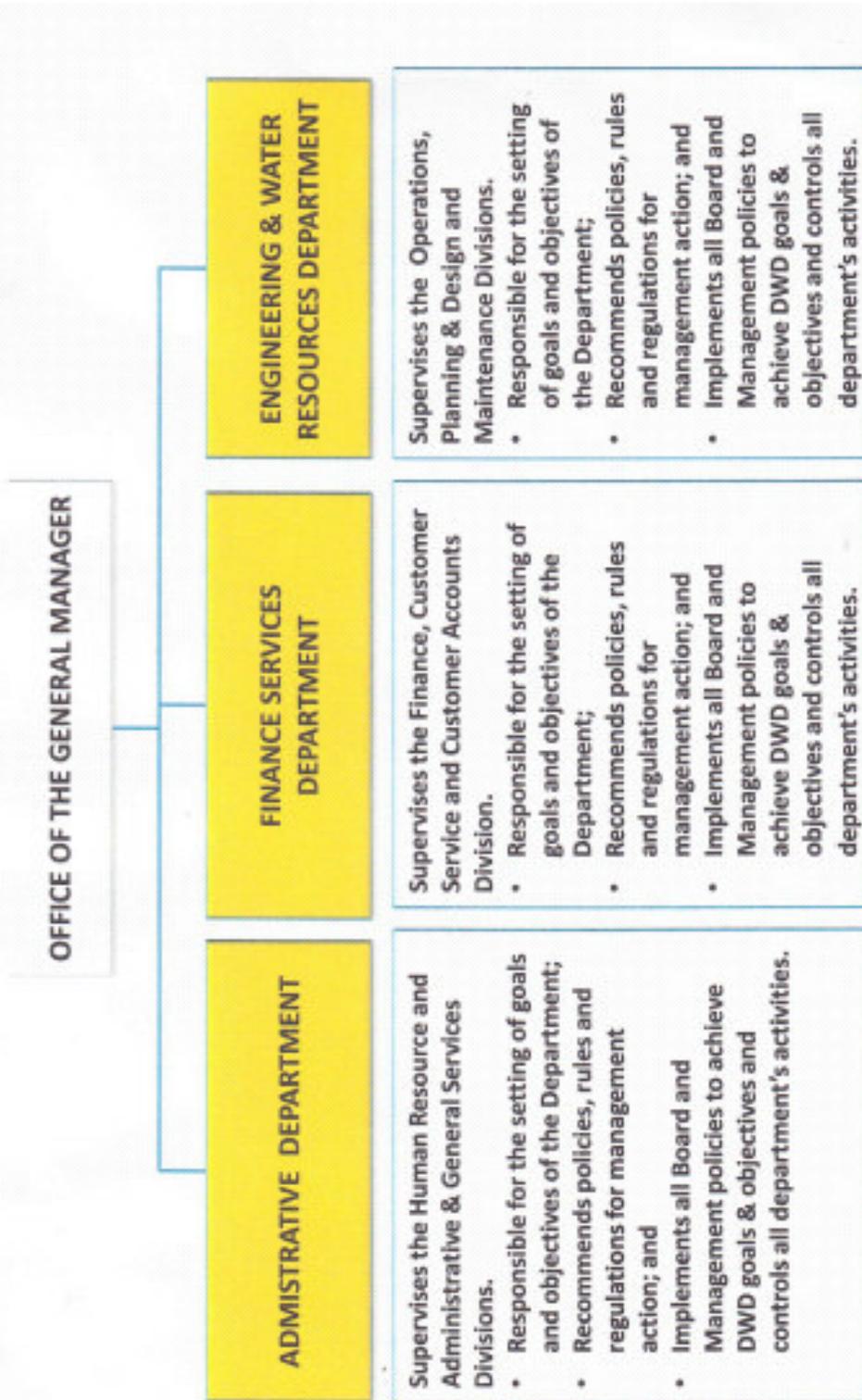
ANNEX A (Functional Chart)



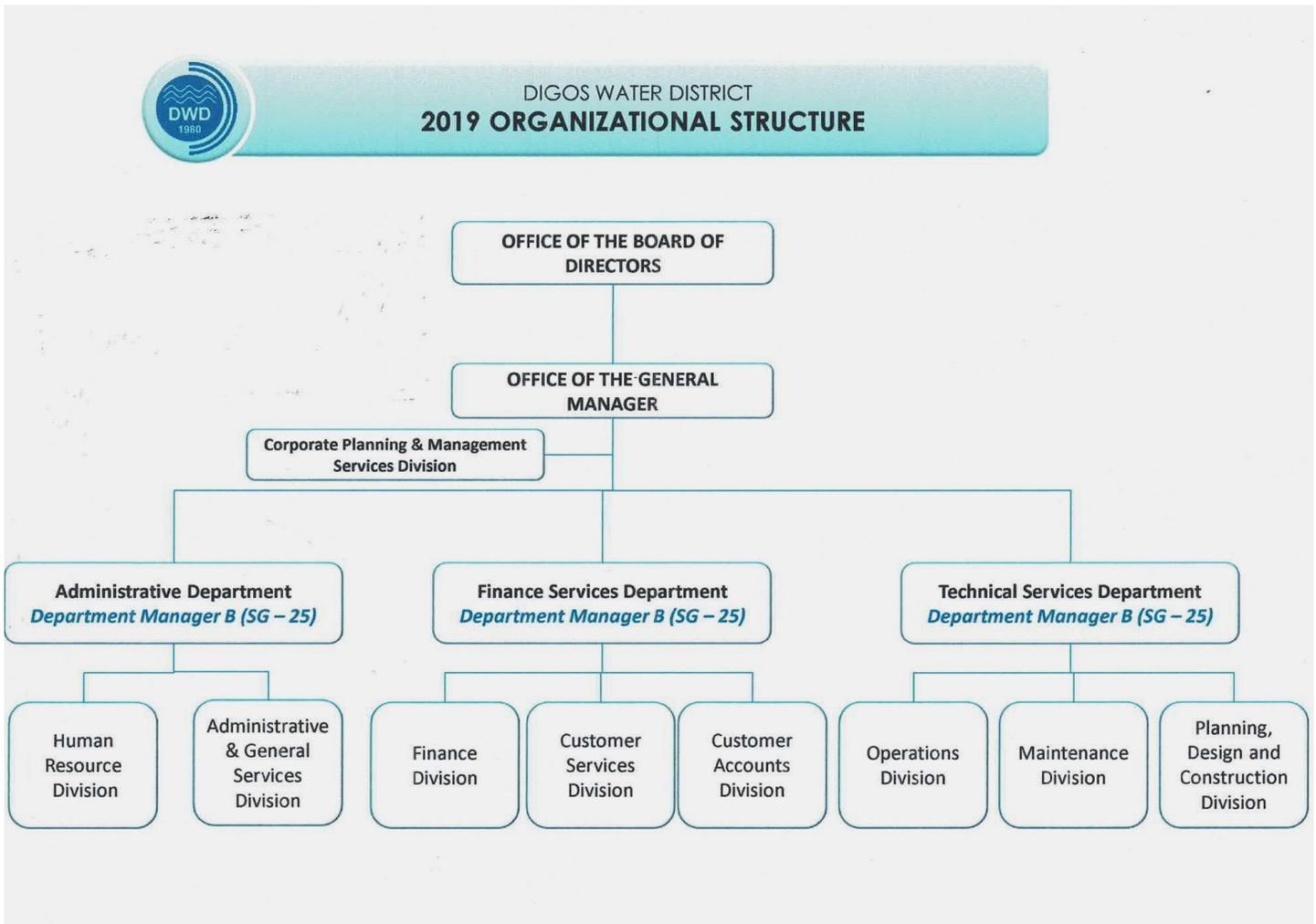


CORPORATE PLANNING & MANAGEMENT SERVICES DIVISION





ANNEX B (Organizational Structure)



ANNEX C

(List of Plantilla of Personnel as of December 31, 2019)

NO.	NAME	POSITION
1	ABABON, MARIO VILETA	Water Resources Facilities Operator Foreman
2	ABAYABAY, JENEFER APDUA	Utility Worker B
3	ACERO, NENENG NEBRES	Administration Services Aide
4	ADRALES, APHRODITE MAMAC	Sr. Corporate Planning Specialist
5	ALCONTIN, ALEJANDRINO ALBARADO	Water Resources Facilities Operator A
6	ANDRION, RONALD LLAMAS	Driver
7	ANG, KITCHIE ROSS TAGALOG	Internal Control Officer A
8	ANG, MARIVIC MAZO	Corporate Budget Analyst B
9	AQUINO, EDWIN COSTAÑAS	Senior Instrument Technician
10	ARRANGUEZ, JE CARL RABINA	Utility Worker B
11	BAGTASO, BERNARD PADILLO	Utilities/Customer Service Assistant B
12	BANOGBANOG, AILEEN RENOBLAS	Senior Water Utilities Management Officer
13	BANOGBANOG, RUELITO FERRER	Water Resources Facilities Operator B
14	BARRO, JUAN ALBARACIN	Supervising Utilities/Customer Services Officer
15	BUAC, MAYLEEN ALBARRACIN	Utilities/Customer Service Officer B
16	CALAPAN, MICHAEL, JR. ARCILLA	Water Resources Facilities Operator Forman
17	CAÑADA, EMILY CHRISTINE VILLANUEVA	Clerk Processor D
18	CARIQUITAN, HAZEL JOY RELATORRES	Clerk Processor D
19	CASIS, RODRIGO DENSING	Utility Worker B
20	COBIAS, MARY CATHERINE LLANOS	Supervising Industrial Relations Management Officer A
21	COMETA, ARTURO JR BORROMEO	Water Utilities Management Officer B
22	CORONADO, SAMUEL JANE A	Senior Corporate Accounts Analyst
23	CUBAR, GOLDA MAE ALERTA	Industrial Relations Management Officer A
24	CUEVAS, VICENTE BEVERO	Senior Water/Sewerage Maintenance Man A
25	DACQUEL, GEM BERNADINE FULGENCIO	Senior Financial Planning Analyst

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26	DASMARIÑAS, MAY FRANCES GELVERO	Management Information Systems Researcher
27	DAUB, FELOMINO ALCE	General Manager B
28	DAVILA, MARIE GIAN NICOLE SABELLA	Clerk Processor B
29	DE LOS REYES, AGUSTIN CONCEPCION	Utility Worker B
30	DECENA, MARY BERNADETTE PEDROSA	Accounting Processor A
31	DELOY, MAILYN BREIN TABAY	Clerk Processor D
32	DIONIO, CHRISTIAN BRYAN SENARILLOS	Clerk Processor D
33	DUMABOC, MARIA CECILIA OLANDA	Cashier D
34	DUÑO, CARLITO VALENCIA	Water Resources Facilities Operator A
35	DURANO, EMMYLOU PULVERA	Corporate Planning Analyst A
36	DUROPAN, JERRY MANRIQUEZ	Utilities/Customer Service Assistant A
37	EBON, KRISTY TAGACA	Clerk Processor D
38	ELESTERIO, MARVIN ELACION	Liaison Aide
39	ESTINOSO, RENALEN SHEEN DURANO	Clerk Processor D
40	ESTOSE, ROLDAN CENIA	Utility Worker B
41	FERNANDEZ, PROCURO BARGASO	Utility Worker B
42	FORMENTERA, JIMMY CAMINGAWAN	Laboratory Aide A
43	GALLARDO, NICOLAS JR OLODEN	Utility Worker B
44	GEMILGA, LILI SHAYNE LAQUINON	Clerk Processor D
45	GENEROSO, PETER PAUL ANGAYAN	Utility Worker B
46	GOMEZ, ARVIN LASCUÑA	Water/Sewerage Maintenance Man B
47	GOMEZ, RENATO SAHEDAIN	Water/Sewerage Maintenance Man B
48	GONZALES, JULIUS TERCENIO	Utilities/Customer Service Assistant A
49	GREJALDO, SHARYL PASTRANA	Corporate Accountant
50	GUEVARRA, ANTONIO GRAVADOR	Water/Sewerage Maintenance Man A
51	GUJILDE, RUBEN DUMAYAC	Utility Worker A
52	HERDA, REYNALDO OBENZA	Water/Sewerage Maintenance Man A
53	JAITONI, IMLANI MACAPULI	Utility Worker B
54	LAÑAS, NOEL FLORANTE SAPLAGIO	Utility Worker B
55	LANGOTE, EDJASTENE LUMOGDANG	Utility Worker B
56	LAURETA, CECILE SOLMERON	Water/Sewerage Maintenance Man A
57	LAYAGIN, GENEROSO DIAMA	Water Resources Facilities Operator A
58	MANCIA, ROY APARIS	Utility Worker B
59	MANSUETO, LADY JANE	Clerk Processor D
60	MARAVILLAS, VICENTE LIMORAN	Senior Water Resources Facilities Operator A

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61	MARTEL, MARYLUTH DURANO	Division Manager B
62	MASANEGRA, ARCADIO JR MERNILO	Welder A
63	MATA, LYNA FE SARMIENTO	Clerk Processor D
64	MELLEJOR, RONIE REPONTE	Utility Worker B
65	MENDOZA, MARIA MELISA GOYNA ANYOG	Processor
66	MIRALLES, KHIM BERLY RAFAELA	Clerk Processor D
67	MONTEZA, LENDON MERNILO	Utility Worker B
68	MUAÑA, RODOLFO GUEVARRA	Utility Worker B
69	NADELA, IRIS MELLIZA	Utilities/Customer Service Officer B
70	NIONES, JULIE ANN MANITO	Clerk Processor D
71	ODONZO, ELDEN LACRE	Utility Worker B
72	PAHALLA, HENRY PURACAN	Utility Worker
73	PANUGALING, REYNALDO RODRIGUEZ	Water/Sewerage Maintenance Man B
74	PAQUIBOT, AMANCIO GODES	Division Manager B
75	PARATO, ELAIZA MICABALO	Clerk Processor D
76	PELIGRINO, EUSTACIO JR GONZALES	Auto Mechanic B
77	PELIGRINO, MARTINIANO AMORA	Sr. Plant Mechanic A
78	PILLAZO, REYNALDO SARNO	Water/Sewerage Maintenance Foreman
79	PINEDA, JESSA CLAIRE PUTONG	Utilities/Customer Service Assistant D
80	POSADAS, CRISTIAN PELLASO	Utility Worker B
81	PURUGGANAN, IAN MARK PRESAS	Utility Worker B
82	QUION, JOEL MARTEL	Utility Worker B
83	RAGONTON, LEILANI RUPLO	Division Manager B
84	RELATADO, MERCEDES CADIZ	Division Manager B
85	RENOY, RONALD AVILA	Utility Worker B
86	RETES, FRANKLIN SUAL	Division Manager B
87	ROBREDILLO, VINCENT CECOGO	Utility Worker B
88	ROMAGUERA, ALEXANDER ABRIGANA	Water Resources Facilities Operator A
89	RUFINO, RYAN JAINAR	Statistical Assistant B
90	RULONA, KAREN LOU CABRERA	Minutes/Agenda Officer B
91	SALVACION, FERDINAND CERA	Senior Corporate Accounts Analyst
92	SAMBILAD, ROGINE ANGAYAN	Clerk Processor D
93	SAMPILO, EDUARDO FAJARDO	Utility Worker B
94	SAMSON, LEONIE QUIJANO	Utilities/Customer Service Assistant A
95	SANCHEZ, DAISY MAE CAPUCAO	Senior Industrial Relations Development Officer B
96	SANCHEZ, REMEGIO BAGUIO	Carpenter A
97	SANCHEZ, RUEL RUIZO	Utility Worker B
98	SARSONA, EUSTAQUIO PEDRO	Water Resources Facilities Operator Foreman
99	SASUMAN, MICHELLE Eral	Clerk Processor D
100	SENARILLOS, HANNAH BISNAR	Clerk Processor D

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101	SIMEON, FELICISIMO EDULLANTES	Utility Worker B
102	SIROT, ALLAN FERNANDEZ	Utility Worker B
103	SIRVAN, JOEL HISULA	Water/Sewerage Maintenance Man B
104	SODE, PEPE CAMPOREDONDO	Utilities/Customer Service Assistant D
105	SOLOMON, MICHELLE AMOR MAROLIÑA	Cashier C
106	SORNITO, CESAR SOBREVEGA	General Services Chief B
107	SUBAAN, RAUL OBA	Utilities/Customer Service Officer A
108	TAPDASAN, EDWIN APARIS	Water Resources Facilities Operator C
109	TOLARESA, JOVITO VISTAL	General Services Officer A
110	TORIBIO, JOUSTIN ANTHONY CANSANCIO	Clerk Processor D
111	TORREGOSA, CRESENTE IYOG	Property/Supply Officer A
112	TORREON, ELMER LEE	Utility Worker A
113	TORRES, BRYAN ESPINA	Internal Control Assistant A
114	TUBAC, LINBERG FIESTA	Utility Worker B
115	VELARDE, AMELIA UYANGUREN	Division Manager B
116	VERGARA, OSWALDO ARCAMO	Senior Water Utilities Management Officer
117	VILLAMIL, SYLVESTER MASCARDO	Utility Worker B
118	VILLANUEVA, FELIX BUENAFLOR	Storekeeper A
119	VILLARTA, DINDO ALCEBAR	Utility Worker A
120	VILLEGAS, BELEN JUBAN	Division Manager B

ANNEX D

(Summary of Policy-Setting Board Resolutions)

Resolution No.	Date	Resolution Content
17-10, Series of 2019	08 February 2019	A Resolution Approving the Proposed Policy of Property, Plant and Equipment as Presented
17-17, Series of 2019	28 March 2019	A Resolution Approving the Proposed Policy on Disposal of Digos Water District's Unserviceable Properties as Presented
09-18, Series of 2019	28 March 2019	A Resolution Approving the Proposed New Rate Adjustment for Digos Water District's Pakyawan as Presented
21-20, Series of 2019	11 April 2019	A Resolution Approving the Proposed Amendment to Policy No. D-60-08: Revised Policy on Board of Directors' and Employees' Per Diem on Official Travel Effective 16 April 2019
21-26, Series of 2019	13 June 2019	A Resolution Approving the Proposed Increase in Disconnection Service Charge
21-58, Series of 2019	28 November 2019	A Resolution Approving the Amended Digos Water District's Citizen's Charter in Accordance with RA 11032 Otherwise Known as "Ease of Doing Business and Efficient Government Service Delivery Act of 2018" as Presented

ANNEX E (Financial Statements)

DIGOS WATER DISTRICT

STATEMENT OF FINANCIAL POSITION

As at December 31, 2019

(With Comparative Figures for CY 2018)
(Amounts in Philippine Peso)

	Notes	2019	2018
ASSETS			
Current Assets			
Cash & Cash Equivalents	5	92,377,212.05	97,747,031.49
Receivables	6	9,163,582.76	7,175,621.32
Inventories	7	24,187,149.17	12,642,617.60
Other Current Assets	8	25,108,589.93	24,013,071.87
		150,836,533.91	141,578,342.28
Non-current Assets			
Investments	9	31,541,618.96	6,488,503.37
Property, Plant and Equipment	10	168,384,852.18	166,736,441.70
Construction in Progress	11	29,398,076.01	16,601,910.57
Development in Progress	12	790,000.00	550,000.00
		230,114,547.15	190,376,855.64
TOTAL ASSETS		380,951,081.06	331,955,197.92

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LIABILITIES AND EQUITY

LIABILITIES

Current Liabilities

Financial Liabilities	13	19,789,972.40	13,523,342.87
Inter-Agency Payables	14	2,814,664.72	2,111,531.66
Trust Liabilities	15	16,075,575.07	14,132,540.94
Provisions	16	17,326,902.89	14,801,275.37
Other Payable	17	427,430.74	299,754.08

56,434,545.82 **44,868,444.92**

Non-current Liabilities

Loans Payable-Domestic	18	23,975,913.86	21,549,667.10
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23,975,913.86 **21,549,667.10**

TOTAL LIABILITIES

80,410,459.68 **66,418,112.02**

EQUITY

Government Equity	19	7,356,477.86	7,356,477.86
Revaluation Surplus	20	59,014,809.15	60,486,721.68
Retained Earnings	21	234,169,334.36	197,693,886.36

TOTAL EQUITY

300,540,621.37 **265,537,085.90**

TOTAL LIABILITES AND EQUITY

380,951,081.05 **331,955,197.92**

See accompanying Notes to Financial Statements

DIGOS WATER DISTRICT

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended December 31, 2019

(With Comparative Figures for CY 2018)

(Amounts in Philippine Peso)

	Notes	2019	2018
REVENUE	23		
Service Income		203,978.00	220,200.00
Business Income		180,102,268.02	159,723,666.39
Other Income		5,735.00	740,604.77
Total Revenue		180,311,981.02	160,684,471.16
EXPENSES			
Personal Services	24	68,366,153.66	52,852,173.94
Maintenance and Other Operating Expenses	25	76,760,063.49	91,136,283.06
Financial Expenses	26	1,991,602.56	1,935,512.70
Total Expenses		147,117,819.71	145,923,969.70
Profit/Loss		33,194,161.31	14,760,501.46

See accompanying Notes to Financial Statements

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

	Revaluation Surplus	Retained Earn- ings/ (Deficit)	Government Equity	TOTAL
BALANCE AT JANUARY 1, 2018	-	182,771,953.35	7,356,477.86	197,466,605.36
ADJUSTMENTS:				
Add/(Deduct):				
Changes in Accounting Policy				0.00
Prior Period Errors				0.00
Other Adjustments				0.00
RESTATED BALANCE AT JANUARY 1, 2018	-	182,771,953.35	7,356,477.86	190,128,431.21
CHANGES IN EQUITY FOR 2018				
Add/(Deduct):				
Revaluation of Property, Plant and Equip- ment	60,486,721.68			60,486,721.68
Additional Capital from National Govern- ment				0.00
Additions(deductions)		161,431.55		161,431.55
Net income(loss) for the period		14,760,501.46		14,760,501.46
BALANCE AT DECEMBER 31, 2018	60,486,721.68	197,693,886.36	7,356,477.86	265,537,085.90
CHANGES IN EQUITY FOR 2019				
Add/(Deduct):				
Adjustment: Revaluation of Property, Plant and Equipment	(1,471,912.53)			
Additional Capital from National Govern- ment				
Additions(deductions)		3,281,286.69		
Net income(loss) for the period		33,194,161.31		
BALANCE AT DECEMBER 31, 2019	59,014,809.15	234,169,334.36	7,356,477.86	300,540,621.37

DIGOS WATER DISTRICT

STATEMENT OF CASH FLOWS

For the Year ended December 31, 2019

(With Comparative Figures for CY 2018)

(Amounts in Philippine Peso)

	2019	2018
Cash Flows from Operating Activities :		
Cash Inflows :		
Collection of Receivables	175,843,354.04	155,617,922.75
Collection of Other Income	1,507.00	5,609.77
Receipt of Bidder's Bond	524,627.16	96,904.00
Receipt from Cash Advance	123,381.68	237,921.75
Collection from Customer's Deposit	1,848,964.24	2,117,868.53
Collection of Other Receivables	775,974.50	1,491,470.69
Interest Income	92,683.43	68,448.88
Total Cash Inflows :	179,210,492.05	159,636,146.37
Cash Outflows :		
Payment of Operating Expenses	115,192,966.61	81,909,222.14
Payment of Operating Expenses -Inventory	5,271,411.50	5,236,843.10
Payment of Payables	8,020,682.25	4,424,860.40
Remittance of GSIS/Pagibig/Withholding	18,745,891.53	16,781,319.76
Purchases of Office and Other Supplies		
Office Supplies Inventory	788,931.32	688,732.18
Accountable Forms Inventory	167,760.00	151,200.00
Non-Accountable Forms Inventory	-	15,340.00
Medical, Dental & Laboratory Supplies Inventory	13,905.00	-
Fuel ,Oil & Lubricants Inventory	119,871.70	115,534.00
Other Supplies and Materials Inventory	2,440,843.55	1,083,803.80
Chemical and Filtering Supplies Inventory	1,013,000.00	1,069,500.00
Semi-Expendable- Office Equipment	13,700.00	19,916.00
Semi-Expendable- Furniture and Fixture	-	-
Semi-Expendable- Info & Comm Tech Equipment	294,428.00	173,934.00
Semi-Expendable- Communication Equipment	-	2,960.00
Semi-Expendable- Other Machinery Equipment	165,345.10	130,424.70
Semi-Expendable- Technical & Scientific Equipment	2,588,021.00	583,985.00
Semi-Expendable- Sports Equipment	33,244.80	-
Semi-Expendable- Medical Equipment	-	13,160.00
Payment of Prepaid Expenses	401,159.40	606,677.55
Total Cash Outflows	155,271,161.76	113,007,412.63

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Cash Provided by Operating Activities	23,939,330.29	46,628,733.74
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Cash Flows from Investing Activities :

Cash Inflows :

Proceeds from Sale of Disposed Assets	-	735,000.00
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Total Cash Inflows :	0.00	735,000.00
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Cash Outflows :

Payment of Liabilities for the Purchase/
Construction of:

Land	1,024,000.00	
Machinery	1,039,500.00	
Other Structures	29,250.00	
Office Equipment	49,000.00	250,920.00
Furnitures and Fixtures	2,005,800.00	
Information & Communication Technology Equip- ment	367,760.00	1,532,997.60
Construction and Heavy Equipment	28,000.00	
Technical and Scientific Equipment	379,000.00	2,066,233.00
Other Equipment	304,500.00	491,256.50
Motor Vehicles	2,348,296.00	
Other Property Plant & Equipment		

PPE -Total Cash Outflows	7,575,106.00	4,341,407.10
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Payments of Liabilities for the purchase/payment of Payroll on various construction-in-progress	5,179,820.30	2,505,743.80
Materials (Inventory) on various construction-in- progress	14,098,948.40	3,623,450.14
Development-in-progress-computer software	175,000.00	
Construction-in-progress-Well Drilling	2,752,990.20	-

Total Cash Outflows :	29,781,864.90	10,470,601.04
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Cash Used by Investing Activities	(29,781,864.90)	(9,735,601.04)
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Cash Flow from Financing Activities:

Cash Inflows:

Receipt of Cash Loan Proceeds	7,479,000.00	-
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Total Cash Inflow	7,479,000.00	-
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Cash Outflows:

Cash Payment on Loan Principal (LWUA/DBP)	5,020,286.24	4,991,413.24
Payment of interest on Domestic Loans (LWUA/DBP)	1,985,998.59	1,926,635.20

Total Cash Outflows :	(7,006,284.83)	(6,918,048.44)
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Cash Provided/Used by Financing Activities	472,715.17	(6,918,048.44)
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Cash provided by Operating, Investing and Financing Activities	(5,369,819.44)	29,975,084.26
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Add : Cash Balance-Beginning (January 01, 2019)	97,747,031.49	67,771,947.23
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CASH BALANCE - ENDING (December 31, 2019)	92,377,212.05	97,747,031.49
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See accompanying Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

(All amounts in Philippine Pesos unless otherwise stated)

1. Agency Background

Presidential Decree No. 198, otherwise known as the Provincial Water Utilities Act of 1973, as amended by Presidential Decree Nos. 768 and 1479 and Republic Act 9286 provides that it is the declared national policy of government to 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 honourable 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.”

Quality Policy

“Digos Water District is in pursuit of consistently delivering safe and potable water to our clientele. We endeavour to continually improve our system and ensure compliance with legal requirements and other requirements of our stakeholders. We aim to customer satisfaction by ensuring service excellence, competent employees, top-conditioned equipment and supportive Top Management.”

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

Name	Designation	Sector
Atty. Ollita P. Atillo-Anyog,CPA	Chairman	Women
Engr.Emilio D. Almazan	Vice Chairman	Civic
Mrs. Lilia G. Mina	Secretary	Education
Mr. Artemio A. Tajon	Member	Professional
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.

Effective March 1, 2019, Engr. Felomino A. Daub was appointed as the new General Manager of the district by virtue of Board Resolution No. 03-15 dated February 28, 2019.

2019 Operational and Financial Highlights

Financial Highlights

Comparative Financial Position:

The comparative financial condition of the District shows an uptrend. The total assets increased by 14.76% this is associated by increase in total inventories by 91%, Construction in Progress by 77%. The liability account also increased by 21.07% which is correlated by the 46% increase in accounts payables, 17% increase in leave benefits payable, 33% increase in guaranty/security payable. While total equity of the district for

2019 has posted a 13.18% increase which is associated with the increase in net income by 125% as compared to previous year.

Particulars	2019	2018	Increase (Decrease)	%
Assets	380,951,081.05	331,955,197.00	48,995,884.05	14.76%
Liabilities	80,410,459.68	66,418,112.02	13,992,347.66	21.07%
Equity	300,540,621.37	265,537,084.98	35,003,536.39	13.18%

Comparative Results of Operation:

Net income for 2019 has increased by 124.89%. The increase was mainly attributed by the 12% increase in gross revenue and 16% decrease in operating expense. 2018's operating expense has a significant increase due to the recognition of impairment loss upon revaluation of property, plant and equipment.

Particulars	2019	2018	Increase (Decrease)	%
Gross Income	180,311,981.02	160,684,471.16	19,627,509.86	12.21%
Expenses	147,117,819.71	145,923,969.70	1,193,850.01	0.82%
Net Income	33,194,161.31	14,760,501.46	18,433,659.85	124.89%

Comparative Sources and Application of Funds:

The District's operating budget increased by 7% over that of the prior year's budget. Funds expended for Personnel Services increased by 29.35%. This increase is mainly due to the recognition of additional benefit such as service recognition incentive, CNA, terminal leave benefits, salaries and wages (due to promotion of various employees). Maintenance and other operating expense has decrease by 15.77%. This decrease is highly attributed by the recognition of impairment loss in 2018.

On the other hand, the favorable decrease in Financial Expense of 13% is the effect of the diminishing interest rate availed by the district on its loan.

Sources of Funds	2019	2018	Increase (Decrease)	%
Current Operating Budget	153,738,600.00	144,265,790.04	9,472,809.96	7%
Application of Funds:				
Personnel Services	68,366,153.66	52,852,173.94	15,513,979.72	29.35%

MOOE	76,760,063.49	91,136,283.06	(14,376,219.57)	(15.77%)
Financial Expenses	1,991,602.56	1,935,512.70	56,089.86	2.90%

There has been a 16 percent decrease in the current ratio of the district from 3.16:1 in 2018 to 2.67% in 2019.

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 18% which is higher by 100 percent compared to the ROI of 9 percent in 2018. The significant increase is still attributed to the impairment loss on PPE recognized in 2018.

Furthermore, there is a 12 percent increase in Asset Turnover (ATO) from last year's 48 percent to this year's 54 percent. The DWD's Equity Multiplier (EM) has decrease by 12 percent from 1.25 in 2018 to 1.10 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 21 percent of district's assets were being financed by loan whereas 79 percent is financed by equity.

The 2019 ROE of 11 percent showed an increase of 97 percent compared to the 2018's ROE of 6 percent. The data elucidates that the increase in ROE is stressed to the increase in ROI and 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, 2019, it has active service connections of 22,638 and serves an estimated population of 158,466. Moreover, total staff to total active connection ratio is 1:189 for CY 2019.

2. Summary of Significant Accounting Policies

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

2.1 Basis of Financial Statement Presentation

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

for use of water districts to facilitate the implementation of a unified accounting system that conforms to both NGAS and LWUA's regulatory and reportorial requirements. Understandably both CPS and NGAS, as their names connote, are accounting systems needing the further guidance of standards prescribed under the PFRS.

2.2 Significant Accounting Judgments and Estimates

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

2.3 Basis of Recording

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

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

2.4 Monetary Denomination Used

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

2.5 Method of Accounting

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

2.6 Significant accounting policies observed for each account

2.6.1 Cash and Cash Equivalents

Cash includes cash on hand and cash in banks. Cash is valued at face value. Pursuant to Office Policy No.C-28-90 on handling cash collection, office collections from 8:00 am to 12:00 noon are deposited on or before 3:00'o'clock in the afternoon on the same day and collections from 12:01 pm to 5:00 pm are deposited intact the following day.

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

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

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

2.6.2 Receivables

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

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

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

Policy on Impairment Loss on Accounts Receivable

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

2.6.3 Inventories

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

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

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

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

2.6.4 Prepayments

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

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

2.6.5 Investment

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

2.6.6 Property, plant and equipment

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

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

Initial Recognition

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

Subsequent recognition

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

In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an

item of property and equipment beyond its original assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Derecognition

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

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

Depreciation

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

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

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

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

2.6.7 Construction in Progress

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

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

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

2.6.8 Other Current Assets

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

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

2.6.9 Liabilities

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

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

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

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

2.6.10 Provisions

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

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

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

2.6.11 Revenue

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise. However, when an uncertainty arises about the collectability of an amount already included in revenue, the uncollectable

amount, or the amount in respect of which recovery has ceased to be probable, is recognized as an expense, rather than as an adjustment of the amount of revenue originally recognized

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

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

2.6.12 Expenses

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

2.6.13 Events after the Balance Sheet Date

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

2.6.14 Contingencies

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

2.6.15 Employee benefits

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

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

2.6.16 Related Parties

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

individual; and (4) key management personnel, and close members of the family of key management personnel.

2.6.17 Changes in accounting policies and estimates

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

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

2.6.18 Correction of Errors

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

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

3. Significant Management's Accounting Judgments and Estimates

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

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

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

3.1 Key Sources of Estimation Uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if

the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

3.1.1 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

3.1.2 Recognition of Impairment Loss

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

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

- a. Significant financial difficulty of our customers which resulted to disconnection and ultimately becoming dormant accounts **for five years or more**. Although, we had exerted utmost efforts to collect by sending three (3) written notices, unfortunately, these accounts were not paid;
- b. Demolition of properties which caused discontinuance of water services. With our DWD experience, demolition of edifice occurred due to road widening, the

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

- c. Adverse changes and or abrupt increase in consumption pattern due to leakages and high consumption complaints which lead to disconnection due to inability and unwillingness to pay concerned customers; and
- d. Unwillingness of the owner to pay the outstanding balances of their renter/lessor.

4. Budget Information

The Digos Water District adopted the annual cash-based appropriations for its 2019 budget under DBM Corporate Budget Memorandum No. 40 dated January 3, 2018.

5. Cash and Cash Equivalent

This account consists of the following:

	2019	2018
Cash on Hand	530,650.94	405,332.04
Cash in Bank - Local Currency	91,846,561.11	97,341,699.45
Total	92,377,212.05	97,747,031.49

5.1 Cash on Hand

This account can be broken down as follows:

	2019	2018
Cash - Collecting Officers	524,650.94	399,322.04
Petty Cash Fund/Change Fund	6,000.00	6,000.00
Total	530,650.94	405,332.04

Pursuant to Office Policy No.C-28-90 on handling cash collection, office collections from 8:00am to 12:00nn are deposited at on or before 3:00 o'clock in the afternoon on the same day and collections from 12:01 pm to 5:00 pm is deposited intact the following day to the government authorized depository bank.

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

5.2 Cash in Bank – Local Currency

This account can be broken down as follows:

	2019	2018
Cash in Bank - Local Currency, Current Account	91,846,561.11	97,341,699.45
Total	91,846,561.11	97,341,699.45

5.2.1 Cash in Bank – Local Currency, Current Account

This account can be broken down as follows:

Name of Depository Bank	Account No.	2019	2018
DBP	0920-008783-080	76,942,981.84	86,224,719.98
LBP	0332-0053-40	14,903,579.27	11,116,979.47
Total		91,846,561.11	97,341,699.45

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

6. Receivables

This account can be broken down as follows:

Receivable Accounts	2019	2018
Accounts Receivable-Current	13,797,458.06	11,243,966.74
Total Accounts Receivable	13,797,458.06	11,243,966.74
Less: Allowance for Impairment Loss	(4,633,875.30)	(4,068,209.03)
Total	9,163,582.76	7,175,621.32

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. (See Annex A for the reconciliation of Accounts Receivable).

6.1 Aging of Accounts Receivable for CY 2019 is presented as follows:

The aging of this account is detailed as follows:

Accounts Receivable	2019	2018
1-90 days	6,509,092.36	4,637,094.61
91-365 days	1,903,283.78	454,362.10
Over 1 year	5,385,081.92	6,211,710.12
Add/Less: Adjustment (Reconciling Items)		(59,200.09)
	13,797,458.06	11,243,966.74
Less: Allowance for Impairment Loss	4,633,875.30	4,068,209.03
Total	9,163,582.76	7,175,757.71

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

7. Inventories

This account consists of the following:

	2019	2018
Inventories Held for Consumption	20,717,975.58	11,421,434.11
Semi-Expendable Machinery & Equipment	1,860,283.59	1,221,183.49
Semi-Expendable Furniture, Fixture & Books	1,608,890.00	0.00
Total	24,187,149.17	12,642,617.60

(See *Annex B* for the Reconciliation of Inventories).

7.1 Inventories Held for Consumption

This account can be broken down as follows:

	2019	2018
Office Supplies	783,673.81	741,480.82
Accountable Forms, Plates, and Stickers	296,598.03	222,709.53
Non Accountable Forms	17,789.90	7,551.50
Drugs and Medicines	2,970.50	0.00
Medical, Dental & Laboratory Supplies	407.21	0.11
Fuel, Oil & Lubricants	193,577.28	240,287.18
Other Supplies & Materials Inventory	2,139,354.06	864,362.76
Chemical and Filtering Supplies	530,990.77	456,934.04
Construction Materials	16,752,614.02	8,888,108.17
Total	20,717,975.58	11,421,434.11

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:

1. Office Supplies Inventory;
2. Accountable Forms, Plates and Stickers Inventory;
3. Non-Accountable Forms Inventory;
4. Medical, Dental & Laboratory Supplies Inventory;
5. Fuel, Oil & Lubricants Supply Inventory;
6. Another Supplies & Materials Inventory; and
7. Chemical & Filtering Supplies Inventory
8. 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*);
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
4. Medical, Dental and Laboratory Expense in the year includes laboratory fees for water quality testing namely:
 - a. Microbiological Analysis;
 - b. Physical and Chemical Analysis; and
 - c. General Analysis of Pesticide Residue in Water.

7.2 Semi-Expendable Machinery & Equipment

This account can be broken down as follows:

	2019	2018
Semi-Expendable Information & Communication Technology Equipment	43,875.00	69,975.00
Semi-Expendable Technical & Scientific Equipment	1,724,770.27	1,033,637.91
Semi-Expendable Other Machinery & Equipment	115,038.32	104,570.58

Semi-Expendable Machinery	(36,400.00)	
Semi-Expendable Communication Equipment	13,000.00	13,000.00
Total	1,860,283.59	1,221,183.49

7.3 Semi-Expendable Furniture, Fixture & Books

This account can be broken down as follows:

	2019	2018
Semi-Expendable Furniture, Fixtures	1,608,890.00	0.00
Total	1,608,890.00	0.00

8. Other Current Assets

This account consists of the following:

Other Current Assets	2019	2018
Prepayments	265,637.46	270,087.08
Deposits	24,842,952.46	23,742,984.79
Total	25,108,589.92	24,013,071.87

8.1 Prepayments

This account can be broken down as follows:

	2019	2018
Prepaid Insurance	265,637.46	270,087.08
Total	265,637.46	270,087.08

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

8.1.1 Prepaid Insurance

This account can be broken down as follows:

Name of Insurance Company	Nature of Insurance	2019	2018
Government Service Insurance	Vehicle Pump Stations &	P69,379.72	P73,615.59

System(GSIS)	Contents		
	Building & Contents	P141,605.24	P142,222.71
Bureau of Treasury	Employees' Bond	P54,652.50	P54,248.72
TOTAL		265,637.46	270,087.02

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

8.2 Deposits

This account consists of the following:

	2019	2018
Guaranty Deposits	785,372.22	872,226.82
Other Deposits	24,057,580.24	22,870,757.97
Total	24,842,952.46	23,742,984.79

8.2.1 Guaranty Deposits

This account consists of the following:

Particulars	2019	2018
a.) Pryce Gases Inc.	5,000.00	5,000.00
b.) DASURECO		
i. Temporary Lighting	44,814.97	44,814.97
ii. Bill Deposit	463,458.85	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	264,037.90	359,299.88
TOTAL	785,372.22	880,634.20

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

Department Budget and Management for the procurement of airline tickets for Board of Directors, management and staff incurred during travels and seminars on official business.

8.2.2 Other Deposits

This account consists of the following:

	2019	2018
Other Deposits	24,057,580.24	22,870,757.97
Total	24,057,580.24	22,870,757.97

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.

8.2.2.1 Other Deposits

This account consists of the following:

	Account #	2019	2018
Cash In Bank-Customers' Guaranty Deposit	DBP-5000012-01-7	11,020,425.74	9,935,730.72
Cash In Bank-Customers' Guaranty Deposit (Treasury Bills)	DBP-0920-017705-160	3,080,608.61	3,055,595.18
Cash In Bank - Employees' Terminal Leave Fund	DBP-5000321-01-0	1,496,771.42	1,484,618.19
Equity Reserves for Current DWD projects	DBP-5000136-01-5	3,402,401.87	3,376,275.65
Equity Reserves for Current DWD projects	DBP-5000137-02-5	5,057,372.60	5,018,538.23
TOTAL		24,057,580.24	22,870,757.97

Customers' Guarantee Deposit pertains to deposits made by concessionaires normally before the installation of any service connection as security for the payment of subsequent bills. The amount collected from concessionaires is placed in time deposit and treasury bills so as to earn higher interest income. Moreover, deposits made for the

Employees' Terminal Leave was reclassified from Restricted Fund to Other Current Assets per JEV No. 14-12-2388 pursuant to AOM 2014-003 (13). This account has been kept in reserve under DBP account # 5000321-01-0 as this is earmarked for terminal leave benefits of retireable employees.

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

9. Investments

This account consists of the following:

Investments	2019	2018
Sinking Fund	31,541,618.96	6,488,503.37
Total	31,541,618.96	6,488,503.37

9.1 Sinking Fund

This account can be broken down as follows:

ACCOUNT NUMBERS	2019	2018
DBP-5000013-01-2	6,541,619.96	6,488,503.37
DBP-0920-043277-160	25,000,000.00	
Total	31,541,619.96	6,488,503.37

Sinking Fund is a restricted asset which represents reserves for mandatory debt service with LWUA/WD Joint Accounts. There was an increase in amount as compared last year. An additional special deposit account was opened which is intended for future projects of the district authorized by BOD Resolution No. 18-36 series of 2019 adopted on July 31, 2019.

10. Property, Plant and Equipment

This account consists of the following:

Property, Plant and Equipment	2019	2018
Land	50,971,327.95	49,947,327.95
Land Improvements	783,627.46	953,990.85
Water Supply System	332,499.16	811,925.80

UPIS	62,225,555.50	62,837,267.19
Office Building	18,251,327.48	20,584,461.78
Other Structures	5,649,734.46	4,050,582.46
Machinery	6,187,133.72	4,692,100.38
Office Equipment	1,439,749.51	1,345,383.53
IT Equipment and Software	4,096,967.90	3,874,200.74
Communication Equipment	1,710.00	1,710.00
Construction & Heavy Equip	780,141.90	760,889.50
Firefighting Equip & Accessories	1.00	0.00
Technical and Scientific Equipment	6,275,929.86	11,174,031.78
Other Equipment	2,620,534.09	1,671,258.46
Motor Vehicle	7,040,023.98	2,018,293.66
Furniture and Fixtures	1,282,710.22	836,753.02
Other Property, Plant & Equipment	445,877.99	1,176,263.60
Total	168,384,852.18	166,736,441.70

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.

Details, Reconciliation of PPE as Presented in the Financial Statement and Land Schedule are shown in *Annexes C, D and E*, respectively.

Report on Unserviceable Properties as at December 31, 2019 (See *Annex F* for details)

Particulars	Amount
Office Equipment	693,883.00
Information and Technological Equipment	862,155.00
Communication Equipment	250,040.43
Technical Equipment	2,630,614.04
Other Equipment	15,500.00
Furniture and Fixture	185,369.36
Building	99,211.66
Total	4,736,773.49

11. Construction in Progress

This account consists of the following:

	2019	2018
Construction in Progress – Buildings & other Structures	6,679,826.04	4,812,784.61
Construction in Progress –Land Improvements	2,589,496.33	2,559,695.36
Construction in Progress –Infrastructure Assets	20,099,631.84	8,930,932.82
Construction in Progress –Furniture & Fixtures	29,121.80	298,497.78
Total	29,398,076.01	16,601,910.57

This account refers to the agency’s assets which are still under construction on various projects and water supply system. Details of Construction in Progress are presented in *Annex E*.

12. Development in Progress

	2019	2018
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Development –in Progress – Computer Software	790,000.00	550,000.00
Total	790,000.00	550,000.00

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

CURRENT LIABILITIES

13. Financial Liabilities

This account consists of the following:

	2019	2018
Payable Accounts	14,736,786.16	8,502,404.63
Bills/Bonds/Loans Payable	5,053,186.24	5,020,938.24
Total	19,789,972.40	13,523,342.87

13.1 Payable Accounts

This account can be broken down as follows:

	2018	2018
Accounts Payable	12,280,105.56	8,235,648.25
Due to Officers and Employees	2,456,680.50	266,756.38
Total	14,736,786.16	8,502,404.63

See *Annex G* details and aging of Accounts Payable.

13.1.1 Due to Officers and Employees

Due to Officers and Employees	2019	2018
Regular Employees-year-end overtime	197,119.82	170,542.49
Casual Employees-year-end overtime	59,425.91	95,213.89
Teller's Allowance	1,500.00	1,000.00
CNA 2019	2,198,634.77	0.00
Total	2,456,680.50	266,756.38

See *Annex H* for details and aging of Due to Officers and Employees.

13.1.2 Aging of Due to Officers and Employees:

Particulars	1-90 days	91-365 days	Over one (1) year	Total
Teller's Allowance	1,500.00			1,500.00
CNA	2,198,634.77			2,198,634.77
Overtime Pay Regular	197,119.82			197,119.82
Overtime Pay Casual	59,425.91			59,425.91

				2,458,680.50
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13.2 Bills/Bonds/Loans Payable

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

Loan Accounts	Purpose of Loan	Board Resolution Reference No.	Current Portion of Loan 2019	Current Portion of Loan 2018
DBP (Take Out A)	Loan Refinancing	07-11, S. 2011	1,119,888.00	1,119,888.00
DBP (Take Out B)	Loan Refinancing	07-06, S. 2012	1,150,757.40	1,150,757.40
DBP (CAPEX)	Ground Source Dev., Pipeline Rehabilitation	07-05,S.201	2,340,459.84	2,340,459.84
LA No. 4-2543	Improvement of Water Facilities & Water Supply System	21-09, S. 2008	442,081.00	409,833.00
Total			5,053,186.24	5,020,938.24

14. Inter – Agency Payables

This account consists of the following:

	2019	2018
Due to BIR	1,832,043.51	1,247,546.17
Due to GSIS	827,960.06	733,892.49
Due to PAG-IBIG	86,928.87	67,449.92
Due to PHILHEALTH	67,732.28	62,643.08
Total	2,814,664.72	2,111,531.66

14.1 Due to BIR

This account can be broken down as follows:

PARTICULARS	2019	2018
Due to BIR -Withholding Tax on Compensation	864,624.30	363,621.11
Due to BIR -Expanded/Final Withholding Tax	18,851.75	18,670.66
Due to BIR – Withholding tax on Gov’t Money Payments-Percentage Tax	884,673.21	791,326.77
Due to BIR – Withholding tax on Gov’t Money Payments-Percentage Tax	63,894.25	73,927.63
TOTAL	1,832,043.51	1,247,546.17

14.2 Due to GSIS

This account can be broken down as follows:

	2019	2018
Due to GSIS- Life & Retirement Premium	592,308.26	517,886.46
Due to GSIS- ECC	12,000.00	12,200.00
Due to GSIS- Salary Loan	220,752.85	200,907.08
Due to GSIS- Policy Loan	2,898.95	2,898.95
TOTAL	827,960.06	733,892.49

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.

14.3 Due to PAG-IBIG

This account can be broken down as follows:

	2019	2018
Due to Pag-ibig - Premium	56,597.26	32,663.68
Due to Pag-ibig – Multi-Purpose Loan	30,331.61	32,739.04
Due to Pag-ibig – Housing Loan	0.00	2,047.20
TOTAL	86,928.87	67,449.92

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

14.4 Due to PhilHealth

This account can be broken down as follows:

	2019	2018
Due to PHILHEALTH	67,732.28	62,643.08

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

15. Trust Liabilities

This account can be broken down as follows:

Trust Liabilities	2019	2018
Customers' Deposits Payable	14,362,841.51	12,840,930.12

Guaranty/Security Deposits Payable	1,712,733.56	1,291,610.82
Total	16,075,575.07	14,132,540.94

15.1 Customers' Deposits Payable

This account consists of:

Customers' Deposits Payable	2019	2018
Customers' Deposits Payable	14,362,841.51	12,840,930.12
Total	14,362,841.51	12,840,930.12

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.

15.2 Guaranty/Security Deposits Payable

This account consists of:

	2019	2018
Guaranty/Security Deposits Payable	1,712,733.56	1,291,610.82
Total	1,712,733.56	1,291,610.82

Bidder's Bond Payable comprised of bid security, performance bond and amount of retention from various suppliers and is detailed in *Annex J*.

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

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

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

A) BID SECURITY

Section 27 of RA 9184 provides:

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

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

Form of Bid Security	Amount of Bid Security <i>(Equal to Percentage of the ABC)</i>
a) Cash or cashier's/manager's check issued by a Universal or Commercial Bank.	Two percent (2%)
b) 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.	
c) 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%)
d) 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 favour of the procuring entity.

Without prejudice to the provisions of the Act and this IRR on the forfeiture of bid securities, bid securities shall be returned only after the bidder with the Lowest

Calculated Responsive Bid or Highest Rated Responsive Bid, as the case may be, has signed the contract and furnished the performance security, except to those declared upon by the BAC as failed or post-disqualified in accordance with this IRR, upon submission of a written waiver of their right to file a motion for reconsideration and/or protest.

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

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

Bid Validity

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

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

B.) PERFORMANCE SECURITY/PERFORMANCE BOND

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

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

Form of Performance Security	Amount of Performance Security <i>(Equal to Percentage of the Total Contract Price)</i>
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a) 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%)
b) 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.	
c) 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%)
d) Any combination of the foregoing.	Proportionate to share of form with respect to the total amount of security.

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

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

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

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

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

C. WARRANTY/RETENTION

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

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

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

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

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

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

- 1.) Any damage or destruction of the works except those occasioned by *force majeure*; and
- 2.) 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.

The contractor shall undertake the repair works, at his own expense, of any damage to the infrastructure on account of the use of materials of inferior quality, within ninety (90) days from the time the HoPE has issued an order to undertake repair. In case of failure or refusal to comply with this mandate, the Procuring Entity shall

undertake such repair works and shall be entitled to full reimbursement of expenses incurred therein upon demand.

- C. Progress payments are subject to retention of ten percent 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 retained from every progress payment until fifty percent of the value of works, as determined by the procuring entity, are completed. If, after fifty percent completion, the work is satisfactorily done and on schedule, no additional retention shall be made; otherwise, ten percent retention shall be imposed.
- D. The total “retention money” shall be due for release upon final acceptance of the work. The contractor may, however, request the substitution of the retention money for each progress billing with irrevocable standby letters of credit of from a commercial bank, bank guarantees or surety bonds callable on demand, of amounts equivalent to the retention money substituted for and accepted to Government, provided that the project is on schedule and is satisfactorily undertaken. Otherwise, the ten percent 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 retention intended, i.e., to cover uncorrected discovered defects and third party liabilities.

16. Provisions

This account can be broken down as follows:

Provisions	2019	2018
Leave Benefits Payable	17,326,902.89	14,801,275.37
Total	17,326,902.89	14,801,275.37

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

17. Other Payables

This account can be broken down as follows:

Other Payables	2019	2018
Other Payables	427,430.74	299,754.08
Total	427,430.74	299,754.08

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. See *Annex K* for the details and aging of Other Payables)

Non-Current Liabilities

18. Bills/Bonds/Loans Payable

This account consists of the following:

	2019	2018
Loans Payable - Domestic	23,975,913.86	21,549,667.10
Total	23,975,913.86	21,549,667.10

18.1 Loans Payable - Domestic

Details of Loans Payable are as follows:

Loan Accounts	Paying Period	Interest Rate	Loans Availed	Balance As of 12/31/2019	Balance As of 12/31/2018
DBP (Take Out A)	15 years	6.40%	16,798,320.36	5,879,412.36	6,999,300.36
DBP (Take Out B)	12 years	6.00%	12,619,802.83	3,701,432.98	4,852,190.38
DBP (CAPEX)	10 years	7.28%	19,113,755.40	5,656,111.32	7,996,571.16
LA No. 4-2543	10 years	7.50%	3,891,327.20	1,259,957.20	1,701,605.20
DBP (PN#2019-055)	10 years	4.50%	7,479,000.00	7,747,000.00	0.00
Total			P59,902,205.29	23,975,913.86	21,549,667.10

19. Government Equity

This account consists of the following:

	2019	2018
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
Total	7,356,478.00	7,356,478.00

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

20. Revaluation Surplus

	2019	2018
Change in the Value of PPE	59,014,809.15	60,486,721.68
Revaluation Surplus	59,014,809.15	60,486,721.68

PPE	Amount
Land	46,361,730.79
Machinery	249,897.81
UPIS-Reservoir & Tanks	4,411,132.70
UPIS-Hydrants	6,689,135.09
Other Structures	1,302,912.76
	59,014,809.15

Date	Particulars	Amount
		60,486,721.68
May	Adjustment-PPE revaluation	(1,417,912.53)
June	Adjustment-PPE revaluation	(54,000.00)
	Total	59,014,809.15

21. Retained Earnings

Equity	2019	2018
Balance at the beginning of the period	197,693,886.36	182,771,953.35
Additions/Deductions	3,281,286.69	161,431.55
Net Income (loss for the period)	33,194,161.31	14,760,501.46
Balance at the end of the period	234,169,334.36	197,693,886.36

21.1 Prior Years' Adjustments/Retained Earnings

	2019	2018
Prior Years' Adjustments	3,281,286.69	161,431.55
Retained Earnings	3,281,286.69	161,431.55

For CY 2019, Retained Earnings account can be broken down as follows:

Date	Particulars	Amount
January	To correct charging of account per JEV# 18-09-2173 re motorcycle unit purchased for the DWD Flowing Bonanza 2018 per P.O.# 2018-07-237.	(55,500.00)
March	Annual Physical Examination for CY 2018 per P.O.# 2018-11-431	93,209.72
May	Adjustment on various PPE and accumulated depreciation	(3,284,960.35)
	Adjustment on various PPE and accumulated depreciation	6,678,764.57
June	Adjustment on various PPE accounts	66
July	Adjustment on various PPE accounts	(165,550.70)
October	Adjustment on accumulated depreciation	(15,024.47)
November	Adjustment on accumulated depreciation	(57,759.43)
		3,281,286.69

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.

22. BUDGET ASSUMPTIONS FOR CY 2018

22.1 Projected number of Active Connections at the end of Year 2019.

	2018	2019
a. Residential	19,242	21,294
b. Commercial	1,564	1,620
c. Government	222	232
d. Total Service Connections	21,028	23,146

22.2 Projected revenue has 7 percent increase from 2018 Actual Revenue

- 22.2.1 Penalty Charges is 5 percent of the water sales
- 22.2.2 Projected new service connections is 1,892
- 22.2.3 Senior Citizens' discount is 0.12 percent of residential water sales
- 22.2.4 Billing adjustment is 1.5 percent of gross water sales
- 22.2.5 Personnel services is 37 percent of gross income
- 22.2.6 MOOE, including non-cash expenses is 50 percent of gross income
- 22.2.7 Financial expenses is 2 percent of gross income
- 22.2.8 Projected net income is 119 percent of gross income
- 22.2.9 Collection ratio is 92 percent
- 22.2.10 Staff productivity index is 180:1
- 22.2.11 Non-revenue water is 21 percent

Schedule of 2019 Targeted Income vs. Annual Income

	Budget	Actual	Variance
REVENUE			
Service and Business Income			
Service Income	-	203,978.00	(203,978.00)
Inspection Fees	-	203,978.00	(203,978.00)
Other Service Income		-	-
Business Income	172,289,493.00	180,102,268.02	(7,812,775.02)
Waterworks System Fees	165,683,442.00	172,920,061.45	(7,236,619.45)
Waterworks System Fees (Metered Sales to General Customers)	158,980,258.00	166,316,593.12	(7,336,335.12)
Waterworks System Fees (Unmetered Sales to General Customers)-bulk water		52,254.86	(52,254.86)
Waterworks System Fees (Other Waterworks System Fees)	6,845,566.00	6,664,001.35	181,564.65
99A Waterworks System Fees (Other Waterworks System Fees)-meter maintenance	1,315,566.00	1,311,685.00	3,881.00
99B Waterworks System Fees (Other Waterworks System Fees)-recon, transfer & installation fee	5,530,000.00	5,352,316.35	177,683.65
Less: Discount on Senior Citizen	142,382.00	112,787.88	29,594.12
Sales Revenue	67	-	-
Interest Income		-	-
Interest Income (Due from Other Banks)	150,000.00	332,619.29	(182,619.29)
Fines and Penalties - Business Income	6,456,051.00	6,849,587.28	(393,536.28)
Total Operating Income	172,289,493.00	180,306,246.02	(8,016,753.02)
Other Non-Operating Income			
Miscellaneous Income	-	-	-
Miscellaneous Income	-	5,735.00	(5,735.00)
Gain/Loss on Sale of Disposed Assets		-	-
Total Non-Operating Income	-	5,735.00	(5,735.00)

REVENUE

23. Revenue

This account consists of the following:

	2019	2018
Service Income	203,978.00	220,200.00
Business Income	180,102,268.02	159,723,666.39
Miscellaneous Income	5,735.00	740,604.77
Total	180,311,981.02	160,684,471.16

23.1 Service Income:

This account can be broken down as follows:

Service Income	2019	2018
Inspection Fees	203,978.00	220,200.00
Other Service Income	0.00	0.00
Total	203,978.00	220,200.00

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	2019
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
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23.2 Business Income:

This account can be broken down as follows:

Business Income	2019	2018
Waterworks System Fees (Metered Sales to General Public)	172,920,061.45	153,676,340.49
Sales Revenue	0.00	0.00
Interest Revenue	332,619.29	271,461.54
Fines and Penalties	6,849,587.28	5,775,864.36
Total	180,102,268.02	159,723,666.39

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

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

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

Rationale:

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

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

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

i.	1/2" – 3/4"	P 5.00
ii.	1" – 1 3/4"	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.”

23.2.1 Waterworks System Fees

	2019	2018
Metered Sales to General Customers	166,316,593.12	146,726,573.62
Unmetered Sales to General Customers (Bulk Water)	52,254.86	47,563.61
Other Waterworks System Fees	6,664,001.35	7,003,063.83
Discount on Senior Citizen	(112,787.88)	(100,860.57)
Total	172,920,061.45	153,676,340.49

23.2.1 Interest Income

This account can be broken down as follows:

	2019	2018
Interest Income	332,619.29	271,461.54
Total	332,619.29	271,461.54

This account can be broken down as follows:

	2019	2018
Cash in Banks	92,681.43	51,532.17
Other Deposits	186,822.27	169,819.82
Sinking Fund	53,115.59	50,109.55
Total	332,619.29	271,461.54

23.3 Other Non-Operating Income

	2019	2018
Miscellaneous Income	5,735.00	5,060.21
Gain/Loss on Sale of Disposed Asset	0.00	735,544.56

Total	5,735.00	740,604.77
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24. Personnel Services

This account consists of the following:

	2019	2018
Salaries and Wages	31,591,261.82	28,011,696.95
Other Compensation	22,558,472.02	15,271,087.78
Personnel Benefits Contribution	4,508,206.30	3,838,820.45
Other Personnel Benefits	9,708,213.52	5,730,568.76
Total	68,366,153.66	52,852,173.94

24.1 Salaries and Wages

This account can be broken down as follows:

	2019	2018
Salaries and Wages - Regular	25,903,535.35	24,752,566.24
Salaries and Wages – Casual	5,687,726.47	3,259,130.71
TOTAL	31,591,261.82	28,011,696.95

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 15th and 30th day of each month.

24.2 Other Compensation

This account can be broken down as follows:

	2019	2018
Personnel Economic Relief Allow.(PERA)	2,901,978.36	2,497,830.64
Representation Allowance(RA)	489,500.00	434,500.00
Transportation Allowance(TA)	489,500.00	434,500.00
Clothing/Uniform Allowance	732,000.00	582,000.00
Other Bonuses and Allowances	11,544,701.69	6,109,600.75
Longevity Pay	25,000.00	120,000.00
Overtime and Night Pay	2,665,057.57	2,040,235.49
Cash Gift	604,500.00	516,250.00
Honoraria	415,000.00	230,000.00
Year-End Bonus	2,691,234.40	2,306,170.90
Total	22,558,472.02	15,271,087.78

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

This account can be broken down as follows:

	2019	2018
Rice Allowance	362,989.18	371,824.42
Staple Food Allowance	217,793.51	223,094.65
Medical, Dental & Hospitalization Allowance	93,000.00	93,000.00
Teller's Allowance	18,000.00	17,000.00
Mid-Year Bonus	2,642,159.00	2,259,048.00
Productive Enhancement Incentive	600,000.00	532,000.00
Financial Assistance	1,213,510.00	1,065,121.00
Service Recognition Incentive	1,200,000.00	0.00
Collective Negotiation Agreement	5,197,250.00	1,548,512.68
Total	11,544,701.69	6,109,600.75

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

24.3 Personnel Benefits Contributions

This account can be broken down as follows:

	2019	2018
Retirement and Life Insurance Premiums	3,829,671.23	3,251,326.66
Pag-IBIG Contributions	145,098.92	123,182.43
PhilHealth Contributions	388,336.15	340,364.64
Employees Compensation Insurance Premiums	145,100.00	123,946.72
TOTAL	4,508,206.30	3,838,820.45

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.

24.4 Other Personnel Benefits

This account consists of the following:

Other Personnel Benefits	2019	2018
Terminal Leave Benefits	4,070,113.52	2,554,066.51

Other Personnel Benefits	5,638,100.00	3,176,502.25
Total	9,708,213.52	5,730,568.76

24.4.1 Other Personnel Benefits

This account can be broken down as follows:

	2019	2018
Mortuary Fund	24,400.00	249,719.44
Annual Water Subsidy	467,430.52	534,660.45
Annual Physical Examination	916,775.48	976,000.00
PRAISE Program	4,086,994.00	898,300.00
Other Compensation Package	142,500.00	517,822.36
Total	5,638,100.00	3,176,502.25

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

25. Maintenance and Other Operating Expenses

This account consists of the following:

	2019	2018
Traveling Expenses	1,679,199.32	968,010.02
Training and Scholarship Expenses	1,713,751.50	982,448.94
Supplies and Materials Expenses	4,750,089.08	4,363,608.56
Utility Expenses	28,159,445.11	24,571,987.22
Communication Expenses	379,572.54	368,530.58
Awards, Rewards, Prizes & Indemnities	283,346.00	254,253.00
Survey, Research, Exploration & Dev't Exp.	112,530.00	117,970.00
Generation, Transmission & Distribution Exp.	7,053,718.53	6,399,736.55
Confidential, Intelligence & Extraordinary Exp.	76,796.82	66,571.32
Professional Services	1,220,722.54	1,105,704.32
General Services	3,348,276.49	4,535,626.39
Repairs and Maintenance	6,446,769.89	5,547,595.46
Financial Assistance/Subsidy	55,392.75	80,646.00
Taxes, Insurance Premiums & Other Fees	4,129,152.51	3,752,746.64
Other Maintenance & Operating Expenses	1,872,415.88	1,705,528.63
Depreciation	14,913,218.26	14,305,775.91
Impairment Loss	565,666.27	22,009,543.524
Total	76,760,063.49	91,136,283.64

Recognized impairment loss on revaluation of PPE on 2018.

25.1 Travelling Expenses

This account can be broken down as follows:

	2019	2018
Travelling Expense - Local	1,679,199.32	968,010.02
Travelling Expense - Foreign	0.00	0.00
TOTAL	1,679,199.32	968,010.02

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.

25.2 Training and Scholarship Expense

This account can be broken down as follows:

	2019	2018
Training Expense	1,713,751.50	982,448.94
TOTAL	1,713,751.50	982,448.94

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

25.3 Supplies and Materials Expenses

This account can be broken down as follows:

	2019	2018
Office Supplies Expense	962,620.93	942,968.80
Accountable Forms Expense	93,871.50	121,005.65
Non-Accountable Forms Expense	18,511.60	33,836.75
Drugs and Medicine Expense	0.00	11,142.99
Medical, Dental & Laboratory expenses	16,810.00	13,710.00
Fuel, Oil & Lubricants Expense	1,663,817.77	1,597,440.54
Chemical and Filtering Supplies Expense	1,070,943.27	924,379.62
Semi-Expendable Machinery & Equipment Expenses	446,850.67	463,124.76
Semi-Expendable Furniture, Fixtures & Books Expenses	19,400.00	14,300.00
Other Supplies and Materials Expense	457,263.14	241,699.45
TOTAL	4,750,089.08	4,363,608.56

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.

25.4 Utility Expenses

This account can be broken down as follows:

	2019	2018
Water Expense	185,649.71	191,985.14
Electricity Expense	27,973,795.40	24,380,002.08
Total	28,159,445.11	24,571,987.22

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

25.5 Communication Expenses

This account can be broken down as follows:

	2019	2018
Postage and Deliveries	40,856.50	13,890.96
Telephone Expense-landline	98,525.16	89,432.93
Telephone Expense-Mobile	188,660.00	204,828.53
Internet Subscription Expenses	42,886.87	57,878.16
Cable, Satellite, Telegraph and Radio Expenses	8,644.01	2,500.00
Total	379,572.54	368,530.58

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.

25.6 Awards, Rewards, Prizes and Indemnities

This account consists of prizes for the DWD Flowing Bonanza Program for the various Concessionaire for the year 2019.

Awards, Rewards, Prizes and Indemnities	2019	2018
Prizes	283,346.00	254,253.00
Total	283,346.00	254,253.00

25.7 Survey, Research, Exploration & Development Expense

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

	2019	2018
Year-End Evaluation & Planning Activity		
Survey Expense	34,230.00	29,970.00
Research, Exploration and Development Expense	78,300.00	88,000.00
Total	112,530.00	117,970.00

25.8 Generation, Transmission & Distribution Expenses

This account can be broken down as follows:

	2019	2018
a.)Disconnection Materials	40,222.30	27,742.16
b.)Microbiological Analysis	138,005.00	215,124.00
c.)Rapid Bacti Test	3,000.00	5,600.00
d.)Physical and Chemical Bacti-Testing	24,607.00	105,780.00
e.)Fertilizer/Pesticide Residue Analysis	0.00	34,000.00
g.)New Service Connections	5,243,348.00	4,552,047.84
h.)Water Meters	1,600,536.23	1,455,442.55
i)Others	0.00	4,000.00
Total	7,049,718.53	6,399,736.55

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.

25.9 Confidential, Intelligence, Extraordinary and Miscellaneous Expenses

This account can be broken down as follows:

Extraordinary and Miscellaneous Expenses	2019	2018
Extraordinary Expense	11,628.61	41,610.00
Miscellaneous Expenses	65,168.21	24,961.32
Total	76,796.82	66,571.32

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:

	2019	2018
Other Miscellaneous - Admin	0.00	0.00
Other Miscellaneous - OGM	65,168.21	24,961.32
Total	65,168.21	24,961.32

25.10 Professional Services

This account can be broken down as follows:

Professional Services	2019	2018
Legal Services	56,500.00	60,000.00
Auditing Services	105,583.98	0.00
Other Professional Services	1,058,638.56	873,704.32
Consultancy Services	0.00	172,000.00
Total	1,220,722.54	1,105,704.32

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.

25.10.1 Legal Services

This account can be broken down as follows:

Legal Services	2019	2018
Legal Services	56,500.00	60,000.00
Total	56,500.00	60,000.00

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 OG CC Rules and Regulations and the concurrence of the Commission on Audit pursuant to its 2 April 1986 Circular 86-255.

25.10.2 Auditing Services:

This account can be broken down as follows:

AUDIT FEE	2019	2018
Calendar Year 2017	105,583.56	0.00
Total	105,583.98	0.00

25.10.3 Other Professional Services:

This account can be broken down as follows:

Other Professional Services:	2019	2018
Read and Bill Accounts	1,057,938.56	873,704.32
Administrative-Other Professional Services	700.00	
Total	1,058,638.56	873,704.32

25.11 Consultancy Services

Other Professional Services:	2019	2018
Appraisal of PPE	0.00	172,000.00
Total	0.00	172,000.00

25.12 General Services

This account can be broken down as follows:

General Services	2019	2018
Environment/Sanitary Services	115,608.00	107,720.00
Security Services	54,307.76	1,927,633.36
Janitorial Services	2,204,222.22	31,162.33
Other General Services	974,138.51	2,469,110.70
Total	3,348,276.49	4,535,626.39

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 2019 while in 2018 it covers payment for the caretaker of Dulangan Watershed, conduct of eco-living and learning environmental activities and corporate social responsibility activities.

25.13 Repairs and Maintenance

This account can be broken down as follows:

Repairs and Maintenance	2019	2018
R & M – Infrastructure Assets	4,679,970.23	3,709,732.42
R & M – Buildings & Other Structures	379,640.40	351,331.99
R & M – Machinery & Equipment	751,426.10	889,388.43
R & M – Transportation Equipment	612,357.05	562,839.44
R & M – Furniture & Fixtures	15,767.72	30,623.18
R & M-Semi-Expendable Machinery & Equipment	7,608.39	3,680.00
Total	6,446,769.89	5,547,595.46

25.13.1 Repairs and Maintenance –Infrastructure Assets

This account can be broken down as follows:

	2019	2018
Maintenance of Hydrants	82,287.78	32,317.95
Maintenance of Pipelines	2,219,170.20	1,712,377.95
Maintenance of Services Lines	2,204,740.78	1,916,150.25
Maintenance of Gate Valves	173,771.47	48,886.27
Total	4,679,970.23	3,709,732.42

25.13.2 Repairs and Maintenance – Buildings & Other Structures

This account can be broken down as follows:

	2019	2018
Repairs & Maintenance – Buildings	33,175.35	1,853.44
Repairs & Maintenance – Water Plant, Structure, Improvements		0.00
Repairs & Maintenance – Other Structures	346,465.05	349,478.55
Total	379,640.40	351,331.99

25.13.3 Repairs and Maintenance – Machinery & Equipment

This account can be broken down as follows:

	2019	2018
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Repairs & Maintenance- Office Equipment	65,899.00	31,597.64
Repairs & Maintenance- Info & Com.Tech Eqpt.	28,405.80	41,500.53
Repairs & Maintenance –Communication Equipment	7,593.80	44,051.00
Repairs & Maintenance –Technical & Scientific Equipment	468,892.78	45,669.74
Repairs & Maintenance –Other Machinery & Equipment	180,634.72	726,569.52
Total	582,532.52	889,388.43

25.13.4 Repairs and Maintenance – Transportation Equipment

This account can be broken down as follows:

	2019	2018
Repairs & Maintenance- Motor Vehicle	612,357.05	727,000.00
Total	612,357.05	727,000.00

25.13.5 Repairs and Maintenance – Furniture & Fixtures

This account can be broken down as follows:

	2019	2018
Repairs & Maintenance- Furniture & Fixture	15,767.72	60,000.00
Total	15,767.72	60,000.00

25.14 Financial Assistance/Subsidy

This account can be broken down as follows:

Financial Assistance/Subsidy	2019	2018
Financial Assistance to NGAs	55,392.75	80,646.00
Total	55,392.75	80,646.00

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

25.15 Taxes, Insurance Premiums and Other Fees

This account can be broken down as follows:

	2019	2018
Taxes, Duties & Licenses	3,733,001.02	3,320,990.78
Fidelity Bond Premiums	81,574.97	75,863.75
Insurance Expense	314,576.52	355,892.11
Total	4,129,152.51	3,752,746.64

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.

25.16 Other Maintenance and Operating Expenses

This account can be broken down as follows:

	2019	2018
Advertising, Promotional and Marketing Expenses	631,650.00	523,050.00
Printing and Publication Expenses	175,673.33	100,239.39
Representation Expenses	136,895.55	155,823.21
Transportation and Delivery Expense	0.00	3,568.28
Membership Dues and Contributions to Organizations	71,321.50	73,266.25
Subscription Expenses	0.00	5,580.00
Donations	0.00	0.00
Directors and Committee Members' Fees	704,304.00	691,038.00
Major Events and Conventions Expenses	47,000.00	61,300.00
Other Maintenance and Operating Expenses	109,571.50	91,663.50
Total	1,876,415.88	1,705,528.63

25.16.1 Advertising, Promotional and Marketing Expenses

This account can be broken down as follows:

	2019	2018
Radio, Print & TV infomercial -CSD	144,000.00	182,000.00
Crawler Ads	4,650.00	1,050.00
Newspaper	20,000.00	22,000.00
TV Advertisement	48,000.00	0.00
Give-aways (mugs & folders)-OGM	415,000.00	318,000.00
TOTAL	631,650.00	523,050.00

25.16.2 Printing and Publication Expenses

This account can be broken down as follows:

	2019	2018
Printing & Binding Expense-Finance	145,940.00	0.00
Printing & Binding Expense-Admin	533.00	806.73
Printing & Binding Expense-CSD	0.00	3,482.66
Printing & Binding Expense-CAD	0.00	11,200.00
Printing & Binding Expense-OGM	29,200.00	84,750.00

TOTAL	175,1673.33	100,239.39
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This account includes bookbinding of 2017 COA audited financial statements, Journal Entry Vouchers, columnar books and various important books of the district.

25.16.3 Representation Expense

This account can be broken down as follows:

	2019	2018
Representation Expense-Administrative	0.00	0.00
Representation Expense-CSD	3,057.00	0.00
Representation Expense-Watershed Protection & Management (Water Resources)	0.00	0.00
Representation Expense-OGM	133,838.55	120,522.42
TOTAL	136,895.55	120,522.42

Representation includes expenses incurred for meals or snacks served during Board of Directors' 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.

25.16.4 Membership, Dues & Contribution to Organizations

	2019	2018
Membership Dues & Contr. To Org.(OGM)	71,321.50	73,266.25
Total	71,321.50	73,266.25

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

24.16.5 Subscription Expense

This account can be broken down as follows:

	2019	2018
Subscription Expense	0.00	5,580.00
Total	0.00	5,580.00

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

24.16.6 Donation

This account can be broken down as follows:

	2019	2018
Donations	0.00	0.00
Total	0.00	0.00

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.

25.16.7 Directors and Committee Members' Fees

This account can be broken down as follows:

Directors and Committee Members' Fees	2019	2018
BOD's per diem	704,304.00	691,038.00
Total	704,304.00	691,038.00

25.16.8 Major Events and Conventions Expenses

This account can be broken down as follows:

Major Events	2019	2018
Testimonial Program-Retiree	15,000.00	0.00
Blood Letting	19,800.00	19,800.00
Materials-Quiz Bowl & Essay Writing	12,200.00	0.00
Watershed Summit	0.00	16,000.00
Honoraria-Quiz Bowl & Essay Writing Contests (OGM)	0.00	4,500.00
Venue & Catering-Quiz Bowl & Essay Writing Contests (OGM)	0.00	21,000.00
Total	47,000.00	45,300.00

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.

25.16.9 Other Maintenance and Operating Expenses

This account can be broken down as follows:

Other Maintenance and Operating Expenses	2019	2018
Cultural & Athletic Activities	93,649.50	63,500.00
Other Activities	15,922.00	28,163.50
Total	109,571.50	91,663.50

25.17 Non-Cash Expenses

This account can be broken down as follows:

Non-Cash Expenses	2018	2018
Depreciation Expense	14,913,218.26	14,305,775.91
Impairment Loss Expense	565,666.27	22,009,543.52
Total	15,478,884.53	36,315,319.43

25.17.1 Depreciation Expense

This account can be broken down as follows:

Depreciation Expense	2019	2018
Depreciation Expense – Land Improvements	171,662.44	301,160.95
Depreciation Expense – Infrastructure Assets	8,299,026.51	6,226,089.72
Depreciation Expense – Buildings & Other Structures	1,601,489.03	1,250,356.69
Depreciation Expense – Machinery & Equipment	4,071,983.42	5,426,744.77
Depreciation Expense – Transportation Equipment	543,677.84	716,001.66
Depreciation Expense – Furniture, Fixtures and Books	151,129.79	243,804.24
Depreciation Expense – Other Property Plant & Equipment	74,249.23	141,617.88
Total	14,913,218.26	14,305,775.91

25.17.1.1 Depreciation – Land Improvements

This account can be broken down as follows:

Depreciation – Land Improvements	2019	2018
Depreciation-Land Improvements	171,662.44	301,160.95
Depreciation-Electrification, Power And Energy Structures	0.00	0.00
Total	171,662.44	301,160.95

25.17.1.2 Depreciation – Infrastructure Assets

This account can be broken down as follows:

Depreciation – Infrastructure Assets	2019	2018
Depreciation-IA (Water Supply System)	480,259.96	479,426.64
Depreciation-IA(Plant Utility in Service)	7,818,766.55	5,746,663.08

Total	8,299,026.51	6,226,089.72
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25.17.1.3 Depreciation – Buildings & Other Structures

This account can be broken down as follows:

	2019	2018
Depreciation- Office Buildings	927,049.41	1,088,849.10
Depreciation – Other Structures	674,439.62	161,507.59
Total	1,601,489.03	1,250,356.69

25.17.1.4 Depreciation – Machinery and Equipment

This account can be broken down as follows:

	2019	2018
Depreciation- Machinery	623,664.32	607,560.83
Depreciation- Office Equipment	471,347.24	561,533.49
Depreciation- Info & Com Tech Equipment	943,520.78	1,091,588.70
Depreciation–Communication Equipment	7,281.08	0.00
Depreciation–Construction and Heavy Equip	96,513.27	93,747.60
Depreciation–Disaster Response & Rescue Equip	0.00	0.00
Depreciation – Technical & Scientific Equip	1,246,399.95	2,416,559.47
Depreciation – Other Machinery & Equipment	683,256.78	655,754.68
Total	4,071,983.42	5,426,744.77

25.17.1.5 Depreciation – Transportation Equipment

This account can be broken down as follows:

	2019	2018
Depreciation- Motor Vehicles	543,677.84	716,001.66
Depreciation–Other Transportation Equip	0.00	0.00
Total	543,677.84	716,001.66

25.17.1.6 Depreciation – Furniture, Fixtures and Books

This account can be broken down as follows:

	2019	2018
Depreciation- Furniture & Fixtures	151,129.79	243,804.24
Depreciation–Books	0.00	0.00
Total	151,129.79	243,804.24

22.17.1.7 Depreciation – Other Property Plant & Equipment

This account can be broken down as follows:

	2019	2018
Depreciation-Plant (Other Property Plant and Equipment)	74,249.23	141,617.88
Total	74,249.23	141,617.88

25.17.2 Impairment Loss Expenses

This account can be broken down as follows:

	2019	2018
Impairment Loss-Loans and Receivable	565,666.27	606,104.11
Impairment Loss-Property Plant and Equipment		21,403,439.41
Total	565,666.27	22,009,543.52

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

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

- a. Significant financial difficulty of our customers which resulted to disconnection and ultimately becoming dormant accounts **for five years or more**. Although, we had exerted utmost efforts to collect by sending three (3) written notices, unfortunately, these accounts were not paid;
- b. Demolition of properties which caused discontinuance 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;
- c. Adverse changes and or abrupt increase in consumption pattern due to leakages and high consumption complaints which lead to disconnection due to inability and unwillingness to pay concerned customers; and

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

25.17.2.1 Impairment Loss-Loans and Receivable

Ergo, BOD Resolution # 17-053 Series of 2016 dated November 24,2016, # 09-051 Series of 2017 dated December 28,2017, # 09-056 Series of 2018 dated December 18, 2018 and # 09-065 series of 2019 dated December 13, 2019 were enacted to recognize impairment loss totalling to Php 4,633,875.30.

26. Financial Expenses

This account consists of the following:

Financial Expenses	2019	2018
Bank Charges	10,825.55	9,177.50
Loan Interest/Penalty Expenses	1,980,777.01	1,926,335.20
Total	1,991,602.56	1,935,512.70

Interest expenses represent interest and other charges on loans availed by the District.

27. Income Tax Expense (Benefit)

The District has no Income Tax Expense

28. 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.

29. 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 aforecited 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.

30. Information Required Under Revenue Regulation (RR) 15-2010 of the Bureau of Internal Revenue

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

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

A. Withholding & Business Taxes

Withholding taxes filed thru EFPS :	CY 2019	CY 2018
Tax on compensation and benefits	2,945,534.89	2,277,066.11
Creditable withholding tax	2,783,606.75	2,250,024.48
Franchise Tax	3,445,088.40	2,493,988.59
Annual Registration	500.00	500.00

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

Other taxes ,duties and licenses paid amounted to:	CY 2019	CY 2018
Real Property Taxes	9,965.52	27,990.19
Radio Licenses	15,882.00	14,572.00
Vehicle Registration	0.00	44,806.16
Zoning Certification/Transfer Tax		138,763.13
Taxes withheld by concessionaires	124,719.56	0.00
LTO	54,581.72	0.00
Others	60.00	0.00

31. 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.

32. 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.

33. 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.

33.1 Interest Rate Sensitivity

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

33.2 Liquidity Risk

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

The District's ability to meet its financial obligations in terms of liquidity denotes an increase in current ratio from 2.73:1 in 2017 to 3.16:1 in 2018.

34. 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:

- 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; and
- 4.) 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 93.88%, Operation Ratio (excluding non-cash items & financial expense) of 75% and a Current Ratio of 2.67:1 on an annual basis. The District has passed the performance indicators set by LWUA for 2018 and 2019 (except for current ratio) as actual ratios are shown below.

	2019	2018
Collection Ratio	93.88%	93.97%
Operation Ratio	71.90%	76.26%
Current Ratio	2.67:1	3.16:1

There has been a 16 percent decrease 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.

35. Authorization for the Issuance of Financial Statements

The Financial Statement of the District for the year ended December 31, 2019 was approved and authorized for issue by the Board of Directors on January 23, 2020.

ANNEX F

(Summary of Loan Payments)

MONTH	Cash Payments of Interest Domestic Loan (LWUA/DBP)	Cash Payments on Loan Principal	Total
JANUARY 2019	160,965.84	417,253.77	578,219.61
FEBRUARY 2019	177,169.17	417,459.77	594,628.94
MARCH 2019	148,308.54	417,666.77	565,975.31
APRIL 2019	155,748.06	417,875.77	573,623.83
MAY 2019	202,495.04	418,085.77	620,580.81
JUNE 2019	171,952.63	418,297.77	590,250.40
JULY 2019	160,845.87	418,509.77	579,355.64
AUGUST 2019	160,956.16	418,723.77	579,579.93
SEPTEMBER 2019	155,684.54	418,939.77	574,624.31
OCTOBER 2019	144,552.96	418,723.77	563,276.73
NOVEMBER 2019	145,613.64	419,374.77	564,988.44
DECEMBER 2019	140,392.06	420,026.77	560,418.83
TOTAL			6,945,622.78

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)
January	573,932	446,904
February	579,640	452,904
March	574,450	447,348
April	620,532	480,892
May	644,581	500,258
June	629,702	491,754
July	611,252	475,404
August	606,341	470,344
September	613,785	478,993
October	625,857	491,538
November	626,419	485,638
December	606,914	477,901
TOTAL	7,313,405	5,699,878

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)
	2018	2019	
Residential	19,496	20,836	6.9%
Government	214	227	6.1%
Commercial	1,544	1,575	2%
Total	21,254	22,638	6.5%

ANNEX K (List of Major Equipments)

Machinery			
322-007	Standby unit perkins M-4236	1987	234,520.00
378-058	Dewatering Pump & Accessories	2002	16,520.00
378-086	Standby unit for Admin etc,	2002	70,000.00
378-108	Hydro Testing Machine	2002	16,500.00
240-068	Dewatering Pump	2011	19,665.00
241-013	Electric Chain Hoist	2012	425,600.00
240-093	Mini Chainsaw	2013	38,000.00
240-099	Grass Cutter	2013	17,280.00
240-100	Grass Cutter	2013	17,280.00
240-189	Pneumatic portable Compressor	2016	1,290,000.00
401-001	Portable Generator Set	2019	57,000.00
401-002	Welding Machine Inverter System, Mosfit Type	2019	17,500.00
401-003	Diesel Generator, silent type	2019	965,000.00
401-004	Diesel Generator, silent type	2019	948,000.00

SUB-TOTAL

4,132,865.00

Office Equipment		
Property No.	Item Description	Year/Month
221-016	Aircon	2006
221-044	Aircon	2009
221-053A	Aircon, window type	2010
221-053B	Aircon, window type	2010
221-054A	Aircon, wall mounted	2010
221-054B	Aircon, wall mounted	2010
221-059	Aircon, Room 1HP	2011
221-060	Aircon, Room	2011
221-061	Aircon, Room	2011
221-070	Aircon, Floor Mounted	2013
221-071	Aircon, Floor Mounted	2013
221-072	Aircon, Floor Mounted	2013
221-090	Aircon, 3TR	2014
221-091	Aircon, 2HP	2014
221-121	2.0 Tonner Ceiling Casette Inverter Airconditioning Unit	2017

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221-122	2.0 Tonner Ceiling Casette Inverter Airconditioning Unit	2017
221-123	2.0 Tonner Ceiling Casette Inverter Airconditioning Unit	2017
221-124	2.0 Tonner Ceiling Casette Inverter Airconditioning Unit	2017
221-125	2.0 Tonner Ceiling Casette Inverter Airconditioning Unit	2017
221-126	2.0 Tonner Ceiling Casette Inverter Airconditioning Unit	2017
221-127	2.0 Tonner Ceiling Casette Inverter Airconditioning Unit	2017
221-128	3.0 Tonner Floor Mounted Inverter Airconditioning Unit	2017
221-129	3.0 Tonner Floor Mounted Inverter Airconditioning Unit	2017
221-130	3.0 Tonner Floor Mounted Inverter Airconditioning Unit	2017
221-131	3.0 Tonner Floor Mounted Inverter Airconditioning Unit	2017
221-132	3.0 Tonner Floor Mounted Inverter Airconditioning Unit	2017
221-133	3.0 Tonner Floor Mounted Inverter Airconditioning Unit	2017
221-134	3.0 Tonner Floor Mounted Inverter Airconditioning Unit	2017
221-135	3.0 Tonner Casette Type Inverter Airconditioning Unit	2017
221-136	3.0 Tonner Casette Type Inverter Airconditioning Unit	2017
221-137	3.0 Tonner Casette Type Inverter Airconditioning Unit	2017
221-138	3.0 Tonner Casette Type Inverter Airconditioning Unit	2017
221-139	3.0 Tonner Casette Type Inverter Airconditioning Unit	2017
221-140	3.0 Tonner Casette Type Inverter Airconditioning Unit	2017
221-141	Airconditioning Unit, window type 1.5 hp	2017
221-142	Airconditioning Unit, window type 1.5 hp	2017
221-143	Airconditioning Unit-wall mounted	2017
223-115	CCTV, Outdoor Type Camera	2011
221-104	LED TV 58"-60"	2015
221-089	Television, 47" LED	2014
221-062	Digital Duplicator Machine	2012
223-162	Queuing Machine	2013
372-9-042	1 Unit Manual Checkwriter	2001
372-3-024	1 unit Cash vault	1999
372-9-032	Air Compressor, Welding Mach 300amp &Acc	2002
379-039	Package Type Ceiling Mounted Aircon	2001
379-032	1.5hp Split Type Koppel Aircon	2002
379-034	2hp window type Carrier Aircon	2002
379-035	Aircon	2002
379-040	Window Type Aircon	2002
379-041	2 Units window Type aircon 2hp	2003
379-042	1 unit Air conditioner-window-type	2004
221-002	1 unit 3 tons Package Type Aircon Ceiling Mounted 2p	2005
221-013	1 unit Airconditioning Unit 2hp-window type	2006
221-015	Aircon	2006
221-023	Aircon	2006
221-036	Aircon, floor mounted	2008
221-045	Aircon	2009
221-046	Aircon	2009
372-1-006	Olympia Manual Typewriter	2002

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372-9-047	1 Unit Photocopying Machine (powder)	2003
221-004	Typewriter , Manual	2005
221-018	Bill Counter	2007
221-040	Television, 29" w/ DVD	2008
221-052	Aircon, ceiling type	2010
223-127	Fingerprint Time Reader	2011
221-067	Typewriter	2012
221-092	Aircon, 1HP	2014
221-100	Sound System	2015
221-108	Currency Counter	2016
221-106	Aircon	2016
221-118	Aircon	2016
221-119	Aircon	2016
221-120	Sound System	2017
221-144	Floor Polisher	2017
221-145	Floor Polisher	2017
221-146	Electronic Typewriter	2017
221-147	Vault	2017
402-001	UHD TV "55 Curved Screen Design	2018
402-002	Television	2018
402-003	Digital B&W Multi-functional Printer/Photocopier/Printer/Scanner	2018
403-016	Installation of CCTV Camera @PS#2	2018
402-004	Airconditioning Unit wall mounted split type 2.5hp	2019
402-005	Speaker w/ accessories	2019
402-006	3.0 Tonner ceiling cassette type inverter airconditioning unit	2019
402-007	3.0 Tonner floor mounted inverter type airconditioning unit	2019

Information and Communication Technology Equipment

Property No.	Item Description	Year/Month
223-108	Computer Set	2010
223-095	Computer	2009
223-109	Desktop Computer	2010
223-110	Desktop Computer	2010
223-112	Desktop Computer (Hardware)	2010
223-117	Desktop Computer	2011
223-118	Desktop Computer	2011
223-125	CPU	2011
223-126	CPU	2011
223-143	Desktop Computer	2012
223-154	Desktop Computer	2013
223-155	Desktop Computer	2013
223-156	Desktop Computer	2013
223-157	Desktop Computer	2013
223-173	Desktop Computer	2013
223-182	Desktop Computer	2014
223-211	Desktop Computer	2015
223-228	Desktop Computer & Printer L355	2015

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223-236	Computer System Unit	2015
223-032	Computer Set	2006
223-031	Computer Set	2006
223-036	Computer	2007
223-038	Desktop Computer	2007
223-048	Desktop Computer	2007
223-054	Desktop Computer	2007
223-055	Desktop Computer	2007
223-056	Desktop Computer	2008
223-063	Desktop Computer	2008
223-071	Computer	2008
223-148	Desktop Computer	2013
223-149	Desktop Computer	2013
223-165	Desktop Computer	2013
223-167	Desktop Computer	2013
223-168	Desktop Computer	2013
223-171	Desktop Computer (Slim)	2013
223-172	Desktop Computer (Slim)	2013
223-181	Desktop Computer	2014
223-205	Desktop Computer	2015
223-261	Desktop Computer	2016
223-262	Desktop Computer	2016
223-275	Desktop Computer	2016
223-280	Desktop Computer	2016
223-300	Desktop Computer	2017
223-302	Desktop Computer	2017
223-194	Desktop Computer	2014
223-195	Desktop Computer	2014
223-206	Desktop Computer (High End)	2015
223-214	Desktop Computer	2015
223-215	Desktop Computer	2015
223-230	Desktop Computer	2015
223-234	Desktop Computer	2015
223-235	Desktop Computer	2015
223-242	Desktop Computer	2015
223-243	Desktop Computer	2015
223-255	Desktop Computer	2015
223-258	Desktop Computer	2016
223-274	Desktop Computer	2016
223-278	Desktop Computer	2016
223-279	Desktop Computer	2016
223-282	Desktop Computer	2016
223-283	Desktop Computer	2016
223-286	Desktop Computer	2016
223-287	Desktop Computer	2016
372-8-061	Printer, Epson LQ2180	2002

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372-8-086	Epson LQ2180	2003
372-8-093	Epson 2180 Printer	2003
372-8-029	Printer Epson LQ2180	2006
223-040	Printer LQ2180	2007
223-029	Printer LQ2180	2008
223-090	Printer, Epson LQ2180	2009
223-102	Printer, Epson LQ2180	2010
223-218	Printer, Epson LQ2180	2015
223-086	Printer, HP Laserjet CP1215	2009
223-119	Printer, Laserjet	2011
223-111	Laptop	2010
223-132	Laptop	2012
223-134	Laptop	2012
223-145	Ultrabook/Laptop	2012
223-146	Ultrabook/Laptop	2012
223-147	Ultrabook/Laptop	2012
223-208	Laptop	2015
223-221	Laptop	2015
223-225	Laptop	2015
223-226	Laptop	2015
223-239	Laptop	2015
221-107	DSLR Nikon D7200	2016
221-112	Digital SLR, Nikon D7200	2016
221-116	DSLR, Fujifilm A-A2	2016
283-284	Server DL380	2016
223-227	LED Digital Signage	2015
223-092	LCD Projector	2009
223-097	Billing and Collection System	2009
223-099	Teller Report System	2009
223-133	Hydraulic Modelling Software	2012
223-169	License Autocad 2014	2013
223-184	Licensed GIS	2014
223-248	HRIS	2015
223-289	Laptop	2017
223-299	1 unit laptop	2017
223-185	Projector	2014
223-199	AC Smart UPS 1500VA	2015
223-202	Printer, Epson LQ2190	2015
223-219	Computer System	2015
223-220	Projector	2015
223-249	Printer, Epson LQ2190	2015

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223-257	UPS Smart 1500VA	2016
223-268	UPS, Smart 1500VA	2016
223-281	Windows 10 w/ Microsoft prof	2016
223-277	GPS	2016
223-285	Printer, L1300	2016
223-288	GPS	2017
223-301	Desktop Computer	2017
223-303	Desktop Computer	2017
223-304	Desktop Computer	2017
223-305	Desktop Computer	2017
223-306	LCD Projector w/ Pointer & Tripod	2017
223-307	Desktop Computer	2017
403-001	Desktop Computer	2018
403-002	Desktop Computer	2018
403-004	Printer, Multi Function A3 Business Inkjet Colour	2018
403-005	Laptop	2018
403-003	Printer, A3 Ink tank	2018
403-006	Installation & Commissioning of CCTV Camera	2018
403-007	Automized Queue Management System (AQMS)	2018
403-008	Desktop Computer with Printer	2018
403-009	Desktop Computer	2018
403-010	Desktop Computer	2018
403-011	Desktop Computer	2018
403-012	Data Server	2018
403-013	Document Scanner, Flatbed Color	2018
403-014	Document Scanner, Flatbed Color	2018
403-015	Document Scanner, Flatbed color w/ ADF	2018
403-017	Autodesk Autocad LT2018	2018
403-018	Autodesk Autocad LT2018	2018
403-024	Desktop Computer	2018
403-019	Document Scanner	2018
403-020	Desktop Computer	2018
403-021	Printer, On demand Inkjet Colored	2018
403-022	Printer, On demand Inkjet Colored	2018
403-023	Desktop Computer	2018
403-024	Desktop Computer	2019
403-025	Desktop Computer	2019
403-026	Desktop Computer	2019
403-027	Desktop Computer	2019
403-028	GPS Navigation Device	2019
403-029	Desktop computer	2019
403-030	Printer, A3 Ink tank	2019
403-031	Desktop Computer	2019
403-032	Installation & Commissioning of 11 pcs, of Telephone	2019
403-033	Industrial laminate Label Printer	2019
403-034	Installation & Commissioning of CCTV Camera	2019

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Communication Equipment		
Property No.	Item Description	Year/Month
376-002	Handheld Transciever, Lightning Arrestor	1989
376-003	UHF-FM Communication Equipment from LWUA	1990
376-018	Intercom & Accessories	1998
376-021	Radio Transciever, Portable Radio, Variloop Antenna	1998
372-8-014	Panasonic Fax Machine	2002
376-024	Kenwood Portable Radio Trans & Acc	2002
376-026	Portable Handset-Kenwood	2002
372-9-048	1 unit 25'Flat Colored TV (Sony)	2003
229-002	IPAQ HW6515 Mobile Messenger	2005
229-004	1 Unit Mobile Radio	2006
229-003	Mobile Radio	2006
229-005	1 unit Mobile Radio	2006
229-009	1 unit Mobile Radio	2006
229-017	Radio Transciever	2007
229-019	Radio Transciever Model THK2AT	2008
229-022	Laser Fax machine	2011

Construction and Heavy Equipment		
Property No.	Item Description	Year/Month
378-079	Concrete Mixer - 7.5HP	1997
378-115	Demolition Hammer	2002
240-033	Tamping Rammer	2007
240-079	Demolition hammer	2012
240-084	Demolition Hammer	2012
240-137	Demolition Hammer	2015
240-179	Tamping Dammer	2016
240-190	Pneumatic Piercing/Boring Tool	2016
405-001	Electric Demolition hammer	2019
405-002	Handheld Pneumatic Rock Drill	2019

Firefighting Equipment and Accessories		
Property No.	Item Description	Year/Month
378-105	Fire hose 2 1/2 - Soft Double Jacket	2002

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Technical and Scientific Equipment		
Property No.	Item Description	Year/Month
323-010	Flow meter	1987
323-022	Sparkling Flow Meter	1990
321-024	Water Flow Meter	1996
372-8-044	Meter Reading Workabout & Accessories	2001
372-8-048	PSion Workabout 2MB Scanner	2001
332-021	Hypochlorinator	2002
332-022	Hypochlorinator-125 PSI	2002
332-023	Chlorinator	2002
332-028	Metering Pump	2002
332-029	Metering Pump	2002
332-011	Chemtech Series 250 Model w/Stand Acc.	2002
323-051	Installation of Pump Equipment, Discharge Line-ps#5	2002
323-061	Pumpbowl Assembly	2003
372-8-092	PSion Workabout 25X/RS232	2003
323-065	Electromechanical Equipment	2003
372-8-095	PSion Workabout 2MX PS232	2004
332-030	Metering Pump	2004
240-005	Flowmeter	2005
254-012	Metering Pump	2005
221-011	DCR-DVD Handycam	2006
254-014	Metering Pump	2006
254-039	Metering Feed Pump	2007
221-020	Musical Instrument	2007
221-021	Musical Instrument	2007
254-068	Metering Feed Pump	2008
254-074	Water Meter 4"Dia	2008
254-092	Metering Feed Pump	2009
254-113	Electromagnetic Flowmeter	2010
254-117	Metering Feed Pump	2010
221-055	Electronic Keyboard	2011
254-134	Metering Pump	2011
254-136	Chem Feed diaphragm Metering	2011
254-157	Electromagnetic Fullbore Flowmeter	2012
254-186	Chem-Feed Diaphragm metering	2012
254-193	Portable Ultrasonic Clamp-on Flowmeter	2012
254-194	Portable Ultrasonic Clamp-on Flowmeter	2012
254-206	Pumping Facilities(Hydrocks)-LWUA Loan	2013
254-210A	Submersible pump 5HP	2013
254-210B	Submersible Pump 5HP	2013
254-224	Submersible Pump 5HP	2014
254-211A	Submersible Pump 5HP	2013
254-211B	Submersible Pump 5HP	2013

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254-212	Submersible Pump 1.5 HP	2013
254-223	Submersible Pump 5HP	2014
254-249	Metering Feed Pump	2014
254-250	Metering Feed Pump	2014
254-251	Metering Feed Pump	2014
254-252	Metering Feed Pump	2014
240-112	Electro-Mechanical PS#8	2014
254-281	Metering Feed Pump	2015
254-282	Metering Feed Pump	2015
254-283	Metering Feed Pump	2015
254-284	Metering Feed Pump	2015
254-285	Metering Feed Pump	2015
254-286	Metering Feed Pump	2015
254-296	Water Meter, 100MM	2015
254-297	Water Meter, 100 MM	2015
254-298	Water Meter, 100MM	2015
254-299	Water Meter, 100 MM	2015
254-300	Water Meter, 75MM	2015
254-301	Water Meter, 75MM	2015
254-302	Water Meter, 75MM	2015
254-303	Water Meter, 75MM	2015
254-304	Water Meter, 75MM	2015
254-305	Water Meter, 50MM	2015
254-306	Water Meter, 50MM	2015
254-307	Water Meter, 50MM	2015
254-308	Water Meter, 50MM	2015
254-309	Water Meter, 50MM	2015
254-310	Water Meter, 50MM	2015
254-311	Water Meter, 50MM	2015
254-312	Water Meter, 50MM	2015
254-313	Water Meter, 50MM	2015
254-314	Water Meter, 50MM	2015
240-214	Colorimeter	2015
240-138	Metering Feed Pump	2015
240-139	Metering Feed Pump	2015
240-140	Metering Feed Pump	2015
240-141	Metering Feed Pump	2015
240-142	Metering Feed Pump	2015
240-174	Pocket Colorimeter	2016
240-175	Pocket Colorimeter	2016
240-176	Pocket Colorimeter	2016
240-191	Leak Detection Equipment	2016
254-370	Flowmeter for Zonemetering	2016

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240-193	Portable Ultrasonic Flowmeter	2016
240-194	Full Bore Electromagnetic Flowmeter 150M	2016
240-195	Full Bore Electromagnetic Flowmeter 150M	2016
240-196	Digital Colorimeter	2016
240-197	Digital Colorimeter	2016
240-209	Colorimeter	2017
240-210	Electromagnetic Flow Meter	2017
240-211	Electromagnetic Flow Meter	2017
240-212	Colorimeter	2017
240-213	Colorimeter	2017
240-217	Portable Turbidimeter/Colorimeter	2017
407-005	Metering Feed Pump (Chlorinator)100 psi	2018
407-001	Metering Feed Pump (Chlorinator)100 psi	2018
407-002	Metering Feed Pump (Chlorinator)100 psi	2018
407-003	Metering Feed Pump (Chlorinator)100 psi	2018
407-004	Metering Feed Pump (Chlorinator)100 psi	2018
407-006	Metering Feed Pump (Chlorinator)100 psi	2018
407-007	Metering Feed Pump (Chlorinator)100 psi	2018
407-008	Metering Feed Pump (Chlorinator)150 psi	2018
407-009	Electro-Mechanical Equipment	2018
407-010	Multiple Parameter Colorimeter	2018
407-011	Multiple Parameter Colorimeter	2018
407-012	Thermoreactor	2018
407-013	Submersible Pump 30HP	2019

Other Equipment

323-052	Transformer-PS#4	2002
323-058	KVA Transformer & Accessories	2003
323-060	25KVA Transformer	2003
323-063	15KVA Transformer	2003
254-090	Distribution Transformer	2009
254-115	37.5KVA Dist. Transformer	2010
254-137	25KVA Distribution Transformer	2011
254-190	Distribution transformer	2012
240-103	S/D(3) 25KVA Distribution transformer	2013
240-104	S/D(3) 10KVA Distribution Transformer	2013
240-133	25KVA Transformer	2015
240-134	25KVA Transformer PO#0552	2015
240-135	25KVA Transformer	2015
240-203	Distribution Transformer 25KVA w/transformation hanger	2017
240-204	Distribution Transformer 25KVA	2017
240-205	Distribution Transformer 25KVA	2017
240-206	Distribution Transformer 10KVA W/transfoemer hanger	2017

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240-207	Distribution Transformer 10KVA	2017
240-208	Distribution Transformer 10KVA	2017
378-2-019	Pipe Threader-Ridgid Ratchet Handle & Acc.	2002
240-026	Pipe Threader 1/2", 3/4", 1 Dia	2007
240-027	Pipe Threader 1/2", 3/4", 1 Dia.	2007
240-028	Pipe Threader 1/2", 3/4" 1" Dia	2007
240-029	Pipe Threader 1/2", 3/4", 1" Dia.	2007
240-056	Elec Pipe Threader/Cutter	2010
215-015	Water Meter Test Bench	2012
323-002	Elect. Motor w/ 1 unit Magnetic Starter	1976
323-009	Electric Motor	1987
378-077	Electric Theodolite w/ complete accessories	1997
378-103	Concrete Cutter w/o motor & Diamond Wheel 14"	2001
323-057	Electrical Central Panel & Accessories	2003
323-059	Pump Bowl Assembly 10AQ 6 Stages	2003
378-111	Pipe, Combination	2003
378-113	Ladder Aluminum	2003
323-064	Soft Starter	2003
323-066	Electrical Motor	2004
240-007	Yoke Vise	2006
240-021	Chlorine Residual Kit	2006
240-017	Pipe Wrench 48", 6" CAP	2006
240-018	Pipe wrench 60", 8" CAP	2006
240-020	Chain Pipe Tong 8" CAP	2006
240-023	Adjustment JEV06-11-2404 (Oct)	2006
254-064	Motor Controller	2008
240-036	Router/Jigsaw	2008
254-080	Soft Stop Motor Controller	2009
240-044	Materials issued (October)	2009
240-042	Materials Issued (November)	2009
240-043	Materials Issued (December)	2009
240-062	Materials Issued (April)	2010
254-112	Electrical Control Panel	2010
240-052	Infrared Thermometer	2010
240-053	Insulation Resistance Tester	2010
240-057	Chain Block	2010
240-058	Straight Pipe Wrench PO#1586	2010
240-060	Chain Tong 48"	2010
240-061	Materials Issued (December)	2010
254-187	Motor Controller-Electric Motor	2012
240-083	Wire Crimper	2012
240-083	Handrill	2012

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240-092	Bar Cutter	2013
254-199	Softstarter	2013
254-201	Chem-feed Diaphragm	2013
254-201B	Chem-Feed Diaphragm	2013
254-201C	Chem-Feed diaphragm	2013
240-097	AVR, Single Phase 155A	2013
240-098	Power Converter 5.5HP	2013
240-106	3-Phase Line for PS#8	2014
240-108	Engine Motor for Concrete Cutter	2014
240-111	3Phase Line for PS#9	2014
254-263	Pump Lifter Tripod PS#7	2014
240-113	Impact Wrench 1/2"	2015
240-155	Soft Starter	2015
240-156	Soft Starter	2015
254-342	Pump Lifter Tripod PS#8	2015
240-172	UV Lamp	2016
240-171	Portable Incubator / Digital Incubator	2016
240-185	Electric Drill #HB2810	2016
240-199	Chain Tong 1 1/2	2017
240-200	Chain wrench 4 1/2	2017
240-201	Clamp Meter	2017
240-202	Pipe Threader 1/2 to 2	2017
408-001	Hydraulic Floor Jack 5 Tons	2018
408-002	Pressure Regulating Valve	2018
408-003	Dewatering Pump	2018
408-004	Dewatering Pump	2018
408-005	Three Phase Conversion	2018
408-006	3 units of 25 KVA Distribution Transformer	2018
408-007	Refrigerator 7.4 cu.ft	2019
408-008	Air curtain	2019
408-009	Hand Pallet Truck	2019
408-010	3 units of 15 KVA Distribution Transformer	2019
408-011	Foldable & Extendable aluminum ladder	2019
408-012	Grass Cutter	2019
408-013	Conversion 3 units 37.5 KVA	2019

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Motor Vehicles		
Property No.	Item Description	Year/Month
241-011	Light Cargo Truck (Foton)	2010
241-016	Pick-Up Van	2014
241-022	Utility/Commuter Van	2015
241-019	Multi-Cab	2014
241-004	Sportivo	2006
241-023	Utility Vehicle	2015
241-017	Multi-Cab	2014
241-018	Multi-Cab	2014
241-026	Honda Motorcycle CFT125MSE	2017
241-027	Honda Motorcycle CFT125MSE	2017
241-028	Honda Motorcycle CFT125MSE	2017
241-029	Honda Motorcycle CFT125MSE	2017
241-030	Honda Motorcycle CFT125MSE	2017
241-031	Honda Motorcycle CFT125MSE	2017
241-032	Honda Motorcycle CFT125MSE	2017
241-033	Honda Motorcycle CFT125MSE	2017
241-025	Motorcycle	2016
241-021	Motorcycle	2015
241-003	Motorcycle	2006
241-005	Motorcycle	2008
241-006	Motorcycle	2008
241-024	Motorcycle	2015
241-007	Motorcycle	2010
241-009	Motorcycle	2010
241-012	Motorcycle	2011
241-001	Motorcycle	2005
241-002	Motorcycle	2005
241-014	Motorcycle	2012
373-006	1 unit toyota Tamaraw color blue	1985
373-020	Toyota Hi-Lux, Insurance Etc	1989
373-040	Toyota Hi-Lux 4x2	1996
373-041	Isuzu Elf	1997
373-043	Kawasaki Motorcycle	1997
373-045	Multi-Cab	1999
373-046	Kawasaki Motorcyle	2001
373-036	Tamsi	2002
373-037	Motorcycle	2002
373-034	L2 GF*	2002
373-003	Isuzu Crew Cab	2002
373-049	Suzuki Carry Multi-Cab	2002

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373-050	Honda Wave 125cc	2002
373-051	Mitsubishi L300	2003
373-053	Isuzu Elf	2003
241-010	Utility Service Vehicle	2010
241-015	Motorcycle	2013
241-020	Mini Dump Truck	2014
501-001	Honda XRM 125 (CFT125MSJ)	2019
501-002	Honda XRM 125 (CFT125MSJ)	2019
501-003	Toyota Hilux	2019
501-004	Toyota Hilux	2019
501-005	Water Tank Truck w/ built in water pump	2019

Other Property, Plant & Equipment		
Property No.	Item Description	Year/Month
322-002	Butterfly Valve	1987
322-006	Electrical Works	1987
341-002	Construction & Supervision Of RE from LWUA	1994
301-001	Blueprinting Phase 1A	2002
303-004	Loans Availment under IBRD proj. Foreign	2002
254-208	Engineering Study (LA#4-2543)	2013
254-230	Zoning Scheme (2011-11-02)	2014

ANNEX L

(Summary of Bacteriological Analysis)

Digos Water District

Summary of Microbiological Tests 2019

	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)	107,265	108,010	108,920		109,615	109,850	110,465		111,640	112,190	112,865	113,190
2 Required minimum number of sample	24	24	24		23	23	24		24	24	24	24
3 Sample Requirement												
a. No. of samples examined	24	24	25		23	23	27		30	30	30	30
b. Percent to the minimum required	100	100	104		100	100	112.5		125	125	125	125
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)												
4.3 Enzyme Substrate Coliform (EST)												
a. Number of samples showing presence of coliform	0	0	0	0	0	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							

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	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
4.4 Heterotrophic Count												
a. Number of HPC tests conducted	24	24	25	24	23	23	27	24	30	30	30	30
b. Number of samples showing HPC value < 500CFU/ml	24	24	25	24	23	23	27	24	30	30	30	30
c. Percent to the number of tests conducted (b/a x 100)	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	0.47	0.47	0.46	0.47	0.47	0.46	0.46	0.47	0.47	0.48	0.48	0.47

