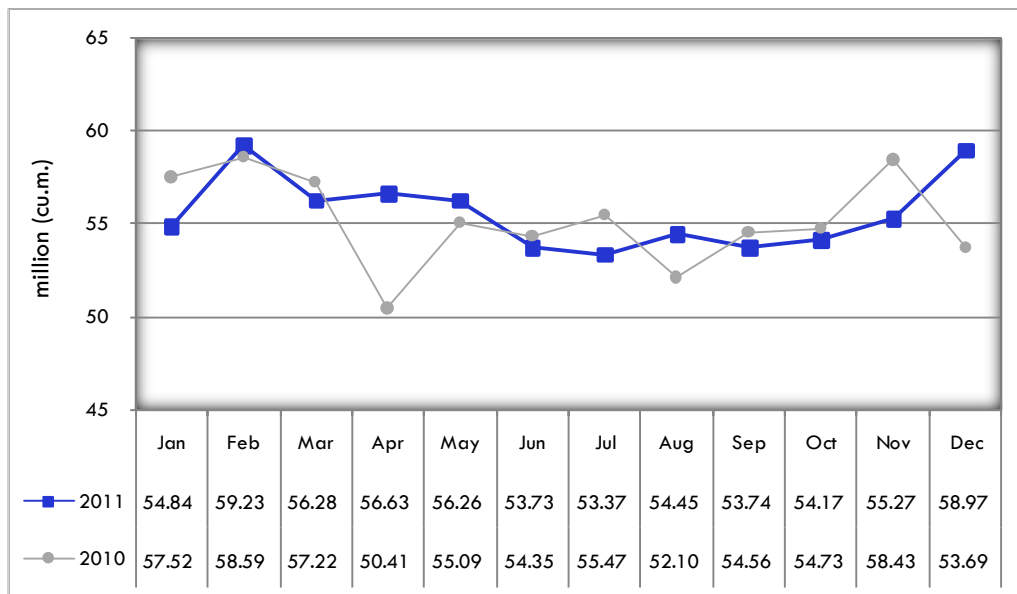


2011 COWD YEAR-END REPORT

The following reports provide *summary* and detailed *information* about the COWD operations under the 2011 Budget.

1. Selected Performance Ratios

Shown in Table 1.1 on page 3, the total water **produced/distributed** in 2011 was **53,489,809** cubic meters out of which only **23,726,357** cubic meters or **44.36%** were accounted as **billed and consumed**. Thus, the remaining 29,763,452 cubic meters produced constitute the *unaccounted for (non-revenue) water* which represented **55.64%** of the total production for the year. Despite decrease in both cubic meters of water *produced* and *sold*, the 2011 NRW percentage still *increased* by 0.25% to 55.64% from 2010's 55.39%. The average NRW in the past two years was pegged at around 55% as shown in Figure 1 below.



*2009 industry average of Large WD=29%; Overall=27%

Figure 1. NRW as Percent of Production

Figure 1 shows that the percentage of NRW for the month of December was **58.97%** and this was *higher* by 3.7% over the previous month's 55.27%. Compared to 2010, NRW continued to *rise* towards the end of 2011. Also the monthly trends of NRW during 2010 and 2011 were *higher* and constantly have moved *farther* from the *industry average* of **29%**, for Large Water District like COWD and **27%**, for all water districts (Annex J).

Going back to Table 1.1 (page 3), **leakage** repaired in 2011 include **3,874** service connection leaks and **409** stub-out/mainline leaks but these numbers were *less* than last year. Water loss whether due to *leakage*, *pilferage* or *illegal* connections may have *increased* the

percentage of NRW in 2011 and correspondingly decreased the percentage of revenue (accounted for) water.

Still on Table 1.1 on page 3, total **active service connections** in 2011 have increased to **78,722** and this was 3.11% higher than last year. This figure clearly shows increase in overall water demand that has occurred with the fast residential growth in Cagayan de Oro. Even so, the net monthly target of 315 service connections was not met. The current **198** monthly average net increase (Table 3.2, page 13), however, has increased the total active service connections to a number higher than the industry average for Large WD's active service connection (29,961) and metered service connection (29,877) respectively.

COWD's total workforce in 2011, also presented in Table 1.1 (page 3), composed of **327** permanent and probationary employees but this number excludes existing **109** project-based employees. The current number of permanent employees has decreased by **1.51%** over last year's 332. The employees have decreased but the number of water concessionaires has continued to increase. This entails additional workload for the incumbent personnel resulting to **1:244 ratio** of employee to active service connections. This ratio was higher compared to that of 2010's 1:230. Under the Large WDs category, the industry average for active service connections per employee is 180 and 149 for all water districts respectively. COWD's 2011 ratio, therefore, was too high.

For 2011, the **total operating revenues** was **P676,592,057.86** or 3.99% higher than last year (Table 1.1, page 3). In the same way, **total operating expenses** (before depreciation) has increased by 3.04% or **P466,150,163.91** over last year. The **operating ratio** (before depreciation) has declined from **0.70** in 2010 to **0.69**. When compared to the industry average of 80% for Large WDs and 77% for all water districts, the 2011 operating ratio (69%) was lower.

Implications of overall performance as shown by the ratios in Table 1.1 on page 3 have indicated that COWD has managed to balance its operations in 2011 amidst unfavorable circumstances even after its water distribution facilities were damaged by Tropical Storm Sendong last December 17, 2011. The damaged affected eighty percent (80%) of the COWD's total service area coverage which adds to the decrease in both cubic meters of **water produced** (0.24%) and **water consumed** (0.80%) for the year.

Although leakage repairs have been fewer in 2011 but this has slightly increased the percentage of **NRW**. On the other hand, the decrease in **operating ratio** (0.69) means COWD was able to control operating expenses to remain within its annual budget with just a meager increase in operating revenues for 2011. In terms of revenue-to-expenditure relationship, the 2011 financial performance was the **best case** scenario when **revenues** increase more than **expenditures**.

CAGAYAN DE ORO CITY WATER DISTRICT
Corrales Avenue, Cagayan de Oro City

Table 1.1
INFORMATION EXCHANGE FOR SELECTED PERFORMANCE RATIOS
For the Year Ended December 31, 2011
(With Comparative Figures for 2010)

	2011	2010	% Inc (Dec) over last year
TOTAL PRODUCTION (in cubic meters)*	53,489,809	53,616,511	-0.24
TOTAL WATER SOLD (in cubic meters)**	23,726,357	23,916,766	-0.80
TOTAL NUMBER OF SERVICE CONNECTION LEAKS	3,874	4,912	-21.13
TOTAL NUMBER OF STUB-OUT/MAINLINE LEAKS	409	424	-3.54
PERCENT ACCOUNTED FOR WATER (Crude)	44.36%	44.61%	-0.25
TOTAL NUMBERS OF EMPLOYEES (Permanent and Probationary, excluding Project-based)	327	332	-1.51
TOTAL NO. OF INSTALLED SERVICE CONNECTIONS (Active)	78,722	76,351	3.11
RATIO OF EMPLOYEES TO SERVICE CONNECTIONS	1 : 241	1 : 230	4.68
TOTAL OPERATING REVENUES (Water Sales and Other Operating Income)	P 676,592,057.86	P 650,604,076.33	3.99
TOTAL OPERATING EXPENSES BEFORE DEPRECIATION	P 466,150,163.91	P 452,387,980.74	3.04
OPERATING RATIO BEFORE DEPRECIATION (Operating Expenses before Depreciation / Operating Revenues)	0.69	0.70	-0.01

*Total Production includes Bulk Water Supply of 14,236,563 cu.m.

**Total Water sold excludes Mainline Flushing of 47,675 cu.m.

Prepared by :

SULDIE D. LARANJO
Division Manager C

Noted by :

ORLANDO O. ROMERO
Manager, Management Services Dept.

Approved by:

RACHEL M. BEJA
General Manager

2. Water Sales Operations

▪ Comparative 5-year Sales Performance Summary

In Table 2.1 on page 5, the **grand total collection including arrears** (Item 8) has increased yearly from 2007 to 2011. The amount of increase was relatively higher in 2011 at 4.20% or **P663,297,825.97** than the previous year. Even so, the negative variance of **66,459,109.03** (Item 20) between the **actual grand total collection** and **budget grand total collection** has indicated that since 2007 the **actual annual collections** have never reached its annual budget targets. The largest deficit growth rate was in 2011 at **70.08%**. Most likely reasons of the budget shortfall were the decreased in billed consumption, unmet monthly target for new service connections, higher number of disconnected accounts over number of new connections and reconnections (Table 3.2, page 13). Other possible causes maybe some error in the processing of bill for collection.

Total annual arrears collection (Item 10) was higher in 2011 at **P176,575,296.43**, but its growth rate of 4.39% was lower than last year. However, the **arrears collected** contributed **26.62%** of the **actual grand total collection** in 2011 and this happened even in the previous years. In terms of comparative **growth rate**, the **annual arrears collected** were highest in 2008 (**12.73%**) as shown in Table 2.1 on page 5.

Still in Table 2.1, the difference between **actual total water sales excluding arrears** (Item 1) and **actual water billing** (Item 6) was negative **P158,826,248.10** (Item 17). Yet, the **variance** over the **actual water billing** (Item 6), when **arrears** were included in the **actual water sales** (Item 2), was positive **P17,749,048.33** (Item 18). This may simply imply that the **annual arrears collections** have significantly contributed to the **actual total water sales** which make up for the shortage in collections of current bills. On the other hand, the **current collection efficiency** (Item 21) as a percentage of **on-time paid accounts against total expected collection** (actual billing) has remained at around **75%** in the past 5 years.

The overall **5-year sales performance** (Table 2.1, page 5) has consistently showed that **without the arrears** there will be a **negative difference** between **actual water sales** and **actual billings** (Item 17). Data also showed that both **actual billings** (Item 19) and **actual collections** (Item 20) did not exceed their annual budgets since 2007. Nevertheless, COWD's operations still remained stable up to the present despite the unmet budget targets for **billings, water sales** and **collections** from 2007 to 2011.

CAGAYAN DE ORO CITY WATER DISTRICT

Table 2.1

COMPARATIVE 5-YEAR SALES PERFORMANCE SUMMARY REPORT

(For the Period from 2007 to 2011)

PARTICULARS	2011		2010		2009		2008		2007	
	Amount	Growth Rate	Amount	Growth Rate	Amount	Growth Rate	Amount	Growth Rate	Amount	Growth Rate
1. Actual Total Water Sales (incl. other sales & services; excluding arrears collected)	P 478,938,697.10	3.66%	P 462,043,252.96	2.16%	P 452,259,750.92	4.32%	P 433,548,895.70	4.32%	P 441,945,425.70	-1.90%
2. Actual Total Water Sales (incl. other sales & services; including arrears collected)	655,513,993.53	3.85%	631,186,561.55	3.31%	610,955,303.96	2.75%	594,613,726.15	2.75%	584,815,909.09	1.68%
3. Budget Total Water Sales (incl. other sales & services; excluding arrears collected)	724,000,451.00	7.87%	671,192,964.96	-2.84%	690,822,123.96	3.43%	667,941,006.00	2.94%	648,891,838.92	2.94%
4. Actual Total Water Sales (current bills only)	478,323,708.91	3.66%	461,426,556.46	2.33%	450,935,623.62	4.30%	432,345,394.34	4.30%	440,845,828.31	-1.93%
5. Budget Total Water Sales (current bills only)	723,716,807.00	7.94%	670,472,964.96	-2.84%	690,102,123.96	3.43%	667,221,006.00	2.94%	648,171,838.92	2.94%
6. Actual Total Water Billing	637,649,452.20	3.66%	615,235,408.59	2.33%	601,247,498.13	4.30%	576,457,525.75	4.30%	587,794,437.72	-1.93%
7. Budget Total Water Billing	723,716,807.00	7.94%	670,472,964.96	-2.84%	690,102,123.96	3.43%	667,221,006.00	2.94%	648,171,838.92	2.94%
8. Actual Grand Total Collection (includes arrears, misc. services/other revenues)	663,297,825.97	4.20%	636,576,781.04	3.33%	616,076,529.45	2.80%	599,279,077.84	2.80%	589,986,844.81	1.57%
9. Budget Grand Total Collection (includes miscell. services/other water revenues)	729,756,935.00	8.01%	675,652,964.88	-2.82%	695,282,123.88	3.40%	672,401,005.92	2.92%	653,351,838.84	2.92%
10. Total Annual Arrears Collection	176,575,296.43	4.39%	169,143,308.59	6.58%	158,695,553.04	-1.47%	161,064,830.45	12.73%	142,870,483.39	12.73%
11. Monthly Average Arrears Collection	14,714,608.04	4.39%	14,095,275.72	6.58%	13,224,629.42	-1.47%	13,422,069.20	12.73%	11,905,873.62	12.73%
12. Total Annual Arrears (uncollected of the current bills)	158,826,248.10	3.68%	153,192,155.63	2.82%	148,987,747.21	4.25%	142,908,630.05	-2.02%	145,849,012.02	-2.02%
13. Monthly Average Arrears (uncollected of the current bills)	13,235,520.68	3.68%	12,766,012.97	2.82%	12,415,645.60	4.25%	11,909,052.50	-2.02%	12,154,084.34	-2.02%
14. Total Arrears Collection-Total Uncollected (net uncollected curr bills for the yr) ¹⁰⁻¹²	17,749,048.33	11.27%	15,951,152.96	64.31%	9,707,805.83	-46.53%	18,156,200.40	-709.57%	12,154,084.34	-709.57%
15. Variance (between actual water sales (less arrears) & budget water sales) ¹³	(245,061,753.90)	17.17%	(209,149,712.00)	-12.33%	(238,562,373.04)	1.78%	(234,392,110.30)	13.26%	(206,946,413.22)	13.26%
16. Variance (between actual water sales (plus arrears) & budget water sales) ²⁻³	(68,486,457.47)	71.19%	(40,006,403.41)	-49.91%	(79,866,820.00)	8.92%	(73,327,279.85)	14.44%	(64,075,929.83)	14.44%
17. Variance (between actual water sales (less arrears) & actual water billing) ¹⁻⁶	(158,826,248.10)	3.68%	(153,192,155.63)	2.82%	(148,987,747.21)	4.25%	(142,908,630.05)	-2.02%	(145,849,012.02)	-2.02%
18. Variance (between actual water sales (plus arrears) & actual water billing) ³⁻⁶	17,749,048.33	11.27%	15,951,152.96	64.31%	9,707,805.83	-46.53%	18,156,200.40	-709.57%	(2,978,528.63)	-709.57%
19. Variance (between actual water billing and budget water billing) ⁶⁻⁷	(85,951,861.80)	55.60%	(55,237,556.37)	-37.83%	(88,854,625.83)	-2.10%	(90,763,480.25)	50.33%	(60,377,401.20)	50.33%
20. Variance (between actual grand total collection & budget grand total collection) ⁸⁻⁹	(66,459,109.03)	70.08%	(39,076,183.84)	-50.66%	(79,205,594.43)	8.32%	(73,121,928.08)	15.40%	(63,364,994.03)	15.40%
21. On Time Paid	75.10%	0.00%	75.10%	-0.16%	75.22%	0.01%	75.21%	0.03%	75.19%	0.03%

Prepared by:

Noted by:

Approved by:

SULDIE D. LARANJO
Division Manager C

ORLANDO O. ROMERO
Manager, Management Services Dept.

RACHEL M. BEJA
General Manager

▪ Detailed and Summary Report on Water Sales Operations

Table 2.2 on page 8 has shown that the *budget variance* for **actual water sales plus arrears** was *negative P68,486,457.47* (Item 16), but if *without arrears* this *negative variance* would *increased* to **P245,061,753.90** (Item 15). The amount of *arrears collected* in 2011 has added up to the *total water sales* for the year. The *budget shortfall* in actual water sales by **33.85%** *without the arrears* may indicate that *monthly current bills* were *not paid* by the concessionaires on time.

Similarly, the *difference* between the **actual water sales (less arrears)** and **actual water billing** in 2011 was *negative P158,826,248.10* (Item 17). This means that the *actual billing* (P637,764,945.20) was *short* by **24.90%** when **actual water sales** (net of arrears) was only **P478,938,697.10**. In contrast, the *difference* became *positive P17,749,048.33* or **2.78%** over *actual billing* when water sales **include** arrears. Being not able to **collect** all that have been currently **billed** to the concessionaires is *not* an indication of *collection efficiency*.

Also presented in Table 2.2 (page 8) is the *variance of actual billing over budget billing* that totaled to **P85,951,861.80** (Item 19) or **11.88%** *short* of its *budget target* for 2011. Unrealistic *annual billing target* may have caused the *budget deficit* for billing. Data previously presented in Table 2.1 (page 5) have shown that the *annual billing targets* were *not achieved* since 2007. To come up with a more *conservative annual budget*, the *historical data* on the *average rate of change* in billing can be a useful tool for *benchmarking target billing* for the year.

Table 2.3 on page 9 has shown *more details* of water sales operations in 2011. The *actual total water billed* for the year has amounted to **P637,764,945.20** but this amount was **11.88%** *short* of its total *annual billing budget* (P723,716,807.00). The **metered connections'** *budget shortfall* by 14.45% has added up to the *overall deficit*. However, the **24.90%** *budget surplus* from **actual sales to government agencies** by contract has somehow *make up* for the *deficit* in billing for 2011.

Again in Table 2.3 (page 9), the *actual total water sales* for 2011 was **P655,513,993.53**, but even this amount *fall short* of *budget* (P723,000,451.00) by **9.46%**. Contributory to the *deficit* was the *shortage* of **current bill collections** by **33.91%** over its *annual target*. Even if *other sales and services* exceeded target by **116.82%** but again, without the **arrears collected** (P176,575,296.43) the *budget deficit* would have been much *bigger* in 2011. Total **uncollected current bills** in 2011 even *increased* to **P158,826,248.10** or **3.68%** *higher* than last year (153,192,155.63).

The **grand total collections**, on the other hand, was **P663,297,825.97** (Table 2.3, page 9) but this again *fell short* of budget by **9.11%**. Shortage of **current bills** has mainly the cause even if collections from *miscellaneous services, other water revenues and other sales & services* were *higher* and exceeded estimated budget. The monthly targets, therefore, of **P60,309,733.95** from collections of **current bills** and the **P59,920,807.95** from *billing* for **metered connections** have not been realized in 2011.

CAGAYAN DE ORO CITY WATER DISTRICT

Table 2.2

SUMMARY REPORT ON WATER SALES OPERATIONS

For the Year Ended DECEMBER 31, 2011

	PARTICULARS	AMOUNT	PERCENT	REMARKS
1.	Actual Total Water Sales (incl other sales & services; excludes arrears collected)	P 478,938,697.10		
2.	Actual Total Water Sales (incl other sales & services; includes arrears collected)	655,513,993.53		
3.	Budget Total Water Sales (incl other sales & services; excludes arrears collected)	724,000,451.00		
4.	Actual Total Water Sales (Current Bills only)	478,323,708.91		
5.	Budget Total Water Sales (Current Bills only)	723,716,807.00		
6.	Actual Total Water Billing	637,764,945.20		
7.	Budget Total Water Billing	723,716,807.00		
8.	Actual Grand Total Collection (includes arrears , other revenues: services/miscell.)	663,297,825.97		
9.	Budget Grand Total Collection (includes other revenues: services/miscellaneous)	729,756,935.00		
10.	Total Arrears Collection	176,575,296.43		
11.	Monthly Average Arrears Collection (January to September)	14,714,608.04		
12.	Total Arrears (uncollected of the current bills)	158,826,248.10		
13.	Monthly Average Arrears (uncollected of the current bills)	13,235,520.68		
14.	Total Arrears Collection-Total Uncollected (net uncollected curr bills for the qtr.) ¹⁰⁻¹²	17,749,048.33		
15.	Variance (between actual water sales (less arrears) & budget water sales) ¹⁻³	(245,061,753.90)	-33.85%	actual water sales (excl arrears) is under budget by 33.85 percent
16.	Variance (between actual water sales (plus arrears) & budget water sales) ²⁻³	(68,486,457.47)	-9.46%	actual water sales (incl arrears) is under budget by 9.46 percent
17.	Variance (between actual water sales (less arrears) & actual water billing) ¹⁻⁶	(158,826,248.10)	-24.90%	actual sales (excl arrears) fall short of actual billing by 24.90 percent
18.	Variance (between actual water sales (plus arrears) & actual water billing) ²⁻⁶	17,749,048.33	2.78%	actual water sales (incl arrears) is over actual billing by 2.78 percent
19.	Variance (between actual water billing and budget water billing) ⁶⁻⁷	(85,951,861.80)	-11.88%	actual total billing is under budget by 11.88 percent
20.	Variance (between actual grand total collection and budget grand total collection) ⁸⁻⁹	(66,459,109.03)	-9.11%	actual total collection is under budget 9.11 percent
21.	On Time Paid (Collection Efficiency)		75.10%	average (for the year) collection efficiency (On-Time Paid) around 75%

Prepared by:

Noted by:

Approved by:

SULDIE D. LARANJO
Division Manager C

ORLANDO O. ROMERO
Manager, Management Services Dept.

RACHEL M. BEJA
General Manager

Insert here... Table 2.3. Detailed Report on Water Sales Operations

3. Water Supply System Operations

▪ Detailed Report on Water Supply Information

Table 3.1 on page 13 shows in detail the **total water production** in 2011 which was **53,489,809** cubic meters *supplied* by two sources: **production wells & spring** (39,253,246 cu.m.) and the **bulk water supply** (14,236,563 cu.m.) from RVWCI. The total **billed water consumption** was **23,726,357** cubic meters, while **mainline flushing** was **47,675** cubic meters. When total water production has reduced in 2011, both cubic meters of *billed consumption* and the *mainline flushing* have also dropped respectively.

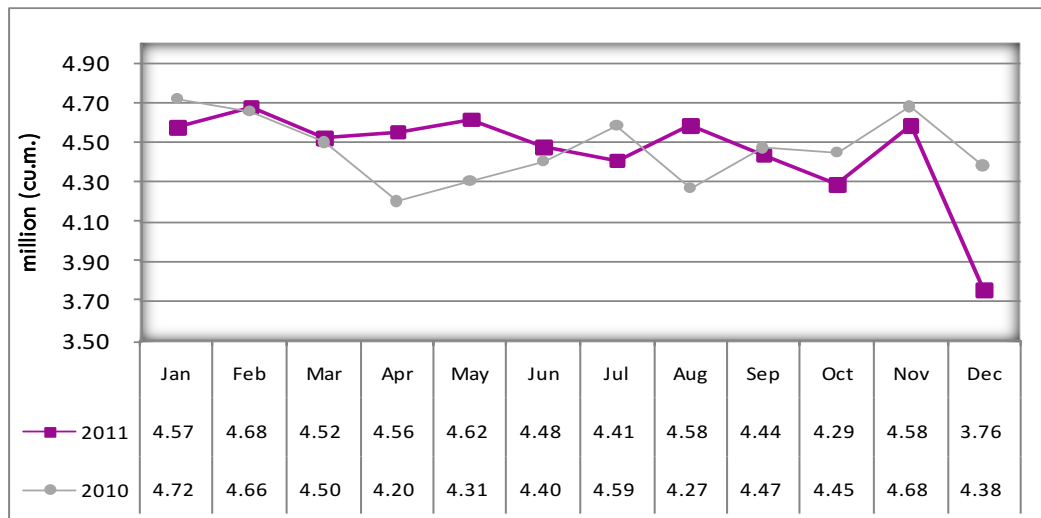


Figure 2. Cubic Meters of Water Produced (PWs+Bulk Supply)

Figure 2 above shows that during December 2011 the *total production* has decreased by 18.05% to **3.76** million cubic meters from *previous month's* **4.58** million cubic meters due to the damage in the water distribution facilities by the Tropical Storm Sendong. **Total water production**, therefore, for the year 2011 has reached **53.49** million cubic meters but down at 0.24% from 2010's 53.62 million cubic meters.

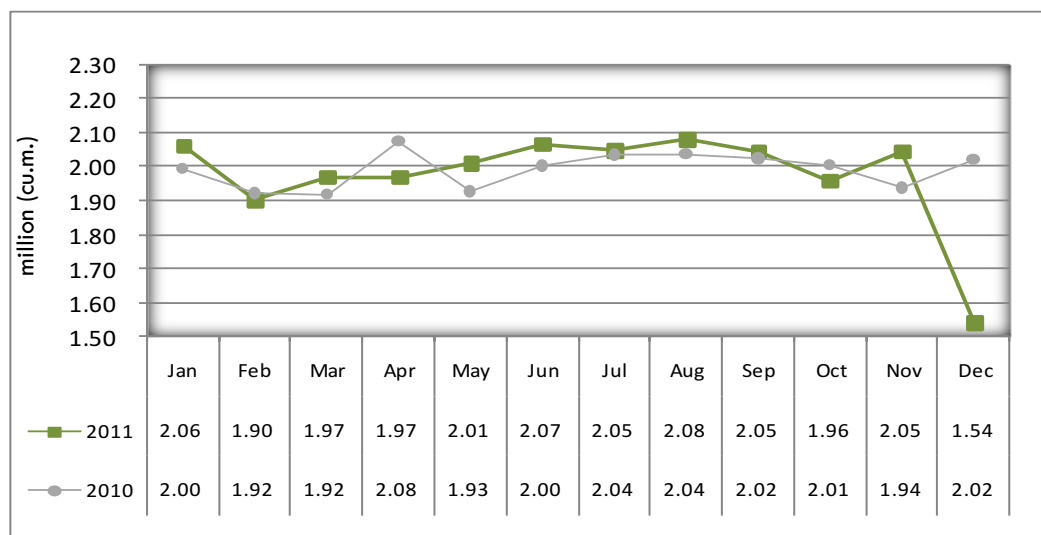


Figure 3. Cubic Meters of Water Billed (Metered+Averaged)

Then, Figure 3 shows that **total billed consumption** has *declined* in December 2011 as it *fell* 24.70% to **1.54** million cubic meters from **2.05** million cubic meters the *previous* month. Although **total billed consumption** for the year 2011 has reached **23.72** million cubic meters but this was 0.80% *lower* than 2010's 23.92 million cubic meters.

Back on page 13, Table 3.1 has shown that the total **operation hours** of *production wells* reached **204,541** hours at an average of **17,045** hours per month. These operation hours were *longer* than last year. Still, the **production efficiency** has remained at around **87%**.

Compared to 2010's 55.26%, the *percentage* of **unaccounted-for-water** in 2011 has *increased* to **55.55%**. While the current cubic meters of **average consumption per connection** was *lower* at **25.35** than the 26.52 in 2010. As a consequence, the **average billing per connection** has also *decreased* to **P681.01** in 2011 from last year's P684.61.

Table 3.1 (page 13) also revealed that there were **88** official **water interruptions** recorded in 2011; and this number was *higher* than last year at an average of **7** *press releases* per month. Common causes of water service interruptions were the *repair* of production wells, *isolation* due to *leakage*, and *mainline flushing* due to dirty water.

▪ Detailed Report on Water Connection Information

Again on page 13, Table 3.2 shows the detailed information on water connection in 2011. By the end of 2011, the **active** connections has totaled to **78,722** and the **inactive** connections to **29,719**. During the year, COWD has installed **4,209** *new connections*, disconnected **4,670** *connections*, and reconnected **2,832** *connections*. These respective numbers were *higher* compared to last year. However, the **2,371** *net increased* did *not* even *met* the *monthly net target* of 315 service connections. Figure 4 below has *illustrated* the trend in service connections during 2011. It further revealed that the *number of disconnections* was *higher* than the *combined number of new connections and reconnections*.

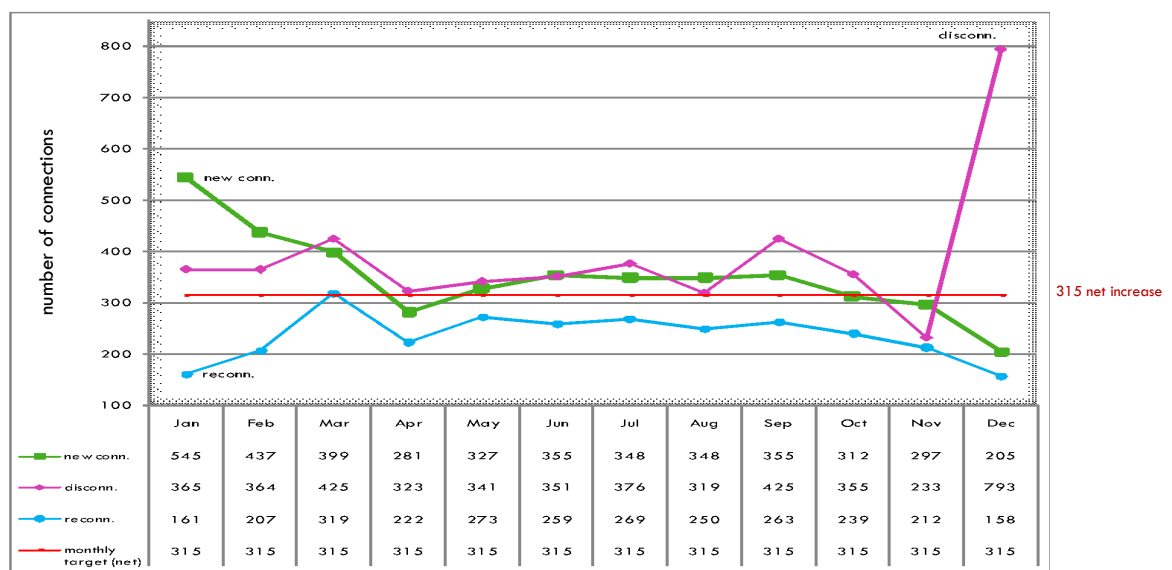


Figure 4. New Connections, Disconnections, and Reconnections

Going back to Table 3.2 on page 13, the number of *leakage* repairs done in 2011 included 3,874 **service connection leaks**, 1,912 **repairs for restoration/others** (e.g. re-piping, damaged by road construction, etc.), and 409 for **stub-out/mainline leaks**. As previously mentioned, these *repairs* were frequently the reasons of the water interruptions of the COWD service coverage area. It is always expected by the concessionaires that repairs, *unscheduled* or *not*, should be attended the *shortest* time possible. But *shorter* response time sometimes is *not possible* especially for *major repairs* that took more than one day.

Still in Table 3.2 (page13), the average **per capita consumption** in 2011 was only **104** liters per day. This was *lower* than last year's (109 liters/day) *per capita* consumption. In 2011, total **chlorine consumption** has reached **17,527** kilograms with an average of 1,461 kilograms per month. This was much *higher* compared to 2010's 13,719 kilograms only.

Table 3.1. Detailed Report on Water Supply Information
Table 3.2. Detailed Report on Water Connection Information

4. Aging of Accounts Receivables

The **aging data** of active accounts *available* was only up to *September 2011*. This was due to the *on-going migration* from old to new *billing system* being implemented. Using the *September* data, the balance of **accounts receivables-customers** involving *active accounts* was **P99,484,217.91** (Table 4.1, page 15). However, the total *face value* of the *accounts receivable-customers* shown in the *Balance Sheet* on *December 31, 2011* was **P251,050,843.54** representing both **active** and **inactive** accounts. If *two separate* accounts are maintained in the *Balance Sheet* such that *active accounts*, under **current assets**; and *inactive accounts*, under **noncurrent assets**, it would be easier to monitor the *growth* of customer accounts. This reporting will be more *accurate* and *truly* reflect a more *realistic current ratio* (*ratio of current assets against current liabilities*).

Going back to Table 4.1 (page 15), the percentage of accounts aging **61 to 90 days** by the end of *September* has *decreased* both in *amount* (-9.13%) and in *number* (-9.59%) of connections. This *decrease* was *favorable* and has shown the concerted effort to collect the increasing long *overdue* accounts from the *past three* months. In *contrast*, the percentage of accounts aging **31 to 60 days** has *increased* both in *amount* (2.03%) and in *number* (8.55%) of connections in *September*. This means **current bills** were *not collected* on due date. On the 3rd quarter of 2011, all percentage of accounts aging **00 to 30 days** and those aging **over 90 days** have *increased* both in *amount* and in *number* of connections. Accounts receivable-customers beginning in *January* amounting to **P101,190,249.59**, however, has *reduced* to **P99,484,217.91** by the end of *September 2011*. This somehow shows effort to *speed up* collections.

Table 4.2 on page 16 has identified the **aging schedule by zones** with the *highest* amount of accounts receivables. Accounts *equal or greater* than **P5 Million** were *highlighted* in **blue** font for each **zone** and **age** categories. Among the **top six (6) zones** with *high* percentage of accounts receivables in descending order are **zones 20, 15, 13, 19, 14** and **12**. Likewise, **top seven (7) zones** with *highest number* of connections are **zones 20, 22, 14, 18, 21, 13** and **15**. The **zones** with the *highest number* of connections and **amounts** of receivables are **zones 20, 14, 13** and **15**. These data presented in Table 4.2 has pointed out the *substantial size* of investments the district has on accounts receivables in each of the 24 *zones*. If *no effort* has been done to collect, these accounts would soon be *disconnected* and added to the greater bulk of unpaid *inactive* (cut-off) accounts that need to be written-off from the books.

Both Table 4.1 (page 15) and Table 4.2 (page 16) have presented the **delinquent** status of active accounts. It was clearly indicated on the data found in Table 4.2 that the **two-month disconnection notice** was *inconsistently* applied for all *active* accounts. Perhaps, there were no follow-up **demand letters** delivered *regularly* and as *scheduled*.

CAGAYAN DE ORO CITY WATER DISTRICT

Table 4.1

MONTHLY AGING OF ACCOUNTS RECEIVABLE (ACTIVE ONLY)

(For the Period from January to September 2011)

MONTH	Current Accts (00 to 60 days)			31 to 60 days			61 to 90 days			over 90 days			TOTAL		
	# of conn	%age	amount	# of conn	amount	# of conn	amount	# of conn	amount	# of conn	amount	# of conn	amount	# of conn	amount
January	58,061	75.71%	40,124,943.38	14,590	19,481,462.23	6,281	10,527,249.73	12,350	31,056,585.25	63,056	101,190,240.59	76,692	76,972	76,972	76,972
February	58,421	75.90%	38,684,998.02	15,291	20,039,830.54	6,848	11,288,628.04	11,703	29,908,649.14	64,228	99,922,105.74	76,972	76,972	76,972	76,972
March	59,237	76.67%	38,062,692.40	14,443	17,636,225.47	6,653	10,858,749.50	11,375	29,081,724.47	63,113	95,639,391.84	77,265	77,265	77,265	77,265
April	58,836	75.97%	39,592,500.97	15,270	18,883,429.58	6,618	10,458,026.88	11,991	29,709,440.52	64,997	98,643,397.95	77,445	77,445	77,445	77,445
May	59,980	77.19%	38,693,327.26	14,553	17,406,981.03	6,377	9,902,639.60	11,347	28,446,989.60	63,190	94,449,937.49	77,704	77,704	77,704	77,704
June	59,914	76.85%	40,246,172.19	15,063	18,266,273.93	6,552	9,889,171.43	11,501	28,185,060.55	63,799	96,586,678.10	77,967	77,967	77,967	77,967
July	59,958	76.66%	41,203,592.41	15,661	19,303,566.85	6,996	10,101,789.32	11,254	27,694,655.43	65,896	98,303,604.01	78,208	78,208	78,208	78,208
August	59,064	75.25%	41,083,320.83	14,966	18,336,573.02	7,508	11,267,987.19	11,915	28,351,409.47	65,360	99,039,290.51	78,487	78,487	78,487	78,487
September	60,083	76.36%	40,762,033.21	15,270	19,904,385.17	6,788	10,239,230.40	11,809	28,578,569.13	65,276	99,484,217.91	78,680	78,680	78,680	78,680
October	0	0.00%										0	-	0	78,876
November	0	0.00%										0	-	0	79,152
December	0	0.00%										0	-	0	78,722
MONTH															
Jan (fr. Dec.'10)		2.57%	3,43%	8.20%	1.95%	-2.48%	-3.27%	-4.29%	-3.47%	3.09%	0.23%				
February		0.25%	-3.59%	4.80%	2.87%	9.03%	7.23%	-5.24%	-3.70%	1.86%	-1.25%				
March		1.01%	-1.61%	-5.55%	-11.99%	-2.85%	-3.81%	-2.80%	-2.76%	-1.74%	-4.29%				
April		-0.91%	4.02%	5.73%	7.07%	-0.53%	-3.69%	5.42%	2.16%	2.83%	3.14%				
May		1.60%	-2.27%	-4.70%	-7.82%	-3.64%	-5.31%	-5.37%	-4.25%	-2.63%	-4.25%				
June		-0.45%	4.01%	3.50%	4.94%	2.74%	-0.14%	1.36%	-0.92%	0.96%	2.26%				
July		-0.23%	2.38%	3.97%	5.68%	6.78%	2.15%	-2.15%	-1.74%	3.29%	1.78%				
August		-1.84%	-0.29%	-4.44%	-5.01%	7.32%	11.54%	5.87%	2.37%	-0.81%	0.75%				
September		1.48%	-0.78%	2.03%	8.55%	-9.59%	-9.13%	-0.89%	0.80%	0.45%	0.45%				
October		-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%	-100.00%				
November		#DIV/0!	#DIV/0!	#VALUE!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!				
December		#DIV/0!	#DIV/0!	#VALUE!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!				
Mean	Jan to Dec	2011	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!				
Mean	Jan to Mar	2011	2.65%	2.49%	-2.39%	1.23%	0.05%	-4.11%	-3.31%	1.07%	-1.77%				
Mean	Apr to Jun	2011	0.05%	1.51%	1.40%	-0.47%	-3.05%	0.47%	-1.00%	0.39%	0.38%				
Mean	Jul to Sep	2011	0.83%	0.52%	3.07%	1.50%	1.52%	0.95%	0.48%	0.78%	0.99%				
Mean	Oct to Dec	2011	#DIV/0!	#VALUE!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!				

Note: highlighted are percentage decreases (-%) in number and amount of accounts receivables

Prepared by:

Noted by:

Approved by:

SULDIE D. LARANJO
Division Manager C

ORLANDO O. ROMERO
Manager, Management Services Dept.

RACHEL M. BEJA
General Manager

CAGAYAN DE ORO CITY WATER DISTRICT

Table 4.2

AGING OF ACCOUNTS RECEIVABLE BY ZONES (ACTIVE ONLY)
As of September 30, 2011

ZONES	Current (00 to 60 days)		00 to 30 days		31 to 60 days		61 to 90 days		over 90 days		%age Total		
	#of conn.	amount	#of conn.	amount	#of conn.	amount	#of conn.	amount	#of conn.	amount	#of conn.	amount	
1	439	1,129,415.68	290	639,660.05	149	489,755.63	22	33,203.39	188	5,140,151.22	649	6,302,770.29	2.74%
2	888	1,205,619.53	524	755,600.60	364	450,018.93	26	29,561.68	351	6,091,074.04	1,265	7,326,255.25	3.19%
3	647	1,158,714.12	407	693,316.57	240	465,397.55	135	318,495.76	333	4,739,069.15	1,115	6,216,279.03	2.70%
4	796	1,228,321.63	448	734,746.70	348	493,574.93	208	323,409.18	442	6,118,624.66	1,446	7,670,355.47	3.34%
5	810	1,888,210.65	550	1,226,849.42	260	661,361.23	227	482,668.96	400	8,645,641.91	1,437	11,016,521.52	4.79%
6	464	1,212,094.81	321	717,027.53	143	495,067.28	103	308,047.17	241	5,146,666.59	808	6,666,808.57	2.90%
7	1,068	1,708,427.04	718	1,101,117.84	350	607,309.20	223	617,753.24	378	5,307,672.68	1,669	7,633,852.96	3.32%
8	759	1,165,900.01	502	755,466.98	257	410,433.03	112	222,232.96	221	5,036,403.39	1,092	6,424,536.36	2.79%
9	740	1,285,311.58	482	825,146.86	258	460,164.72	107	261,400.40	181	5,240,392.52	1,028	6,787,104.50	2.95%
10	906	1,179,921.04	594	797,867.27	312	382,053.77	148	213,182.79	294	4,482,845.62	1,348	5,875,949.45	2.56%
11	923	1,706,542.72	640	1,226,163.63	283	480,379.09	129	306,760.11	381	4,500,535.67	1,433	6,513,838.50	2.83%
12	1,450	2,305,637.83	985	1,452,562.51	465	853,075.32	238	520,545.13	591	9,988,699.37	2,279	12,814,882.33	5.57%
13	2,994	3,898,807.07	2,049	2,604,971.52	945	1,293,835.55	458	718,758.07	879	11,951,892.03	4,331	16,569,457.17	7.21%
14	3,523	3,844,933.36	2,360	2,536,988.07	1,163	1,307,945.29	564	773,556.62	877	10,905,348.24	4,964	15,523,838.22	6.75%
15	2,721	4,253,551.14	1,989	2,961,183.62	732	1,292,367.52	391	906,031.63	1,002	12,180,727.64	4,114	17,340,310.41	7.54%
16	1,360	2,851,602.83	1,106	2,259,345.46	254	592,257.37	124	342,929.26	246	4,787,176.91	1,730	7,981,709.00	3.47%
17	2,014	3,447,781.15	1,431	2,073,867.38	583	1,373,913.77	275	514,200.09	607	5,169,969.22	2,896	9,131,950.46	3.97%
18	3,328	3,475,297.91	2,243	2,281,928.59	1,085	1,193,369.32	551	642,858.42	703	5,268,005.93	4,582	9,386,162.26	4.08%
19	2,478	3,270,975.97	1,687	2,322,627.39	791	948,348.58	246	582,422.75	199	10,761,740.68	2,923	14,615,139.40	6.36%
20	7,344	8,274,735.43	4,943	5,667,771.58	2,401	2,606,963.85	926	1,303,220.32	1,475	12,997,597.18	9,745	22,575,552.93	9.82%
21	3,897	3,363,364.43	2,286	2,383,849.43	1,611	979,515.00	416	237,492.67	124	3,662,678.90	4,437	7,263,536.00	3.16%
22	4,442	4,301,655.46	3,152	2,868,795.51	1,290	1,432,859.95	638	800,898.63	1,163	4,653,835.98	6,243	9,756,390.07	4.24%
23	1,669	2,246,898.27	1,095	1,474,921.35	574	771,976.92	288	411,255.11	352	3,672,947.58	2,309	6,331,100.96	2.75%
24	1,019	954,330.83	607	595,366.53	412	358,964.30	233	166,838.57	181	1,069,160.66	1,433	2,190,330.06	0.95%
TOTAL	46,679	61,358,050.49	31,409	40,957,142.39	15,270	20,400,908.10	6,788	11,037,722.91	11,809	157,518,857.77	65,276	229,914,631.17	100.00%

Source: Summary of A/R-Customers as of September 30, 2011. (Comm'l Dept.)

Note:

- 1.) Highlighted in blue fonts are those accounts **greater than or equal to P5 Million**.
- 2.) **Top 6 zones with high percentage** of accounts receivables are zones: **20** (9.82%), **15** (7.54%), **13** (7.21%), **19** (6.36%), **14** (6.75%), and **12** (5.57%).
- 3.) **Top 7 zones with highest number** of connections are zones **20** (9,745), **22** (6,243), **14** (4,964), **18** (4,582), **21** (4,437), **13** (4,331) and **15** (4,114).
Zones **20, 14, 13** and **15** were among those with the most number of connections and high accounts receivables.
- 4.) The amount of **P229,914,631.17** was the total *active accounts* as of September 30, 2011.

Prepared by:

SULDIE D. LARANJO
Division Manager C

Noted by:

ORLANDO O. ROMERO
Manager, Management Services Dept.

Approved by:

RACHEL M. BEJA
General Manager

5. Customer Complaints Summary Report

Table 5.1 on page 18 shows that there are **15,000** complaints reported in 2011 of which **8,085** were *filed* at the Customer Care Service Desk (CCSD), **6,195** were reported as *accomplished* leakage repairs, and the remaining **720** were *unrepaired* leakages. Out these 15,000 complaints, **12,672** (84%) were *attended and accomplished* while the **2,328** (16%) were *not accomplished* due to various reasons.

Still in Table 5.1 (page 18), of *all types* of **complaints** attended at the Customer Care Service Desk (CCSD), **4,066** were **special reading/high consumption** with the highest frequency (339 average/month) but accomplished only 3,774. This was followed by **1,976** complaints for **elevation/transfer meter tapping/service lines** (165 average/month) but accomplished only 1,677, **1,278** complaints for **change of meter/meter test** (107 average/month) but accomplished 453 only, **541** complaints related to **reclassification of service connection** (45 average/month) but accomplished only 453, **126** complaints for **compressor/no water/low pressure** (11 average/month) but accomplished only 46, and **98** complaints for **dirty water/flushing/water quality testing** (8 average/month) but accomplished only 74.

Types of **leakage** frequently *repaired and accomplished* were those of **service connections** (3,874), **valve and meter area** (1,480), **stub-out** (232), **mainline leaks** (177), leakage *damaged* by **road construction** (63), for **re-piping/restoration** (234), and **others not specified** as to nature (135). These data tell us how much water was lost from the distribution system and how much was lost to leaks.

Also shown in Table 5.1 (page 18), the *average number of days* in terms of *response time* it took the service teams to repair *leakage* in 2011 was about **2 days** and this was an improvement of last year's 3 days. The *length of response time* depends so much on the types of complaints.

Figure 5a and Figure 5b on page 19 represents in a **pie graph** all types of complaints in 2011. Complaints most frequently attended were those with *bigger* pie share. This *graphical* illustration may help *figure out* some *remedy* to *minimize* rate of recurrence of the same types of complaints. Say for example, complaints with *higher* frequencies were those related to **high consumption** (4,066) and **service connection leaks** (3,874) respectively. Causes of *high consumption* are not only *inaccurate* meter readings but may also be due to *incorrect* meter installation. Maybe, it is because most meters are not designed for *slope* or *vertical* operation. Another *cause* related to high consumption may be paper mistakes that can be identified by careful, step by step review of the entire *billing* and *accounting* procedures from *meter reading*, *posting* and to *printing* of billing statements. Suspected service connection *leakage*, either *before* or *after* the meter, should be recommended for repair as soon as possible.

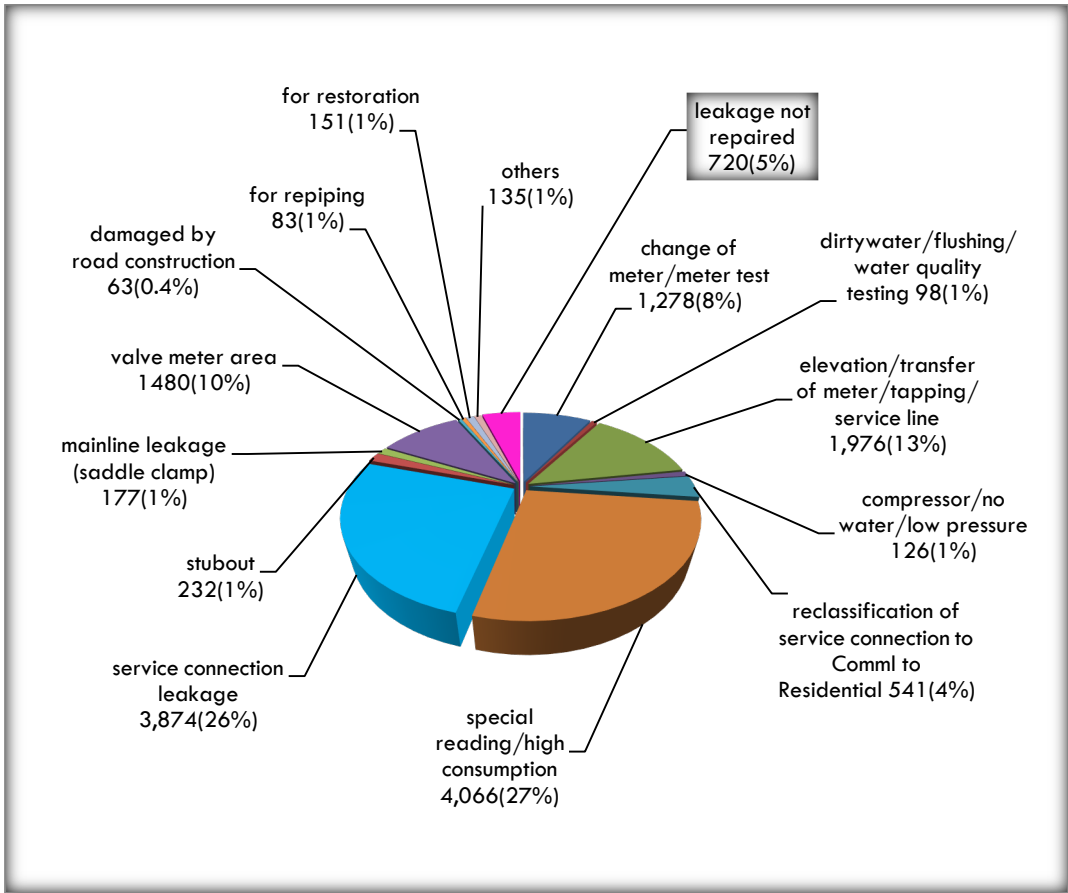
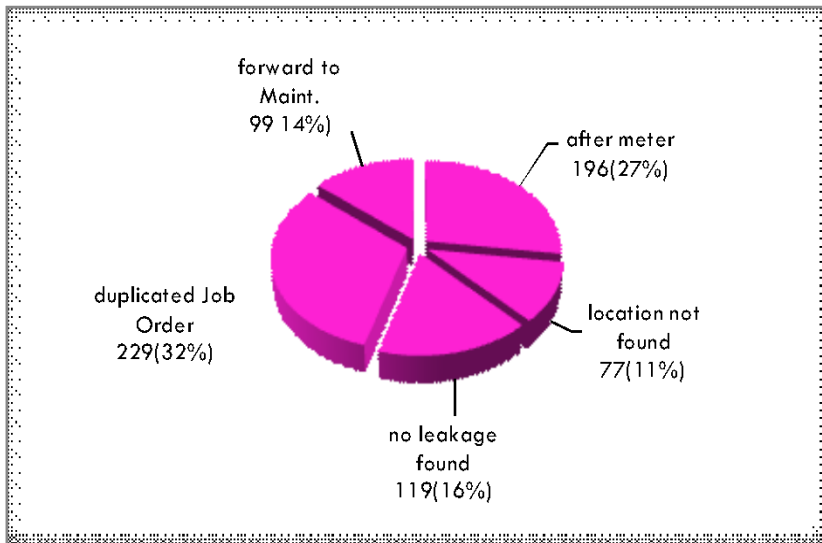


Figure 5a. Breakdown of Complaints Attended in 2011

Note: Special reading/high consumption (4,066) and service connection leaks (3,874) have the highest number. When combined, these two comprised 53% of the total complaints reported in 2011.



*Duplicate Job Order was the highest

Figure 5b. Types of Leakage Not Repaired

6. Financial Highlights for 2011

Table 6.1 (page 22) and Appendix A (in more detail) have shown that actual **total operating revenues** as of December 31, 2011 increase to **P676,592,057.86** over last year. This amount, however, did *not* exceed the annual revenue budget (P763,911,251.00) and resulted to a **deficit** of **P87.32 Million**. This revenue budget deficit was 51.22% more than the deficit in 2010 (P57,744,234.67). Contributory to the revenue deficit was due to *shortfall* in **metered sales to general customers** by P87,043,264.80 and in **penalty charges** by P3,562,232.62 in 2011.

The actual **total operating expenses** of **P529,670,413.58** in 2011, on the other hand, was within its annual expense budget (P582,801,022.00) resulting to a budget **surplus** of **P53.13 Million**. The *total operating expenses* included **actual depreciation expense** of **P63,520,249.67** which has remained *within* its total estimated amount (Table 6.1, page 22). The figures show that budgeted expenditures are *lower* than the anticipated revenues for 2011.

The year's **actual net income** has totaled **P44,689,832.37** but this was *less* than the annual budget (P74,575,078.00) and resulted to a budget deficit of **P29.89 Million** (Table 6.1, page 22). Despite the *high* operating expenses in 2011, **net income** has *increased* over last year. It was only during the month of December that **net loss** from operation was experienced amounting to **P14,978,108.03**. This perhaps was an *after effect* of the Tropical Storm Sendong that *partially* damaged the district's water distribution facilities. This may imply that COWD's financial health will continue depending on how expenditures are controlled in order to keep up with the cost of providing services.

The **actual cash balance** at the end of 2011 was **P64,411,766.89** (Table 6.1, page 22) which is 30.77% *higher* than the ending cash balance of 2010 (P49,253,009.08). Still cash did *not* exceed its annual budget (P87,257,905.92) due to *shortfall* in actual **cash receipts** by **P120.09 Million**. A quick look of the **Cash Flow Statement** (Annex A: FS Report 2011) will show items of **cash receipts** that were *short* of their expected targets such as, collections from **current bills** (P165.27 Million), **interest revenues** (P0.46 Million), and the **miscellaneous non-operating revenues** (P1.41 Million). In contrast, the district was able to control **cash disbursements** that resulted to an expense budget **surplus** of **P97.25 Million**.

COWD Statistics as presented in Table 6.2 on page 23 summarized relevant *financial* and *production* data which includes comparative figures from 2009 to 2011. As shown, the **total water production** has *decreased* (-0.24%) in 2011 over last year. On the other hand, **non-revenue percentage** has *increased* to **55.55%** in 2011 from 55.26% in 2010. This NRW

percentage (55%) was remarkably *higher* than the 29% industry average for Water District under *Large* category like COWD.

Still on Table 6.2 on page 23, it shows that from 2009 to 2011 the amounts of **total water sales** and **collections** have increased *constantly*. **Total billing** has also *increased* with the increase in number of **active service connections**. Similarly, **uncollected bills** as well as the number of **inactive connections** have also *increased*.

The **total workforce** has *reduced* to **436 employees** in 2011 due to employees' *resignation* and *retirement* from the service. Total number includes 323 *permanent*, 4 *temporary*, and 109 *casual* employees (Table 6.2, page 23). Considering the total number of 436, the ratio of active service connection to employee would be one (1) employee for **181** active water concessionaires of the total 78,722 connections. This ratio is a *little* above the 180 industry average for *Large Water District* category (Annex J).

Collection effort, on the other hand, also has *not improved* much because the percentage of **on-time paid payment** (75%) and the **collection efficiency** (95%) has more or less *remained* the same since 2009 (Table 6.2, page 23). Even so, the **75%** *on-time* payment efficiency was *higher* than the 60% industry average for *Large Water District* category. In contrast, the *collection efficiency* of **95%** was *lower* than the 99% industry average under the *Large Water District* category (Annex J).

Also in Table 6.2 on page 23, the amount shown as total **accounts receivable-customers** for 2011 has *increased* more than 5% over the previous year. With this *increase* in receivables, the amount of **uncollected current bills** has also *increased*.

Table 6.1. Comparative Statement of Revenues and Expenses and Cash Flows

CAGAYAN DE ORO CITY WATER DISTRICT

Table 6.2
COWD STATISTICS
(Selected Data from 2009 to 2011)

PARTICULARS	2011	%inc	2010	%inc	2009
Actual Total Water Production (cu.m.)	53,489,809	(0.24)	53,616,511	0.97	53,098,957
Production Wells (cu.m.)	39,253,246	0.32	39,127,291	1.84	38,405,937
Bulk Water Supply (cu.m.)	14,236,563	(1.74)	14,489,220	(1.41)	14,693,020
Average Daily Production (cu.m. prodn./day)	146,547	(0.24)	146,895	0.97	145,477
Rated Production Capacity (cu.m.)	61,428,752	(0.11)	61,494,590	(9.73)	67,475,160
Billed Water Consumption (cu.m.)	23,726,357	(0.80)	23,916,766	2.72	23,266,261
% to total water production	44.36%	(0.56)	44.61%	1.77	43.82%
Mainline Flushing	47,675		73,025		51,604
% to total water production	0.09%		0.14%		0.10%
Non-Revenue Water (cu.m.)	29,715,777	0.30	29,626,720	(0.52)	29,781,092
% to total water production	55.55%	0.54	55.26%	(1.50)	56.09%
Service Connections					
Active/Metered	78,722	3.11	76,351	3.05	74,020
Inactive	29,719	6.59	27,881	4.54	26,615
Total Billings (P)	637,764,945.20	3.66	615,235,408.59	2.27	601,247,498.13
Total Water Sales (P)	655,513,993.53	3.85	631,186,561.55	3.21	610,955,303.96
Total Collections (P)	663,297,825.97	4.20	636,576,781.04	3.22	616,076,529.45
Uncollected Bills (P)	158,826,248.10	3.68	153,192,155.63	2.74	148,987,747.21
On-time Payment (%)	75.10%	0.00	75.10%	(0.16)	75.22%
Collection Efficiency (%)	95%	0.00	95%	1.13	94%
Operating Revenues (P)	677,375,161.03	4.11	650,604,076.33	2.18	636,442,219.52
Operating Expenses (P)	529,430,155.47	2.79	515,056,069.78	(1.37)	522,108,338.59
Accounts Receivable Customers (P)	251,050,843.54	5.05	238,980,185.99	5.30	226,310,087.02
Workforce	436	(1.36)	442	(1.81)	450
Permanent	323	(1.52)	328	(5.49)	346
% to total workforce	74%	(0.17)	74%	(3.61)	77%
Temporary	4	0.00	4	0.00	4
% to total workforce	1%	1.38	1%	1.78	1%
Contractual	109	(0.91)	110	9.09	100
% to total workforce	25%	0.45	25%	10.71	22%
Average daily rated prodn. capacity (cu.m./day)	168,298	(0.11)	168,478	(9.73)	184,863
Wells/Ground Water (cu.m./day)	129,294	0.40	128,782	(12.37)	144,717
*Including Malasag Spring					
Bulk Water-RVWC (cu.m./day)	39,004	(1.74)	39,696	(1.13)	40,147
Transmission and Distribution Lines (kms.)					
Maintained	510.44	4.92	486.52	4.86	462.88
Served	528.68	4.74	504.75	4.68	481.11
No. of Pumping, Storing and Treatment Facilities	57	0.00	57	0.00	57
Production Wells	28	0.00	28	0.00	28
Booster Pumps	16	0.00	16	0.00	16
Ground Reservoir (Carmen, Camaman-an, Aluba, Gaston Park, Bugo, Bulua, Tablon, & Puerto Hghts)	8	0.00	8	0.00	8
Chlorination Stations (Booster, Bugo, Calaanan, Balulang & Tablon Pumping Stations)	5	0.00	5	0.00	5
Total Area Served by Water System (in has.)	48,885.83	0.00	48,885.83	0.00	48,885.83
Number of Water Sources	28	0.00	28	0.00	28
Ground Water (PWs)	26	0.00	26	0.00	26
Bulk Water Supply (from RVWC)	1	0.00	1	0.00	1
Surface Water (Malasag Spring)	1	0.00	1	0.00	1

Note:

- 1.) Total **water production** was **53,489,809** while **billed consumption** was **23,726,357** cu.m. , Mainline Flushing was **47,675** cu.m.
- 2.) **NRW percentage 55.55%** was higher than 2010's 55.26%, but lower than 2009's 56.09%.
- 3.) Total **active service connections** have increased to **78,722** or 3.11% higher than 2010, but **inactive connections** has increased to 29,719 or 6.59%.
- 4.) **Total billings** increased with **service connections** but **uncollected bills** have also increased with it.
- 5.) Total **operating revenues** have increased by 4.11% and **operating expenses** also increased by 2.79%.

7. Other Supplemental Reports

Other *supplemental* data and information also provided by the monthly department reports are found in the **annex section** of this year-end report. The following are summary *outline* of the annexed reports.

▪ Financial Condition (Balance Sheet)

As of December 31, 2011, the *financial condition* of COWD showed a **total assets** and **other debits** of **P1,446,636,929.84**, **total liabilities** and **other credits** of **P972,402,532.96**, and **capital** of **P474,234,396.88** (**Annex A: Financial Report 2011**).

Total assets and other debits of **P1,446.63** billion *decreased* by P4,826.93 billion or 0.33% from previous year's assets of P1,451.46 billion. The *decline* in growth of assets was brought about by the *decrease* in *construction work in progress* combined with the *decrease* in *materials and supplies inventory, prepayments, and accounts receivable-others*.

Total liabilities and other credits of **P972.40** million posted a *decrease* of P31.38 million or 3.13% from last year's level of P1,003.78 billion. It consists of *long-term debts* of P884.25 million or 90.93%, *current liabilities* of P81.27 million or 8.36%, *deferred credits* of P3.70 million or 0.38%, and *operating reserves* of P3.17 million or 0.33%.

Total **capital** amounted to **P474.23** million. Compared to 2010 capital of P447.67 million, it posted an *increase* of P26.56 million or 5.93%. The capital consists of *unappropriated retained earnings* - P397.75 million, *appropriated retained earnings* - P0.144 million, *capital contribution-government* - P0.866 million, *other paid-in capital* - P47.20 million, and *appraisal capital* - P28.26 million.

▪ Feedback Survey

The District conducts surveys to see what areas of its operations *stand out* as being good or needing *improvement*. One is regular quarterly **customer feedback** survey (**Annex B**) to gauge *water quality* and *service quality* as perceived by the water concessionaires. Another survey is the **socio-economic status** conducted for prospective new water concessionaires and for those who requested extension and/or transfer of their existing water lines. The *latest* addition is the **employees' perception** survey which provides *firsthand* information directly from the workforce regarding their assessment of *internal processes* and the *capabilities* of officers and fellow employees. Results and findings of the last two reports are on file but not included in this year-end report. Only the result of the feedback survey was annexed.

▪ **New Connections**

Annex C presents number of days it takes to process application for new connection. The processing from *application* to *inspection* took about **two (2) days** to accomplish. Then, another **6 to 15 days** to process from payment to installation of new connection.

▪ **Reconnections**

Annex D sum up the number of days to *reconnect* back a disconnected service connection. From **cut-off to reconnection**, the longest recorded in 2011 was **over 365 days** that totaled to 694 or 26.20% of 2,649 total reconnections. On record, it took **more than 30 days** from processing *application* to *reconnection*. Another **2 to 4 days** processing from *payment* to *reconnection*.

▪ **Fixed Cut Illegal Connections**

Annex E is the summary of **illegal connections** reported from January to December 2011. Out of total **124** illegal connections being fixed cut, **73** or 58.87% were using cut PB tube, garden hose, GI Tee or attached fittings, **24** or 19.35% used illegally tapped or flying connections to an existing meter, **16** or 12.90% connected to fixed cut or abandoned old line, and **11** or 8.88% either tapped into the mainline (before the meter) or using tampered/inverted meter just to access water and avoid paying for using it. **Top three (3)** barangays with the *most* number of *illegal connections* were 22 or 17.74% from **Poblacion** (CDO proper), 15 or 12.10% from **Carmen**, and 15 or 12.10% from **Kauswagan**.

▪ **Percentage of Non-Revenue (Unaccounted for) Water**

Annex F is a comparative summary of percentage of *non-revenue* (unaccounted for) *water* from 2005 to 2011. It started in 2007 when the *annual NRW* percentage has grown to **52.48%** from 2006's **45.93%**. Also, this was the time COWD started buying *bulk water* from the Rio Verde Water Consortium. From that time on, the average annual NRW percentage was pegged at around **55%** of total production.

▪ **Accomplishment/Progress Report for 2011**

Annex G listed some **projects** approved by the COWD Board of Directors through *resolutions* during 2011. Their statuses of *completion* to date are also included. Also listed in Annex G are district policies and activities *approved* by the Board for *implementation*.

▪ **Monthly Operation and Consumption Reports 2011 (see Annex H)**

▪ **Monthly Data Sheet 2011 (see Annex I)**

▪ **LWUA 2009 Water Industry Average (see Annex J – as benchmark)**

