

2017 BUDGET TARGETS and ASSUMPTIONS

A. REVENUES

1. Projected new connections : 45 connections per month

2. Average consumptions, in cuM, per month:

Residential	20
Commercial	50
Semi-Commercial A	20
Semi-Commercial B	20
Government	95
Nabua	6,000

3. Approved water rates (February 13, 2001)

EFFECTIVE
Nov. 1, 2011

CuM.

CLASSIFICATION

Residential

Minimum charge	0 to 10	214.95
Commodity charge	11 to 20	23.45
	21 to 30	25.45
	31 to 40	28.20
	41 & above	31.50

Commercial

Minimum charge	0 to 10	429.90
Commodity charge	11 to 20	46.90
	21 to 30	50.90
	31 to 40	56.40
	41 & above	63.00

Semi-Commercial A

Minimum charge	0 to 10	376.15
Commodity charge	11 to 20	41.05
	21 to 30	44.55
	31 to 40	49.35
	41 & above	55.15

Semi-Commercial B

Minimum charge	0 to 10	322.45
Commodity charge	11 to 20	35.20
	21 to 30	38.20
	31 to 40	42.30
	41 & above	47.25



Government

Minimum charge	0 to 10	214.95
Commodity charge	11 to 20	23.45
	21 to 30	25.45
	31 to 40	28.20
	41 & above	31.50

Nabua

6,000	11.00
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4. Percent increase (decrease) VS. Projected Actual

	<u>Budget</u> <u>Year 2017</u>	<u>Projected</u> <u>Actual 2016</u>	<u>Inc. (Dec.)</u> <u>Percent</u>
Income from Waterworks Sys.	87,530,758.00	83,001,892.00	5.46
Other Business Income	1,935,000.00	2,221,092.00	(12.88)
Fines and Penalties-Business Income	3,691,123.00	3,007,005.00	22.75
Other Fines & Penalties	50,000.00	0.00	
Interest Revenue	251,340.00	344,932.00	(27.13)
Miscellaneous Income	20,000.00	6,088.00	228.52
TOTAL REVENUES	93,478,221.00	88,581,009.00	5.53

5. Percent increase (decrease) VS. Budget 2016

	<u>Budget</u> <u>Year 2017</u>	<u>Budget</u> <u>Year 2016</u>	<u>Inc. (Dec.)</u> <u>Percent</u>
Income from Waterworks Sys.	87,530,758.00	84,423,742.00	3.68
Other Business Income	1,935,000.00	16,332,000.00	(88.15)
Fines and Penalties-Business Income	3,691,123.00	3,390,457.00	8.87
Other Fines & Penalties	50,000.00	10,000.00	400.00
Interest Revenue	251,340.00	244,267.00	2.90
Miscellaneous Income	20,000.00	20,000.00	0.00
TOTAL REVENUES	93,478,221.00	104,420,466.00	(10.48)

B. EXPENDITURES

1. PAYROLL : Percent increase vs Budget 2015

Budget 2017	20,074,824.00
Budget 2016	19,254,732.00
Change	4.26%
Budget 2017	20,074,824.00
Projected Actual 2016	13,731,440.00
Change	46.20%

The payroll cost covers existing positions. Furthermore, there are appropriations of increase based on the 2016 Salary Standardization Law (to be applied in four tranches) plus step increment if applicable.

2. The company's employees benefits include the following:

- > 13th month pay and cash gift
- > Monthly PERA/ACA
- > RATA for the General Manager and Division Managers
- > Rice and grocery allowances per month
- > Performance Based bonus (PBB) and Productivity Enhancement Incentive (PEI)
- > Government share on GSIS, Phil. Health, PAG-IBIG, and ECC
- > Loyalty incentive bonus
- > Clothing and uniform allowance
- > Medical and dental allowance
- > Emergency relief allowance
- > Efficiency Incentive bonus
- > Financial Assistance
- > Retirement Benefit
- > Monetization
- > Overtime Pay
- > Other benefits that may be declared by proper authority.

3. Each member of the board is appropriated to receive per diem of P3,675.00 per meeting (Category C) and also Performance-based bonus.

4. Fuel and power costs are based on the following :

Fuel cost, including lubricating oil, was based on estimated annual consumption of 149,440 liters @ P25.00 per liter plus cost for lubricating oil and others.

Power cost was based on total weighted unit cost of P 11.00 per KWH with estimated annual consumption of 1,363,636 KWH.

5. Debt service to DBP due to buy-out amounts to P 10,543,566.87 for the year, which is composed of :

> Principal	4,398,391.57
> Interest	6,145,175.30
	<u>10,543,566.87</u>

6. For this year a fund is set up for the Gender and Development Program included in Other Maintenance & Operating Expenses.

7. Allowance for bad debts is to be based from applying the ageing of accounts method.

8. Capital Expenditures budget for 2017 shows a sum of P 27,021,104.64.

9. Cash flows budget provides net cash balance of P 843,321.06 at year-end.

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