



Republic of the Philippines
COMMISSION ON AUDIT
600 Monumental Avenue, Quezon City

ANNUAL FINANCIAL REPORT

2012

Metropolitan Waterworks and
Sewerage System

For the Year Ended December 31, 2012

**METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM
STATEMENT OF FINANCIAL POSITION**

December 31, 2012

(With Comparative Figures as of December 31, 2011)

(In Thousand Pesos)

	Notes		2011
ASSETS			
Current Assets			
Cash and cash equivalents	4 & 5	1,970,887	1,412,907
Accounts receivables, net	4 & 6	1,993,851	1,829,682
Other receivables	7	5,790,808	5,675,361
Inventories	8	644	737
Prepayments	9	403,247	601,347
		10,159,437	9,520,034
Non-Current Assets			
Property, plant and equipment, net	4 & 10	37,148,181	38,633,109
Construction in progress	4 & 11	6,236,628	3,590,917
Investments	12	366,685	475,920
Other assets, net	13	869,258	877,447
		44,620,752	43,577,393
TOTAL ASSETS		54,780,189	53,097,427
LIABILITIES AND EQUITY			
Current Liabilities			
Payable accounts	14	1,009,883	926,872
Inter-agency payables	15	297,337	260,289
Intra-agency payable	16	640,100	637,983
Current portion of long-term liabilities	18	978,131	1,226,734
Other liability accounts	17	788,987	795,534
		3,714,438	3,847,412
Non-Current Liabilities			
Long-term liabilities, net of current portion	4 & 18	11,641,293	11,974,276
Deferred credits	19	2,945,313	2,626,387
		14,586,606	14,600,663
Total Liabilities		18,301,044	18,448,075
Equity		36,479,145	34,649,352
TOTAL LIABILITIES AND EQUITY		54,780,189	53,097,427

See accompanying Notes to Financial Statements.

METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM
STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended December 31, 2012

(With Comparative Figures for the Year Ended December 31, 2011)

(In Thousand Pesos)

	Notes	2012	2011
REVENUES			
Concession fees	4		
Debt service		1,575,563	1,596,572
Current operating budget		878,313	840,033
Progress billing		40,189	2,669
Business income			
Interest on investments and deposits		97,399	66,838
Rental of leased properties	4	73,853	84,656
Raw water		53,734	52,721
Gain on disposed assets		(135)	7
Miscellaneous income		651	203
		2,719,567	2,643,699
EXPENSES			
Personal services	22	193,214	208,281
Maintenance and other operating expenses	23	182,411	105,685
Non-cash expenses			
Depreciation	4 & 10	1,491,803	1,559,977
Amortization		8,122	8,122
Financial expenses	24	256,017	281,494
(Gain) loss on foreign exchange, net	4	(1,357,705)	147,044
		773,862	2,310,603
NET PROFIT (LOSS)		1,945,705	333,096

See accompanying Notes to Financial Statements.

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

For the Year Ended December 31, 2012

(With Comparative Figures for the Year Ended December 31, 2011)

(In Thousand Pesos)

(In Thousand Pesos)

	Notes	2012	2011
CAPITAL STOCK			
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
DONATED CAPITAL			
Balance, beginning	20	1,046,971	1,046,971
Additions (deductions)		-	-
Balance, end		1,046,971	1,046,971
APPRAISAL CAPITAL			
Balance, beginning	4	28,656,079	28,656,079
Additions (deductions)		-	-
Balance, end		28,656,079	28,656,079
RETAINED EARNINGS (DEFICIT)			
Balance, beginning		(1,149,185)	(2,365,776)
Prior-period adjustments	21	(115,912)	883,495
Net profit (loss)		1,945,705	333,096
Balance, end		680,608	(1,149,185)
TOTAL EQUITY		36,479,145	34,649,352

See accompanying Notes to Financial Statements.

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

For the Year Ended December 31, 2012

(With Comparative Figures for the Year Ended December 31, 2011)

(In Thousand Pesos)

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection of concession fees	2,656,085	3,540,325
Collection of rentals on leased properties	85,801	79,347
Collection of water accounts	57,725	44,188
Other collections	106,431	113,884
<i>Collection of other income</i>		
<i>Collection of other receivables</i>		
<i>Collection from SM Prime Holdings</i>		
<i>Interest Earned from special reserve fund</i>		
Payment of borrowing costs	(168)	(30,291)
Payment of operating expenses	(273,571)	(297,852)
Other expenditures	(64,646)	(317,751)
Net cash generated from operating activities	2,567,657	3,131,850
CASH FLOWS FROM INVESTING ACTIVITIES		
Matured investments		
Investments in bonds		
Matured investments	180,000	319,402
Investments in special reserve fund	(16,238)	(13,367)
Capital expenditures	(2,407,937)	(2,280,487)
Net cash provided by (used in) investing activities	(2,244,175)	(1,974,452)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds	2,274,446	4,479,443
Debt servicing	(1,886,733)	(8,582,142)
Payment of prior year's dividends to National Government	(150,000)	-
Net cash used in financing activities	237,713	(4,102,699)
Effects of exchange rate changes on cash and cash equivalents	(3,215)	(26,568)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	557,980	(2,971,869)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,412,907	4,384,776
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,970,887	1,412,907

See accompanying Notes to Financial Statements.