2014

The MCWD Corporate Budget

Presented by the Financial Management Department
Metropolitan Cebu Water District
10/25/2013

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EXECUTIVE SUMMARY

The Corporate Budget is the quantitative translation of MCWD's goals in 2014 in line with the water district's 10-year strategic plan dubbed as "VISION 60/80 in 2020" which aims to cater its water services to 60% of the total demand for domestic consumers and 80% of the total demand for commercial consumers in 2020. This budget primarily focuses on the operational aspect of the corporate plan which includes the Sales Revenue target for 2014 and the operating costs necessary to attain it. The budget also tackles expected capital outlay in the coming year but only as far as those identified as "carry-over[1]" capital expenditures. The overall investment plan shall be presented separately by the Corporate Planning Department.

In 2014, Sales Revenue is forecasted to amount to **P 1.556 Billion** – a 10.7% increase compared to the expected sales revenue in 2013 of P 1.405 Billion. Total operating revenue which includes penalty charges and water levy is targeted to reach P 1.535 Billion or an increase of 11% from the 2013 projections. If our petition for water rates increase will be approved for implementation starting January 2014, we are expecting additional revenues of P 74.7 million

Out of the total operating revenue, **P 1.226 Billion** or 80% will go to operating expenses. This is about 6 percentage points higher than the 2013 operating ratio. Depreciation expense is budgeted at P 136.6 Million while Operations and Maintenance Expenses[2] with a total amount of P 1.089 billion are budgeted as follows[3]:

Expense Account	Budget	% Increase from 2013
Operations:		
Customer Accounts	87,333,173.24	24%
Production	459,959,174.01	38%
Technical Services	68,487,255.98	16%
Adminstrative	260,704,515.53	10%
Maintenance:		
Power and Production Equipment	29,590,354.18	0%
Transmission Lines	125,380,018.69	19%
Fabrication	1,852,896.57	-57%
Meters	27,869,117.99	3%
Plant and Utility	7,170,146.80	-6%
Motorpool	21,086,841.70	25%
Total Operations and Maintenance Expense	1,089,433,494.69	22%

Table 1

[1] "Carry-over" capital expenditures refer to projects and equipment that were duly approved for purchase or implementation but their budgets were not partially or totally undisbursed on the year that they were approved. The unpaid portion of the budget are then carried over to next year's corporate budget.

[2] In order to avoid distorted variances between the actual and budgeted costs, the CNA, CPIS and Productivity Bonuses were not included in the 2013 actual expenses per account but are presented instead as a separate line item.

[3] The revenue and expense accounts shall be discussed in greater detail in the succeeding sections.

Taken differently, the 22% in operating expense was driven by the P 122.7 Million increase in Purchased Water Cost and P 57.73 Million increase in materials and supplies costs.

The water district is expected to earn a net income of **P 251 Million** or 16.3% of the total operating revenues. In absolute amount, this is P 5.1 million or 2% higher than that of 2013

Cash inflow is projected to amount to **P 2.217 Billion**. These include water sales, receipts from other sources of revenue such as penalties and interests, receipts from customer deposits and the proceeds of the loan from DBP of P 478 million and P 33 million from LWUA. Cash disbursements from operating activities are expected to be in the amount of **P 1.086 Billion** while cash outlay for debt service and capital expenditures are expected to reach **P 179.2 Million** and **P 802.9 Million**, respectively. This will result to an ending cash balance of **P 1.086 Billion**.

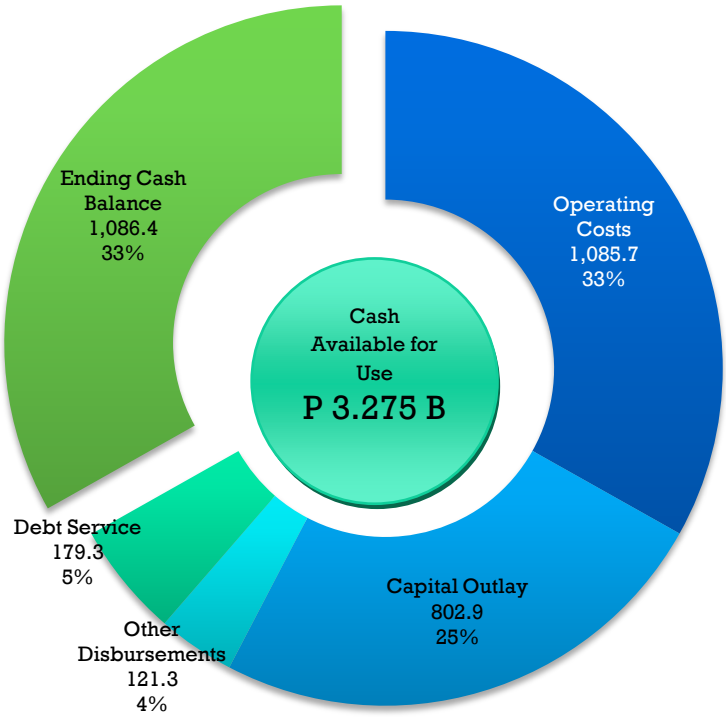


Figure 1. Allocation of Cash

By the end of the year, MCWD shall expect to see the following figures:

MEASURE	2014	2013	Variance
Net Income Ratio	16.3%	17.8%	-2%
Current Ratio	3.3	3.6	(0.3)
Debt Ratio	44%	40%	3%
Average Sales per day			
In pesos	4,265,383	3,850,081	11%
In cu.m	159,735	147,274	8%
Operating Cost			
per SC/month	633	558	13%
per cu.m sold	21.0	19.0	11%

Table 2. Year-End Indicators

SALES AND OTHER REVENUES

Water sales volume is forecasted to reach 58,303,269 cubic meters at an average effective rate of P 26.70 per cubic meter. The tariff increase of 12% has not been considered in the computation of the sales revenue. Figure 1 shows the percentage contribution of each type of consumer to sales.

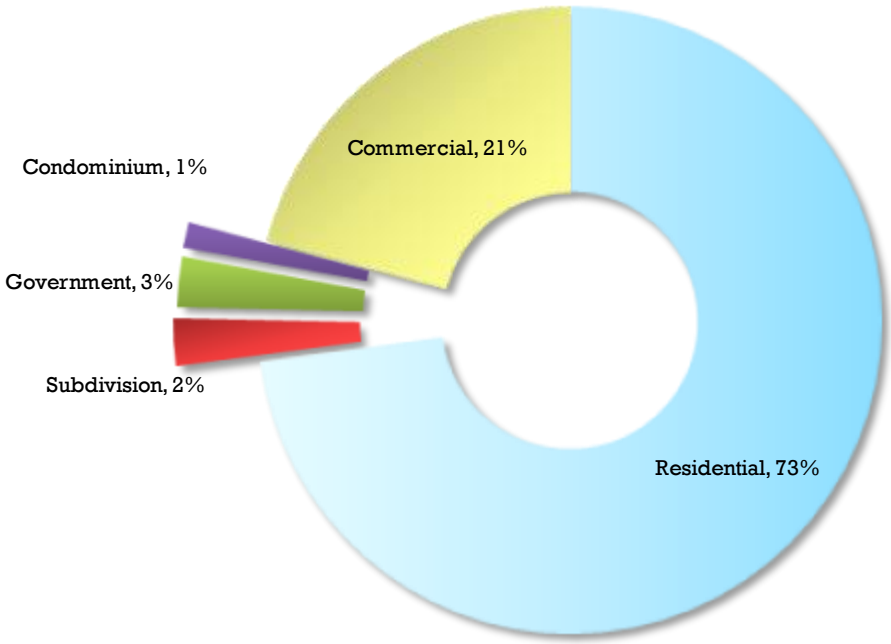
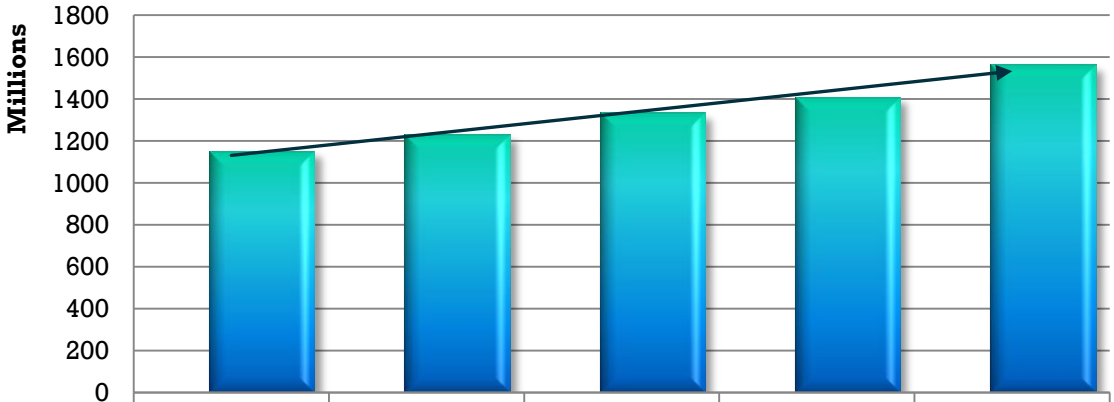


Figure 2. Sales contribution per consumer type

Overall, 75% of the total water sales revenue will come from domestic consumers and 25% from the commercial consumers.

Since 2010, water sales had seen a compounded annual growth rate of 6%. For 2014, we are optimistic that sales will grow by 11%. Below is the graphic representation of the sales growth of the water district:



	1	2	3	4	5
Year	2010	2011	2012	2013	2014
Water Sales	1,145,971,388	1,222,965,000	1,328,868,364	1,405,279,533	1,556,864,622

Figure 3.Sales Growth

More details in the demand and sales forecast are incorporated in the 2014 Corporate Plan.

Penalty charges in the amount of more than P 12.4 Million are expected to be collected from delinquent consumers – an increase of 11%. Water levy is pegged at P 1.4 Million.

Interest revenue will go down to P 9.8 Million in 2014 with MCWD expecting a lower amount placed in short-term investments.

Items that are included in the Miscellaneous Non-Operating Revenues are from the rental of the old MCWD building, income from Water Truck delivery, Bid Documents, Social Hall and from San Miguel Corporation.

COLLECTIONS

A total of P 2.217 Billion of cash inflows is expected for 2014. This is an increase of 12% from the 2013 total cash inflows. More than 70% of the inflows will come from the water sales collections which are expected to reach P 1.56 Billion including the corresponding franchise taxes. The collection efficiency is set at 96% of the total water sales revenue after discounts. It is also expected that arrears collection will amount to 28% of the accounts receivable.

Other cash receipts include those from interest revenues, penalties, water levies, service installation fees, customer deposits and other non-operating revenues which are projected at P 146 million.

It is also expected that P 478 Million of the new loan from the Development Bank of the Philippines (DBP) will be released in 2014. This loan is intended to fund for the implementation of the Mactan Water Service Improvement Program (Packages 2 and 3).

A P 33 million loan from LWUA is also expected to be granted in 2014 which will also be used to fund our capital expenditures.

OPERATING EXPENSES

OPERATIONS EXPENSE

Operations Expenses are expected to increase by 27% compared to the projected costs for 2013. The components of which include Customer Accounts Expense, Production Expense, Technical Services, Maintenance Expense and Administrative Expense.

Customer Accounts Expense

This account includes all expenses related to customer servicing and includes the following costs:

Expense Account	2014 Budget	2013 Estimated	Variance	
Meter Reading	20,429,308.2	23,048,646.6	(2,619,338.4)	-11%
Installation and Disconnection	27,254,974.1	9,756,564.9	17,498,409.22	179%
Customer Records	8,808,056.8	7,362,971.1	1,445,085.7	20%
Treasury	7,926,254.9	7,934,248.5	(7,993.63)	0%
Branch	5,289,972.8	5,250,855.1	39,117.70	1%
Marketing	1,078,182.2	922,760.9	155,421.35	17%
PAD	16,454,905.6	16,016,834.2	438,071.44	3%
Bad Debts	91,518.6	91,518.6	-	0%
Total	**87,333,173.2**	**70,384,399.8**	**16,948,773.41**	**24%**

Table 3

The budget for this account is higher than the actual projections for 2013 by 21%. The increase is primarily driven by *Installation and Disconnection* expense which have a budget of P 24.7 million – an increase of P 14.9 million from the actual costs in 2013. This is due to the following reasons:

- Increase in materials cost by P 8.9 million in order to set up 110 stub-outs in 2014
- Installation of more than 8,000 angle meter valves costing P 8.4 million that were backlogged in 2013 due to the unavailability of the said item.

For 2014, MCWD will spend 540 pesos for every service connection or 1.50 pesos for every cubic meter sold

PRODUCTION EXPENSE

The budget for production expenses has gone up by P 127.2 Million primarily due to the increase in Purchase Water Cost and increase in materials to be used for water treatment. For 2014, appropriation for new bulk water sources amounts to P 105 million. These comprise the sources from Northern Cebu and Pit-os Bulk Water which will be commissioned beginning the 3rd quarter and Cabancalan Bulk Water beginning the 4th quarter of 2014. It is also anticipated that the volume from the existing bulk water suppliers will increase by an average of 9% or a cost amounting to P 16.7 million.

Expense Account (in millions)	2014 Budget	2013 Estimated	Variance	
Purchased Water	315,545,988.2	192,833,609.1	122,712,379.1	64%
Power for Pumping	65,090,733.7	64,911,889.0	178,844.71	0%
Production	20,631,478.4	20,495,323.2	136,155.1	1%
Distribution	30,885,997.6	31,741,523.3	(855,525.73)	-3%
Water Treatment	27,804,976.1	22,762,109.4	5,042,866.67	22%
Total	**459,959,174.0**	**332,744,454.1**	**127,214,719.89**	**38%**

Table 4

Water Treatment Expenses would include all materials, chemicals, laboratory supplies for the maintenance and improvement of our water quality. Materials costs are anticipated to increase by P 4.9 Million or 41%. The increase is due to the following factors:

For every cubic meter produced, MCWD will spend 5.9 pesos

a. The 2014 supply of the 68-kg liquid chlorine is expected to be completely delivered unlike in 2013 in which 88 units costing P 1.1 million were not delivered from January to July. The Water Quality Division has already taken certain measures to ensure that the supplier will fully deliver the stocks.

b. Chemicals worth P 1.2 million necessary for water analysis were not procured in 2013 (The division used their 2012 stocks) are expected to be purchased in 2014.

c. Quantity and Price for the 1-tonner liquid chlorine are anticipated to increase by P 2 million (26 units) and P 400,000 (4% from last year's price), respectively.

TECHNICAL SERVICES

Technical Services represent the expenses allotted for engineering, construction supervision and water sourcing and environmental expenses.

Expense Account (in millions)	2014 Budget	2013 Estimated	Variance	
Engineering Services	21,785,483.3	20,466,706.5	1,318,776.8	6%
Construction Supervision	15,671,999.1	14,863,445.2	808,553.9	5%
Water Sourcing and Environment	31,029,773.5	23,827,446.0	7,202,327.5	30%
Total	**68,487,256.0**	**59,157,597.7**	**9,329,658.2**	**16%**

Table 5

The increases in Engineering Services and Construction Supervision Expenses are primarily due to the vacant positions worth P 1.25 million. The Engineering Department has also included the following new expenses in 2014:

a. Yearly AutoCAD license subscriptions costing P 680 thousand which they have not renewed since 2010
b. Allocation of professional engineering services for electrical, mechanical and structural design – P 180 thousand

Water Sourcing and Environmental expenses increased due to appropriation of budget amounting to Php 5.4 million for the Cebu Watershed Rehabilitation Projects, Buhisan River Watershed Integrated Development Program and the Urban Cebu Forestry Project. These are in fulfillment with our agreements with various LGUs and other government agencies. Also, this account has appropriated for 6 personnel vacancies with a cost of P 2.5 million.

ADMINISTRATIVE EXPENSES

Administrative Expense is composed of Personnel-related and Training expenses, Outside Services, Legal, Procurement, MIS, Fuel and Lubricants and Miscellaneous Expenses. This account is projected to increase by 10%.

Expense Account (in millions)	2014 Budget	2013 Estimated	Variance	
Personnel Related	129,609,673.7	115,357,926.4	14,251,747.2	12%
Service Awards	7,509,600.0	2,857,029.4	4,652,570.62	163%
Training	4,926,142.9	4,636,914.1	289,228.82	6%
Outside Services	31,613,434.4	31,634,126.5	(20,692.07)	0%
Legal	16,069,884.6	16,912,095.6	(842,211.0)	-5%
Procurement	13,140,237.8	12,998,553.4	141,684.41	1%
MIS	16,130,789.6	14,803,934.2	1,326,855.39	9%
Light, Power and Water	12,300,000.0	12,980,369.0	(680,369.00)	-5%
Fuel, Oil and Lubricants	1,996,475.9	1,873,146.6	123,329.30	7%
Taxes, Licenses and Registration	2,300,000.0	2,125,689.6	174,310.36	8%
Miscellaneous & Other Expenses	25,108,276.8	21,704,136.3	3,404,140.44	16%
Total	**260,704,515.5**	**237,883,921.1**	**22,820,594.47**	**10%**

Table 6

The increase in personnel-related expenses is primarily due to the increase in the retirement benefits and incentives by P 5.18 million or 28%. Sixteen (16) personnel are expected to retire next year. Aside from that, P 6.3 million worth of salaries and benefits is allocated for nine (9) vacant positions.

MIS Expenses include the development of programs and applications and the maintenance of all computer hardware of the company. The increase is primarily attributed to the increase in personnel costs by P 0.6 million due to the filling up of two (2) personnel vacancies in the middle of 2013 and the appropriation in 2014 for one vacant position. Likewise, the subscription renewal of newly acquired software in 2013 also contributed to the increase.

Miscellaneous and Other expenses include insurance expenses and retirement incentives which have increased by P 0.5 million and P 1.5 million, respectively.

MAINTENANCE EXPENSE

Maintenance Expenses include all expenses to maintain our assets and facilities as follows:

Expense Account (in millions)	2014 Budget	2013 Estimated	Variance	
Power and Production Eqpt.	29,590,354.2	29,643,283.4	(52,929.2)	0%
Transmission Lines - South	62,788,604.7	52,541,594.4	10,247,010.3	20%
Transmission Lines - North	62,591,414.0	53,192,549.6	9,398,864.4	18%
Fabrication	1,852,896.6	4,319,643.8	(2,466,747.2)	-57%
Meters	27,869,118.0	27,125,677.7	743,440.3	3%
General Plant	7,170,146.8	7,658,416.2	(488,269.4)	-6%
Motorpool	21,086,841.7	16,906,852.8	4,179,988.9	25%
Total	**212,949,375.9**	**191,388,017.9**	**21,561,358.1**	**11%**

Table 7

Out of the total increase in maintenance expense of P 21.6 million, 73% is attributed to the increase in materials and supplies while the rest is attributed to personnel costs.

Maintenance of Transmission Lines will increase by an average of 18.6% largely due to the increase in materials expense by P 13.5 million. The actual materials consumption for 2013 was not made the basis of the 2014 budget since the Pipelines Maintenance Group has manifested that their performance was below target due to the delay in the procurement of materials. On the other hand, the budget for personnel cost in 2014 includes P 4.2 million for twenty-one (21) vacant positions.

Maintenance Expense for 2014 is 5.2% of the Utility Plant in Service

The Motorpool expense's increase of 25% is due to the increase of job out repairs by P 2.1 million since it is expected that 60 units of vehicles (including those that were acquired in 2013) are scheduled for preventive maintenance in 2014. In 2013, only 26 units have undergone preventive maintenance. In addition to that, P 936 thousand is appropriated for two (2) vacant positions in the Transportation Services and Equipment Maintenance Division.

DEPRECIATION EXPENSE

Total Depreciation Expense for the year is estimated at PhP 136.7 Million. This is higher by 5% compared to the actual expense in 2013.

CAPITAL EXPENDITURES

CARRY-OVER PROJECTS

All of the capital expenditures listed for the year amounting to PhP 802.9 Million are carry-over projects and equipment from 2013. About 92% of the total amount shall be spent on projects while 8% allotted for the purchase of equipment.

Included in the list of capital expenditures are the following projects:

- **Expansion and Rehabilitation Projects**
  MCWD has allotted P 569.7 million for year 2014 including the MWSIP Package 2, 3 and 5 in the amount of P 447 Million.

- **In-House Water Sourcing Projects**
  All in-house water sourcing projects included in the list are all carry-over projects from 2014 with a budget of P 64 million.

- **24-7 Program**
  To ensure continuous supply of water to low pressure areas or areas with intermittent water supply, the company has allotted Php 36.9 Million. These comprise the Construction of Modular Tank and Pipelaying in Monterrazas, Guadalupe and the Rizal Bulk Water Supply in Umapad, Mandaue City.

- **WASEC**
  The amount of P 12.0 Million is allotted for WASEC-approved projects. This is the company's way of addressing the growing demand of subdivisions and other communities. There will be three (3) subdivisions and two (2) barangays who will benefit with these projects.

- **Corporate Social Responsibility Projects**
  Every year beginning 2014, MCWD will allocate 6% of the previous year's net income for corporate social responsibility programs. About 83% (5/6) or P 12.3 million will be allocated for special projects to improve the supply and our water services in marginalized communities of the Local Government Units (LGUs) within the water district's service areas. This is despite the fact that such projects may only give a very minimal or no return on the invested amount. The remaining 17% (1/6) shall be for CSR-related operating expense.

MCWD'S INVESTMENT PLAN (2014-2020)

The "60/80" Vision would not be attained without pouring in capital investments. It is projected that in order to meet the goals in 2020, the water district has to invest a total of P 5.154 Billion[4] in:

a. Asset Renewal
b. Expansion
c. Distribution Efficiency Improvements
d. In House Sourcing Projects
e. Meter Replacements
f. Pump Replacements
g. Transportation Equipment Replacement
h. CSR Projects
i. Other Capital Expenditures

For the years 2013 and 2014, a total of P 1.799 Billion of capital expenditures is planned for appropriation and about P 996.1 million of these is already incorporated in the 2013 and 2014 budget. A total of P 815.7 million is still needed to fund the new capital expenditures.

MCWD will have a projected ending cash balance of P 1.155 Billion after considering an additional cash inflow from water rates increase of P 68.55M. After restricting a total of P 266.5 million for Calamity and Contingency Funds, Operating Expense Fund, Purchase Request tied up with Bulk Water Supply and CSR-related expenses, P 888.45 Million will be available to fund the new capital expenditures in 2014.

DEBT SERVICE

Now on the 9th year of its 15-year loan contract with DBP, MCWD will be disbursing PhP 84.4 Million as payment of the principal amount of the loan and PhP 66.3 Million as interest charges.

The water district has also entered into a new loan with DBP with a principal amount of P 478 million with an annual interest rate of 6% and a term of 15 years. Payment shall commence two years from the date the loan will be released. The loan is intended to fund the Mactan Water Service Improvement Project. The proceeds of the loan are expected to be released in the 3rd Quarter of 2014.

In addition to that, DBP has already agreed to reduce the interest of the old loan from 8.5% to 6% starting on the 1st amortization date of the new loan.

The Local Water Utilities Administration allocated P 33 million for MCWD. 50% of which is in the form of grant and the other 50% will be payable in 25 years with 0% interest. The funds will be used for projects in Compostela and Cordova.

[4] See Appendix F for the details of the investment plan

CONTINGENT LIABILITIES

Although it still subject to final assessment, MCWD has several contingent liabilities which it might be forced to pay in 2014. Among these contingent liabilities are as follows:

a. Real Property Tax and Revenue Share payable to the City of Cebu
b. Franchise Tax liability which is still under protest before the BIR and the Court of Tax Appeals amounts to 96.5 million pesos excluding interests and surcharges

BALANCE SHEET

At the end of the year, total assets of the water district are expected to grow by 20%. This is with the assumption that the entire P 802.9 million capital expenditures shall be fully utilized. It will then result to an increase in the Utility Plant in Service by P 667 million or 37%.

Current Assets will decrease by P 16 Million or 1.2% primarily due to the decrease Accounts Receivable by P 9.8 million or 3.8% because it is targeted that year to date collections will improve to 96% from 91% in 2013. Current Liabilities will increase by P 23.4 million or 6%. This is due to the increase in the current portion of long-term debt and accrued purchased water accounts. As a result, the current ratio is expected at 3.3 which is 10% lower than in 2013 but still indicates a strong liquidity position for the water district.

Debt Ratio would slightly increase by 3 percentage points. This is understandable since the new loan proceeds are expected to be released in 2014.

Overall, the water district's financial outlook in 2014 is expected to remain strong and optimistic.

ANNEXES

ANNEX A: INCOME STATEMENT

Metropolitan Cebu Water District
Budgeted Income Statement
F.Y. 2013 and 2014

	2013 (Projected)	2014 Budget	Variance Amount	%
OPERATING REVENUES				
Water Sales	1,405,279,532.99	1,556,864,622.00	151,585,089.01	10.8%
Discount	41,192,354.93	35,180,095.29	(6,012,259.64)	-15%
Net Water Sales	**1,364,087,178.06**	**1,521,684,526.71**	**157,597,348.65**	**12%**
Other Operating Revenues				
Interest on Materials	8,864.45	9,307.67	443.22	5%
Penalty Charges	11,242,236.26	12,454,916.98	1,212,680.71	11%
Water Levy	1,264,751.58	1,401,178.16	136,426.58	11%
Total	**1,376,603,030.34**	**1,535,549,929.51**	**158,946,899.17**	**12%**
OPERATING EXPENSES				
Customer Accounts Expense	**70,384,399.83**	**87,333,173.24**	**16,948,773.41**	**24%**
Meter Reading Expenses	23,048,646.55	20,429,308.20	(2,619,338.35)	-11%
Installation and Disconnection Expense - net	9,756,564.92	27,254,974.14	17,498,409.22	179%
Customer Records and Collection Expenses	7,362,971.12	8,808,056.80	1,445,085.68	20%
Treasury Expense	7,934,248.52	7,926,254.89	(7,993.63)	0%
Branch Administration	5,250,855.06	5,289,972.76	39,117.70	1%
Marketing Expense	922,760.89	1,078,182.24	155,421.35	17%
Uncollectible Accounts Provision	91,518.60	91,518.60	-	0%
PIO/PAD	16,016,834.17	16,454,905.61	438,071.44	3%
Sources of Supply Expenses				
Purchased Water	**192,833,609.13**	**315,545,988.24**	**122,712,379.11**	**64%**
Pumping Expenses	**117,148,735.56**	**116,608,209.68**	**(540,525.88)**	**0%**
Production Expense	20,495,323.24	20,631,478.38	136,155.14	1%
Distribution Expense	31,741,523.31	30,885,997.58	(855,525.73)	-3%
Power/Fuel for Pumping	64,911,889.01	65,090,733.72	178,844.71	0%
Water Treatment Expenses	**22,762,109.42**	**27,804,976.09**	**5,042,866.67**	**22%**
Technical Services Expense	**59,157,597.74**	**68,487,255.98**	**9,329,658.24**	**16%**
Engineering Expenses	20,466,706.52	21,785,483.34	1,318,776.82	6%
Construction Supervision	14,863,445.23	15,671,999.12	808,553.89	5%
Water Sourcing and Environmental	23,827,446.00	31,029,773.52	7,202,327.52	30%
Administrative Expenses	**237,883,921.06**	**260,704,515.53**	**22,820,594.47**	**10%**
Management Information System Expenses	14,803,934.22	16,130,789.61	1,326,855.39	9%
Legal Expenses	16,912,095.60	16,069,884.55	(842,211.05)	-5%
Procurement Expenses	12,998,553.36	13,140,237.77	141,684.41	1%
Administrative and General Salaries	36,091,694.67	41,595,176.00	5,503,481.34	15%
Overtime and Holiday Pay	1,539,545.10	1,110,142.05	(429,403.05)	-28%
GSIS Premium, Medicare and ECC	4,890,418.78	5,557,125.36	666,706.58	14%
Pag-ibig Contributions	115,600.00	132,000.00	16,400.00	14%
Employees Pensions and Benefits	36,579,577.73	39,405,526.75	2,825,949.02	8%
Medical Plan	12,985,279.86	13,000,000.00	14,720.14	0%
Retirement Benefits	18,608,710.28	23,784,703.50	5,175,993.22	28%
Professional Fees	300,000.00	324,000.00	24,000.00	8%
Other Outside Services Employed	31,634,126.51	31,613,434.44	(20,692.07)	0%
Insurance Expenses	3,234,300.14	3,779,999.88	545,699.74	17%
Office Supplies	1,615,872.90	1,704,983.99	89,111.09	6%
Communications	3,097,930.85	3,200,000.00	102,069.15	3%
Training	4,636,914.08	4,926,142.90	289,228.82	6%
Light, Power and Water	12,980,369.00	12,300,000.00	(680,369.00)	-5%
Employess Physical Development	547,100.00	550,000.00	2,900.00	1%
Director's Fees and Expenses	3,213,764.03	3,459,720.00	245,955.97	8%
Fuel, Oil and Lubricants	1,873,146.55	1,996,475.85	123,329.30	7%
Clothing Allowance	4,000,000.00	4,475,000.00	475,000.00	12%
Miscellaneous Admn. and Gen. Expenses	13,099,297.76	20,149,172.88	7,049,875.12	54%
Taxes, Licenses and registration fees	2,125,689.64	2,300,000.00	174,310.36	8%
Total Operations Expense	**700,170,372.74**	**876,484,118.76**	**176,313,746.02**	**25%**

Maintenance of Power, Production and Equipment	29,643,283.38	29,590,354.18	(52,929.20)	0%
Maintenance of Transmission and Distribution - South	52,541,594.39	62,788,604.69	10,247,010.30	20%
Maintenance of Transmission and Distribution - North	53,192,549.65	62,591,414.00	9,398,864.35	18%
Fabrication Expense	4,319,643.79	1,852,896.57	(2,466,747.23)	-57%
Meter Maintenance	27,125,677.71	27,869,117.99	743,440.28	3%
Maintenance of General Plant	7,658,416.16	7,170,146.80	(488,269.36)	-6%
Maintenance of Motorpool	16,906,852.79	21,086,841.70	4,179,988.91	25%
Total Maintenance Expense	**191,388,017.87**	**212,949,375.93**	**21,561,358.06**	**11%**
Depreciation Expense	**130,154,220.00**	**136,661,931.00**	**6,507,711.00**	**5%**
OPERATING EXPENSES	**1,021,712,610.61**	**1,226,095,425.69**	**204,382,815.07**	**20%**
UTILITY OPERATING INCOME	**354,890,419.73**	**309,454,503.83**	**(45,435,915.90)**	**-13%**
OTHER INCOME	**24,422,366.76**	**23,367,637.02**	**(1,054,729.75)**	**-4%**
Dividend Revenue	-			
Interest Revenue	11,415,807.76	9,785,894.54	(1,629,913.22)	-14%
Miscellaneous Non-Operating Revenue	13,407,340.14	13,680,192.40	272,852.26	2%
Others	*1,729,932.90*	*1,729,932.90*	-	*0%*
Auditorium	*231,186.66*	*242,745.99*	*11,559.33*	*5%*
Water Truck	*1,151,496.03*	*1,151,496.03*	-	*0%*
SMC	*934,491.00*	*934,491.00*	-	*0%*
Disc. On Purchased Water	*657,320.70*	*690,186.74*	*32,866.04*	*5%*
Bid Docs and Penalties	*4,568,537.85*	*4,796,964.74*	*228,426.89*	*5%*
Annex Bldg. Rental	*4,134,375.00*	*4,134,375.00*	-	*0%*
Income/Loss of Non-Utility Operations	(400,781.14)	(98,449.92)	302,331.22	-75%
MISCELLANEOUS INCOME DEDUCTION	**14,066,314.85**	**15,568,646.22**	**1,502,331.37**	**11%**
LGU Revenue Share	14,052,795.33	15,568,646.22	1,515,850.89	11%
Unrealized Gain or Loss on FO	13,519.52	-	(13,519.52)	-100%
CPIS, CNA and PRODUCTIVITY BONUSES	**46,366,546.66**	**-**		
NET INCOME BEFORE INTEREST CHARGES	**318,879,924.98**	**317,253,494.62**	**(1,626,430.36)**	**-1%**
INTEREST ON LONG TERM DEBTS	73,195,581.71	66,269,577.16	(6,926,004.55)	-9%
NET INCOME (LOSS) FOR THE PERIOD	**245,684,343.27**	**250,983,917.47**	**5,299,574.19**	**2%**
NET INCOME RATIO	17.8%	16.3%		

ANNEX B: CASH FLOWS

Metropolitan Cebu Water District
Budgeted Cash Flows
F.Y. 2013 and 2014

	2013 ACTUAL (Estimated)	2014 BUDGET	Variance Amount	%
CASH INFLOW				
Revenue Collections:				
Water Sales	**1,398,031,445.37**	**1,562,523,020.76**	164,491,575.39	12%
Other Revenues				
Interest	11,362,091.14	9,739,847.41	(1,622,243.73)	-14%
Dividend	-	-		
Penalty Charges	10,680,124.45	11,832,171.13	1,152,046.68	11%
Water Levy	1,264,751.58	1,401,178.16	136,426.58	11%
Other Misc. Non-Operating Revenues	11,396,239.12	11,628,163.54	231,924.42	2%
Total	**34,703,206.29**	**34,601,360.24**	(101,846.05)	0%
Other Cash Receipts:				
Payment of Service Connection Cost	35,279,367.67	56,570,904.10	21,291,536.43	60%
Customers Deposit	16,506,319.02	16,800,000.00	293,680.98	2%
Total	**51,785,686.69**	**73,370,904.10**	21,585,217.41	42%
Refund of Employees Advances	768,277.42	768,277.42	-	0%
Escrow Fund - DBP	28,227,552.91	28,549,951.21	322,398.30	1%
Proceeds of the Loans and Grants		511,000,000.00		n/a
Cash Bond- Talisay				n/a
Others	6,225,097.64	6,225,097.64	-	0%
Total Cash Inflow	**1,519,741,266.32**	**2,217,038,611.37**	**186,297,345.05**	12%
CASH OUTFLOW				
Operating Expenses				
Personnel Cost	474,832,706.80	487,427,847.30	12,595,140.50	3%
Purchased Water	167,434,520.45	272,490,008.23	105,055,487.78	63%
Chemicals	9,713,346.47	14,504,566.92	4,791,220.45	49%
Power/Fuel for Production	57,795,038.40	58,593,048.45	798,010.05	1%
Fuel for Maintenance	8,211,790.77	8,248,712.21	36,921.45	0%
Maintenance of Materials	104,191,160.32	134,212,999.25	30,021,838.93	29%
Training Expenses	4,220,686.63	4,334,635.19	113,948.55	3%
Office Supplies	4,138,631.68	5,395,178.12	1,256,546.44	30%
Other Operating Expenses	132,609,889.69	100,472,138.10	(32,137,751.59)	-24%
Total	**963,147,771.21**	**1,085,679,133.77**	**122,531,362.56**	13%
Capital Outlay				
Equipment	74,870,927.82	63,635,557.46	(11,235,370.36)	-15%
Projects	105,734,293.59	739,240,650.56	633,506,356.97	599%
Total	**180,605,221.41**	**802,876,208.02**	**622,270,986.61**	345%
Other Cash Disbursements				
Cash Advances to Employees	1,036,174.20	1,036,174.20	-	0%
New Water Service Connections				n/a
Local Government Revenue Share	11,795,415.30	14,011,781.60	2,216,366.29	19%
Payment for Cordova Project				n/a
VAT/ Excise Tax Payment/Franchise Tax	81,383,397.06	102,427,860.67	21,044,463.61	26%
Taxes, Licenses and Registration				n/a
Fund Transfer				n/a
Payment of Claims to Mactan Rock	20,575,356.17			0%
Others	3,631,055.73	3,812,608.51	181,552.79	5%
Total	**118,421,398.46**	**121,288,424.98**	2,867,026.52	2%
Debt Service				
Principal	64,072,621.96	72,848,557.81	8,775,935.85	14%
Interest	114,931,234.04	106,409,122.19	(8,522,111.85)	-7%
Debt Service	**179,003,856.00**	**179,257,680.00**	253,824.00	0%
Total Cash Outflow	**1,441,178,247.07**	**2,189,101,446.76**	**(747,923,199.69)**	-52%
Net Cash Inflow (Outflow)	**78,563,019.25**	**27,937,164.61**		
Add: Beginning Balance	988,449,304.57	1,058,493,838.46		
Outstanding Checks (net)	(8,518,485.36)			
Cash Balance End	**1,058,493,838.46**	**1,086,431,003.07**	**27,937,164.61**	3%

ANNEX C: BALANCE SHEET

Metropolitan Cebu Water District
Budgeted Balance Sheet
F.Y. 2013 and 2014

	December 31, 2013	December 31, 2014	Variance	
ASSETS				
Utility Plant in Service	3,625,402,047.48	4,085,651,853.71	460,249,806.23	13%
Less: Accumulated Depreciation	2,439,745,517.07	2,575,215,368.43	135,469,851.36	6%
Total UPIS	1,185,656,530.41	1,510,436,485.28	324,779,954.87	27%
Land				
Turned over from OWS	14,794,449.69	14,794,449.69	-	0%
Acquired	323,514,418.48	323,514,418.48	-	0%
Construction in Progress	269,939,234.90	612,565,636.69	342,626,401.79	127%
Net Utility Plant in Service	**1,793,904,633.48**	**2,461,310,990.14**	**667,406,356.66**	37%
Current Assets				
Cash	203,219,890.63	203,036,054.65	(183,835.98)	0%
Temporary Investment	712,505,123.92	712,076,173.30	(428,950.62)	0%
Other Cash Items	270,000.00	270,000.00	-	0%
Accounts Receivable - Customers	256,214,700.02	246,395,405.66	(9,819,294.36)	-3.8%
Allowance for Bad Debts	(5,094,014.87)	(5,185,533.47)	(91,518.60)	2%
Materials and Supplies Inventory	144,021,490.67	138,504,137.18	(5,517,353.49)	-4%
Interest Receivable	1,746,073.39	1,792,120.52	46,047.13	3%
Total	**1,312,883,263.75**	**1,296,888,357.83**	**(15,994,905.92)**	-1.2%
Other Assets				
Sinking Fund	142,768,823.91	171,318,775.12	28,549,951.21	20%
Investment Property - net	30,199,351.95	29,007,272.31	(1,192,079.64)	-4%
Investment PLDT	86,530.00	86,530.00	-	0%
Special Deposits	19,416,282.74	19,416,282.74	-	0%
Advances to Officers and Employees	3,587,034.31	3,587,034.31	-	0%
Accounts Receivable - Others	26,981,474.28	41,590,305.00	14,608,830.71	54%
Prepayments	15,407,113.10	15,407,113.10	-	0%
Other Deferred Debits	4,325,631.08	4,325,631.08	-	0%
Unamortized Portion of Pension Benefits	32,794,931.76	9,010,228.26	(23,784,703.50)	-73%
Preliminary Survey and Investigation Charges	-	-	-	n/a
Franchise Tax Receivable	-	-	-	n/a
Input Tax (12%)	3,348.79	3,348.79	-	0%
Total	**275,570,521.92**	**293,752,520.71**	**18,181,998.79**	
Total Assets and Other Debits	**3,382,358,419.16**	**4,051,951,868.68**	**669,593,449.52**	20%
CAPITAL				
Donated Capital	12,888,650.25	29,388,650.25	16,500,000.00	128%
Retained Earnings	1,819,661,060.09	2,070,644,977.55	250,983,917.47	14%
Revaluation Increment in Property	183,997,769.96	183,997,769.96	-	0%
Total	**2,016,547,480.30**	**2,284,031,397.76**	**267,483,917.47**	13%
LIABILITIES				
Long Term-Debt				
Loans Payable - DBP	725,593,738.36	1,111,692,022.02	386,098,283.66	53%
Loans Payable - LWUA		16,500,000.00	16,500,000.00	n/a
Advances from Cordova	(0.12)	(0.12)	-	0%
Advances from Kenrich Development Corp	590,463.73	472,370.98	(118,092.75)	-20%
Total	**726,184,201.97**	**1,128,664,392.88**	**402,480,190.91**	55%
Current and Accrued Liabilities				
Vouchers Payable	20,912,499.80	15,104,428.89	(5,808,070.91)	-28%
Accrued Light and Power	16,891,629.68	16,415,307.76	(476,321.92)	-3%
Accrued Purchased Water	26,949,308.12	36,196,789.39	9,247,481.27	34%
Current Portion of Long Term Debt	84,438,151.63	91,901,716.34	7,463,564.71	9%
Customers Deposit	194,619,659.16	211,419,659.16	16,800,000.00	9%
Other Current and Accrued Liabilities	21,369,361.17	17,556,752.66	(3,812,608.51)	-18%
Total	**365,180,609.56**	**388,594,654.20**	**23,414,044.64**	6%
Other credits				
Other deferred credits	18,111,182.46	18,111,182.46	-	0%
Other operating reserves	188,479,631.16	164,694,927.66	(23,784,703.50)	-13%
Accounts Payable - others	64,252,262.71	64,252,262.71	-	0%
Income Tax Payable	3,603,051.00	3,603,051.00	-	0%
Total	**274,446,127.33**	**250,661,423.83**	**(23,784,703.50)**	-9%
Total Liabilities and Capital	**3,382,358,419.16**	**4,051,951,868.68**	**669,593,449.52**	20%

ANNEX D: CAPITAL EXPENDITURES

CAPITAL EXPENDITURES CLASSIFICATION	Budgeted Cost
MACTAN WATER SYSTEM IMPROVEMENT PROGRAM	**446,992,123.61**
Mactan Water Service Improvement Program - Package 2: along Brgys BASAK, BANGKAL, MARIBAGO, MARIGONDON, LAPU-LAPU CITY	194,033,111.40
Mactan Water Service Improvement Program - Package 3 Cluster A	145,825,444.30
Mactan Water Service Improvement Program - Package 3 Cluster B	59,621,836.30
Mactan Water Service Improvement Program - Package 3: Modena Subdivision	7,258,118.22
Mactan Water System Improvement Program - Package 5: Brgys. Pajac, Bangkal, Maribago & Agus, Lapulapu City Proj	40,253,612.39
EXPANSION	**86,954,845.86**
100MM X 320LM DI Inter-connecting Pipeline for Mactan Plains Sub, Sitio Angasil	2,684,582.90
300 mm DI Water Distribution Mains in Brgy. Canduman, Mandaue to Sitio Tigbao, Talamban, Cebu City	15,212,121.29
Brgy. Tabok, Brgy. Tingub and Casuntingan, Mandaue City	3,348,946.12
Distribution Line Project - Sitio Malinao, Brgy. Agus, Marigongon, Lapulapu City	2,088,287.04
Expansion Line Project for Sitio Angasil, Brgy. Mactan, Lapu-Lapu City	5,797,000.00
Expansion Line Project for Sitio Pundok (Pit-os to Pulangbato Bridge) Brgy. Pit-os, Cebu City	5,324,695.00
Expansion/Lateral Projects for Bacayan Pit-os	25,416,385.70
Pit-os, Talamban Pipeline Expansion Project	22,371,169.29
Proposed Ø100mm x 420.0 LM DI Expansion Line at Sitio Curva, San Vincente, Lilo-an, Cebu	2,436,623.00
Talisay National Road, Sitio Tigib-Burlas, Brgy. Lagtang, Talisay City	2,275,035.52
IN-HOUSE WATER SOURCING	**64,021,925.28**
CUB 1	9,007,598.78
G10 Guadalupe	1,312,298.00
MAC 10 and 11	6,508,756.40
MAC 12	3,000,000.00
MAC 6 and 7 Ø100MM Interconnecting Pipeline	4,420,000.00
MAC 6, 7 and 8 Constrcution of Pumping Stations	8,709,862.10
MAN 1	9,286,389.31
MC23 Boys High	16,605,966.69
OPPRA Well Drilling	4,189,050.00
Purchase of lot located in Basak, Lapulapu City (MB-5)	982,000.00
NON-REVENUE WATER REDUCTION PROGRAM	**50,578,611.55**
1 unit Actuated Valve	300,000.00
1 unit Electromagnetic Flow Meters	500,000.00
10 units Data Loggers	820,500.00
2 units Meter Clamps	2,400,000.00
2 units Mini Dump Truck	4,000,000.00
2 units Mini Excavator	14,000,000.00
3 units Fire Hydrants and 7 units flowmeters (NRW)	1,958,479.90
3 units Waterproof Stopwatch	10,500.00
38 units Data Loggers with 2 units portable wireless readout device with display and 1 unit USB Radio Interface	3,484,000.00
5 units Vehicles	4,250,000.00
6 units Pressure Differential Flow Meters	720,000.00
Fire Hydrant Metering	2,900,000.00
Meter Sizing Equipment	300,000.00
Meter Sizing Program	300,000.00
Personnel Costs	4,197,991.96
Procurement and Installation of PRVs	10,437,139.69
24/7 PROGRAM	**36,941,458.70**
Distribution Main along Umapad-Opao, Mandaue City (Rizal Avenue Bulk Water Supply)	5,115,790.08
Distribution Mains- Monterrazas de Cebu, Guadalupe	16,073,184.81
Site Development and Modular Tank- Monterrazas de Cebu, Guadalupe	15,752,481.81
REHABILITATION OF TRANSMISSION LINES	**35,754,121.83**
Alaska, Mambaling, Cebu City (Batch 1)	18,000,000.00
I. Tabura St. Pardo, Cebu City (Batch 1) with decommissioning costs	2,228,946.23
Pulpogan, Consolacion (Batch 2)	3,300,000.00
Datag, Lapulapu City (Batch 3)	4,559,590.37
Decommissioning and Transfer Tapping along Sitio Looc, Lilo-an	238,452.00
Extended Stubout Project - M. Logarta St. Subangdaku	571,968.00
F.LLAMAS ST., LABANGON, CEBU CITY, REALIGNMENT OF 200MM X 17LM & 100MM X 17LM UPVC PIPE	350,000.00
Jubay, Liloan (Batch 3)	4,718,140.23
Transfer Tapping of SC along Umapad-Opao, Mandaue	1,787,016.00
CORPORATE SOCIAL RESPONSIBILITY PROJECTS	**17,106,816.02**
CAMPO 2 BRGY JACLUPAN PIPELAYING PROJECT E-988-L3-091012	4,820,000.00
General Fund	12,286,816.02

WASEC	**12,012,374.05**
Biasong Relocation Site, Talisay City	1,046,083.95
Casili Estate HOA Inc.	40,801.10
E. Bascon, Dumlog, Talisay	4,837,169.00
Pueblo de Oro, Babag 2, Lapulapu City 250MM X 452 LM UPVC Interconnecting Pipeline	4,995,000.00
St. Anthony's Village Distribution Line	1,093,320.00
COMPUTER HARDWARE	**10,801,800.00**
1 unit GSM Gateway Hardware	128,800.00
1 unit Laptop for Corplan	70,000.00
13 units of Computers for the Engineering Department	780,000.00
2 units Computer for the One Stop Shop	120,000.00
2 units Epson LQ-2180	90,000.00
2 units LQ-300	26,000.00
3 units Computers for PMO	180,000.00
3 units Water Bill Printer	240,000.00
GIS Computer Hardware	992,000.00
Wireless Radio Antenna	8,175,000.00
PUMP MAINTENANCE	**9,939,000.00**
1 unit VALVE, FLOW CONTROL, 100MM	609,000.00
1 unit 60 HP Vertical Turbine Pump	1,264,000.00
1 unit SUBMERSIBLE MOTOR, 15HP, 230VAC, 3P, 60HZ	78,000.00
1 unit SUBMERSIBLE MOTOR, 20HP, 230VAC, 3P, 60HZ	93,000.00
1 unit SUBMERSIBLE MOTOR, 30HP, 230VAC, 3P, 60HZ	118,000.00
1 unit SUBMERSIBLE MOTOR, 7.5HP,230VAC, 3P, 60HZ	57,000.00
1 unit SUBMERSIBLE MOTOR, 75HP, 460VAC, 3P, 60HZ	350,000.00
1 unit SUBMERSIBLE PUMPSET, 5HP, 230VAC, Q-23CUM/HR, TDH-45M	90,000.00
1 unit SUBMERSIBLE PUMPSET, 5HP, 230VAC, Q-27CUM/HR, TDH-36.1M	90,000.00
1 unit SUBMERSIBLE PUMPSET, 10HP, 230VAC, Q- 30CUM/HR, TDH-65M	320,000.00
1 unit SUBMERSIBLE PUMPSET, 10HP, 230VAC, Q- 40CUM/HR, TDH-50M	320,000.00
1 unit SUBMERSIBLE PUMPSET, 15HP, 230VAC, Q- 40CUM/HR, TDH-55M	180,000.00
1 unit SUBMERSIBLE PUMPSET, 30HP, 230VAC, Q-75CUM/HR, TDH-54.4	280,000.00
1 unit SUBMERSIBLE PUMPSET, 50HP, 460VAC, Q-100CUM/HR, TDH-80M	940,000.00
1 unit SUBMERSIBLE PUMPSET, 10HP, 230VAC, Q- 20CUM/HR, TDH-84M	175,000.00
1 unit SUBMERSIBLE PUMPSET, 15HP, 230VAC, Q- 34CUM/HR, TDH-90M	160,000.00
1 unit SUBMERSIBLE PUMPSET, 15HP, 230VAC, Q- 35CUM/HR, TDH-81.7M	160,000.00
1 unit SUBMERSIBLE PUMPSET, 7.5HP, 230VAC, Q-20CUM/HR, TDH-72M	125,000.00
1 unit SUBMERSIBLE PUMPSET, 7.5HP, 230VAC, Q-27CUM/HR, TDH-54.8M	125,000.00
1 unit SUBMERSIBLE PUMPSET, 75HP, 460VAC, Q-154CUM/HR, TDH-77.4M	495,000.00
12 units PUMPSET, SUMP/DRAINAGE, 1/2HP 230VAC 1P	237,600.00
12 units SOFTSTARTER, MOTOR CONTROLLER, 30KW, 460VAC (40HP)	660,000.00
2 units PUMP, BOOSTER, CENTRIFUGAL, 30HP, Q-60CU.M./HR, TDH-85M	460,000.00
2 units PUMP, BOOSTER, CENTRIFUGAL, VERTICAL, 5.5HP, 230VAC, Q-12.5CU/HR, TDH-50M	210,000.00
2 units SOFTSTARTER, MOTOR CONTROLLER, 30KW, 460VAC (40HP)	110,000.00
2 units VARIABLE SPEED DRIVE, 7.5HP, 230VAC VARIABLE SPEED DRIVE, 7.5HP, 230VAC	186,000.00
2 units WATER METER, 6", PRODUCTION WITH PULSE SENSOR (flowmeters)	110,000.00
2 units SOFTSTARTER, MOTOR CONTROLLER, 75KW, 460 VAC (100HP)	343,200.00
2 units SUBMERSIBLE MOTOR, 40HP, 460VAC, 3P, 60HZ	284,000.00
3 units SOFTSTARTER, MOTOR CONTROLLER, 75KW, 460 VAC (100HP)	343,200.00
3 units Variable Speed Drive;30 kw	252,000.00
6 units WATER METER, 4", PRODUCTION WITH PULSE SENSOR (flowmeters)	219,000.00
9 units SOFTSTARTER, MOTOR CONTROLLER, 15KW, 230VAC (20HP)	495,000.00
OFFICE AND FACILITY IMPROVEMENTS	**8,007,652.98**
AIRCON, COMPRESSOR, SCROLL TYPE, 10TONS	130,000.00
AIRCON, COMPRESSOR, SCROLL TYPE, 5TONS	80,000.00
AIRCON, COMPRESSOR, SCROLL TYPE, 7.5TONS	120,000.00
1 unit Airconditioner of PMD Talamban Office	185,000.00
Construction of canopy & installation of lockers & purchase of addt'l office furniture	83,865.00
Digital Queuing System for the One-Stop-Shop Customer Servicing	700,000.00
One Stop Shop	1,616,000.00
Overhauling of Genset at the Main Office	381,425.21
Pallet Racking System	1,310,000.00
Perimeter Fence for MAC 5 in Bangkal, Lapu-Lapu City	619,000.00
Renovation of the Family Park Swimming Pool	836,409.68
Storm Drainage	452,183.09
Water Level Alarm System for the Buhisan Dam	175,190.00
Water Truck Shed	930,000.00
Wooden Pallets for the Talamban Warehouse	388,580.00

OTHER CIVIL WORKS	**7,621,078.32**
Desilting Program at Jaclupan	7,621,078.32
OTHER CAPITAL EXPENDITURES	**7,066,038.00**
WORKING MODEL, 3D, CEBU CITY RIVERS	40,000.00
WORKING MODEL, 3D, MANANGA RIVER BASIN	40,000.00
1 unit CALCULATOR, SCIENTIFIC, PROGRAM LOADED	15,000.00
1 unit COMPUTER, U P S	11,000.00
1 unit GENERATOR, PORTABLE WITH LIGHTING ACCESSORIES	100,000.00
1 unit SCALE, WEIGHING	120,000.00
1 unit WHEEL, MEASURING	22,000.00
1 unit Concrete Mixer	50,000.00
1 unit Dewatering Pump	40,000.00
1 unit Portable Generator with Flood Lights	100,000.00
1000 pcs. meter cuffs	100,000.00
2 units Tapping Machine 3/4" - 2" FOR PVC/DI	1,000,000.00
2 units Water Leak Detector	1.00
6 units Portable Generators with Floodlights	600,000.00
AC Commutator Motor	125,000.00
BOOK, REFERENCE (BPS/ISO)	31,776.00
Hydrogeologic Investigation in Cabadiangan, Lilo-an, Kotkot River (well drilling)	3,488,920.00
Purchase of lot for the relocation of 2nd Mandaue Booster Station	302,500.00
Purchase of lot for the reservoir site at OPPRA	399,840.00
Salt Water Intrusion Monitoring	1.00
Transfer Taxes and Titling Expenses	400,000.00
WORKING MODEL, 3D, COMBADO-LUSARAN RIVER BASIN	40,000.00
WORKING MODEL, 3D, KOTKOT RIVER BASIN	40,000.00
LABORATORY EQUIPMENT and WATER TREATMENT	**2,732,456.50**
1 unit Bench-type Turbidimeter	200,000.00
10 units Metering Pump with Fittings and Accessories	626,347.50
15 units Metering Pump with Fittings and Accessories	874,140.00
2 units Portable Turbidimeters	150,000.00
4 units Electromagnetic Metering Pump	160,000.00
6 units Electomagnetic Pump	150,000.00
Iron and Manganese Removal/Water Treatment Facility for Well W35 in Berjame Subdivision, Tigbao, Talamban	571,968.00
COMPUTER SOFTWARE AND SOFTWARE DEVELOPMENT	**2,626,194.00**
3 units Autodesk Civil 3D license subscriptions	1,656,000.00
HRIS	443,000.00
HRIS (Training, Competency Management, Med Services, Employee Relations & HR Policies	342,982.00
MCWD Electronic Procurement System	184,212.00
GEOGRAPHIC INFORMATION SYSTEM	**1,658,209.32**
Geographic Information System	1,658,209.32
METER MAINTENANCE	**1,599,500.00**
1 unit ADAPTOR, METER TEST RIG, 250MM	618,000.00
12 units WATER METER, 6", PRODUCTION WITH PULSE SENSOR	660,000.00
2 units WATER METER, 3", PRODUCTION WITH PULSE SENSOR	66,000.00
7 units WATER METER, 4", PRODUCTION WITH PULSE SENSOR	255,500.00
COMMUNICATIONS	**462,000.00**
10 units Hand-held radio	462,000.00
Grand Total	**802,876,208.02**

ANNEX E: BUDGET PER COST CENTER

Metropolitan Cebu Water District
Operations and Maintenance Expense Budget per Cost Center
For the Year 2014

COST CENTER		SALARIES	OVERTIME	EMPLOYEES' BENEFITS	EMPLOYEES' BENEFITS - OTHERS	OFFICE SUPPLIES	MATERIALS	OTHER OPERATING EXPENSES	TOTAL
GM's Group									
Office of the Board of Directors	100	552,564.00	-	133,558.04	208,500.00	35,094.56	-	3,459,720.00	4,389,436.60
GM's Office									
Office of the General Manager	200	1,958,901.00	24,366.00	466,898.04	562,500.00	38,460.95	-	5,535,462.00	8,586,587.99
Corporate Planning Department									
Office of the Department Manager	210	878,424.00	8,334.00	204,268.04	352,500.00	86,205.30	-	6,000.00	1,535,731.34
Planning and Monitoring Division	211	3,635,148.00	151,179.20	393,090.21	689,100.00	-	-	99,217.44	4,967,734.85
Total		4,513,572.00	159,513.20	597,358.25	1,041,600.00	86,205.30	-	105,217.44	6,503,466.19
Internal Audit Department									
Office of the Department Manager	220	914,652.00	8,417.40	215,003.49	367,300.00	63,366.00	-	-	1,568,738.89
Technical Audit Division	221	2,371,992.00	86,374.20	408,234.48	599,700.00	-	-	115,000.00	3,581,300.68
Financial Audit Division	222	2,582,760.00	98,959.80	456,548.21	615,400.00	-	-	10,920.00	3,764,588.01
Total		5,869,404.00	193,751.40	1,079,786.18	1,582,400.00	63,366.00	-	125,920.00	8,914,627.58
Legal Department									
Office of the Department Manager	230	1,043,172.00	16,765.20	135,149.53	440,500.00	99,570.06	-	1,004,240.96	2,739,397.75
Investigation & Litigation Division	231	3,892,062.00	164,424.90	688,663.28	1,003,400.00	-	13,644.60	1,278,451.72	7,040,646.50
Contracts,ROW, Sites & Permits Div	232	2,878,072.00	113,393.60	397,320.36	729,300.00	-	-	4,046,754.42	8,164,840.38
Total		7,813,306.00	294,583.70	1,221,133.17	2,173,200.00	99,570.06	13,644.60	6,329,447.10	17,944,884.63
Management Info Services Department									
Office of the Department Manager	240	1,214,904.00	23,157.60	295,927.24	443,600.00	116,431.39	-	345,124.08	2,439,144.31
System Analyses & Comp Appli Div	241	3,867,595.00	161,154.35	760,864.00	679,400.00	-	-	1,102,531.80	6,571,545.15
Computer Operations Division	242	2,299,872.00	84,483.60	391,201.48	428,900.00	-	567,536.83	3,942,922.24	7,714,916.15
Total		7,382,371.00	268,795.55	1,447,992.72	1,551,900.00	116,431.39	567,536.83	5,390,578.12	16,725,605.61
Group Total		28,090,118.00	941,009.85	4,946,726.40	7,120,100.00	439,128.26	581,181.43	**20,946,344.66**	63,064,608.60
Finance Group									
Office of the Assistant General Manager	300	974,628.00	11,129.40	91,284.12	347,600.00	19,030.20	-	605,000.00	2,048,671.72
Billing Department									
Office of the Department Manager	310	876,862.00	8,417.40	204,115.46	361,300.00	12,084.60	-	-	1,462,779.46
Meter Reading & Bill Distribution Div	311	9,861,910.00	462,751.40	2,111,554.92	2,971,400.00	175,216.56	-	4,846,475.32	20,429,308.20
Billing Records Division	312	3,829,696.00	159,259.40	879,090.84	1,065,300.00	1,733,175.40	-	1,233,053.76	8,899,575.40
Total		14,568,468.00	630,428.20	3,194,761.22	4,398,000.00	1,920,476.56	-	6,079,529.08	30,791,663.06
Accounting Department									
Office of the Department Manager	320	864,684.00	8,417.40	82,114.80	335,700.00	186,941.17	-	501.00	1,478,358.37
General Accounting Division	321	4,291,836.00	184,741.80	632,239.60	1,082,100.00	-	-	126,350.00	6,317,267.40
Payroll Division	322	932,796.00	46,639.80	217,839.48	396,100.00	-	-	3,000.00	1,596,375.28
Total		6,089,316.00	239,799.00	932,193.88	1,813,900.00	186,941.17	-	129,851.00	9,392,001.05
Financial Management Department									
Office of the Department Manager	330	864,684.00	8,417.40	82,114.80	248,800.00	39,270.80	-	-	1,243,287.00
Financial Planning & Control Div	331	975,282.00	18,914.10	91,511.28	246,500.00	-	-	-	1,332,207.38
Treasury Division	332	4,126,878.00	175,833.90	695,242.92	1,132,700.00	398,800.40	-	1,396,799.67	7,926,254.89
Branch Collection Division	333	2,079,036.00	73,441.80	532,235.88	646,800.00	469,804.40	-	893,838.68	4,695,156.76
Total		8,045,880.00	276,607.20	1,401,104.88	2,274,800.00	907,875.60	-	2,290,638.35	15,196,906.03
Group Total		**29,678,292.00**	**1,157,963.80**	**5,619,344.10**	**8,834,300.00**	**3,034,323.53**	**-**	**9,105,018.43**	**57,429,241.86**

COST CENTER		SALARIES	OVERTIME	EMPLOYEES' BENEFITS	EMPLOYEES' BENEFITS - OTHERS	OFFICE SUPPLIES	MATERIALS	OTHER OPERATING EXPENSES	TOTAL
Administration Group									
Office of the Assistant General Manager	400	974,628.00	11,129.40	91,284.12	324,000.00	41,603.81	-	380,550.00	1,823,195.33
Human Resources Department									
Office of the Department Manager	410	912,984.00	8,334.00	214,822.76	359,100.00	291,614.99	-	-	1,786,855.75
Recruitment & Training Division	411	1,883,136.00	63,978.60	285,147.92	477,500.00	47,142.90	-	5,009,000.00	7,765,905.42
Personnel Services Division	412	2,648,184.00	102,559.20	423,747.08	736,900.00	-	-	66,256,871.46	70,168,261.74
Medical Services Division	413	753,829.00	37,691.45	83,210.64	373,000.00	-	-	13,324,000.00	14,571,731.09
Total		6,198,133.00	212,563.25	1,006,928.40	1,946,500.00	338,757.89	-	84,589,871.46	94,292,754.00
Public Affairs Department									
Office of the Department Manager	420	871,506.00	8,375.70	82,753.20	330,700.00	286,759.36	-	246,931.80	1,827,026.06
Corporate Communication Division	421	2,628,870.00	100,933.50	439,532.72	854,800.00	-	-	4,065,810.12	8,089,946.34
Public Relations Division	422	3,190,773.00	128,916.65	641,643.80	814,800.00	-	-	4,961,799.76	9,737,933.21
Total		6,691,149.00	238,225.85	1,163,929.72	2,000,300.00	286,759.36	-	9,274,541.68	19,654,905.61
Materials Management Department									
Office of the Department Manager	430	863,989.00	8,382.65	82,114.80	328,000.00	376,499.68	-	3,792,084.00	5,451,070.13
Procurement Division	431	2,304,333.00	82,991.25	537,426.08	821,700.00	-	-	1,085,027.72	4,831,478.05
Inventory & Warehousing Division	432	3,272,168.00	132,958.40	785,027.00	1,035,100.00	-	-	110,010.00	5,335,263.40
Total		6,440,490.00	224,332.30	1,404,567.88	2,184,800.00	376,499.68	-	4,987,121.72	15,617,811.58
General Services Department									
Office of the Department Manager	440	919,127.00	8,368.75	215,236.85	371,100.00	271,404.50	-	29,546,056.56	31,331,293.66
Utility and Security Division	441	2,408,184.00	89,224.20	491,474.96	1,018,400.00	-	-	19,864,641.48	23,871,924.64
Transportation Ser & Equipt Maint Div	442	5,971,783.00	268,739.15	1,204,145.44	2,167,400.00	-	5,453,493.27	10,024,756.61	25,090,317.47
Total		9,299,094.00	366,332.10	1,910,857.25	3,556,900.00	271,404.50	5,453,493.27	59,435,454.65	80,293,535.77
Group Total		**29,603,494.00**	**1,052,582.90**	**5,577,567.37**	**10,012,500.00**	**1,315,025.24**	**5,453,493.27**	**158,667,539.51**	**211,682,202.29**
Operations Group									
Office of the Assistant General Manager	500	1,419,732.00	30,391.80	312,025.88	405,400.00	48,056.90	-	296,300.00	2,511,906.58
Production and Distribution Department									
Office of the Department Manager	510	884,004.00	8,417.40	206,322.01	359,800.00	139,204.53	-	-	1,597,747.94
Production Division	511	10,267,091.00	523,730.60	1,481,036.32	2,527,100.00	-	534,485.27	385,200,357.15	400,533,800.34
Distribution Division	512	15,876,764.00	831,197.05	2,366,081.08	3,576,200.00	-	2,007,492.85	6,228,262.60	30,885,997.58
Water Quality Control Division	513	5,728,399.00	256,241.75	829,151.64	1,386,800.00	-	17,065,594.02	2,538,789.68	27,804,976.09
Total		32,756,258.00	1,619,586.80	4,882,591.05	7,849,900.00	139,204.53	19,607,572.14	393,967,409.43	460,822,521.95
Environment & Water Resources Dept									
Office of the Department Manager	520	1,054,272.00	15,126.00	230,593.53	357,800.00	70,530.63	-	405,703.44	2,134,025.60
Groundwater Division	521	5,081,580.00	223,900.80	688,189.80	849,900.00	-	-	1,736,127.48	8,579,698.08
Surfacewater Division	522	2,897,706.00	114,871.20	467,248.80	628,800.00	-	-	3,869,593.30	7,978,219.30
Environment Division	523	3,953,340.00	165,994.30	597,638.84	879,600.00	-	-	6,741,257.40	12,337,830.54
Total		12,986,898.00	519,892.30	1,983,670.97	2,716,100.00	70,530.63	-	12,752,681.62	31,029,773.52
Service Connection Installation Dept									
Office of the Department Manager	530	907,050.00	8,375.70	212,034.90	355,100.00	173,224.20	-	257,620.56	1,913,405.36
Water Serv Processing & Insp Div	531	3,153,484.00	125,448.80	550,892.12	785,900.00	-	-	1,273,236.72	5,888,961.64
Installation & Disconnection Div	532	6,327,488.00	286,524.40	1,233,963.64	2,611,800.00	-	10,000,253.33	(1,007,422.23)	19,452,607.14
Total		10,388,022.00	420,348.90	1,996,890.66	3,752,800.00	173,224.20	10,000,253.33	523,435.05	27,254,974.14
Maintenance Support Services Dept									
Office of the Department Manager	540	864,684.00	8,417.40	82,114.80	331,800.00	101,110.71	-	-	1,388,126.91
Fabrication Division	541	1,532,243.00	46,351.00	346,693.96	540,800.00	-	3,218,482.91	(3,831,674.30)	1,852,896.57
Electro Mechanical Facilities Div	542	6,705,155.00	304,242.25	1,211,444.52	2,061,700.00	-	15,493,416.29	3,814,396.12	29,590,354.18
Meter Maintenance Division	543	6,535,752.00	294,562.20	1,177,199.60	2,231,100.00	-	15,302,046.11	2,328,458.08	27,869,117.99
Total		15,637,834.00	653,572.85	2,817,452.88	5,165,400.00	101,110.71	34,013,945.31	2,311,179.90	60,700,495.65
Group Total		**73,188,744.00**	**3,243,792.65**	**11,992,631.44**	**19,889,600.00**	**532,126.97**	**63,621,770.78**	**409,851,006.00**	**582,319,671.84**

COST CENTER		SALARIES	OVERTIME	EMPLOYEES' BENEFITS	EMPLOYEES' BENEFITS - OTHERS	OFFICE SUPPLIES	MATERIALS	OTHER OPERATING EXPENSES	TOTAL
Technical Services Group									
Office of the Assistant General Manager	600	990,684.00	11,932.20	262,637.16	384,300.00	29,983.37	-	270,000.00	1,949,536.73
Engineering Department									
Office of the Department Manager	620	882,048.00	8,417.40	206,363.66	361,100.00	326,758.22	-	271,137.32	2,055,824.60
Planning Division	621	4,714,164.00	203,482.80	941,772.96	1,388,600.00	-	-	2,231,410.72	9,479,430.48
Design Division	622	5,795,576.00	259,655.30	813,624.60	1,138,200.00	-	-	2,243,172.36	10,250,228.26
Hydraulics (DMA)	622A	-	-	-	-	-	-	-	0.00
Materials &Equipt Quality Control Dv	623	2,134,434.00	75,706.20	537,935.88	523,600.00	-	97,298.90	777,201.06	4,146,176.04
PMO	610	1,449,482.00	7,752.60	136,343.16	440,100.00	200,714.71	-	536,237.04	2,770,629.51
Total		14,975,704.00	555,014.30	2,636,040.26	3,851,600.00	527,472.93	97,298.90	6,059,158.50	28,702,288.89
Construction Department									
Office of the Department Manager	630	1,097,136.00	17,269.20	267,477.36	460,200.00	44,896.23	-	313,326.72	2,200,305.51
Mainline Expansion Civil Works Div	631	3,191,712.00	128,739.60	710,805.28	704,300.00	-	-	901,662.24	5,637,219.12
Mainline Rehabilitation Division	632	2,900,626.00	112,805.90	550,895.96	681,600.00	-	-	817,917.12	5,063,844.98
Total		7,189,474.00	258,814.70	1,529,178.60	1,846,100.00	44,896.23	-	2,032,906.08	12,901,369.61
Group Total		**23,155,862.00**	**825,761.20**	**4,427,856.02**	**6,082,000.00**	**602,352.53**	**97,298.90**	**8,362,064.58**	**43,553,195.23**
Pipelines Maintenance Group									
Office of the Assistant General Manager	700	1,232,472.00	19,658.40	265,147.29	434,200.00	-	-	249,980.00	2,201,457.69
Pipelines Maintenance Dept. - South									
Office of the Department Manager	710	1,074,156.00	18,022.80	261,720.16	447,400.00	199,793.30	-	-	2,001,092.26
Pipelines Repair Division	711	8,929,197.00	416,281.65	1,582,784.48	2,806,800.00	-	3,475,964.29	3,506,263.53	20,717,290.95
Service Connection Rehab Division	712	4,712,693.00	205,124.65	896,846.20	1,410,000.00	-	10,961,542.29	1,763,047.40	19,949,253.54
Road Restoration Division	713	4,372,458.00	186,397.50	889,359.64	1,412,300.00	-	2,368,079.32	1,583,025.63	10,811,620.09
Massive Rehab - South	700A	3,799,404.00	189,970.20	416,870.88	480,000.00	-	793,032.10	1,094,839.08	6,774,116.26
MCDP - South	712A	2,193,984.00	109,699.20	252,978.72	336,000.00	-	858,290.25	785,371.68	4,536,323.85
Total		25,081,892.00	1,125,496.00	4,300,560.08	6,892,500.00	199,793.30	18,456,908.25	8,732,547.32	64,789,696.95
Pipelines Maintenance Dept. - North									
Office of the Department Manager	720	1,038,802.00	16,222.50	224,523.43	433,200.00	89,258.30	-	-	1,802,006.23
Pipelines Repair Division	721	9,438,482.00	440,164.70	1,790,582.60	2,856,000.00	-	3,335,757.44	3,440,398.07	21,301,384.81
Service Connection Rehab Division	722	5,936,655.00	266,654.55	1,114,620.88	1,838,600.00	-	9,258,967.24	2,306,778.11	20,722,275.78
Road Restoration Division	723	4,122,243.00	175,602.15	753,351.76	1,025,100.00	-	2,455,496.20	1,307,476.29	9,839,269.40
Massive Rehab - North	700B	3,799,404.00	189,970.20	416,870.88	480,000.00	-	-	1,094,839.08	5,981,084.16
MCDP - North	722B	2,426,772.00	121,338.60	287,672.63	336,000.00	-	874,188.18	701,428.44	4,747,399.85
Total		26,762,358.00	1,209,952.70	4,587,622.18	6,968,900.00	89,258.30	15,924,409.06	8,850,919.99	64,393,420.23
Group Total		**53,076,722.00**	**2,355,107.10**	**9,153,329.55**	**14,295,600.00**	**289,051.60**	**34,381,317.31**	**17,833,447.31**	**131,384,574.87**
Grand Total		**236,793,232.00**	**9,576,217.50**	**41,717,454.88**	**66,234,100.00**	**6,212,008.13**	**104,135,061.69**	**624,765,420.49**	**1,089,433,494.69**

ANNEX F: INVESTMENT PLAN

MCWD INVESTMENT PLAN

Capital Expenditures	Utilization Rate	2013	2014	2015	2016	2017	2018	2019	2020
Asset Renewal	75%	85,133,068.30	184,693,236.66	212,642,595.74	204,902,196.32	152,357,136.93	263,008,896.24	433,221,704.04	262,582,793.80
Expansion	85%	160,384,557.44	192,611,920.66	140,154,499.27	86,865,578.25	40,636,612.62	36,809,907.48	-	-
Distribution Efficiency Improvement	85%	234,940,410.62	709,973,118.11	72,100,000.00	74,263,000.00	-	309,906,444.00	-	-
In-House Sourcing	85%	66,696,921.78	13,981,958.02	16,365,515.42					
Meter Replacements	50%	10,249,750.00	10,762,237.50	11,300,349.38	11,865,366.84	12,458,635.19	13,081,566.95	13,735,645.29	14,422,427.56
Pump Replacements	100%	26,903,291.89	18,085,136.79	19,549,002.48	20,526,452.60	21,552,775.23	22,630,414.00	23,761,934.70	24,950,031.43
Replacement of Transpo Equipment	100%	35,272,000.00	29,000,000.00	2,918,092.84	5,338,444.15	7,912,269.11	20,000,000.00	20,000,000.00	3,635,116.76
Other Capex	80%	101,196,468.64	117,498,222.35	96,978,911.17	80,782,270.76	72,069,327.39	74,231,407.21	76,458,349.42	78,752,099.91
Corporate Social Responsibility Project	100%	14,292,591.91	-	14,477,373.14	8,064,313.60	11,471,499.82	10,744,671.05	6,219,545.99	4,004,146.75
Total		**735,069,060.58**	**1,276,605,830.10**	**586,486,339.42**	**492,607,622.54**	**318,458,256.29**	**750,413,306.91**	**573,397,179.44**	**388,346,616.20**
CAPEX Utilization		**735,069,060.58**	**1,064,066,708.19**	**473,986,731.37**	**395,123,649.15**	**253,630,297.09**	**611,266,565.21**	**442,932,260.90**	**299,739,283.99**