



*Republic of the Philippines*  
**COMMISSION ON AUDIT**  
*Commonwealth Ave., Quezon City*

**ANNUAL AUDIT REPORT**

on the

**METROPOLITAN WATERWORKS  
AND SEWERAGE SYSTEM**

**For the Year Ended December 31, 2009**

**METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM**

**BALANCE SHEET**

**December 31, 2009**

(With comparative figures as of December 31, 2008)

(In Thousand Pesos)

	Notes	2009	2008
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4 & 5	4,948,610	5,591,572
Accounts receivable, net	4 & 6	1,357,765	1,302,673
Other receivables	7	4,865,884	4,252,373
Inventories	8	61,255	61,087
Prepayments	9	394,073	370,632
		<b>11,627,587</b>	<b>11,578,337</b>
<b>Non-Current Assets</b>			
Property, plant and equipment, net	4 & 10	41,554,176	43,049,409
Construction in progress	4 & 11	1,237,083	1,381,793
Investments	12	788,258	834,037
Other assets, net	13	912,868	988,749
		<b>44,492,385</b>	<b>46,253,988</b>
<b>TOTAL ASSETS</b>		<b>56,119,972</b>	<b>57,832,325</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Payable accounts	14	1,045,104	1,102,979
Inter-agency payable	15	241,631	350,607
Intra-agency payable	16	417,382	453,688
Current portion of long- term liabilities	18	958,563	1,087,870
Other liability accounts	17	1,114,969	1,183,373
		<b>3,777,649</b>	<b>4,178,517</b>
<b>Non-Current Liabilities</b>			
Long-term liabilities, net of current portion	4 & 18	16,535,827	18,111,822
Deferred credits	19	1,571,254	1,583,397
		<b>18,107,081</b>	<b>19,695,219</b>
<b>Total Liabilities</b>		<b>21,884,730</b>	<b>23,873,736</b>
<b>Equity</b>		<b>34,235,242</b>	<b>33,958,589</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>56,119,972</b>	<b>57,832,325</b>

See accompanying Notes to Financial Statements.

**METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM  
STATEMENT OF PROFIT AND LOSS**

For the Year Ended December 31, 2009

(With comparative figures for the year ended December 31, 2008)

(In Thousand Pesos)

	Notes	2009	2008
<b>REVENUES</b>			
Concession fees	4		
Debt service		1,742,270	1,532,289
Progress billing		-	-
Corporate operating budget		593,753	362,045
Business income			
Rental of leased properties		75,776	40,067
Interest on investments and deposits		58,517	166,047
Raw water		48,554	47,010
Miscellaneous income		1,637	351
Gain on disposed assets		161	129
		<b>2,520,668</b>	<b>2,147,938</b>
<b>EXPENSES</b>			
Personal services	22	211,533	204,133
Maintenance and other operating expenses	23	289,338	267,178
Depreciation		1,630,785	1,634,318
Financial expenses	24	468,885	512,122
(Gain)Loss on foreign exchange, net		(479,254)	3,083,678
		<b>2,121,287</b>	<b>5,701,429</b>
<b>NET PROFIT (LOSS)</b>		<b>399,381</b>	<b>(3,553,491)</b>

*See accompanying Notes to Financial Statements.*

**METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM  
STATEMENT OF CHANGES IN EQUITY**

**For the Year Ended December 31, 2009**

(With comparative figures for the year ended December 31, 2008)

(In Thousand Pesos)

	Notes	2009	2008
<b>CAPITAL STOCK</b>			
Authorized - 80 million shares, P100 par			
Issued and outstanding 60,954,867.84 shares			
Balance, beginning		6,095,487	6,095,487
Additions (deductions)		-	-
Balance, end		6,095,487	6,095,487
<b>DONATED CAPITAL</b>			
Balance, beginning	20	1,046,971	1,046,971
Additions (deductions)		-	-
Balance, end		1,046,971	1,046,971
<b>APPRAISAL CAPITAL</b>			
Balance, beginning		28,656,079	28,656,079
Additions (deductions)		-	-
Balance, end		28,656,079	28,656,079
<b>RETAINED EARNINGS</b>			
Balance, beginning		(1,839,948)	3,876,290
Prior- period adjustments	21	(122,728)	(2,162,747)
Net profit (loss)		399,381	(3,553,491)
Balance, end		(1,563,295)	(1,839,948)
<b>TOTAL EQUITY</b>		<b>34,235,242</b>	<b>33,958,589</b>

See accompanying Notes to Financial Statements.

**METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM  
STATEMENT OF CASH FLOWS**

**For the Year Ended December 31, 2009**

(With comparative figures for the year ended December 31, 2008)

(In Thousand Pesos)

	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Collection from DMCI due to DCRA exit	-	3,335,874
Collection of concession fee	2,374,919	1,981,640
Collection from rentals of leased properties	80,197	63,778
Collection of water accounts (prior years and raw water)	69,353	67,928
Collection of penalty interest from MWSI	-	83,319
Other collections	126,196	272,760
Payment of borrowing cost	(737,865)	(666,308)
Payment of operating expenses	(539,426)	(416,294)
Other expenditures	(218,722)	(384,570)
<b>Net cash generated from operating activities</b>	<b>1,154,652</b>	<b>4,338,127</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Matured investments	767,313	259,508
Investments	(706,669)	(225,977)
Investments in special reserve fund	(14,863)	(19,916)
Capital expenditures	(2,746)	(12,089)
<b>Net cash provided by investing activities</b>	<b>43,035</b>	<b>1,526</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan proceeds	-	6,050
Debt servicing	(1,896,739)	(1,607,094)
Payment of prior year's dividends to National Government		(51,695)
<b>Net cash used in financing activities</b>	<b>(1,896,739)</b>	<b>(1,652,739)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>56,090</b>	<b>529,573</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(642,962)</b>	<b>3,216,488</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>5,591,572</b>	<b>2,375,084</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>4,948,610</b>	<b>5,591,572</b>

*See accompanying Notes to Financial Statements*