2018 Annual Report

Framing a New Direction
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Overview

2018: Framing a New Direction

Our new direction is set – WASH for All Communities.

Enabling change through sustainable water access, sanitation and hygiene (WASH) education in marginalized communities in the Philippines is the vision of Manila Water Foundation. It is by no means, an easy feat. Yet, it is a vision we commit to and it is a social contract we have made with our fellow Filipinos who remain waterless and toilet-less.

Anchored on the UN Sustainable Development Goals: SDG 1 – No Poverty; SDG 3 – Good Health and Well-Being; SDG 6 – Clean Water and Sanitation; SDG 14 – Life Below Water; and SDG 17 – Partnerships for the Goals... our dream is to be the top-of-mind local WASH organization in the Philippines, a preferred choice in bringing the needed water access, sanitation facilities and hygiene campaigns that will bring about positive changes in marginalized communities.

We are not there yet but we have every bit of grit to get ourselves there. With everyone’s help, we will be able to achieve this, not for us, but for the many more Filipinos who lack these basic needs to enjoy a healthy, dignified life.

Changing direction is often beset with challenges, but the Foundation closed the year with an overwhelming response from partners, volunteers, stakeholders, and the communities we served. While we had to let go of the things that we did not need to do, it helped us focus and even more energized to do the things that mattered to us the most to fulfill the new mission. We believe that change always brings about new beginnings and new hopes for the future.

Manila Water Foundation (MWF) is the social development arm of the Manila Water enterprise. Today, we are a non-stock, non-profit organization accredited by the Philippine Council for NGOs Certification (PCNC) and recognized by the Department of Social Welfare and Development (DSWD), the Securities and Exchange Commission (SEC) and the Bureau of Internal Revenue (BIR). Leveraging on the enterprise’s business expertise in water and sanitation, we at MWF reach out beyond the concession area in the East Zone of Metro Manila to serve the entire archipelago.
Chairman’s Message

Dear Partners, Friends and Beneficiaries of the Manila Water Foundation,

Last year, your Foundation stepped back and reflected on its mission and vision moving forward while keeping to the spirit of being an enabler of change in the communities we serve or communities in need.

While our existing programs were still very much relevant to our many beneficiaries in a wider geographic coverage, we decided to refocus from achieving breadth of impact to a more holistic and nurturing strategy anchored on WASH (Water Access, Sanitation and Hygiene). We scanned the country and we felt that the Manila Water Foundation can take a leading role in promoting this advocacy amongst the corporate foundations in the country. WASH advocacy is a natural alignment to what the Manila Water Foundation brand stands for.

We have overhauled the way we are organized, re-oriented and re-scaled our programs and changed the way we are working to give our WASH advocacy the prominence and clarity it deserves. We are still a work in progress but the transition has been seamless because the commitment to the new vision and mission is strong and authentic. We are encouraged by the smiles of our beneficiaries as our teams more regularly interact with them and seek their feedback to further enhance our program execution. Working with our beneficiaries by staying longer in their communities has been one of the early success factors we are seeing in delivering the social impact we aspire for. Each community is different and we remain sensitive to this on-ground reality. But rather than a hurdle, it has become our greatest source of fulfillment knowing what was impossible or unimaginable before is now possible and now a new way of life.

Much remains to be done as we have just started on this new and exciting journey to improve the health, well-being and sense of dignity of our target communities. It is very clear to us that we need bigger donors, many more partners and a continuing improvement in our approach as well as processes to go to the next level for the existing communities we are now serving and in covering many more communities in the near term.

On behalf of the Manila Water Foundation Board of Trustees and its Members, I would like to thank our partners, friends and beneficiaries for working with the Foundation all these years and for supporting our new mission and vision. I would also like to commend the Management Team for its selfless pursuit of the goals of the Foundation and for raising the bar of excellence in the field of foundation work.

Our WASH advocacy is the right shift of focus and will be the Manila Water Foundation’s gift for our beautiful country and its beautiful people.

Ferdinand M. Dela Cruz
Chairman
Misteel Water Foundation (MWF) went through many changes in 2015. It was the year when MWF commenced its implementation of its new strategy, WASH. This was to ensure that hygiene education and interventions were made to target marginalized communities that are considered waterless and toiletless in a participatory, inclusive, responsive, and sustainable approach.

Since the Foundation’s inception, we were able to close the year with serving more than 2.7 million individuals through our integrated WASH Program. flagship Programs and Special Programs.

It was also the year that we expanded our network membership and operations areas. As we grow, we believe that we can be of value to a solid network of more than a hundred volunteers, 12 new partners, and 5 new network alliances including five international organizations who believe in our advocacy. Because of these, we were able to serve 11 areas across the metro.

We also achieved many firsts for the organization this year. The Foundation conducted its first organizational survey which led to the first “Love, MWF” (Cares, Offer, Volunteer & Engage with Misteel Water Foundation) Roadshow which yielded dozens of almost a dozen of new clinics and hygiene facilities for 2,000 elementary schools in Marikina City and hygiene kits for 25 families displaced by the Marikina River. The Foundation also provided 850 Misteel Water Talents from the northern areas of volunteers who formed the WASH-Serve and Technical Volunteers Club. For the MWF Prize for Engineering Excellence (The Prize), we were able to receive our first national government commendation, and new policies and guidelines were set forth for a comprehensive, inclusive, participatory, and inclusive force group discussions and a series of deliberations of a technical working group. As a spin-off to the Prize, an Experts Bureau was created which is a pool of the experts who were tapped by the Foundation for speaking engagements, learning sessions, and consultations on WASH-related issues. It was also in 2016 that we first celebrated World Toilet Day on November 19 which is a global campaign initiated by World Toilet Organization and UNHCR to raise awareness and actions to take action in ensuring that every family has a safely managed toilet facility by 2020.

These and many more initiatives juxtaposed the new direction for 2016.

Integrated WASH Program

As we marched towards the direction of bringing WASH for All Communities, we worked with two new communities where we implemented the Integrated WASH Program in two areas. Two indigenous peoples communities considered as waterless and toiletless – Barangay Bagbag, in Muntinlupa, and Barangay Bugenerya, in Malabon — served as our pilot areas where we worked hand-in-hand with community leaders to implement water systems and established Water Desks to operate and manage the infrastructure meant to bring clean, safe, and potable water to 2,120 residents. We will share a long way to go but after just one year, both communities have witnessed the positive impact of having water right within their vicinity which they use for drinking, bathing, cleansing and other hygiene-related activities.

Flagship Programs

Under Limpas, our infrastructure development program for hygiene and drinking facilities in public institutions such as schools and towns centers, the Foundation was able to serve a total of 10,600 individuals in 2015.

The Ahyon Program which has two sub-programs – Ahyon Tobig and Ahyon Sanitary – is an infrastructure program of stand-alone water supply systems or sanitation facility in low-income communities. In 2016, Ahyon Tobig subsidized 65% of water services connections for 3,840 individuals in Caloocan City, Laguna and Ormoc, Bulacan, making it possible for them to enjoy piped water connections inside their homes. For Ahyon Sanitary, which provides stand-alone sanitation facilities, a total of 21,645 individuals were served through a rehabilitated communal toilet facility in Cainta, Rizal, a communal septic tank in Barangay Balagtas, Bocaue, and the distribution of Hygiene kits for wastewater treatment for 4,246 households in Barangays Yape, Menormona, and Balasing in Bocaue.

The Health in Our Hands (IIC) Program is an educational program that promotes hygiene practices as key to healthy living to be reached to a total of 40,000 individuals through various media platforms, including events, cinema ads, Anti-JD billboards along major highways.

Special Programs

The MWF Prize for Engineering Excellence (The Prize), the nation’s first-ever recognizing love for engineers who make a difference in the lives of marginalized communities in the areas of water, sanitation, environment, and sustainability has grown a lot. You may remember our most recent awardees, Dr. Nicolino Orgo who is a son of a coconut baron from Leyte. Drawing on his, he saw his father experience hardships and receive little help. This pushed him to dedicate his work for the betterment of Filipino farmers. As an agricultural engineer at the Philippine Rice Research Institute, he was able to invent technologies such as the Donilovka-type Rice Hollow Caricature. The invention allows farmers cooperatives to cut down their expenses and depend on fossil fuels and harness renewable energy generated from the machine to feed-back the process needed for their other businesses. This is the kind of thinking here that the Foundation is in search for and would like to honor, for contributing to national development. In 2016, the Prize saw a lot of changes as it underwent a rigorous process of refining its policies and guidelines in the selection, and evaluation of the awardees. In the end, the Prize has become more exciting than ever, thanks to our partners – the Philippines Technical Council and the Department of Science and Technology.

The Experts Bureau, the pool of the Prize’s awardees, was able to serve in three events where Dr. Orellana, Dr. Orgo and Dr. Ramirez shared their expertise among Misteel Water Talents, CSR (Corporate Social Responsibility) professionals and local residents of Bocaue and Lanuza, respectively. The three awardees collectively gave their time and shared their knowledge to even further the advocacy of WASH.

Agayapo Program. The Foundation’s disaster response program that immediately addresses the water supply and sanitation needs of communities and families affected by disasters and calamities, was able to serve a total of 47,405 individuals in 2015. Its sub-programs Agayapo Tobig and Agayapo Sanitary were able to bring thousands of 5-gallon bottled water, drinking water fixtures and mobile treatment plants to communities and individuals affected by disasters including the Marikina River, the Marikina River, two major typhoons (Koppu and Milagros) and the Lepanto, a torrential rain in Mabalacat City, and Rolly in Caloocan.

Lastly, the WASH Volunteers program was able to pull in a total of 1,277 volunteer hours from 327 MWF volunteers and external volunteers.

Suffice to say, 2016 was a full year. It was beset with challenges yet filled with lots of triumphs. There were many trials coupled with difficulties and adjustments, but we exhorted from these experiences. While we changed our main advocacy to WASH, our hearts and minds are still focused on the same goal, to help our fellow Filipinos rise from poverty and contribute to a better society. For those of you who want to make a difference, join us in our advocacy of bringing WASH for All Communities.

Rayo ay labis pananayaman, makatanghal, makabulag, Rayo ay magmamakiling para sa dignidad at pag-se na bayani Pilipino.
Vision

Our vision is to be the enabler of change through sustainable water access, sanitation and hygiene (WASH) education for marginalized communities in the Philippines.

Mission

Our mission is to create and implement participatory and responsive WASH programs contributing to holistic community development.

Core Values

Integrity and Primacy of the Person
We are a company of professionals whose unique roles and individual contributions toward corporate goals provide us with concrete opportunities to develop character and purpose in our lives.

Dignity of Work
Our company raises a sense of pride and satisfaction in the fruits of our labors and efforts, which we place at Manila Water Foundation’s services, as part of a dynamic and well-knit team.

Pride in Excellence
We strive for excellence because turning out the highest quality services is the most fitting tribute to our stakeholders and to our society, partners, company, colleagues and ourselves.

Concern for Others
We believe that contributing to social development through the communities we serve and the natural environment that we help protect is the very essence of our corporate existence. Showing a genuine concern for the welfare of others is indispensable in the way we advance our advocacy.

Commitment to National Development
We strongly support all efforts towards the development of the communities and our nation in general, because we realize that the problems affecting our nation and society impact our enterprise’s own long-term viability.
Manila Water Foundation’s programs contribute to the attainment of these Sustainable Development Goals.
**INTRODUCTION**

WASH for All Communities—This is the motivation behind Manila Water Foundation’s (MWF) Integrated WASH Program. The program aims to provide a participatory intervention that will result to access to clean and potable water, and improvement of sanitation facilities and hygiene practices in marginalized communities. It seeks to address the community’s WASH needs as part of the Foundation’s vision to be an enabler of change for marginalized communities contributing to the following Sustainable Development Goals (SDGs): SDG 1 - No Poverty, SDG 3: Good health and wellbeing, and SDG 6: Clean water and sanitation, and SDG 14 - Life Below Water.

The Foundation’s implementation of its Integrated WASH Program is guided by the following:

• Implementing the project in phases according to the community’s priority WASH needs;
• Developing and training the water group to ensure that the positive results of provision of water facility is sustained;
• Strengthening initiative by including sanitation and hygiene to the community agenda;
• Adopting a more participatory approach in sanitation and hygiene projects to increase engagement on activities dealing with topics that are oftentimes deemed taboo (e.g. Open defecation, privacy and safety issues for women and children, effects of the lack of toilet to one’s sense of identity and dignity); and
• Creating an open and positive relationship with the community that encourages collaboration and deeper engagement.

**PHASE 1: WATER ACCESS**

Water is necessary for sustaining life and good health conditions. Without access to clean water, individuals are prone to diseases and health hazards. Through the Integrated WASH Program, communities are given physical access to a water supply that can provide them safe, clean and potable water for drinking, bathing, cooking and other everyday use.

During the first phase, MWF provides a level 2 water supply system that includes the development of the water source with a treatment facility, the laying of water network, and the construction of watering points.

Using a participatory approach, MWF forms and trains a Community Water Group to manage and maintain the water facility.

**PHASE 2: SANITATION**

With water readily accessible, the Integrated WASH Program moves to the sanitation phase. Without sanitation facilities, marginalized community residents resort to open defecation—the human practice of going to open spaces outdoors to defecate. This practice is often attributed to lack of access to sanitation facilities or due to traditional cultural practices. Some barriers in good sanitation practices are: (1) lack of funds, (2) competing priorities on spending, (3) no access to technical knowledge and (4) belief that open defecation or burying fecal waste is harmless.

Manila Water Foundation intervenes by making sanitation facilities available in these communities. Aside from provision of facilities, MWF conducts behavioral change communication (BCC) campaigns to trigger a behavior shift that promotes good sanitation practices and strengthen community accountability in taking care of its new facilities. Residents are involved in the design and construction and they are also put in charge of maintenance and minor repairs once the facilities are constructed.

**PHASE 3: HYGIENE**

The last phase of the Integrated WASH program is to enhance the community’s knowledge on proper hygiene practices, primarily Hand Washing with Soap (HWWs).

As with Sanitation, Behavioral Change Communication (BCC) campaigns on hygiene not only teach the correct practice of HWWs during critical times, it also promotes having the presence of soap within handwashing facilities for an improved adoption of new behaviors that promote good health.

**Program Snapshot**

A holistic intervention of services for water access, sanitation, and hygiene (WASH) in marginalized communities

A total of 2,130 individuals benefitted from the Integrated WASH Program in 2018.
COMMUNITY BASELINE RESULTS

To assess the current water, sanitation, hygiene, and financial conditions of partner community, Sitio Monicayo in Mabalacat Pampanga, the Foundation conducted a baseline study in 2018. In partnership with Clark Water Corporation (CWC) and Clark Development Corporation (CDC), the Foundation has implemented and constructed a stand-alone water system in 2016 to provide water access to the community. With its new direction for an integrated WASH approach, MWF deemed it necessary to conduct baselining in preparation of the project’s Sanitation and Hygiene Phase. Part of the study also delved into the community’s feedback on the water facility for the Foundation’s monitoring of the Water Phase of the Project.

Research methods used were house-to-house surveys, key informant interviews (KII), and focus group discussions (FGDs) with community members and project partners as respondents. Salient results of the baseline survey are as follows:

According to the survey, the top 3 ways to prevent diseases are:
- Clean drinking water
- Handwashing
- Clean environment

Diarrhea is one of the most common diseases for both communities.

### On Water Access

<table>
<thead>
<tr>
<th>Sapang Uwak</th>
<th>Sitio Monicayo</th>
</tr>
</thead>
<tbody>
<tr>
<td>63% of households use spring water for drinking</td>
<td>85% of households draw drinking water from the community water facility</td>
</tr>
<tr>
<td>58% treat their water</td>
<td>42% treat their water</td>
</tr>
<tr>
<td>54% of households draw water from the river for domestic use</td>
<td>16% of households use rainwater for domestic use</td>
</tr>
</tbody>
</table>

### On Sanitation

<table>
<thead>
<tr>
<th>Sapang Uwak</th>
<th>Sitio Monicayo</th>
</tr>
</thead>
<tbody>
<tr>
<td>82% practice open defecation regardless of age and gender</td>
<td>20% practice open defecation, mostly males</td>
</tr>
<tr>
<td>Insufficient funds, Not a practice, Lack of water access</td>
<td>Insufficient funds, Not a practice</td>
</tr>
<tr>
<td>63% are willing to pay 37% are willing but not at the moment</td>
<td>43% are willing to pay 48% claimed that they can contribute labor for construction</td>
</tr>
</tbody>
</table>
WASH COMMUNITY FOCUS
SITIO MONICAYO

Water access has been made available to Sitio Monicayo in 2016 in partnership with Clark Water Corporation (CWC), a subsidiary of the Manila Water Philippine Ventures in Pampanga, and Clark Development Corporation (CDC), a government-owned and controlled corporation mandated to manage the Clark Freeport Zone. Prior to the construction of the water facility, residents either used rain water or drew water from a spring located approximately 50 meters from the main road and more than 100 meters from most of the households.

After the intervention, most of Monicayo residents now draw water from the facility (95% of residents use it for drinking while 72% use it for domestic use). Weekly water consumption for the community is at 131 gallons. Hygiene practices among community members gradually improved and heads of families were able to allot more time for livelihood and other home activities.

To maintain and operate the water system, MWF initiated the formation of the Water Group composed of Sitio Monicayo residents. To date, continuous efforts on the improvement of the Water Group are done in the community, while exploring on the next phase of the Integrated WASH Program. MWF focused on the empowerment of the water group and the initial research about the sanitation for the community.

2018 SPOTLIGHT

JUNE
- Project Launch with Proponents and Beneficiaries

JULY
- Joint Stakeholder Planning and Community Mapping

AUGUST
- Focus Group Discussions and Key Informant Interviews

SEPTEMBER
- House-to-House Surveys

OCTOBER
- Behavioral Change Campaign (BCC) Strategy Development

NOVEMBER
- Facility and Network Improvements

DECEMBER
- Capability Building of Water Group on Operations and Maintenance, Financial Literacy and Basic Accounting

COMMUNITY PROFILE

- 170 Total No. of Families
- 6 Average Family Size
- 5% Shares a Home with Other Families
- 50% Households with Children Under 5 Years Old

2018 Manila Water Foundation Annual Report
Barangay Sapang Uwak is an IP (indigenous people) community of Aeta residents located along the slopes of Mount Catuno, East of Mt. Pinatubo in Porac, Pampanga. According to the Porac Rural Health Unit (2018), the community is occupied by 423 families.

Prior to the intervention of Manila Water Foundation (MWF), the community experienced inadequate water supply due to the low water yield of their single source which is a natural spring. Leaks also on their main pipe aggravated the limited water supply.

To learn more about the community’s water needs, a community baseline survey was conducted in September 2018. In October, construction of a Level II water system commenced which included the development of a water source, the laying of pipes, and the construction of water tanks and watering points that are close to the households.

Prior to construction, a community consultation and community mapping were held in September 2018 to discuss community issues and propose possible solutions.

With the collaboration of the local Sapang Uwak community, Manila Water Philippine Ventures (MWPV), the Municipal Government of Porac, Ayala Land, and the Office of House Speaker Gloria Macapagal Arroyo, the water facility was inaugurated on February 13, 2018.

The water system now serves more than 200 families. The intervention includes two spring boxes as water source, a three-kilometer water network, three water tanks and 11 watering points. To ensure sustainability of the water supply, MWF created a local water group to supervise the operations and maintenance. Continuous community consultations, trainings and research are held in the community to prepare its residents for the next phases of WASH.

### 2018 SPOTLIGHT

- **AUGUST**
  - Project Launch with Proponents and Beneficiaries

- **SEPTEMBER**
  - Joint Stakeholder Planning and Community Mapping

- **OCTOBER**
  - Focus Group Discussions and Key Informant Interviews

- **NOVEMBER**
  - House-to-House Surveys

- **DECEMBER**
  - Improvement of Water Source and Networks with Installation of Water Tanks and Watering Points
Flagship Programs

**lingap**
An infrastructure development program for hygiene and drinking facilities in public institutions such as schools and health centers

**ahon**
An infrastructure development program of stand-alone water supply system or sanitation facility in low-income communities

An educational program for schools and communities that raises awareness on the importance of proper hygiene practices as key for healthy living; celebrates World Oral Health Day, Global Handwashing Day and World Toilet Day
Program Snapshot

An infrastructure development program for hygiene and drinking facilities in public institutions such as schools and health centers

The Foundation’s flagship program since 2010
Lingap is a flagship program that provides access to safe, clean and potable water to public institutions such as schools and health centers through the construction of hygiene and drinking facilities.

Through Lingap, the Foundation was able to collaborate with notable organizations to serve more individuals across the country. One of which is the partnership with GMA Kapuso Foundation to bring water access to schools in Marawi City in 2018. Utilizing the pledges gathered from Manila Water enterprise talents, the Foundation constructed hygiene facilities for pupils of Camp Bagong Anil Pakpak Elementary School (CBAPES) and Pendoloran Elementary School (PES) in Marawi City, which were turned over on October 29 and December 6, respectively. Under Rebuild Marawi Project, these are the first schools rehabilitated since the Marawi siege.

Monacer Taralingan, School Head of PES, recalled their experience after the Marawi siege. To help children recover from the siege, she called for a parents-teachers conference about the re-opening of the school. To continue the classes, they opted for temporary classrooms at first. Eventually, efforts from partner organizations such as feeding programs and construction of new classrooms and facilities came and helped the school get back on its feet. “My heart is full at the thought of having our own handwashing facility. I am grateful to Manila Water [Foundation] for this initiative for our school learners,” she said in Filipino.

Another notable Lingap collaboration is with Boracay Island Water Company (BIWC) and Barangay Councils of Yapak and Manocmanoc in Boracay Island. Mothers visiting Yapak Health Station and Birthing Home now have access to drinking and handwashing facilities whenever they drop by for prenatal and child care. Ramona Gregorio, resident midwife of Yapak Health Station and Birthing Home, shared that it is important to make hygiene a priority in their daily routine of prenatal checkups, family planning, and immunization. The hygiene facility can help them teach better handwashing habits to their patients to avoid communicable diseases. Meanwhile, drinking and hygiene facilities can also now be accessed within the Barangay Hall Compound of Manocmanoc.
Areas Served

- Ambuetel Elementary School
  Calasiao, Pangasinan

- Doyong Elementary School
  Calasiao, Pangasinan

- Tahanan ng Pagmamahal
  Pasig City, NCR

- Biñan Integrated National High School
  Biñan City, Laguna

- Don Jose National High School
  Sta. Rosa City, Laguna

- Yapak Buhing Place
  Yapak, Boracay

- Barangay Hall Compound
  Manoc-Manoc, Boracay

- Camp Bagong Amai Pakpak Elementary School
  Marawi City

- Limay Elementary School
  Zamboanga City

- Pendelonan Elementary School
  Marawi City

- 8,007 Children served at schools
- 5,432 Individuals served at community centers
Program Snapshot

An infrastructure development program of stand-alone water supply system or sanitation facility in low-income communities

Ahon has two sub-programs:
- **Ahon Tubig** - Provision of stand-alone water access system
- **Ahon Sanitasyon** - Provision of stand-alone sanitation facility

According to Water.org, nine million Filipinos still depend on unsustainable water sources while 19 million do not have access to better sanitation. Joining initiatives under the previously known Tubig Para sa Barangay and Ahon Pinoy, the Ahon Program aims to address this gap in the country by delivering immediate and stand-alone water access interventions such as water service connections and supply systems under Ahon Tubig, and provide sanitation solutions and interventions under Ahon Sanitasyon.
“Oo, nag-iikot lang kami sa poso. Kapag may utang naman o bahagi, yung nakukuha naming tubig may mga butangin.”
(We used to draw water from a deepwell water pump. When it rained or there was flood, the water got murky.)
-Babylyn Caparino of Barangay Gulod, Cebu City, Laguna.

Caparino is one of the millions of Filipinos in the Philippines who used to have no access to water inside their homes. Through the Ahon Tubig program, the Foundation was able to help improve the lives of Filipino families by subsidizing 65% of water service connection fees in indigent communities in Cebu City, Laguna and Obando, Bulacan. This was made possible through the collaboration with Laguna Water and Obando Water, respectively.

“Mahalagang sagamit sa MWF at Laguna Water kasi binigyan kami ng chance na maging mas makita ang panahon-panahon na buhay. (Thank you to MWF and Laguna Water for giving us a chance to progress with our everyday lives.)” said Caparino.

Overall, the Ahon Tubig program was able to serve 3,550 individuals in 2018.

Program Impact

<table>
<thead>
<tr>
<th>No. of Water Service Connections (WSS)</th>
<th>Beneficiaries</th>
<th>Partner</th>
</tr>
</thead>
<tbody>
<tr>
<td>276</td>
<td>1,380 residents</td>
<td>Laguna MWA Water Corporation</td>
</tr>
<tr>
<td>434</td>
<td>2,170 residents</td>
<td>Obando Water Company</td>
</tr>
</tbody>
</table>

3,550 Total Individuals Served
Earlier in 2016, Boracay Island, one of the nation’s major tourist destinations, was closed as part of the government’s efforts for its rehabilitation. The households and commercial establishments in Boracay Island should connect to a proper sewer system to help mitigate the worsening environmental condition of the island. To help its rehabilitation, the Foundation worked with Globe Telecom and Boracay Island Water Company (BIWC) to bring sanitation projects to the island’s indigenous communities. The major thrust of the partnership is to help the government rehabilitate the island by embarking on sustainable development projects. The provision of a communal septic tank for the 15 households in Sitio Ilaya, Barangay Balabag was put into place to ensure proper containment of used water for this low-lying community. The initiative is under the Foundation’s Ahon Sanitasyon and in support of BIWC’s water sustainability and environmental programs, Amot-Amot Kid Kita at Mabuhay Boracay (Working Together Towards a Clean Boracay).

Aside from the communal septic tank, the Foundation contributed to the sanitation intervention in the island through the distribution of 8,000 packs of Vigormin to more than 4,000 households who are not yet connected to the sewer lines in Barangays of Balabag, Manocmanoc, and Yapak in the Island. Vigormin is a low-cost, organo-mineral solution to boost the removal rate of organic pollutants in septic tanks for improved quality of used water. It is developed and invented through the research conducted by Dr. Merinda Palencia, one of the 2015 MWF Prize for Engineering Excellence awardees.

By the end of 2016, Ahon Sanitasyon was able to serve 21,455 residents.

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Program Impact

- **San Buena Communal Toilet Rehabilitation**
  - **Beneficiaries:** 1,300 residents
  - **Partners:** Cansio LGU, MWD, Paeng Business Area

- **Communal Septic Tank**
  - **Beneficiaries:** 75 residents
  - **Partners:** Globe Telecom, Boracay Island Water Company

- **Vigormin Distribution**
  - **Beneficiaries:** 20,080 residents
  - **Partners:** Globe Telecom, Boracay Island Water Company
Health in Our Hands

Program Snapshot

An education program for institutions and communities on the importance of proper hygiene practices as key for healthy living

The Foundation’s flagship program for hygiene education since 2016

According to the United Nations (UN) Global Handwashing Partnership (GHP), handwashing with soap is among the most effective and inexpensive ways to prevent communicable diseases. Annually, pneumonia and diarrhea are the leading causes of child mortality in the Philippines as cited by the Department of Health. This is the reason why, in the Philippines, the Foundation underscores proper handwashing with clean water and soap in its hygiene education campaigns under its Health in Our Hands program.

As the Foundation seeks to deliver holistic community development, it also expanded its Health in Our Hands program to teach not just proper handwashing but also other hygiene practices such as using toilets properly and taking care of one’s oral health. The program is a testament of the Foundation’s dedication towards proper hygiene.

Program Impact

STAND-ALONE HEALTH IN OUR HANDS CAMPAIGNS

<table>
<thead>
<tr>
<th>INSTITUTION</th>
<th>LOCATION</th>
<th>BENEFICIARIES</th>
<th>PARTNER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kalusugan Day Care Center</td>
<td>Quezon City</td>
<td>40 students</td>
<td>MWO Quezon City Business Area</td>
</tr>
<tr>
<td>Bagong Silang Community</td>
<td>Caloocan City</td>
<td>300 individuals</td>
<td>Children’s International</td>
</tr>
<tr>
<td>Longos Elementary School</td>
<td>Malolos City, Bulacan</td>
<td>124 students</td>
<td>Bulacan Water</td>
</tr>
<tr>
<td>Community Senior Citizens</td>
<td>Acalan, Pangasinan</td>
<td>300 residents</td>
<td>PTV4 Damsayan</td>
</tr>
<tr>
<td>Bartley Edukasyon Scholars</td>
<td>Quezon City</td>
<td>100 scholars</td>
<td>ABSCBN Lingkod Kapamilya</td>
</tr>
<tr>
<td>Carlos P. Garcia Elementary School</td>
<td>Quezon City</td>
<td>250 students</td>
<td>MWO Quezon City Business Area</td>
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HEALTH IN OUR HANDS CAMPAIGNS WITH LINGAP

<table>
<thead>
<tr>
<th>INSTITUTION</th>
<th>LOCATION</th>
<th>BENEFICIARIES</th>
<th>PARTNER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Binan Integrated National High School</td>
<td>Binan City, Laguna</td>
<td>4,300 students</td>
<td>Philsua Corporation</td>
</tr>
<tr>
<td>Don Jose National High School</td>
<td>Sta. Rosa City, Laguna</td>
<td>1600 students</td>
<td>Laguna AAAWater Corp.</td>
</tr>
<tr>
<td>Ambuel Elementary School</td>
<td>Calasiao, Pangasinan</td>
<td>300 students</td>
<td>MicroSourcing Philippines</td>
</tr>
<tr>
<td>Yapak Birthing Place</td>
<td>Yapak, Boracay</td>
<td>5,282 residents</td>
<td>Boracay Island Water Co.</td>
</tr>
<tr>
<td>Sta. Lucia Chapel</td>
<td>Manocmanoc, Boracay</td>
<td>100 residents</td>
<td>Boracay Island Water Co.</td>
</tr>
</tbody>
</table>
It is an international campaign that aims to raise awareness and understanding on the importance of handwashing with clean water and soap as a cost-effective way to prevent communicable diseases. It is globally celebrated every October 15. Manila Water Foundation (MWF) has celebrated GHD for the past 6 years and each year, MWF brings together corporate, government and non-government and socio-civic organizations as partners in sharing good hygiene lessons to the public.

2018 HEALTH IN OUR HANDS CELEBRATIONS

GLOBAL HANDWASHING DAY

With the theme “Clean Hands—A Recipe for Health,” the celebration of the Global Handwashing Day (GHD) focused on the link among proper handwashing, nutrition, and health. To stress credible and holistic information in all aspects of the campaign, MWF partnered with top nutrition institutions in the Philippines, specifically the Nutrition Center for the Philippines (NCP), National Nutrition Council (NNC), and Philippine Association of Nutritionists (PAN).

While the events were held in different schools and establishments in Luzon, Visayas and Mindanao, Information, Education and Communication (IEC) materials were distributed on a national scale through different media outfits – social media, print broadsheets, infomercials inside cinemas, digital and traditional bulletin boards along major highways and inside commercial malls.

Institutions

Catering to different age groups of children and adults, the Foundation celebrated GHD in various institutions to expand its reach.

<table>
<thead>
<tr>
<th>DATE</th>
<th>INSTITUTION</th>
<th>LOCATION</th>
<th>ATTENDEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>06 October 2018</td>
<td>KidZania Manila with ERDA Foundation</td>
<td>Taguig City</td>
<td>120 attendees</td>
</tr>
<tr>
<td>10 October 2018</td>
<td>Mauaque Resettlement High School</td>
<td>Mabalacat City, Pampanga</td>
<td>250 students</td>
</tr>
<tr>
<td>15 October 2018</td>
<td>San Mateo LGU at JF Diaz Stadium</td>
<td>San Mateo, Rizal</td>
<td>400 attendees</td>
</tr>
<tr>
<td>25 October 2018</td>
<td>Ayala Center Cebu</td>
<td>Cebu City</td>
<td>650 booth visitors</td>
</tr>
<tr>
<td>31 October 2018</td>
<td>Abreeza Mall Davao</td>
<td>Davao City</td>
<td>750 booth visitors</td>
</tr>
</tbody>
</table>

Program Impact

More than 4.7 million individuals were reached during the month-long celebration of GHD. This was made possible through the onsite events, as well as by maximizing other communication platforms such as social media, LED billboards, cinema and print ads, radio plugs and guesting, and television appearances.
INSTITUTIONS
Manila Water Foundation first celebrated World Toilet Day (WTD) on November 19, 2018 at Barangay Loyola Heights, Quezon City in partnership with the Manila Water’s Advocacy and Research Department.
The strategic partners are institutions advocating the Zero Open Defecation.
- Department of Social Welfare and Development
- Department of Health
- UNICEF Philippines

INSTITUTIONS

**World Toilet Day**

According to the World Health Organization, handwashing with soap and clean water after using the toilet prevents the transfer of bacteria, viruses, and parasites found in human waste, which otherwise contaminates water sources, soil, and food. This contamination is a major cause of diarrhea, the second leading cause of child mortality in the Philippines and other developing countries. Equally important is improving access to sanitation which is also a crucial step towards reducing the impact of diseases like diarrhea. Among children, improving sanitation facilities and promoting hygiene in schools benefit both their learning and their health.

For this reason, the World Toilet Organization called for other organizations to celebrate the World Toilet Day (WTD). It is an awareness day that seeks to inspire action when tackling the global sanitation crisis—a topic often not talked about because of taboos. Advocating on proper sanitation and hygiene, the Foundation ran its pilot World Toilet Day (WTD) onsite fete last year with parent-leaders from the Metro. With the theme “When Nature Calls,” the celebration was designed to engage more parent-leaders in advocating for this cause to their communities.

WORLD TOILET DAY

It is an international campaign organized by UN-Water which aims to encourage individuals and groups to take action in ensuring that everyone has a safely managed toilet by 2030. WTD is celebrated globally on November 19. It is an awareness day that seeks to inspire action when tackling the global sanitation crisis—a topic often not talked about because of taboos. Advocating on proper sanitation and hygiene, the Foundation ran its pilot World Toilet Day (WTD) onsite fete last year with parent-leaders from the Metro. With the theme “When Nature Calls,” the celebration was designed to engage more parent-leaders in advocating for this cause to their communities.

Program Impact

More than 150 parent-leaders from the Pantawid Pamilyang Pilipino (P3) Program beneficiaries attended the WTD celebration. During the event, partners from UNICEF Philippines, Department of Health and Manila Water’s Advocacy and Research Department shared about the current sanitation status in the Philippines, the risks of open defecation, and initiatives which are being done to address this. Information materials were distributed during the event that could help the audience share the word about the importance of sanitation in a community’s overall health.
Special Programs

Experts Bureau

A circle of the MWF Prize for Engineering Excellence awardees who can be tapped as resource persons for learning engagements and WASH initiatives.

MWF Prize for Engineering Excellence

A biennial award and the first-ever recognizing body in the country that honors Filipino engineers who made notable contributions in the areas of water, sanitation, environment, and sustainability for marginalized communities.

agapay

A disaster response program that immediately addresses the water supply and sanitation needs of communities and families affected by disasters and calamities.

WASH Volunteerism

A pool of Manila Water enterprise talents and external partners who selflessly share their time, skills and resources with the Foundation’s initiatives.
Manila Water Foundation

Prize for Engineering Excellence

As the sole awardee, Dr. Orge received PhP500,000, a medal, and a trophy entitled "The Last Light," which was designed by Ayala Corporation Chairman Emeritus Jaime Zobel de Ayala during the awarding ceremony held at Seda Vertis North in Quezon City. These prizes were personally awarded to him by Ayala Corporation Chairman and Manila Water Company Vice-Chairman Jaime Augusto Zobel de Ayala, along with the Foundation's Chairman Ferdinand M. dela Cruz, and the Foundation's President Godino V. Carpio, who shared his pride towards Dr. Orge. During the event, Dr. Orge shared that his motivation behind his breakthrough inventions was his father, a coconut farmer. He also expressed his gratitude towards the proponents of the award and promised to continue helping farming communities in the country.

Program Snapshot

A biennial award and the first-ever recognizing body in the country that honors Filipino engineers who made notable contributions in the areas of water, sanitation, environment, and sustainability for marginalized communities.

In February 2016, a scientist with a heart for Filipino rice farmers emerged as the Prize’s winner, Dr. Ricardo F. Orge, a Supervising Science Research Specialist from the Philippine Rice Research Institute and an Agricultural Engineer by degree and profession, was named as the sole awardee of the 2017 run of the Prize. As an agricultural engineer, he was able to invent technologies that improve the processes involved in farming and support alternative livelihood for rice farmers. Through his invention, the Continuous-type Rice Hull Carbonizer, farmer cooperatives in Nueva Ecija and Bulacan were able to cut down their expenses and dependence on fossil fuels and use renewable energy generated from the machine to fast-track the process needed for their mushroom business.

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Program Snapshot

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To gather insights from one of the Prize’s major stakeholders – the engineers, the Foundation brought together select representatives who are engineers and academics from various PTC-member organizations for the FGDs. The information generated from these FGDs were used as the basis of the Prize’s Technical Working Group (TWG), composed of the Foundation’s President, Geodino V. Carpio; DOST PCIEERD – Industrial Technology Development Division Head, Engr. Nitals Escorial; PTC Country Registrar, Engr. Romulo Agatepe; and PTC Head of Energy Committee, Dr. Rongo Varona for the review of the current implementation guidelines and communication strategies of the Prize.

Before the year ended, the TWG of the Prize was convened to discuss the results of the FGDs. Salient changes in the Prize’s guidelines are as follows:

**PREVIOUS PRACTICES**

**Nominations**
- A qualified individual should be nominated by another person (relative, colleague, beneficiary, etc. but not by employees, and first degree relatives of proponents, and direct competitors).
- Identify government agencies, organizations, industry, and academic institutions and send out letters inviting them to nominate possible candidates for the Prize.

**Promotions**
- Conduct roadshows primarily in headquarters or mother agencies.

**SALIENT CHANGES**

**Nominations and Applications**
Nomination procedure doesn’t have an effect on the judging procedure. Thus, self-nomination or application can now be accepted. There is anyway a third-party investigator to verify the accuracy of applications received.

**Nominating Partners**
Member organizations of designated partners will be given the responsibility to nominate at least (1) of their individual members. MWF created a format on how they can nominate.

Partners (ie. DOST and PTO) accept this as an additional role for them to help guarantee quantity and quality of nominations. Nominations from other entities are still welcome.

**Localized Promotions**
Marketing and promotions will be scaled up by not only engaging headquarters or mother agencies alone, but also expanding the reach of the roadshows through the engagement with regional chapters of each member organization. Promotional activities will also be done in the following and related events:
- Annual Conventions
- General Assemblies
- Learning Sessions

Forms and materials will also be made available and accessible in websites and social media accounts of the partners and their member organizations.
INTRODUCTION

The Manila Water Foundation Prize for Engineering Excellence (the Prize) is a nationwide search for engineers and scientists who manifest excellent engineering and scientific competence, inspiring passion to make a difference, and outstanding commitment to the development of communities resulting in projects that champion water, sanitation, environment, and sustainability. The awarding of the Prize is not the end of the awardees’ journey with the Foundation, rather, only the beginning for further collaboration. To create a platform where the Prize’s winners can expand the reach of their initiatives, the Foundation organized an extension program of the Prize in 2018 to engage the awardees as resource persons in efforts and initiatives related to water access, sanitation, sustainability and environment—the Experts Bureau. The formation of the Bureau intends to fulfill the following:

• Promotion - Espouse members’ projects that will result to wider dissemination, improvement, and/or increase in funding of their projects, as well as speakership opportunities to widen their network and promote the Prize
• Collaboration - Become a means of collaboration and networking of members with possible partner organizations and other relevant stakeholders to explore future projects
• Engagement - Facilitate engagement with the Prize’s previous and current awardees and serve as a means for continuous follow-up and monitoring of their achievements outside of the Prize

For the year 2018, three events were conducted with the Prize’s awardees.

In March 2018, Dr. Rex Demafelis, an awardee of the Prize in 2015, was one of the resource speakers for the 2018 Technical Summit of the Manila Water Company. There, he discussed “water footprint”, a concept introduced by Hoekstra et. al that measures the impact of products and activities to water scarcity and pollution. During the talk, Dr. Demafelis also shared ways on how Manila Water can do a Water Footprint Assessment to lessen the company’s possible environmental impact and to ensure a more sustainable water use.

In May 2018, Dr. Ricardo Orge, the sole awardee of the Prize in 2017, was invited by the League of Corporate Foundations (LCF) to speak at their CSR Institute about technologies that help in mitigating climate change. During his workshop, he talked about the Continuous-type Rice Hull Carbonizer, which helped farmer cooperatives in Nueva Ecija and Bulacan to cut their expenses at the same time, their dependence on fossil fuels through the use of renewable energy. Through his talk, the audience learned that industrial technologies can make a positive impact both in the socio-economic and environmental aspects.

In July 2018, Dr. Merlinda Palencia, one of the awardees of the Prize in 2015 and project lead of Vigormin—a low-cost, organo-mineral solution to boost the removal rate of organic pollutants in septic tanks for improved quality of used water—was invited in Boracay Island for the Foundation’s Ahon Sanitasyon program, in partnership with Boracay Water’s Amot-Amot Kita Para sa Malimpung Boracay (Toka-Toka para sa Malinis na Boracay) program, the first and only environmental advocacy program in the Island. Dr. Palencia spearheaded the distribution of 8,000 packs of Vigormin. Four thousand households from Barangays Balabag, Manocmanoc, and Yapak in Boracay, who are not yet connected to the sewer lines, received two kilos of this organic product each. During the program, Dr. Palencia also demonstrated how Vigormin works and how residents can contribute in the alleviation of the sanitation problem in the Island. The completed distribution of Vigormin continued in December 2018.

Aside from the initiatives with the Prize’s awardees, the Foundation also improved the guidelines of the Bureau and was presented to the Technical Working Group of the Prize before the year ended. The guidelines streamlined the membership and engagement; partnership; qualifications; roles and responsibilities; and speaking engagement process flow of the Bureau members to ensure efficiency and effectiveness of the program.

In the years to come, the Experts Bureau seeks to contribute to the progress of science and technology in the Philippines by promoting the socially-relevant projects and initiatives of the Prize’s awardees, which will address development issues in the areas of water, sanitation, environment, and sustainability.
agapay

Program Snapshot
A disaster response program that immediately addresses the water supply and sanitation needs of communities and families affected by disasters and calamities

Agapay has two sub-programs: agapay tubig and agapay sanitasyon

agapay tubig
A disaster response program that distributes bottled drinking water and deploys water tankers or Mobile Treatment Plants to affected families to address their needs for drinking, bathing and other hygiene-related activities

agapay sanitasyon
A disaster response program that builds sanitation facilities for affected families and individuals who were displaced from their homes and communities
Agapay Tubig, previously known as Agapay Para sa Barangay, is a special program of the Foundation that addresses the need for clean and portable water at disaster-stricken communities. In 2018, the Foundation was able to deploy a total of 6,500 pieces of five-gallon bottled water units and one RO drinking water treatment benefiting 60,233 individuals who were affected by a volcanic eruption, fire, landslides, and several typhoons.

One of the biggest disasters that occurred in 2018 is the eruption of the Mayon Volcano. Earlier in the year, Mount Mayon erupted with a 2.5-kilometer high ash plume, which triggered the abrupt evacuation of at least 16 barangays. Thousands of families affected by the hostile volcanic activities of Mount Mayon in the municipalities of Guinobatan and Camalig, and the city of Legazpi received water relief through joint efforts of private and public organizations. More than 6,400 units of five-gallon portable water were deployed by the Foundation as a response to the calamity.

Agapay Tubig not only sources their everyday drinking water from wells and springs situated in their communities but also converts it to portable water. This also resulted in cases of diarrhea among children who currently reside in evacuation centers where access to proper sanitation is also poor.

Through the Foundation’s partnership with the Office of the Vice President: Department of Environment and Natural Resources – Environment Management Bureau, Team Agay, Youth Organizations,dfTtCw Ardent Development and Relief Agency; Manila Water; Philippines Ventures; and local government units, seamless coordination, transportation, and distribution of the clean and safe drinking water were made possible.

The volcanic eruption of Mount Mayon is only one among the five disasters that the Foundation responded to in 2018 with the support of its dedicated partners. By the end of the year, the Foundation was able to conduct 16 Agapay Tubig responses.
agapay sanitasyon

Areas Served

Mayon Volcano Eruption

Guinobatan, Albay
4,065 residents

Maliliot, Albay
5,071 residents

Camalig, Albay
1,911 residents

Marawi Siege

Sarimanok, Marawi City
1,095 residents

Total Residents Served: 12,142

In 2018, the Foundation aimed to extend assistance to disaster-affected communities by providing transitional toilets and hygiene facilities. One such case was after the Mayon Volcano eruption, where the Foundation worked with the Philippine Red Cross (PRC) for the pilot run of its Agapay Sanitasyon program.

Thirty transitional toilets and twelve hygiene facilities were turned over to 5 schools across the municipalities of Guinobatan, Maliliot, and Camalig in Albay. The constructed facilities, completed of at least 5 toilet cubicles and 2 wash sinks in each area, aimed to promote proper sanitation not only during emergencies, which schools typically serve as evacuation centers, but also after disasters. The main beneficiaries of the facilities are school children who can use the toilet facilities during ordinary school days, thus contributing to improved access to sanitation in the context of both emergency and non-emergency settings.

In a message during the inauguration of the Agapay Sanitasyon facilities in Albay, PRC Chairman Richard Gordon emphasized the significance of ensuring dignity especially in times of disaster and thanked the community and MWG for partnering with PRC. Proper sanitation in schools maintains an enabling environment that assures our students’ health and welfare. In every situation, students’ respect and dignity should be preserved. That is why we empower students and teachers to become responsible in maintaining sanitation facilities, ensuring a clean and healthy learning environment for all.

In another partnership with PRC, the Foundation responded to the hygiene needs of those affected by the Marawi siege by providing hygiene kits to 291 displaced families or 1,095 residents from Barangay Sarimanok in Marawi City. The initiative was made possible through the pledges from Manila Water talents who set aside a portion of their salaries under the employee engagement program, Bayanihan Pride Turnaround.

Overall, Agapay Sanitasyon was able to serve 12,142 individuals in 2018.
WASH Volunteerism

Program Snapshot

A pool of Manila Water enterprise talents and external partners who selflessly share their time, skills and resources with the Foundation’s initiatives

Volunteers play an invaluable role in mobilizing the Foundation’s development programs by giving their time, skills, and resources to reach our partner communities. To gather volunteers, the Foundation taps internal talents from the Manila Water enterprise, and external volunteers from partner organizations.

Internally, the Foundation conducted an enterprise-wide survey in 2018 to assess the Manila Water talents’ level of awareness about the Foundation’s initiatives and willingness to participate and gather information on how the Foundation can improve its engagements with them. Through the results, the Foundation has established two (2) interest clubs in the enterprise where Manila Water talents can sign up as volunteers in various programs and initiatives. The WASH Service Volunteers Club, where Manila Water talents can participate in educational campaigns, community baseline and disaster responses, and the WASH Technical Volunteers Club, where talents can contribute in the planning, designing, construction and commissioning of water and sanitation facilities.

Program Impact

Among the notable participation of the WASH volunteers in the community, a survey held in October 2018. The purpose of the baseline study was to assess the current water, sanitation, hygiene, and financial conditions of MWF’s pilot community, Silang, and San Jose. Volunteers visited Silang, Moncayo to help interview community members and gather vital data that would help set the direction of the integrated WASH Program’s sanitation phase in the community. Volunteers also spent time in Pitar, San Jose, another pilot community of the Foundation, to learn more about the community’s state and conducted a water access intervention in the area.

Paulo De Jesus, Territory Manager from Clark Water, expressed how his perspective changed after the experience. "I enjoyed the interview with our fellow villagers. It was a humbling experience. I want to wake up with being everything I need to start the day. The experience inspired me to do my best and I am blessed to have finished my education and to land a job in a well-respected company.”

Aside from solutions from the enterprise, partner organizations have also contributed their time and skills as volunteers for the Foundation’s programs. One notable instance is the volunteerism of employees of PHLgas Corporation, a staunch partner in the Foundation’s flagship hygiene education program, Health in Our Hands. In August 2018, 42 external volunteers from PHLgas Corporation spent a day in Laguna to teach the seven steps to proper handwashing to 160 Grade 7 to 12 students of Biliran Integrated National High School (BINHS). The external volunteers also encouraged the students in making handwashing a habit to prevent diseases and reduce school absenteeism.

Other notable partner organizations who dedicated their time and skills in the Foundation’s programs are Microsourcing Philippines during the Health in Our Hands program at Talisay City, Pampanga; an orphanage in Pasig City; and Globe Telecom during the Action Sanitation program with Bulacan Water n’ Living. Adam Arnaiz also volunteered during the Health in Our Hands Lecture at Don Jose National High School in Sta. Rosa City, Laguna.

Overall, 156 Manila Water enterprise talents and 171 external volunteers from partner organizations volunteered in 2018. The Foundation hopes that volunteering in its WASH programs will spark bliss in the lives of its volunteers, at the same time, make a difference in the lives of the communities served. Interested individuals and organizations can help make a difference with the Foundation by offering their resources and treasures by signing up as volunteers in the Foundation’s various programs.
Special Initiative

L.O.V.E. MWF ROADSHOW
Learn, Offer, Volunteer and Engage with Manila Water Foundation

L.O.V.E. MWF: Roadshow for the Heart of the Enterprise (L.O.V.E. MWF) aims to encourage the enterprise talents to take part in MWF’s programs and offer their time, talent and resources to further its advocacy. Through the roadshow conducted from August to September 2018, MW was able to gather Php 215,905 worth of pledges from Manila Water talents and enticed 185 volunteers to sign up.

“We consider MW as the heart of the enterprise,” said Executive Director Reginald Andal. “As such, we would like to engage and collaborate with our Manila Water talents to be happily involved in our projects that are more sustainable for our partners and beneficiaries,” he added.

The roadshow was an initiative in response to the results of the MWF-initiated Pulsong Pusong Survey, where it was found that 93% of Manila Water enterprise talents are ready and willing to participate in MWF activities.

Anaya Joy Galman, Customer and Stakeholder Manager from MWO Marikina Business Area, shared her takeaway from the activity: “It was a totally different view from the usual foundations that we know—relief goods, feeding programs, and the like. The Foundation’s programs are very aligned to [the company’s] area of expertise, which is water and sanitation. The current programs are all promising,” said Galman. “Knowing that they were reaching to the marginalized communities, we are very sure that the impact on the community [are] on the lives of each beneficiary is immeasurable,” she added.

Utilizing the pledges gathered from the roadshow, MWF constructed handwashing facilities for pupils of Camp Bagong Ameli Palipsi Elementary School (CBAPEIS) and Pendelonan Elementary School (PES) in Marawi City, which were turned over on October 29 and December 6, respectively. The facilities were under the MWF flagship program Lingap Eskwela and in partnership with OWA Kapuso Foundation (OMAKF’s) Rebuild Marawi Project.

Aside from the Roadshow, Manila Water talents also funded hygiene kits for 219 disappointed families in Barangay Sarimanok, Marawi City through MWV’s employee engagement program, Bawat Patak Tunataatak, where employees set aside a portion of their salaries earlier in 2018.
Network Memberships

Since 2013, Manila Water Foundation (MWF) has been a member of the League of Corporate Foundations (LCF). To further advance the WASH advocacy, MWF joined five new networks in 2018: Global Handwashing Partnership (GHP), the Association of Foundations (AF), Philippine Coalition on Volunteerism (PhilCV), Zero Extreme Poverty (ZEP) Philippines 2030, and the Ayala Community for Social Impact (ACSII).

Partnerships

In pursuit of contributing to the United Nations’ Sustainable Development Goal 17: Partnerships for the Goals, MWF expanded its network by creating meaningful partnerships with different organizations which help bring the best programs possible to the communities it serves.

Academe

Government

Corporations

Socio-Civic Organizations

Media
Stakeholder Engagements

Dedicated to advancing the WASH advocacy among like-minded organizations, the Foundation served as a resource to share its best-fit practices and approaches on its programs at the following events:

<table>
<thead>
<tr>
<th>INSTITUTION</th>
<th>TOPIC</th>
<th>LOCATION</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNICEF Philippines</td>
<td>WASH Resilience, Preparedness &amp; Response</td>
<td>Pasig City</td>
<td>18 May 2018</td>
</tr>
<tr>
<td>Soroptimist International</td>
<td>Water is Wealth for Women</td>
<td>Manila City</td>
<td>19 May 2018</td>
</tr>
<tr>
<td>Oxfam Philippines</td>
<td>Inclusive &amp; Sustainable WASH in the Philippines</td>
<td>Cebu</td>
<td>29 - 31 May 2018</td>
</tr>
<tr>
<td>Philippine Red Cross</td>
<td>WASH Intervention Evaluation</td>
<td>Mandaluyong City</td>
<td>13 - 14 June 2018</td>
</tr>
<tr>
<td>Gates Foundation</td>
<td>Sanitation Solutions in the Philippines</td>
<td>Quezon City</td>
<td>22 June 2018</td>
</tr>
<tr>
<td>UNICEF EAPRO</td>
<td>Private Sector Partnership in Achieving SDG6</td>
<td>Singapore</td>
<td>10 July 2018</td>
</tr>
<tr>
<td>Manila Water Co.</td>
<td>Sustainability Summit</td>
<td>Quezon City</td>
<td>19 September 2018</td>
</tr>
<tr>
<td>PTC - WEN</td>
<td>Women Power in Sustainable Engineering</td>
<td>Clark FZ, Pampanga</td>
<td>26 September 2018</td>
</tr>
<tr>
<td>World Vision</td>
<td>Human-Centered Design on WASH</td>
<td>Quezon City</td>
<td>08 October 2018</td>
</tr>
<tr>
<td>USAid</td>
<td>Handwashing Behavior Change Think Tank</td>
<td>Taguig City</td>
<td>10 - 12 October 2018</td>
</tr>
<tr>
<td>DepEd</td>
<td>WASH in Schools National Learning Exchange</td>
<td>Iloilo City</td>
<td>14 November 2018</td>
</tr>
<tr>
<td>PhilCV</td>
<td>Global Volunteering Development Standards</td>
<td>Quezon City</td>
<td>05 December 2018</td>
</tr>
<tr>
<td>Clark Devt Corp</td>
<td>Clark CSR Summit</td>
<td>Clark FZ, Pampanga</td>
<td>13 December 2018</td>
</tr>
</tbody>
</table>

Awards

The Foundation believes that turning out the highest quality services is the most fitting tribute to its stakeholders and the communities it serves. With this, the Foundation is grateful for the recognition of its programs and will continue to strive for excellence.

Anvil Awards 2018

Silver
Lingap
Eskwela
Creating Healthy Schools through Access to Clean Water and Proper Sanitation
PARTNER: BORACAY ISLAND WATER COMPANY

Silver
Ahon
Sittio Haduan Water Project
Uplifting Communities through Sustainable Water Access One Community at a Time
PARTNER: CLARK WATER CORPORATION
Board Members

Board Officers

Arnold Jenner A. Mortara

Rodell A. Ouyue

Elmeralde R. Quiroz

Mandy Lynne B. Quiello

Reginald M. Andal
Executive Director /
Data Protection Officer

Karoline C. Sengalang
Assistant Treasurer

Atty. Gerardo M. Leibo
Corporate Secretary

Robert Michael N. Batthyeny

Lingyong Liang
Our Team

Reginald M. Andal
EXECUTIVE DIRECTOR

WASH Program

BLESSILE G. PAR
Program Manager
IVY JILL D. DE LEON
Program Officer
FRANZ NIKKO P. LACSINA
Program Officer
VIVIAN G. PERNITO
Program Officer
KRISHNA TESSA B. ABSIN
Program Officer

Flagship Programs

NATHANIEL GEORGE A. HIPOLITO
Program Manager
JUBAIL W. PASIA
Program Officer

Finance and Administration

GAUDENCIO S. SALONGA, JR.
Finance and Administration Manager
HANNA GENE M. VELASCO
Finance & Administration Officer
LENLAYN C. FILOTEO
Accounting Officer

Communications

JILL IRIS M. RAMOS
Communications Manager
SANDY P. SANOVAL
Communications Officer
JOHN PAUL EDWARD S. ANTONIO
Creative and Technical Services Officer

Resource Mobilization

SAMANTHA ISABEL V. CORONADO
Resource Mobilization Manager
EDGAR VINCENT G. MAGTURO
Resource Mobilization Officer

Special Programs

FLORACELLI M. HERNANDEZ
Program Manager
PRINCESS LEONY M. BUGAY
Program Officer
Accreditation

Manila Water Foundation is a duly registered non-stock, nonprofit organization recognized, accredited, and authorized by

- Certification No. 156-2017
- Registration No. SRCOO00794366
- Registration No. DSWD-SB R-000143-2014
- Registration No. CNZOOS02171
INDEPENDENT AUDITOR’S REPORT

The Members and the Board of Trustees
Manila Water Foundation, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Manila Water Foundation, Inc. (the Foundation), a nonstock, not-for-profit organization, which comprise the statements of financial position as at December 31, 2018 and 2017, and the statements of activities, statements of changes in net assets and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFFRS for SMEs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFFRS for SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation’s financial reporting process.
Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
### MANILA WATER FOUNDATION, INC.
(A Nonstock, Not-for-Profit Organization)

#### STATEMENTS OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents (Note 4)</td>
<td>₱21,755,059</td>
<td>₱9,509,856</td>
</tr>
<tr>
<td>Receivables (Note 5)</td>
<td>28,227,629</td>
<td>39,014,525</td>
</tr>
<tr>
<td>Other current asset</td>
<td>441,377</td>
<td>306,535</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>₱50,324,065</td>
<td>48,830,916</td>
</tr>
<tr>
<td>Noncurrent Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and equipment (Note 6)</td>
<td>937,145</td>
<td>588,995</td>
</tr>
<tr>
<td>Software (Note 7)</td>
<td>90,380</td>
<td>35,191</td>
</tr>
<tr>
<td><strong>Total Noncurrent Assets</strong></td>
<td>₱1,027,525</td>
<td>624,186</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>₱51,352,590</td>
<td>₱48,455,102</td>
</tr>
</tbody>
</table>

#### LIABILITIES AND NET ASSETS

| Current Liability | 2018       | 2017       |
| Accounts payable and accrued expenses (Note 6) | ₱11,953,590 | ₱7,159,632 |
| Noncurrent Liability |            |            |
| Retirement liability (Note 10) | 175,900 | 469,300 |
| **Total Liabilities** | ₱12,129,490 | 7,628,932 |

**Net Assets (Note 9)**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>P38,731,889</td>
<td>P39,320,616</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>2,495,554</td>
<td>2,495,554</td>
</tr>
<tr>
<td>Remeasurement loss on defined benefit obligation</td>
<td>(4,143)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>₱39,223,389</td>
<td>41,826,170</td>
</tr>
</tbody>
</table>

**See accompanying notes to Financial Statements.**

---

### MANILA WATER FOUNDATION, INC.
(A Nonstock, Not-for-Profit Organization)

#### STATEMENTS OF ACTIVITIES

<table>
<thead>
<tr>
<th>REVENUE AND INCOME</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donation income (Note 9)</td>
<td>₱31,592,649</td>
<td>₱30,479,349</td>
</tr>
<tr>
<td>Interest income (Note 4)</td>
<td>78,636</td>
<td>69,205</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>₱32,381,285</td>
<td>30,548,554</td>
</tr>
</tbody>
</table>

#### PROGRAM EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project expenses</td>
<td>13,898,842</td>
<td>16,054,686</td>
</tr>
<tr>
<td>Salaries, wages and employee benefits</td>
<td>8,403,882</td>
<td>6,036,424</td>
</tr>
<tr>
<td>Provision for doubtful accounts (Note 6)</td>
<td>2,328,963</td>
<td>1,279,465</td>
</tr>
<tr>
<td>Transportation and travel</td>
<td>1,967,552</td>
<td>1,641,798</td>
</tr>
<tr>
<td>Advertising</td>
<td>1,546,869</td>
<td>2,857,210</td>
</tr>
<tr>
<td>Insurance</td>
<td>729,050</td>
<td>592,746</td>
</tr>
<tr>
<td>Depreciation (Note 6)</td>
<td>246,485</td>
<td>278,522</td>
</tr>
<tr>
<td>Representation and public relations</td>
<td>167,009</td>
<td>212,600</td>
</tr>
<tr>
<td>Contractual services</td>
<td>167,306</td>
<td>219,627</td>
</tr>
<tr>
<td>Trains and seminars</td>
<td>144,863</td>
<td>113,640</td>
</tr>
<tr>
<td>Supplies</td>
<td>67,964</td>
<td>214,753</td>
</tr>
<tr>
<td>Donations</td>
<td>32,950</td>
<td>200,000</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>160,714</td>
<td>173,548</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>30,380,240</td>
<td>33,675,149</td>
</tr>
</tbody>
</table>

#### GENERAL AND ADMINISTRATIVE EXPENSES

|                      | 2018       | 2017       |
| Salaries, wages and employee benefits | 1,576,854 | 1,072,840 |
| Rent                          | 708,000    | 714,852    |
| Depreciation and amortization (Notes 6 and 7) | 418,747 | 659,494 |
| Business meeting and conferences | 367,354 | 236,418 |
| Professional fee              | 262,641    | 154,467    |
| Insurance                     | 166,606    | 100,715    |
| Transportation and travel     | 125,630    | 159,538    |
| Membership fees               | 53,000     | 74,000     |
| Supplies                      | 33,736     | 33,722     |
| Software expense              | 18,472     | 249,038    |
| Communication                 | 13,960     | 12,109     |
| Taxes and licenses            | 12,303     | 16,648     |
| Miscellaneous                 | 168,589    | 29,264     |
| **Total Expenses**            | 3,863,906  | 3,563,092  |

#### DEFINITIVE EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,563,870</td>
<td>6,619,687</td>
<td></td>
</tr>
<tr>
<td><strong>Total Definitive Expenses</strong></td>
<td>14,857</td>
<td>13,841</td>
</tr>
</tbody>
</table>

#### DEFINITIVE EXPENSES

<table>
<thead>
<tr>
<th></th>
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<tr>
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<tr>
<td><strong>Total Definitive Expenses</strong></td>
<td>14,857</td>
<td>13,841</td>
</tr>
</tbody>
</table>

#### OTHER COMPREHENSIVE LOSS

|                      | 2018       | 2017       |
| Actuarial loss on defined benefit obligation | 4,143 |            |
| **Total Other Comprehensive Loss** | ₱2,602,870 | ₱6,703,528 |

**See accompanying notes to Financial Statements.**
MANILA WATER FOUNDATION, INC.
(A Nonstock, Not-for-Profit Organization)

STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

<table>
<thead>
<tr>
<th>Remeasurement</th>
<th>Unrestricted (Note 5)</th>
<th>Temporarily Restricted (Note 5)</th>
<th>Defined Benefit Obligation (Note 10)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances as of January 1, 2018</td>
<td>P39,330,616</td>
<td>P2,495,554</td>
<td>(P41,826,170)</td>
<td></td>
</tr>
<tr>
<td>Deficit of revenue over expenses</td>
<td>(2,598,727)</td>
<td>-</td>
<td>- (2,598,727)</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive loss</td>
<td>-</td>
<td>-</td>
<td>(4,143) (4,143)</td>
<td></td>
</tr>
<tr>
<td>Balances as of December 31, 2018</td>
<td>P36,731,889</td>
<td>P2,495,554</td>
<td>(P4,143) P36,273,300</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Remeasurement</th>
<th>Unrestricted (Note 5)</th>
<th>Temporarily Restricted (Note 5)</th>
<th>Defined Benefit Obligation (Note 10)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances as of January 1, 2017</td>
<td>P46,682,447</td>
<td>P1,847,251</td>
<td>(P48,529,698)</td>
<td></td>
</tr>
<tr>
<td>Deficit of revenue over expenses</td>
<td>(6,703,526)</td>
<td>-</td>
<td>- (6,703,526)</td>
<td></td>
</tr>
<tr>
<td>Transferred to restrictions (Note 9)</td>
<td>(648,303)</td>
<td>648,303</td>
<td>- -</td>
<td></td>
</tr>
<tr>
<td>Balances as of December 31, 2017</td>
<td>P39,330,616</td>
<td>P2,495,554</td>
<td>(P41,826,170)</td>
<td></td>
</tr>
</tbody>
</table>

See accompanying Notes to Financial Statements.

MANILA WATER FOUNDATION, INC.
(A Nonstock, Not-for-Profit Organization)

STATEMENTS OF CASH FLOWS

<table>
<thead>
<tr>
<th>Years Ended December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
</tr>
<tr>
<td>Deficiency of revenue over expenses</td>
</tr>
<tr>
<td>Adjustments for:</td>
</tr>
<tr>
<td>Depreciation and amortization (Notes 6 and 7)</td>
</tr>
<tr>
<td>Retirement expense, net of contribution (Note 10)</td>
</tr>
<tr>
<td>Interest income (Note 4)</td>
</tr>
<tr>
<td>Changes in unrestricted net assets before working capital changes</td>
</tr>
<tr>
<td>Decrease (increase) in:</td>
</tr>
<tr>
<td>Receivables</td>
</tr>
<tr>
<td>Other current assets</td>
</tr>
<tr>
<td>Increase in accounts payable and accrued expenses</td>
</tr>
<tr>
<td>Net cash from (used in) operations</td>
</tr>
<tr>
<td>Interest received</td>
</tr>
<tr>
<td>Final taxes paid</td>
</tr>
<tr>
<td>Net cash from (used in) operating activities</td>
</tr>
</tbody>
</table>

| **CASH FLOWS FROM INVESTING ACTIVITIES** | |
| Acquisitions of: | |
| Property and equipment (Note 6) | (860,415) | (238,360) |
| Software (Note 7) | (108,456) | - |
| Cash used in investing activities | (958,871) | (238,360) |

| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | 12,246,103 | (4,607,406) |

| **CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR** | 9,509,856 | 14,117,262 |

| **CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)** | P21,755,999 | P9,509,856 |

See accompanying Notes to Financial Statements.
1. Organization and Operation

Manila Water Foundation, Inc. (the Foundation) is a nonstock, not-for-profit organization registered with the Philippine Securities and Exchange Commission (SEC) on February 11, 2005. Its primary purpose is to establish and operate a private institution and foundation for social and community development, as well as for environmental protection, to undertake community development and livelihood programs and ventures that will transfer appropriate technology to urban and rural groups; and to promote, carry on, conduct and encourage the advancement of environmental protection and other sustainable development programs.

The Foundation will make use of the grants, gifts, legacies, donations, contributions and financial aids from all sources in operating enterprises, activities and business as necessary to carry out its objectives. As a nonstock, not-for-profit organization organized and operated exclusively for charitable purposes, the Foundation’s income is exempt from tax pursuant to Section 30 (E) of the Tax Code of 1997 (as amended).

On June 29, 2017, the Foundation was granted a five (5)-year certification for donee institution status by the Philippine Council for NGO Certification (PCNC) and is registered with the Bureau of Internal Revenue (BIR) as a donee institution in accordance with the provisions of Revenue Regulations (RR) No. 13-1998 dated December 8, 1998. This registration entitles the donors of the Foundation full or limited deduction and exemption from donor’s tax.

In accordance with Revenue Memorandum Order (RMO) No. 20-2013 of the BIR, the Foundation obtained a certificate of tax exemption from the BIR on November 8, 2018.

The principal place of business of the Foundation is at Basement Floor, MWSS Administration Bldg., Kalikasan Road, Balara, Quezon City and the registered office is at the Ground Floor, Sears Inc. Innotech Building, Commonwealth Avenue, UP Campus, Diliman, Quezon City.

Approval of the Financial Statements

The financial statements of the Foundation were approved and authorized for issue by the Board of Trustees on April 8, 2019.

2. Summary of Significant Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost basis and are presented in Philippine Peso (Peso or P), which is the Foundation’s functional currency. All values are rounded to the nearest Peso unless otherwise indicated.

Statement of Compliance

The financial statements of the Foundation have been prepared in accordance with the Philippine Financial Reporting Standard for Small and Medium-sized Entities (PFRS for SMEs).

Future Adoption of PFRS for Small Entities

In March 2019, the SEC resolved to adopt PFRS for Small Entities (the Framework) as part of its rules and regulations on financial reporting. This Framework was developed in response to feedback of small entities that PFRS for Small and Medium-sized Entities (PFRS for SMEs) is too complex to apply. By reducing choices for accounting treatment, eliminating topics that are generally not relevant to small entities, simplifying methods for recognition and measurement, and reducing disclosure requirements, the Framework allows small entities to comply with the financial reporting requirements without undue cost or burden. Some of the key simplifications introduced by the Framework follows on the next page:

- For defined benefit plans, an entity is required to use the accrual approach in calculating benefit obligations in accordance with RA No. 7641, The Retirement Fund Law, or company policy (if superior than RA No. 7641). Accrual approach is applied by calculating the expected liability as of reporting date using the current salary of the retired employees and the employees' years of service, without consideration of future changes in salary rates and service periods.
- Investment properties can be carried either at cost or at fair value, depending on the policy choice made by the entity.
- There is no concept of "finance lease" under the Framework. All lease receivables are recognized as income (expenses) as earned (incurred).
- Inventories are to be subsequently valued at the lower of cost and market value (i.e., the probable selling price to willing buyers as of reporting date). Entities are given a policy choice of not recognizing deferred taxes in the financial statements.

The Foundation plans to adopt the Framework when it becomes mandatory starting January 1, 2019. The Foundation has yet to assess the impact of adopting the Framework on its financial statements.

Significant Accounting Policies

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from the date of acquisition and that are subject to an insignificant risk of change in value.

Receivables

Receivables, which are based on normal credit terms and do not bear interest, are recognized and carried at original invoice amounts. At the end of each reporting period, the carrying amounts of receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in the statement of activities.

Receivables that are recoverable within one year are classified as current. Otherwise, they are classified as noncurrent receivables. For receivables carried at amortized cost, the Foundation first assesses whether objective evidence of impairment exists individually for receivables that are individually significant, or collectively for receivables that are not individually significant. If the Foundation determines that no objective evidence of impairment exists for individually assessed receivables, whether significant or not, it includes the receivables in a group of similar credit risk characteristics and collectively assesses for impairment. Receivables that are individually assessed for impairment and for which an impairment loss is, or continues to be recognized, are not included in any collective assessment for impairment.

If there is objective evidence that an impairment loss on receivables has been incurred, the amount of the loss is measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the receivable shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognized in the statement of activities.

Other Assets

Other current assets pertain to other assets held by the Foundation for consumption within its normal operating cycle. It also includes payment for services that are yet to be received. These assets are expensed as consumed or when the related services are incurred. Other assets not expected to be consumed or realized within the twelve (12) month period are classified as noncurrent assets.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. The initial cost of property and equipment comprises its purchase price including import duties, taxes and any directly attributable costs of bringing the property and equipment to its working...
condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to operations in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of the related property and equipment.

Depreciation commences once an item of property and equipment is available for use and is calculated on a straight-line basis over the estimated useful life (EUL) of the property and equipment as follows:

- Water treatment equipment: 6 years
- Machinery: 3 years
- Office equipment: 3 years
- Leasehold improvement: 3 years or over the lease term, whichever is shorter
- Furniture and fixtures: 3 years

If there is an indication that there has been a significant change in the EUL and depreciation method, the depreciation of that item of property and equipment is revised prospectively to reflect the new expectations.

The EUL and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

When an item of property and equipment is retired or otherwise disposed of, the cost and the related accumulated depreciation and accumulated impairment, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations. Fully depreciated assets are still carried in the accounts until they are no longer in use.

Software
Software is an intangible asset and is measured on initial recognition at cost. The cost of the asset is the amount of cash or cash equivalents paid or the fair value of the other considerations given up to acquire the asset. Following initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment loss. Costs associated with maintaining the software are recognized as expense in the statement of activities as incurred.

Software costs are amortized on straight-line basis over the estimated useful lives of three (3) years as the lives of these intangible assets are considered finite.

The amortization period and amortization method is reviewed at least at each financial year end. Changes in the estimated useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense of software cost with finite lives is recognized in the statement of activities in the expense category consistent with its function.

Impairment of Nonfinancial Assets
At each reporting date, other current assets, property and equipment and software are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in the statement of activities.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in the statement of activities.

Accounts Payable and Accrued Expenses
Accounts payable and accrued expenses are obligations based on normal credit terms and do not bear interest. These are recognized in the period in which the related money, goods or services are received, when a legally enforceable claim against the Foundation is established, or when the corresponding assets or expenses are recognized.

Net Assets
Unrestricted Net Assets
Unrestricted net assets generally result from revenue that is derived from the Foundation’s regular operations, unless the receipts are limited by donor-imposed restrictions. Foundation expenses, such as program and support expenses, are reported as decreases in unrestricted net assets.

Restricted Net Assets
Permanently restricted net assets are those assets that the donor stipulates must be maintained by the Foundation in perpetuity. Permanently restricted net assets increase when Foundation receives contributions for which donor-imposed restrictions limiting the Foundation’s use of an asset or its economic benefits neither expire with the passage of time nor can be removed by the Foundation’s meeting certain requirements. Permanently restricted net assets generally come from:

1. Contributions, with donor-imposed permanent restrictions;
2. Increase or decrease in existing assets that are subject to permanent restrictions by donor or by law (such as unrealized gains, interest income); and
3. Reclassification from another net asset class as a result of donor stipulation or by law.

Donations consisting of long-lived assets with explicit restrictions that specify how the assets are to be used and cash gifts or donations in kind that must be used to acquire long-lived assets are reported as permanently restricted net assets.

Temporarily Restricted Net Assets
Temporarily restricted net assets refer to those net assets whose use by the Foundation is limited by donors to later periods of time or after specified dates or specified purposes. The Foundation may also designate a portion of its unrestricted net assets for a specific purpose as appropriated to temporarily restricted net assets. These appropriations are supported by board resolutions.

Revenue Recognition
Revenue is recognized to the extent that it is probable that economic benefits will flow to the Foundation and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received excluding discounts and taxes, if any. The following specific recognition criteria must also be met before revenue is recognized:

- Donation income
  Donation income is recognized as revenue when the right to receive, whether in money or in kind, is established.
- Interest income
  Interest income on cash in banks is recognized as it accrues.

Expenses
Program and general and administrative expenses are recognized when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are generally measured at the amount paid or payable.
Retirement Benefits Cost

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any).

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- a. service cost,
- b. net interest on the net defined benefit liability or asset, and
- c. remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset.

Net interest on the net defined benefit liability or asset is recognized as expense or income in the statements of activities.

Remeasurements comprising actuarial gains and losses and return on plan assets (excluding net interest on defined benefit liability or asset) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to statements of activities in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Foundation, nor can they be paid directly to the Foundation. The fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Foundation's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Leases

Foundation as lessee

Leases where the lessor retains substantially all the risks and benefits of ownership of the assets are classified as operating leases. Operating lease payments are recognized as expense in the statement of revenue and expenses on a straight-line basis over the lease term.

Provisions

Provisions are recognized only when the following conditions are met: (1) there exists a present obligation (legal or constructive) as a result of a past event; (2) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and (3) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Where the Foundation expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies

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

Events after the Reporting Period

Events after reporting period that provide additional information about the Foundation's position at the reporting date (adjusting events) are reflected in the financial statements. Events after reporting period that are not adjusting events are disclosed in the notes when material.

3. Significant Accounting Estimates

The preparation of the financial statements in compliance with FFRS for SMEs requires the Foundation to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Future events may occur which will cause the assumptions used in arriving the estimates to change. The effects of changes in estimates are reflected in the financial statements as these become reasonably determinable.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Estimating allowance for impairment losses

Allowance for impairment losses is maintained at a level adequate to provide for potentially uncollectible receivables. The level of allowance is based on the aging of the accounts receivable, past collection experience and other factors that may affect their collectibility. The allowance is established through changes in income in the form of provision for impairment losses. In addition, accounts that are specifically identified to be potentially uncollectible are also provided with allowance.

The amount and timing of the recorded provision for impairment losses for any period would differ if the Foundation made different assumptions or utilized different estimates. As of December 31, 2018, and 2017, the allowance for doubtful accounts on receivables amounted to $4,650,377 and $2,051,413, respectively. The carrying value of receivables amounted to $28,227,626 and $39,914,525 as of December 31, 2018 and 2017, respectively (see Note 5).

Impairment of nonfinancial assets

The Foundation assesses the impairment of assets (i.e., property, equipment, software and other current assets) whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Foundation considers important which could trigger an impairment review include significant underperformance relative to expected historical or projected future operating results and significant changes in the manner of use of the acquired assets.
Management has determined that there are no events or changes in circumstances in 2016 and 2017 that may indicate that the carrying value of nonfinancial assets may not be recoverable. The carrying value of property and equipment as of December 31, 2018 and 2017 amounted to P387,444 and P388,995, respectively (see Note 6). The carrying value of software as of December 31, 2018 and 2017 amounted to P80,390 and P80,191 (see Note 7).

Estimating retirement liability:
The determination of the obligation and cost of retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. While the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Foundation’s retirement benefit cost and liability. Retirement liability amounted to P75,490 and P459,303 as of December 31, 2018 and 2017, respectively (see Note 9).

4. Cash and Cash Equivalents

This account consists of:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand and in banks</td>
<td>P11,755,959</td>
<td>P5,497,373</td>
</tr>
<tr>
<td>Cash equivalents</td>
<td>10,090,000</td>
<td>4,912,483</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>21,845,959</strong></td>
<td><strong>10,409,856</strong></td>
</tr>
</tbody>
</table>

Cash in banks earns quarterly interest at the prevailing bank deposit rates. Cash equivalents earn interest at 0.875% every 35 days and 0.75% every 35 days in 2018 and 2017, respectively. Total interest income earned from cash in banks and cash equivalents amounted to P76,836 and P99,205 in 2018 and 2017, respectively.

5. Receivables

This account consists of:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivable from:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manila Water Company, Inc. (Manila Water)</td>
<td>P27,485,193</td>
<td>P28,739,162</td>
</tr>
<tr>
<td>Cooperatives</td>
<td>5,545,742</td>
<td>12,233,956</td>
</tr>
<tr>
<td>Employees</td>
<td>64,567</td>
<td>43,521</td>
</tr>
<tr>
<td>Receivable - Others</td>
<td>22,503</td>
<td>48,591</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>33,118,005</strong></td>
<td><strong>41,065,536</strong></td>
</tr>
<tr>
<td>Less allowance for doubtful accounts</td>
<td>4,890,376</td>
<td>2,051,413</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>28,227,629</strong></td>
<td><strong>39,014,525</strong></td>
</tr>
</tbody>
</table>

Receivables from Manila Water pertain to donations receivable.

Receivables from cooperatives pertain to amounts granted by the Foundation as loans to chosen cooperatives which the latter shall use as funds or additional funds in their proposed businesses. This is done through the Foundation’s Kabuhayan Para sa Barangay (KPB) Capacity Building and Livelihood Program. In 2018, the KPB Capacity Building and Livelihood Program has been discontinued.

The amounts granted are noninterest-bearing and are normally settled in 12 equal monthly installments. Failure on the part of the cooperative to pay any installment due shall give the Foundation the right to declare all outstanding and unpaid amounts as due and demandable.

Receivables from employees are due and demandable and are collected through salary deductions or expense liquidations.

6. Property and Equipment

The rollforward analysis of this account follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning year</td>
<td><strong>P2,051,413</strong></td>
<td><strong>P1,467,782</strong></td>
</tr>
<tr>
<td>Provision for doubtful accounts</td>
<td>2,838,963</td>
<td>1,279,465</td>
</tr>
<tr>
<td>Write-off</td>
<td>-</td>
<td>(295,334)</td>
</tr>
<tr>
<td><strong>Balance at end year</strong></td>
<td><strong>P4,890,376</strong></td>
<td><strong>P2,951,413</strong></td>
</tr>
</tbody>
</table>

7. Software

The rollforward analysis of this account follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning year</td>
<td><strong>P1,06,825</strong></td>
<td><strong>P1,06,825</strong></td>
</tr>
<tr>
<td>Additions</td>
<td>108,450</td>
<td></td>
</tr>
<tr>
<td><strong>Balance at end year</strong></td>
<td><strong>P1,175,275</strong></td>
<td><strong>P1,06,825</strong></td>
</tr>
<tr>
<td>Accumulated amortization</td>
<td>71,601</td>
<td>36,043</td>
</tr>
<tr>
<td><strong>Balance at end year</strong></td>
<td><strong>P1,143,674</strong></td>
<td><strong>P1,030,782</strong></td>
</tr>
<tr>
<td>Net book value</td>
<td>P90,380</td>
<td>P35,191</td>
</tr>
</tbody>
</table>
8. Accounts Payable and Accrued Expenses

This account consists of:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued expenses</td>
<td>9,428,179</td>
<td>6,185,012</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>2,525,611</td>
<td>574,620</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,953,790</strong></td>
<td><strong>6,759,632</strong></td>
</tr>
</tbody>
</table>

Accrued expenses pertain to the accrual for audit fees, transportation expense and contractual services. These are non-interest bearing and are normally settled within one year.

Accounts payable pertain to unpaid purchases of the Foundation. These non-interest bearing and are normally settled within thirty (30) days.

9. Net Assets

Total unrestricted net assets amounted to P36,731,689 and P39,330,616 as of December 31, 2018 and 2017, respectively.

Temporarily restricted net assets are funds received from a donor specifically restricted for the funding of the Foundation’s Kabuhayan Para sa Barangay (KPSB) Capacity Building and Livelihood Program. The net assets transferred to temporarily restricted net assets for specific purposes amounted to P2,495,554 in 2018 and 2017.

Donations received by the Foundation amounted to P31,592,649 and P30,479,349 in 2018 and 2017, respectively.

10. Retirement Liability

RA No. 7611, the existing regulatory framework, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee’s retirement benefits under any collective bargaining and other agreements shall not be less than those provided under law. The law does not require minimum funding for the plan. As of January 1, 2018, the Foundation started a retirement plan.

The funded status and amounts recognized in the statements of financial position for the retirement liability as of December 31 follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present value of defined benefit obligation</td>
<td>488,800</td>
<td>469,300</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>(312,959)</td>
<td>-</td>
</tr>
<tr>
<td>Net pension liabilities</td>
<td>175,841</td>
<td>469,300</td>
</tr>
</tbody>
</table>

Changes in the present value of defined benefit obligation follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at January 1</td>
<td>469,300</td>
<td>-</td>
</tr>
<tr>
<td>Net benefit costs in profit or loss:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current service cost</td>
<td>19,500</td>
<td>469,300</td>
</tr>
<tr>
<td>Balance as at December 31</td>
<td>488,800</td>
<td>469,300</td>
</tr>
</tbody>
</table>

Current service cost is included in “Salaries, wages and employee benefits” account under “program expenses” and “General and administrative expenses”.

Changes in fair value of plan assets are as follows (nil in 2017):

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at January 1</td>
<td></td>
<td>317,043</td>
</tr>
<tr>
<td>Contributions</td>
<td></td>
<td>(4,143)</td>
</tr>
<tr>
<td>Return on plan assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as at December 31</td>
<td>P312,900</td>
<td>P312,900</td>
</tr>
</tbody>
</table>

The fair value of net plan assets by each class as of December 31, 2018 (nil in 2017) is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt investments</td>
<td>P259,364</td>
<td>-</td>
</tr>
<tr>
<td>Equity investments</td>
<td>49,176</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>12,369</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>P312,900</td>
<td>P312,900</td>
</tr>
</tbody>
</table>

All equity and debt investments held have quoted prices in active markets. The remaining plan assets do not have quoted market prices in active markets.

The plan assets are invested in different financial instruments and do not have any concentration risk.

The cost of defined benefit pension plans, as well as the present value of the pension obligation, are determined using actuarial valuations. The actuarial valuations involve making various assumptions. The principal assumptions used in determining pension for the defined benefit plans are shown below:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>8.50%</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Salary increase rate</td>
<td>5.00%</td>
<td>5.00%</td>
</tr>
</tbody>
</table>

The estimated retirement liability amounting to P469,300 as of December 31, 2017 used by Foundation is based on third party actuarial funding valuation performed on January 1, 2018.

In 2018, the sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>(78,186)</td>
<td>(99,813)</td>
</tr>
<tr>
<td>Salary increase rate</td>
<td>102,501</td>
<td>(62,314)</td>
</tr>
</tbody>
</table>

Shown below is the maturity analysis of the undiscounted benefit payments:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>P3,000</td>
<td>P1,200</td>
</tr>
<tr>
<td>More than 1 year and up to 5 years</td>
<td>106,700</td>
<td>75,200</td>
</tr>
<tr>
<td>More than 5 years and up to 10 years</td>
<td>392,900</td>
<td>326,400</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>P502,600</td>
<td>P402,800</td>
</tr>
</tbody>
</table>

The average duration of the defined benefit obligation at the end of the reporting period is 19.77 years as of December 31, 2018.

The Foundation expects to make a contribution amounting to P226,700 in 2019.
11. Supplementary Information Required under RR 15-2016

The Foundation reported/accrued and paid the following taxes for the year:

Value-added tax (VAT)
The Foundation is a non-VAT registered entity.

Other Taxes and Licenses
Details of taxes and licenses in 2016 follow:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>License and permits fees</td>
<td>₱11,808</td>
</tr>
<tr>
<td>BIR annual registration</td>
<td>500</td>
</tr>
<tr>
<td>Total</td>
<td>₱12,308</td>
</tr>
</tbody>
</table>

Withholding Taxes
The amount of withholding taxes paid or accrued for the year amounted to:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Withholding tax on compensation and benefits</td>
<td>₱626,744</td>
</tr>
<tr>
<td>Expanded withholding taxes</td>
<td>255,172</td>
</tr>
<tr>
<td>Final withholding taxes</td>
<td>125,000</td>
</tr>
<tr>
<td>Total</td>
<td>₱1,006,916</td>
</tr>
</tbody>
</table>

As of December 31, 2016, the outstanding withholding taxes amounted to ₱163,156.

Tax Assessments and Cases
The Foundation has not received any Final Assessment Notice or Formal Letter of Demand from the BIR for its open years as of December 31, 2016.

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Corporate Information

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Email Address: foundation@manilawater.com

Website
www.manilawaterfoundation.org

Social Media Accounts
Manila Water Foundation

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Get Involved

Donate.
Help us bring WASH to all communities through your donation.

Sign up to be a volunteer.
Spend time with the communities or assist in the Foundation’s work.

Get to know us.
Like our FB page to get updates and more.