



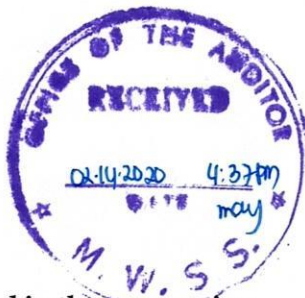
14 February 2020

**MA. NANCY J. UY**

OIC-Supervising Auditor

Commission On Audit

Metropolitan Waterworks and Sewerage System



**Attention: IGNACIA G. RODRIGO**  
Audit Team Leader

**Subject: Submission of documents needed in the preparation  
of CY2019 Annual Audit Report**

Dear Auditor Uy:

In compliance with your letter dated January 3, 2020, we are submitting herewith the MWSS Regulatory Office's final submission of documents needed in the preparation of the CY2019 Annual Audit Report, to wit:

- a.) Management Responsibility on the Financial Statements
- b.) Financial Statements (with comparative figures);
- c.) Breakdown of Personnel Services with comparative figures for CY2019;
- d.) Breakdown of Maintenance and Other Operating Expenses;
- e.) Pre-closing Trial Balance (with detailed income and expense account);
- f.) Post-closing Trial Balance
- g.) Bank Reconciliation
- h.) Subsidiary Ledger of Receivable and Payable Accounts
- i.) Schedule of Taxes Paid
- j.) Restatement of Previous Years' Account Balances.
- k.) Breakdown of Retained Earnings
- l.) Schedule of Remittances of Pag-ibig, Philhealth, and GSIS contributions withheld in CY2019
- m.) Physical Inventory Report on Fixed Assets
- n.) Lapsing Schedule of Property Plant and Equipments
- o.) and, Quarterly spreadsheets for consolidation of trial balances, quarterly financial statements, summary journal, and registers

Thank you very much.

Respectfully yours,

**VIRGINIA V. OCTA**  
DM for Administration





February 14, 2020

## MANAGEMENT REPRESENTATION LETTER

**DIRECTOR LEILA S. PARAS**

Corporate Government Sector – Cluster 3  
Commission on Audit  
Commonwealth Ave., Quezon City



**Subject: Metropolitan Waterworks and Sewerage System Regulatory Office**

This representation letter is provided in connection with your audit of the financial statements of Metropolitan Waterworks and Sewerage System Regulatory Office for the year ended December 31, 2019 for the purpose of expressing opinions as whether the financial statements are presented fairly, in all material respects, in accordance with Philippine Public Sector Accounting Standards (PPSAS).

### Statement of Management's Responsibility for the Financial Statements

We affirm that the financial statements for the Metropolitan Waterworks and Sewerage System Regulatory Office are management's responsibility; that these were prepared in accordance with PPSAS, that all relevant information was provided to the Commission on Audit Team, that access to relevant information and records were made available and that all transactions were recorded and reflected in the financial statements; and that all instances of non-compliance of which we are aware of are disclosed to the COA Audit Team.

### Specific Affirmations pertaining to the Financial Statements Provided to the Commission on Audit

We affirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

#### A. Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated October 21, 2019, for the preparation of the financial statements in accordance with the PPSAS:







1. In particular, the financial statements are free from material misstatements including omissions and errors, and are fairly presented.
2. Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.
3. Related party relationship and transactions, if any, have been appropriately accounted for and disclosed in accordance with the requirements of the PPSAS.
4. All events subsequent to the date of the financial statements and for which PPSAS require adjustment or disclosure has been adjusted or disclosed.
5. All matters related to claims, litigations, assessments, and dispute have been disclosed to COA by our Legal Office and external counsel.
6. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of uncorrected misstatements is attached to the representation letter.
7. The selection and application of accounting policies are appropriate.
8. The following have been recognized, measured, presented or disclosed in accordance with the PPSAS:
  - a. Plans or intentions that may affect the carrying value or classification of assets and liabilities;
  - b. Liabilities, both actual and contingent;
  - c. Title to, or control over, assets, the liens or encumbrances on assets, and assets pledged as collateral; and
  - d. Aspects of laws, regulations and contractual agreements that may affect the financial statements, including non-compliance.

In preparing the financial statements, management is also responsible for assessing the Agency'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 Agency project or to cease operations, or has no realistic alternative but to do so.

#### B. Internal Control

1. We have assessed the effectiveness of the Agency's internal control in achieving the following objectives:
  - a. Reliability of financial reporting;
  - b. Compliance with applicable laws and regulations;





- c. Safeguarding of assets; and
  - d. Achievement of agency objectives.
2. We have disclosed to you all significant deficiencies in the design or operation of internal control that could adversely affect the entity's ability to meet the internal control objectives and identified those we believe to be material weaknesses.
  3. There have been no changes to internal control subsequent to CY2018 audited financial statements, or other factors that might significantly affect it.

#### C. Compliance

1. The activities and financial transactions are in compliance with the relevant government rules and regulations.
2. We have provided you with interpretation of compliance requirements that may have varying interpretations.
3. All contracts, agreements and other correspondence have been made available.
4. We have disclosed all contracts and agreements with service organizations, including any communications with those organizations related to instances of non-compliance.
5. The Agency has been operated effectively, throughout the period covered by the Audit.

#### D. Information Required

1. We have provided you with:
  - a. Access to all information deemed relevant to the preparation of the financial statements such as records, documentation and other matters;
  - b. Additional information requested for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity determined necessary to obtain audit evidence.
2. All transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have disclosed to you the specific results of our assessment of the risk indicating that the financial statements may be materially misstated as a result of fraud.







4. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves: management; employees who have significant roles in internal control; or others where the fraud could have a material effect on the financial statements.
5. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
6. We have disclosed to you the identity of related parties and all the related party relationships and transactions of which we are aware.

**JORIEL M. DAGSA**  
Chief Corporate Accountant  
February 13, 2020  
Date Signed

**VIRGINIA V. OCTA**  
Department Manager for Administration  
February 13, 2020  
Date Signed

**ATTY. CLAUDINE B. OROCIO-ISORENA**  
Deputy Administrator for Administration  
& Legal Affairs  
February 13, 2020  
Date Signed

**ATTY. PATRICK LESTER N. TY**  
Chief Regulator  
February 13, 2020  
Date Signed





Republic of the Philippines  
**MWSS - REGULATORY OFFICE**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2019**



PARTICULARS	2019	2018 (AS RESTATED)	INC/(DEC)	%
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
CASH AND CASH EQUIVALENT	427,311,458.56	477,583,772.82	(50,272,314.26)	-11%
RECEIVABLES	118,002,195.41	121,334,579.14	(3,332,383.73)	-3%
INVENTORIES	-	-	-	-
<b>Total Current Assets</b>	<b>545,313,653.97</b>	<b>598,918,351.96</b>	<b>(53,604,697.99)</b>	<b>-9%</b>
<b>NON-CURRENT ASSETS</b>				
PROPERTY, PLANT AND EQUIPMENT	53,325,909.85	32,189,193.38	21,136,716.47	66%
OTHER ASSETS	121,723,441.55	84,677,956.23	37,045,485.32	44%
<b>Total Non-Current Assets</b>	<b>175,049,351.40</b>	<b>116,867,149.61</b>	<b>58,182,201.79</b>	<b>50%</b>
<b>TOTAL ASSETS</b>	<b>720,363,005.37</b>	<b>715,785,501.57</b>	<b>4,577,503.80</b>	<b>1%</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
FINANCIAL LIABILITIES	20,142,760.42	16,598,196.98	3,544,563.44	21%
INTER-AGENCY PAYABLES	336,204.55	176,980.81	159,223.74	90%
INTRA-AGENCY PAYABLES	426,755.29	679,603.26	(252,847.97)	-37%
TRUST LIABILITIES	2,032,234.18	1,878,234.18	154,000.00	8%
DEFERRED CREDITS	-	-	-	-
OTHER PAYABLES	664,084.41	664,084.41	-	-
<b>Total Current Liabilities</b>	<b>23,602,038.85</b>	<b>19,997,099.64</b>	<b>3,604,939.21</b>	<b>18%</b>
<b>NON CURRENT LIABILITIES</b>				
LOANS PAYABLE - LONG TERM	-	-	-	-
DEFERRED CREDITS	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EQUITY</b>				
GOVERNMENT EQUITY	-	-	-	-
RETAINED EARNINGS	696,760,966.52	695,788,401.93	972,564.59	0%
<b>Total Government Equity</b>	<b>696,760,966.52</b>	<b>695,788,401.93</b>	<b>972,564.59</b>	<b>0%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>720,363,005.37</b>	<b>715,785,501.57</b>	<b>4,577,503.80</b>	<b>1%</b>

Prepared by:

  
**JORIEL DAGOSA**  
 Chief Corporate Accountant

Noted by:

  
**VIRGINIA V. OCTA**  
 DM for Administration

Recommending Approval:

  
**CLAUDINE B. OROCIO - ISORENA**  
 DA - Admin & Legal Affairs

Approved:

  
**PATRICK LESTER N. TY**  
 Chief Regulator





Republic of the Philippines  
**MWSS - REGULATORY OFFICE**  
**DETAILED STATEMENT OF FINANCIAL POSITION**  
**December 31, 2019**

<b>PARTICULARS</b>	<b>2019</b>	<b>2018</b> <b>(AS RESTATED)</b>	<b>INC/(DEC)</b>	<b>%</b>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
<b>CASH AND CASH EQUIVALENT</b>	<b>427,311,458.56</b>	<b>477,583,772.82</b>	<b>(50,272,314.26)</b>	<b>-11%</b>
<b>CASH ON HAND</b>	-	-	-	
CASH COLLECTING OFFICERS	-	-	-	
PETTY CASH FUND	-	-	-	
<b>CASH IN BANK - LOCAL CURRENCY</b>	<b>108,592,635.20</b>	<b>131,436,071.07</b>	<b>(22,843,435.87)</b>	<b>-17%</b>
CASH CIB-LC, Current Account	108,592,635.20	131,436,071.07	(22,843,435.87)	-17%
CASH CIB-LC, Savings Account	-	-	-	
<b>CASH EQUIVALENT</b>	<b>318,718,823.36</b>	<b>346,147,701.75</b>	<b>(27,428,878.39)</b>	<b>-8%</b>
TIME DEPOSITS - LOCAL CURRENCY	317,323,615.64	344,702,094.55	(27,378,478.91)	-8%
TIME DEPOSITS - FOREIGN CURRENCY	1,395,207.72	1,445,607.20	(50,399.48)	-3%
<b>RECEIVABLES</b>	<b>118,002,195.41</b>	<b>121,334,579.14</b>	<b>(3,332,383.73)</b>	<b>-3%</b>
<b>LOANS AND RECEIVABLES</b>	<b>37,969,927.96</b>	<b>41,272,505.97</b>	<b>(3,302,578.01)</b>	<b>-8%</b>
INTEREST RECEIVABLE	817,651.15	973,077.45	(155,426.30)	-16%
LOANS RECEIVABLE -OTHERS	37,152,276.81	40,299,428.52	(3,147,151.71)	-8%
<b>INTRA-AGENCY RECEIVABLES</b>	<b>-</b>	<b>12,500.00</b>	<b>(12,500.00)</b>	<b>-100%</b>
DUE FROM CENTRAL OFFICE/HOME OFFICE	-	12,500.00	(12,500.00)	-100%
<b>OTHER RECEIVABLES</b>	<b>80,032,267.45</b>	<b>80,049,573.17</b>	<b>(17,305.72)</b>	<b>0%</b>
DUE FROM OFFICERS AND EMPLOYEES	79,749,263.18	79,766,568.90	(17,305.72)	0%
OTHER RECEIVABLES	283,004.27	283,004.27	-	0%
<b>INVENTORIES</b>	-	-	-	
<b>SUPPLIES</b>	-	-	-	
<b>TOTAL CURRENT ASSETS</b>	<b>545,313,653.97</b>	<b>598,918,351.96</b>	<b>(53,604,697.99)</b>	<b>-9%</b>
<b>NON CURRENT ASSETS</b>				
<b>PROPERTY, PLANT AND EQUIPMENT</b>	<b>53,325,909.85</b>	<b>32,189,193.38</b>	<b>21,136,716.47</b>	<b>66%</b>
<b>BUILDINGS AND OTHER STRUCTURE</b>	<b>281,542.75</b>	<b>281,542.75</b>	<b>-</b>	<b>0%</b>
BUILDING	2,815,427.54	2,815,427.54	-	0%
Accum. Depre. - Office Bldg	(2,533,884.79)	(2,533,884.79)	-	0%
NET VALUE - BUILDING	281,542.75	281,542.75	-	0%
<b>MACHINERY AND EQUIPMENT</b>	<b>19,482,170.34</b>	<b>20,650,367.36</b>	<b>(1,168,197.02)</b>	<b>-6%</b>
OFFICE EQUIPMENT	3,364,111.31	3,302,661.31	61,450.00	2%
Accum. Depre. - Office Eqpt.	(1,654,498.43)	(1,151,876.00)	(502,622.43)	44%
NET VALUE - OFFICE EQUIPMENT	1,709,612.88	2,150,785.31	(441,172.43)	-21%
IT EQUIPMENT & SOFTWARE	126,520,885.69	127,532,532.96	(1,011,647.27)	-1%
Accum. Depre. - IT Eqpt.	(109,760,284.89)	(110,162,614.97)	402,330.08	0%
NET VALUE - IT EQUIPMENT & SOFTWARE	16,760,600.80	17,369,917.99	(609,317.19)	-4%
COMMUNICATION EQUIPMENT	396,113.21	396,113.21	-	0%
Accum. Depre. - Comm. Eqpt.	(197,171.88)	(156,491.88)	(40,680.00)	26%
NET VALUE - COMMUNICATION EQUIPMENT	198,941.33	239,621.33	(40,680.00)	-17%
MEDICAL, DENTAL & LAB EQPT.	-	-	-	
Accum. Depre. - Medical Eqpt.	-	-	-	
NET VALUE - MEDICAL, DENTAL & LAB EQPT.	-	-	-	



Republic of the Philippines  
**MWSS - REGULATORY OFFICE**  
**DETAILED STATEMENT OF FINANCIAL POSITION**  
**December 31, 2019**

PARTICULARS	2019	2018 (AS RESTATED)	INC/(DEC)	%
<b>SPORTS EQUIPMENT</b>	222,191.75	222,191.75	-	0%
Accum. Depre. - Sports Eqpt.	(113,274.08)	(101,034.20)	(12,239.88)	12%
<b>NET VALUE - SPORTS EQUIPMENT</b>	<b>108,917.67</b>	<b>121,157.55</b>	<b>(12,239.88)</b>	<b>-10%</b>
<b>TECHNICAL &amp; SCIENTIFIC EQPT.</b>	<b>3,294,530.44</b>	<b>3,294,530.44</b>	-	0%
Accum. Depre. - Technical & Sc	(2,867,385.26)	(2,841,118.70)	(26,266.56)	1%
<b>NET VALUE - TECHNICAL &amp; SCIENTIFIC EQUIPMENT</b>	<b>427,145.18</b>	<b>453,411.74</b>	<b>(26,266.56)</b>	<b>-6%</b>
<b>OTHER MACHINERIES AND EQUIPMENT</b>	<b>1,428,047.36</b>	<b>1,428,047.36</b>	-	0%
Accum Depre.-OME	(1,151,094.88)	(1,112,573.92)	(38,520.96)	3%
<b>NET VALUE - OTHER MACHINERIES &amp; EQUIPMENT</b>	<b>276,952.48</b>	<b>315,473.44</b>	<b>(38,520.96)</b>	<b>-12%</b>
<b>TRANSPORTATION EQUIPMENT</b>	<b>8,659,873.47</b>	<b>10,538,261.07</b>	<b>(1,878,387.60)</b>	<b>-18%</b>
<b>MOTOR VEHICLES</b>	<b>15,858,011.17</b>	<b>15,858,011.17</b>	-	0%
Accum. Depre. - Motor Vehicle	(7,198,137.70)	(5,319,750.10)	(1,878,387.60)	35%
<b>NET VALUE - MOTOR VEHICLES</b>	<b>8,659,873.47</b>	<b>10,538,261.07</b>	<b>(1,878,387.60)</b>	<b>-18%</b>
<b>FURNITURE, FIXTURES AND BOOKS</b>	<b>626,032.04</b>	<b>719,022.20</b>	<b>(92,990.16)</b>	<b>-13%</b>
<b>FURNITURE &amp; FIXTURES</b>	<b>4,321,110.15</b>	<b>4,321,110.15</b>	-	0%
Accum. Depre. - Furniture & Fi	(3,744,523.21)	(3,651,533.05)	(92,990.16)	3%
<b>NET VALUE - FURNITURE &amp; FIXTURES</b>	<b>576,586.94</b>	<b>669,577.10</b>	<b>(92,990.16)</b>	<b>-14%</b>
<b>BOOKS</b>	<b>494,451.00</b>	<b>494,451.00</b>	-	0%
Accum. Depre. - Library Books	(445,005.90)	(445,005.90)	-	0%
<b>NET VALUE - BOOKS</b>	<b>49,445.10</b>	<b>49,445.10</b>	-	0%
<b>CONSTRUCTION IN PROGRESS</b>	<b>24,276,291.25</b>	-	<b>24,276,291.25</b>	
<b>CONSTRUCTION IN PROGRESS - BUILDINGS &amp; STRUCTURES</b>	<b>24,276,291.25</b>	-	<b>24,276,291.25</b>	
<b>OTHER NON CURRENT ASSETS</b>	<b>121,723,441.55</b>	<b>84,677,956.23</b>	<b>37,045,485.32</b>	<b>44%</b>
<b>ADVANCES</b>	<b>478,044.09</b>	<b>62,681.24</b>	<b>415,362.85</b>	<b>663%</b>
<b>ADVANCES TO SDO</b>	<b>478,044.09</b>	<b>62,681.24</b>	<b>415,362.85</b>	<b>663%</b>
<b>PREPAYMENTS</b>	<b>15,900,663.09</b>	<b>5,222,720.55</b>	<b>10,677,942.54</b>	<b>204%</b>
<b>ADVANCES TO CONTRACTORS</b>	<b>15,985,633.72</b>	<b>5,299,749.98</b>	<b>10,685,883.74</b>	<b>202%</b>
<b>PREPAID INSURANCE</b>	<b>60,884.09</b>	<b>68,825.29</b>	<b>(7,941.20)</b>	<b>-12%</b>
<b>OTHER PREPAID EXPENSES</b>	<b>(145,854.72)</b>	<b>(145,854.72)</b>	-	0%
<b>DEPOSITS</b>	<b>264,625.00</b>	<b>164,625.00</b>	<b>100,000.00</b>	<b>61%</b>
<b>GUARANTY DEPOSITS</b>	<b>264,625.00</b>	<b>164,625.00</b>	<b>100,000.00</b>	<b>61%</b>
<b>RESTRICTED FUND</b>	<b>103,381,818.91</b>	<b>77,966,274.39</b>	<b>25,415,544.52</b>	<b>33%</b>
<b>RESTRICTED FUND</b>	<b>103,381,818.91</b>	<b>77,966,274.39</b>	<b>25,415,544.52</b>	<b>33%</b>
<b>OTHER ASSETS</b>	<b>1,698,290.46</b>	<b>1,261,655.05</b>	<b>436,635.41</b>	<b>35%</b>
<b>OTHER ASSETS</b>	<b>1,698,290.46</b>	<b>1,261,655.05</b>	<b>436,635.41</b>	<b>35%</b>
<b>TOTAL NON CURRENT ASSETS</b>	<b>175,049,351.40</b>	<b>116,867,149.61</b>	<b>58,182,201.79</b>	<b>50%</b>
<b>TOTAL ASSETS</b>	<b>720,363,005.37</b>	<b>715,785,501.57</b>	<b>4,577,503.80</b>	<b>1%</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
<b>FINANCIAL LIABILITIES</b>	<b>20,142,760.42</b>	<b>16,598,196.98</b>	<b>3,544,563.44</b>	<b>21%</b>
<b>PAYABLES</b>	<b>20,142,760.42</b>	<b>16,598,196.98</b>	<b>3,544,563.44</b>	<b>21%</b>
<b>ACCOUNTS PAYABLE</b>	<b>6,674,158.27</b>	<b>4,679,008.76</b>	<b>1,995,149.51</b>	<b>43%</b>
<b>DUE TO OFFICERS &amp; EMPLOYEES</b>	<b>13,468,602.15</b>	<b>11,919,188.22</b>	<b>1,549,413.93</b>	<b>13%</b>
<b>INTEREST PAYABLE</b>	-	-	-	





Republic of the Philippines  
**MWSS - REGULATORY OFFICE**  
**DETAILED STATEMENT OF FINANCIAL POSITION**  
**December 31, 2019**

<u>PARTICULARS</u>	<u>2019</u>	<u>2018</u> <u>(AS RESTATED)</u>	<u>INC/(DEC)</u>	<u>%</u>
<b>LOANS PAYABLE</b>	-	-	-	
LOANS PAYABLE - FOREIGN	-	-	-	
<b>INTER-AGENCY PAYABLES</b>	<b>336,204.55</b>	<b>176,980.81</b>	<b>159,223.74</b>	<b>90%</b>
<b>INTER-AGENCY PAYABLES</b>	<b>336,204.55</b>	<b>176,980.81</b>	<b>159,223.74</b>	<b>90%</b>
DUE TO BIR	333,154.55	188,870.04	144,284.51	76%
DUE TO GSIS	349.71	(11,808.50)	12,158.21	-103%
DUE TO PAG-IBIG	6,251.39	(150.00)	6,401.39	-4268%
DUE TO PHILHEALTH	(3,551.10)	69.27	(3,620.37)	-5226%
<b>INTRA-AGENCY PAYABLES</b>	<b>426,755.29</b>	<b>679,603.26</b>	<b>(252,847.97)</b>	<b>-37%</b>
<b>INTRA-AGENCY PAYABLES</b>	<b>426,755.29</b>	<b>679,603.26</b>	<b>(252,847.97)</b>	<b>-37%</b>
DUE TO OPERATING UNITS	(100.00)	41,584.86	(41,684.86)	-100%
DUE TO OTHER FUNDS	-	(12,542.00)	12,542.00	-100%
DUE TO C.O.	426,855.29	650,560.40	(223,705.11)	-34%
<b>TRUST LIABILITIES</b>	<b>2,032,234.18</b>	<b>1,878,234.18</b>	<b>154,000.00</b>	<b>8%</b>
<b>TRUST LIABILITIES</b>	<b>2,032,234.18</b>	<b>1,878,234.18</b>	<b>154,000.00</b>	<b>8%</b>
TRUST LIABILITIES - BAC	2,032,234.18	1,878,234.18	154,000.00	8%
PERFORMANCE/BIDDERS BOND	-	-	-	
<b>DEFERRED CREDITS</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>DEFERRED CREDITS</b>	<b>-</b>	<b>-</b>	<b>-</b>	
OTHER DEFERRED CREDITS	-	-	-	
<b>OTHER PAYABLES</b>	<b>664,084.41</b>	<b>664,084.41</b>	<b>-</b>	<b>0%</b>
<b>OTHER PAYABLES</b>	<b>664,084.41</b>	<b>664,084.41</b>	<b>-</b>	<b>0%</b>
DIVIDENDS PAYABLE	-	-	-	
OTHER PAYABLES	664,084.41	664,084.41	-	0%
<b>TOTAL CURRENT LIABILITIES</b>	<b>23,602,038.85</b>	<b>19,997,099.64</b>	<b>3,604,939.21</b>	<b>18%</b>
<b>NON CURRENT LIABILITIES</b>				
<b>FINANCIAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>LOANS PAYABLE</b>	<b>-</b>	<b>-</b>	<b>-</b>	
LOANS PAYABLE - FOREIGN	-	-	-	
<b>DEFERRED CREDITS</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>DEFERRED CREDITS</b>	<b>-</b>	<b>-</b>	<b>-</b>	
OTHER DEFERRED CREDITS	-	-	-	
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>TOTAL LIABILITIES</b>	<b>23,602,038.85</b>	<b>19,997,099.64</b>	<b>3,604,939.21</b>	<b>18%</b>
<b>EQUITY</b>				
<b>GOVERNMENT EQUITY</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>GOVERNMENT EQUITY</b>	<b>-</b>	<b>-</b>	<b>-</b>	



Republic of the Philippines  
**MWSS - REGULATORY OFFICE**  
**DETAILED STATEMENT OF FINANCIAL POSITION**  
December 31, 2019

<u>PARTICULARS</u>	<u>2019</u>	<u>2018</u> <u>(AS RESTATED)</u>	<u>INC/(DEC)</u>	<u>%</u>
GOVERNMENT EQUITY	-	-	-	
CONTRIBUTED CAPITAL	-	-	-	
<b>RETAINED EARNINGS</b>	<b>696,760,966.52</b>	<b>695,788,401.93</b>	<b>972,564.59</b>	<b>0%</b>
<b>RETAINED EARNINGS</b>	<b>696,760,966.52</b>	<b>695,788,401.93</b>	<b>972,564.59</b>	<b>0%</b>
RETAINED EARNINGS	696,760,966.52	695,788,401.93	972,564.59	0%
<b>TOTAL EQUITY</b>	<b>696,760,966.52</b>	<b>695,788,401.93</b>	<b>972,564.59</b>	<b>0%</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>720,363,005.37</b>	<b>715,785,501.57</b>	<b>4,577,503.80</b>	<b>1%</b>

Prepared by:

  
JORIEL DAGOSA  
Chief Corporate Accountant

Noted by:

  
VIRGINIA V. OCTA  
DM for Administration

Recommending Approval:

  
CLAUDINE B. OROCIO - ISORENA  
DA - Admin & Legal Affairs

Approved:

  
PATRICK LESTER N. TY  
Chief Regulator





Republic of the Philippines  
**MWSS - REGULATORY OFFICE**  
**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
For the Year Ended December 31, 2019

<u>PARTICULARS</u>	<u>2019</u>	<u>2018</u> <u>(AS RESTATED)</u>	<u>INC/(DEC)</u>	<u>%</u>
<b>REVENUES</b>				
SERVICE AND BUSINESS INCOME	125,441,747.22	147,900,282.85	(22,458,535.63)	-15%
<b>TOTAL REVENUES</b>	<b>125,441,747.22</b>	<b>147,900,282.85</b>	<b>(22,458,535.63)</b>	<b>-15%</b>
<b>CURRENT OPERATING EXPENSES</b>				
PERSONNEL SERVICES	65,728,864.56	57,477,754.04	8,251,110.52	14%
MAINTENANCE & OTHER OPERATING EXPENSES	54,173,190.41	81,933,574.06	(27,760,383.65)	-34%
FINANCIAL EXPENSES	9,000.00	3,500.00	5,500.00	157%
NON-CASH EXPENSES	3,916,989.37	2,463,148.19	1,453,841.18	59%
<b>TOTAL CURRENT OPERATING EXPENSE</b>	<b>123,828,044.34</b>	<b>141,877,976.29</b>	<b>(18,049,931.95)</b>	<b>-13%</b>
<b>SURPLUS/(DEFICIT) FROM CURRENT OPERATION</b>	<b>1,613,702.88</b>	<b>6,022,306.56</b>	<b>(4,408,603.68)</b>	<b>-73%</b>
OTHER NON-OPERATING INCOME	160.00	1,228.39	(1,068.39)	-87%
GAIN/(LOSS)	(641,298.29)	924,714.05	(1,566,012.34)	-169%
<b>INCOME/(LOSS) BEFORE INCOME TAX</b>	<b>972,564.59</b>	<b>6,948,249.00</b>	<b>(5,975,684.41)</b>	<b>-86%</b>

Prepared by:

  
JORIEL DAGOSA  
Chief Corporate Accountant

Noted by:

  
VIRGINIA V. OCTA  
DM for Administration

Recommending Approval:

  
CLAUDINE B. OROCIO - ISORENA  
DA - Admin & Legal Affairs

Approved:

  
PATRICK LESTER N. TY  
Chief Regulator



Republic of the Philippines  
**MWSS - REGULATORY OFFICE**  
**DETAILED STATEMENT OF COMPREHENSIVE INCOME**  
For the Year Ended December 31, 2019

PARTICULARS	2019	2018 (AS RESTATED)	INC/(DEC)	%
<b>REVENUE</b>				
<b>SERVICE INCOME AND BUSINESS INCOME</b>				
OTHER SERVICE INCOME - CONCESSION FEES	121,055,000.00	142,955,000.00	(21,900,000.00)	-15%
INTEREST INCOME	4,386,747.22	4,945,282.85	(558,535.63)	-11%
<b>TOTAL SERVICE INCOME AND BUSINESS INCOME</b>	<b>125,441,747.22</b>	<b>147,900,282.85</b>	<b>(22,458,535.63)</b>	<b>-15%</b>
<b>TOTAL REVENUE</b>	<b>125,441,747.22</b>	<b>147,900,282.85</b>	<b>(22,458,535.63)</b>	<b>-15%</b>
<b>CURRENT OPERATING EXPENSES</b>				
<b>PERSONAL SERVICES</b>				
<b>SALARIES &amp; WAGES</b>				
SALARIES & WAGES - REGULAR	42,866,387.12	35,410,891.30	7,455,495.82	21%
SALARIES & WAGES - CONTRACTUAL	-	-	-	-
<b>TOTAL SALARIES AND WAGES</b>	<b>42,866,387.12</b>	<b>35,410,891.30</b>	<b>7,455,495.82</b>	<b>21%</b>
<b>OTHER COMPENSATION</b>				
PERA	1,494,657.14	1,452,784.56	41,872.58	3%
REPRESENTATION ALLOWANCE	1,351,875.00	1,327,504.00	24,371.00	2%
TRANSPORTATION ALLOWANCE	820,060.00	1,104,993.97	(284,933.97)	-26%
CLOTHING/UNIFORM ALLOWANCE	390,000.00	348,500.00	41,500.00	12%
SUBSISTENCE, COLA, AMELIORATION	-	-	-	-
PRODUCTIVITY INCENTIVE ALLOWANCE	915,000.00	293,500.00	621,500.00	212%
HONORARIA	-	-	-	-
HAZARD PAY	-	-	-	-
LONGEVITY PAY	35,000.00	20,000.00	15,000.00	75%
OVERTIME AND NIGHT PAY	195,604.73	335,627.28	(140,022.55)	-42%
YEAR END BONUS (13TH MO.)	3,644,422.70	2,963,526.00	680,896.70	23%
CASH GIFT	316,500.00	288,000.00	28,500.00	10%
OTHER BONUSES & ALLOWANCES	3,462,113.00	2,824,013.00	638,100.00	23%
<b>TOTAL OTHER COMPENSATION</b>	<b>12,625,232.57</b>	<b>10,958,448.81</b>	<b>1,666,783.76</b>	<b>15%</b>
<b>PERSONNEL BENEFIT CONTRIBUTION</b>				
LIFE & RETIREMENT INS. CONTRIB	5,144,860.03	4,265,090.49	879,769.54	21%
PAG-IBIG CONTRIBUTIONS	75,000.00	70,400.00	4,600.00	7%
PHILHEALTH CONTRIBUTIONS	347,661.70	317,351.93	30,309.77	10%
ECC CONTRIBUTIONS	75,100.00	70,700.00	4,400.00	6%
PROVIDENT FUND BENEFITS	-	-	-	-
<b>TOTAL PERSONNEL BENEFIT CONTRIBUTION</b>	<b>5,642,621.73</b>	<b>4,723,542.42</b>	<b>919,079.31</b>	<b>19%</b>
<b>OTHER PERSONNEL BENEFITS</b>				
TERMINAL LEAVE BENEFITS	2,222,066.54	4,238,343.21	(2,016,276.67)	-48%
OTHER PERSONNEL BENEFITS	2,372,556.60	2,146,528.30	226,028.30	11%
<b>TOTAL OTHER PERSONNEL BENEFITS</b>	<b>4,594,623.14</b>	<b>6,384,871.51</b>	<b>(1,790,248.37)</b>	<b>-28%</b>
<b>TOTAL PERSONAL SERVICES</b>	<b>65,728,864.56</b>	<b>57,477,754.04</b>	<b>8,251,110.52</b>	<b>14%</b>
<b>MAINTENANCE AND OTHER OPERATING EXPENSES</b>				
TRAVELLING EXPENSE				





Republic of the Philippines  
**MWSS - REGULATORY OFFICE**  
**DETAILED STATEMENT OF COMPREHENSIVE INCOME**  
For the Year Ended December 31, 2019

<b>PARTICULARS</b>	<b>2019</b>	<b>2018 (AS RESTATED)</b>	<b>INC/(DEC)</b>	<b>%</b>
<b>TRAVELLING EXP - LOCAL</b>	1,449,893.96	510,212.04	939,681.92	184%
<b>TRAVELLING EXP - FOREIGN</b>	-	-	-	-
<b>TOTAL TRAVELLING EXPENSE</b>	<b>1,449,893.96</b>	<b>510,212.04</b>	<b>939,681.92</b>	<b>184%</b>
<b>TRAINING AND SCHOLARSHIP EXPENSE</b>				
TRAINING EXPENSES	2,553,708.48	3,347,353.47	(793,644.99)	-24%
SCHOLARSHIP EXPENSES	-	-	-	-
<b>TOTAL TRAINING AND SCHOLARSHIP EXPENSE</b>	<b>2,553,708.48</b>	<b>3,347,353.47</b>	<b>(793,644.99)</b>	<b>-24%</b>
<b>SUPPLIES AND MATERIALS EXPENSE</b>				
OFFICE SUPPLIES	778,813.26	592,245.75	186,567.51	32%
MAINTENANCE, SAMPLING & OTHER CONSUMABLE SUPPLIES	289,103.75	351,245.90	(62,142.15)	-18%
GASOLINE, OIL AND LUBRICANTS	1,191,069.52	926,986.32	264,083.20	28%
OTHER SUPPLIES EXPENSE	427,506.23	266,264.55	161,241.68	61%
<b>TOTAL SUPPLIES AND MATERIALS EXPENSE</b>	<b>2,686,492.76</b>	<b>2,136,742.52</b>	<b>549,750.24</b>	<b>26%</b>
<b>UTILITY EXPENSES</b>				
WATER EXPENSES	992,449.52	-	992,449.52	-
ELECTRICITY EXPENSE	2,287,701.84	2,395,027.95	(107,326.11)	-4%
<b>TOTAL UTILITY EXPENSES</b>	<b>3,280,151.36</b>	<b>2,395,027.95</b>	<b>885,123.41</b>	<b>37%</b>
<b>COMMUNICATION EXPENSES</b>				
POSTAGE AND DELIVERIES	59,310.00	64,237.00	(4,927.00)	-8%
TELEPHONE EXPENSES - LANDLINE	801,953.43	789,614.61	12,338.82	2%
INTERNET EXPENSE	73,597.55	4,350.00	69,247.55	1592%
<b>TOTAL COMMUNICATION EXPENSES</b>	<b>934,860.98</b>	<b>858,201.61</b>	<b>76,659.37</b>	<b>9%</b>
<b>CONFIDENTIAL, INTELLIGENCE &amp; EXTRAORDINARY EXPENSES</b>				
EXTRAORDINARY AND MISCELLANEOUS EXPENSES	529,952.49	572,181.66	(42,229.17)	-7%
<b>TOTAL CONFIDENTIAL, INTELLIGENCE &amp; EXTRAORDINARY EXPENSES</b>	<b>529,952.49</b>	<b>572,181.66</b>	<b>(42,229.17)</b>	<b>-7%</b>
<b>PROFESSIONAL SERVICES</b>				
LEGAL SERVICES-Appeals	-	-	-	-
AUDITING SERVICES	87,719.06	8,624.55	79,094.51	917%
CONSULTANCY	18,796,370.67	50,605,926.10	(31,809,555.43)	-63%
OTHER PROFESSIONAL SERVICES	13,772,444.70	11,610,187.15	2,162,257.55	19%
<b>TOTAL PROFESSIONAL SERVICES</b>	<b>32,656,534.43</b>	<b>62,224,737.80</b>	<b>(29,568,203.37)</b>	<b>-48%</b>
<b>GENERAL SERVICES</b>				
ENVIRONMENT/SANITARY SERVICES	-	-	-	-
JANITORIAL SERVICES	845,304.76	1,215,075.99	(369,771.23)	-30%
SECURITY SERVICES	1,043,089.26	1,333,178.20	(290,088.94)	-22%
<b>TOTAL GENERAL SERVICES</b>	<b>1,888,394.02</b>	<b>2,548,254.19</b>	<b>(659,860.17)</b>	<b>-26%</b>
<b>REPAIRS AND MAINTENANCE</b>				
R&M - OFFICE BUILDINGS	26,971.40	54,634.55	(27,663.15)	-51%
R&M - MACHINERY & EQUIPMENT	894,785.50	291,182.00	603,603.50	207%
R&M - MOTOR VEHICLES	371,030.02	195,778.76	175,251.26	90%
R&M - FURNITURE & FIXTURES	-	3,200.00	(3,200.00)	-100%



Republic of the Philippines  
**MWSS - REGULATORY OFFICE**  
**DETAILED STATEMENT OF COMPREHENSIVE INCOME**  
For the Year Ended December 31, 2019

PARTICULARS	2019	2018 (AS RESTATED)	INC/(DEC)	%
<b>TOTAL REPAIRS AND MAINTENANCE</b>	<b>1,292,786.92</b>	<b>544,795.31</b>	<b>747,991.61</b>	<b>137%</b>
<b>TAXES, INSURANCE PREMIUMS AND OTHER FEES</b>				
TAXES, DUTIES AND LICENSES	28,181.54	30,621.54	(2,440.00)	-8%
FIDELITY BOND PREMIUMS	63,000.00	60,000.00	3,000.00	5%
INSURANCE EXPENSE	100,174.00	80,556.54	19,617.46	24%
<b>TOTAL TAXES, INSURANCE PREMIUMS AND OTHER FEES</b>	<b>191,355.54</b>	<b>171,178.08</b>	<b>20,177.46</b>	<b>12%</b>
<b>OTHER MAINTENANCE AND OPERATING EXPENSES</b>				
MEMBERSHIP DUES/CONTRI TO ORG	-	-	-	
ADVERTISING EXPENSES	385,976.44	527,076.18	(141,099.74)	-27%
PRINTING AND BINDING EXPENSES	431,576.25	62,719.00	368,857.25	588%
RENT EXPENSE	850,395.22	944,924.82	(94,529.60)	-10%
REPRESENTATION EXPENSES	334,111.36	443,453.41	(109,342.05)	-25%
TRANSPORTATION EXPENSES	-	-	-	
SUBSCRIPTION EXPENSES	1,786,064.07	1,939,696.66	(153,632.59)	-8%
SURVEY EXPENSES - PAWS UPNEC	-	-	-	
DONATIONS	-	-	-	
OTHER MOOE	2,920,936.13	2,707,019.36	213,916.77	8%
<b>TOTAL OTHER MAINTENANCE AND OPERATING EXPENSES</b>	<b>6,709,059.47</b>	<b>6,624,889.43</b>	<b>84,170.04</b>	<b>1%</b>
<b>TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES</b>	<b>54,173,190.41</b>	<b>81,933,574.06</b>	<b>(27,760,383.65)</b>	<b>-34%</b>
<b>FINANCIAL EXPENSES</b>				
<b>FINANCIAL EXPENSES</b>				
INTEREST EXPENSE - DEBT SERVICE	-	-	-	
BANK CHARGES	9,000.00	3,500.00		0%
<b>TOTAL FINANCIAL EXPENSES</b>	<b>9,000.00</b>	<b>3,500.00</b>	<b>-</b>	<b>0%</b>
<b>NON CASH EXPENSE</b>				
<b>DEPRECIATION</b>				
DEPRECIATION - OFFICE BUILDINGS	-	-	-	
DEPRECIATION - MACHINERY AND EQUIPMENT	1,945,611.61	1,205,897.18	739,714.43	61%
DEPRECIATION - TRANSPORTATION	1,878,387.60	1,156,876.98	721,510.62	62%
DEPRECIATION - FURNITURES, FIRXTURE & BOOKS	92,990.16	100,374.03	(7,383.87)	-7%
<b>TOTAL NON-CASH DEPRECIATION</b>	<b>3,916,989.37</b>	<b>2,463,148.19</b>	<b>1,453,841.18</b>	<b>59%</b>
<b>TOTAL NON CASH EXPENSE</b>	<b>3,916,989.37</b>	<b>2,463,148.19</b>	<b>1,453,841.18</b>	<b>59%</b>
<b>TOTAL CURRENT OPERATING EXPENSE</b>	<b>123,828,044.34</b>	<b>141,877,976.29</b>	<b>(18,055,431.95)</b>	<b>-13%</b>
<b>SURPLUS/(DEFICIT) FROM CURRENT OPERATION</b>	<b>1,613,702.88</b>	<b>6,022,306.56</b>	<b>(4,403,103.68)</b>	<b>-73%</b>
<b>OTHER NON OPERATING INCOME/(LOSS)</b>				
<b>MISCELLANEOUS INCOME</b>				
MISCELLANEOUS INCOME	160.00	1,228.39	(1,068.39)	-87%
<b>OTHER NON OPERATING INCOME/(LOSS)</b>	<b>160.00</b>	<b>1,228.39</b>	<b>(1,068.39)</b>	<b>-87%</b>
<b>GAINS/(LOSS)</b>				





Republic of the Philippines  
**MWSS - REGULATORY OFFICE**  
**DETAILED STATEMENT OF COMPREHENSIVE INCOME**  
For the Year Ended December 31, 2019

<u>PARTICULARS</u>	<u>2019</u>	<u>2018</u> <u>(AS RESTATED)</u>	<u>INC/(DEC)</u>	<u>%</u>
<b>GAINS/(LOSS)</b>				
GAIN/(LOSS) ON FOREX	(641,298.29)	924,714.05	(1,566,012.34)	-169%
<b>TOTAL GAINS/(LOSS)</b>	<u>(641,298.29)</u>	<u>924,714.05</u>	<u>(1,566,012.34)</u>	<u>-169%</u>
<b>SURPLUS/(DEFICIT) BEFORE INCOME TAX</b>	<u>972,564.59</u>	<u>6,948,249.00</u>	<u>(5,970,184.41)</u>	<u>-86%</u>

Prepared by:

  
JORIEL DAGSA  
Chief Corporate Accountant

Noted by:

  
VIRGINIA V. OCTA  
DM for Administration

Recommending Approval:

  
CLAUDINE B. OROCIO - ISORENA  
DA - Admin & Legal Affairs

Approved:

  
PATRICK LESTER N. TY  
Chief Regulator



Republic of the Philippines  
**MWSS - REGULATORY OFFICE**  
**STATEMENT OF CASH FLOWS**  
**As of December 31, 2019**

**For the Month**      **Year-to-Date**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Collection of Concession Fees	-	121,055,000.00
Other Collections	470,359.57	5,163,191.70
Payment of Borrowing Cost	-	-
Payment of Personnel Cost	(9,973,399.18)	(65,728,864.56)
Payment of MOOE	(6,403,088.26)	(56,696,315.80)
	-	-

Net Cash Generated from Operating Activities	(15,906,127.87)	3,793,011.34
--	-----------------	--------------

**CASH FLOWS FROM INVESTING ACTIVITIES**

Matured Investments	22,875.26	3,392,676.61
Investments	-	-
Investments in special reserve fund	-	(25,000,000.00)
Capital Expenditures	(16,982,975.54)	(32,405,825.01)

Net Cash provided by Investing Activities	(16,960,100.28)	(54,013,148.40)
---	-----------------	-----------------

**CASH FLOWS FROM FINANCIAL ACTIVITIES**

Loan Proceeds	-	-
Debt Servicing	-	-
Payment of Prior year's Dividend to National Government	-	-

Net Cash used in Financial Activities	-	-
---------------------------------------	---	---

Effects of exchange rate changes on cash and cash equivalents	(52,177.20)	(52,177.20)
---	-------------	-------------

<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(32,918,405.35)	(50,272,314.26)
---	-----------------	-----------------

<b>CASH AND CASH EQUIVALENTS BEGINNING BALANCES</b>	460,229,863.91	477,583,772.82
---	----------------	----------------

<b>CASH AND CASH EQUIVALENT ENDING BALANCES</b>	427,311,458.56	427,311,458.56
	427,311,458.56	-

**Prepared by:**

**ALAN D. CHUEGAN**

Finance Officer B

**Certified Correct by:**

**JORIEL M. DAGSA**  
 Chief Corporate Accountant

**Noted by:**

**VIRGINIA V. OCTA**  
 Manager, Administration Dept.

**Recommending Approval:**

**CLAUDINE B. OROCIO-ISORENA**  
 DA for Administration and Legal Affairs

**APPROVED:**

**PATRICK LESTER N. TY**  
 Chief Regulator





Republic of the Philippines  
**MWSS - REGULATORY OFFICE**  
**STATEMENT OF CHANGES IN GOVERNMENT EQUITY**  
**For the Year Ended December 31, 2019**

<u>PARTICULARS</u>	<u>2019</u>	<u>2018</u> <u>(AS RESTATED)</u>	<u>INC/(DEC)</u>	<u>%</u>
<b>RETAINED EARNINGS - Beg. Balance</b>	<b>695,788,401.93</b>	<b>688,904,985.85</b>	<b>6,883,416.08</b>	<b>1%</b>
Adjustments:				
Dividends Paid -			-	
Prior Years/Adj't/Allocated cost/Errors	-	(64,832.92)	64,832.92	-100%
Change in Accounting Policy			-	
Correction of Fundamental Error on Depr.			-	
<b>ADJUSTED RETAINED EARNINGS</b>	<b>695,788,401.93</b>	<b>688,840,152.93</b>	<b>6,948,249.00</b>	<b>1%</b>
Add: Net Income	972,564.59	6,948,249.00	(5,975,684.41)	-86%
Less: Reserved - Appropriation for contingencies				
<b>RETAINED EARNINGS - Ending Balance</b>	<b>696,760,966.52</b>	<b>695,788,401.93</b>	<b>972,564.59</b>	<b>0%</b>

Prepared by:

  
**JORIEL DAGOSA**  
Chief Corporate Accountant

Noted by:

  
**VIRGINIA V. OCTA**  
DM for Administration

Recommending Approval:

  
**CLAUDINE B. OROCIO - ISORENA**  
DA - Admin & Legal Affairs

Approved:

  
**PATRICK LESTERN. TY**  
Chief Regulator



Republic of the Philippines  
**MWSS - REGULATORY OFFICE**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
For the Year Ended December 31, 2019

PARTICULARS	BUDGETED AMOUNTS		ACTUAL AMOUNTS	DIFFERENCE: FINAL BUDGET AND ACTUAL
	ORIGINAL	FINAL		
SOURCES OF FUNDS:				
Projected Free Cash	178,055,000.00	178,055,000.00	178,055,000.00	-
Concession Fee Allocation	121,055,000.00	121,055,000.00	121,055,000.00	-
Interest Income	-	-	4,386,747.22	4,386,747.22
Miscellaneous Income	-	-	160.00	160.00
TOTAL SOURCES OF FUNDS	299,110,000.00	299,110,000.00	303,496,907.22	4,386,907.22
EXPENDITURES				
Personnel Services (PS)	75,285,000.00	75,285,000.00	65,728,864.56	(9,556,135.44)
Maintenance & Other Operating Exp (MOOE)	90,223,000.00	87,679,000.00	69,076,966.41	(18,602,033.59)
Capital Outlays (CO)	133,602,000.00	133,602,000.00	98,991,206.96	(34,610,793.04)
TOTAL EXPENDITURES	299,110,000.00	296,566,000.00	233,797,037.93	(62,768,962.07)
SURPLUS (DEFICIT) FOR THE PERIOD	-	2,544,000.00	69,699,869.29	67,155,869.29

Prepared and Certified Correct by:

  
**JORIEL DAGOSA**  
Chief Corporate Accountant

Noted by:

  
**VIRGINIA V. OCTA**  
DM for Administration

Recommending Approval:

  
**CLAUDINE B. OROCIO - ISORENA**  
DA - Admin & Legal Affairs

Approved:

  
**PATRICK LESTER N. TY**  
Chief Regulator





Republic of the Philippines  
**MWSS - REGULATORY OFFICE**  
**PERSONNEL SERVICES**  
For the Year Ended December 31, 2019

ACT NO.	ACCOUNT DESCRIPTION	TYPE	2019	2018 (AS RESTATED)
5-01-01-010	SALARIES & WAGES - REGULAR	PS	42,866,387.12	35,410,891.30
5-01-01-020	SALARIES & WAGES - CONTRACTUAL	PS	-	-
5-01-02-010	PERA	PS	1,494,657.14	1,452,784.56
5-01-02-020	REPRESENTATION ALLOWANCE	PS	1,351,875.00	1,327,504.00
5-01-02-030	TRANSPORTATION ALLOWANCE	PS	820,060.00	1,104,993.97
5-01-02-040	CLOTHING/UNIFORM ALLOWANCE	PS	390,000.00	348,500.00
5-01-02-050	SUBSISTENCE, COLA, AMELIORATION	PS	-	-
5-01-02-080	PRODUCTIVITY INCENTIVE ALLOWANCE	PS	915,000.00	293,500.00
5-01-02-100	HONORARIA	PS	-	-
5-01-02-110	HAZARD PAY	PS	-	-
5-01-02-120	LONGEVITY PAY	PS	35,000.00	20,000.00
5-01-02-130	OVERTIME AND NIGHT PAY	PS	195,604.73	335,627.28
5-01-02-140	YEAR END BONUS (13TH MO.)	PS	3,644,422.70	2,963,526.00
5-01-02-150	CASH GIFT	PS	316,500.00	288,000.00
5-01-02-990	OTHER BONUSES & ALLOWANCES	PS	3,462,113.00	2,824,013.00
5-01-03-010	LIFE & RETIREMENT INS. CONTRIB	PS	5,144,860.03	4,265,090.49
5-01-03-020	PAG-IBIG CONTRIBUTIONS	PS	75,000.00	70,400.00
5-01-03-030	PHILHEALTH CONTRIBUTIONS	PS	347,661.70	317,351.93
5-01-03-040	ECC CONTRIBUTIONS	PS	75,100.00	70,700.00
5-01-03-050	PROVIDENT FUND BENEFITS	PS	-	-
5-01-04-030	TERMINAL LEAVE BENEFITS	PS	2,222,066.54	4,238,343.21
5-01-04-990	OTHER PERSONNEL BENEFITS	PS	2,372,556.60	2,146,528.30
<b>TOTAL PERSONAL SERVICES</b>			<b>65,728,864.56</b>	<b>57,477,754.04</b>

Prepared and Certified Correct by:

  
**JORIEL DAGOSA**  
Chief Corporate Accountant

Recommending Approval:

  
**CLAUDINE B. OROCIO - ISORENA**  
DA - Admin & Legal Affairs

Noted by:

  
**VIRGINIA V. OCTA**  
DM for Administration

Approved:

  
**PATRICK LESTER N. TY**  
Chief Regulator



Republic of the Philippines  
**MWSS - REGULATORY OFFICE**  
**MAINTENANCE AND OTHER OPERATING EXPENSES (MOOE)**  
For the Year Ended December 31, 2019

ACT NO.	ACCOUNT DESCRIPTION	TYPE	2019	2018 (AS RESTATED)
5-02-01-010	TRAVELLING EXP - LOCAL	MOOE	1,449,893.96	510,212.04
5-02-01-020	TRAVELLING EXP - FOREIGN	MOOE	-	-
5-02-02-010	TRAINING EXPENSES	MOOE	2,553,708.48	3,347,353.47
5-02-02-020	SCHOLARSHIP EXPENSES	MOOE	-	-
5-02-03-010	OFFICE SUPPLIES	MOOE	778,813.26	592,245.75
5-02-03-070	MAINTENANCE, SAMPLING & OTHER CONSUMABLE SU	MOOE	289,103.75	351,245.90
5-02-03-090	GASOLINE, OIL AND LUBRICANTS	MOOE	1,191,069.52	926,986.32
5-02-03-990	OTHER SUPPLIES EXPENSE	MOOE	427,506.23	266,264.55
5-02-04-010	WATER EXPENSES	MOOE	992,449.52	-
5-02-04-020	ELECTRICITY EXPENSE	MOOE	2,287,701.84	2,395,027.95
5-02-05-010	POSTAGE AND DELIVERIES	MOOE	59,310.00	64,237.00
5-02-05-020	TELEPHONE EXPENSES - LANDLINE	MOOE	801,953.43	789,614.61
5-02-05-030	INTERNET EXPENSE	MOOE	73,597.55	4,350.00
5-02-07-010	SURVEY EXPENSES - PAWS UPNEC	MOOE	-	-
5-02-10-030	EXTRAORDINARY AND MISCELLANEOUS EXPENSES	MOOE	529,952.49	572,181.66
5-02-11-010	LEGAL SERVICES-Appeals	MOOE	-	-
5-02-11-020	AUDITING SERVICES	MOOE	87,719.06	8,624.55
5-02-11-030	CONSULTANCY	MOOE	18,796,370.67	50,605,926.10
5-02-11-990	OTHER PROFESSIONAL SERVICES	MOOE	13,772,444.70	11,610,187.15
5-02-12-010	ENVIRONMENT/SANITARY SERVICES	MOOE	-	-
5-02-12-020	JANITORIAL SERVICES	MOOE	845,304.76	1,215,075.99
5-02-12-030	SECURITY SERVICES	MOOE	1,043,089.26	1,333,178.20
5-02-13-040	R&M - OFFICE BUILDINGS	MOOE	26,971.40	54,634.55
5-02-13-050	R&M - MACHINERY & EQUIPMENT	MOOE	894,785.50	291,182.00
5-02-13-060	R&M - MOTOR VEHICLES	MOOE	371,030.02	195,778.76
5-02-13-070	R&M - FURNITURE & FIXTURES	MOOE	-	3,200.00
5-02-15-010	TAXES, DUTIES AND LICENSES	MOOE	28,181.54	30,621.54
5-02-15-020	FIDELITY BOND PREMIUMS	MOOE	63,000.00	60,000.00
5-02-15-030	INSURANCE EXPENSE	MOOE	100,174.00	80,556.54
5-02-99-010	ADVERTISING EXPENSES	MOOE	385,976.44	527,076.18
5-02-99-020	PRINTING AND BINDING EXPENSES	MOOE	431,576.25	62,719.00
5-02-99-030	REPRESENTATION EXPENSES	MOOE	334,111.36	443,453.41
5-02-99-040	TRANSPORTATION EXPENSES	MOOE	-	-
5-02-99-050	RENT EXPENSE	MOOE	850,395.22	944,924.82
5-02-99-060	MEMEBRSHIP DUES/CONTRI TO ORG	MOOE	-	-
5-02-99-070	SUBSCRIPTION EXPENSES	MOOE	1,786,064.07	1,939,696.66
5-02-99-080	DONATIONS	MOOE	-	-
5-02-99-990	OTHER MOOE	MOOE	2,920,936.13	2,707,019.36
<b>TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES</b>			<b>54,173,190.41</b>	<b>81,933,574.06</b>

Prepared and Certified Correct by:

**JORIEL DAGOSA**  
Chief Corporate Accountant

Noted by:

**VIRGINIA V. OCTA**  
DM for Administration

Recommending Approval:

**CLAUDINE B. OROCIO - ISORENA**  
DA - Admin & Legal Affairs

Approved:

**PATRICK LESTER N. TY**  
Chief Regulator





Republic of the Philippines  
**MWSS - REGULATORY OFFICE**  
**POST CLOSING TRIAL BALANCE**  
 December 31, 2019

Account Description	Revised Acct. Code	BALANCES	
		Dr	Cr
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
<b>CASH AND CASH EQUIVALENTS</b>			
<b>CASH-CASH ON HAND</b>			
CASH - Cash Collecting Officer	1-01-01-010	-	-
PETTY CASH FUND	1-01-01-020	-	-
<b>CASH IN BANK - LOCAL CURRENCY</b>			
CASH CIB-LC, Current Account	1-01-02-020	108,592,635.20	-
CASH CIB-LC, Savings Account	1-01-02-030	-	-
<b>CASH IN BANK - FOREIGN CURRENCY</b>			
<b>CASH EQUIVALENT</b>			
TIME DEPOSITS - LOCAL CURRENCY	1-01-05-020	317,323,615.64	-
TIME DEPOSITS - FOREIGN CURRENCY	1-01-05-030	1,395,207.72	-
<b>RECEIVABLES</b>			
<b>LOANS AND RECEIVABLES</b>			
INTEREST RECEIVABLE	1-03-01-050	817,651.15	-
LOANS RECEIVABLE -OTHERS	1-03-01-990	37,152,276.81	-
<b>INTRA-AGENCY RECEIVABLES</b>			
DUE FROM CENTRAL OFFICE/HOME OFF	1-03-04-060	-	-
<b>OTHER RECEIVABLES</b>			
DUE FROM OFFICERS AND EMPLOYEES	1-03-05-020	79,749,263.18	-
OTHER RECEIVABLES	1-03-05-990	283,004.27	-
<b>INVENTORIES</b>			
<b>SUPPLIES</b>			
OFFICE SUPPLIES INVENTORY	1-04-04-010	-	-
SPARE PARTS INVENTORY	1-04-04-990	-	-
<b>PROPERTY, PLANT AND EQUIPMENT</b>			
<b>BUILDINGS AND OTHER STRUCTURE</b>			
BUILDING	1-06-04-010	2,815,427.54	
Accum. Depre. - Office Bldg	1-06-04-011		2,533,884.79
<b>MACHINERY AND EQUIPMENT</b>			
OFFICE EQUIPMENT	1-06-05-020	3,364,111.31	
Accum. Depre. - Office Eqpt.	1-06-05-021		1,654,498.43
IT EQUIPMENT & SOFTWARE	1-06-05-030	126,520,885.69	
Accum. Depre. - IT Eqpt.	1-06-05-031		109,760,284.89
COMMUNICATION EQUIPMENT	1-06-05-070	396,113.21	
Accum. Depre. - Comm. Eqpt.	1-06-05-071		197,171.88
MEDICAL, DENTAL & LAB EQPT.	1-06-05-110	-	





Republic of the Philippines  
**MWSS - REGULATORY OFFICE**  
**POST CLOSING TRIAL BALANCE**

December 31, 2019

Account Description	Revised Acct. Code	BALANCES	
		Dr	Cr
Accum. Depre. - Medical Eqpt.	1-06-05-111		-
<b>SPORTS EQUIPMENT</b>	<b>1-06-05-130</b>	222,191.75	
Accum. Depre. - Sports Eqpt.	1-06-05-131		113,274.08
<b>TECHNICAL &amp; SCIENTIFIC EQPT.</b>	<b>1-06-05-140</b>	3,294,530.44	
Accum. Depre. - Technical & Sc	1-06-05-141		2,867,385.26
<b>OTHER MACHINERIES AND EQUIPMENT</b>	<b>1-06-05-990</b>	1,428,047.36	-
Accum Depre.-OME	1-06-05-991		1,151,094.88
<b>TRANSPORTATION EQUIPMENT</b>			
<b>MOTOR VEHICLES</b>	<b>1-06-06-010</b>	15,858,011.17	
Accum. Depre. - Motor Vehicle	1-06-06-011		7,198,137.70
<b>FURNITURE, FIXTURES AND BOOKS</b>			
<b>FURNITURE &amp; FIXTURES</b>	<b>1-06-07-010</b>	4,321,110.15	
Accum. Depre. - Furniture & Fi	1-06-07-011		3,744,523.21
<b>LIBRARY BOOKS</b>	<b>1-06-07-020</b>	494,451.00	
Accum. Depre. - Library Books	1-06-07-021		445,005.90
<b>CONSTRUCTION IN PROGRESS</b>			
<b>BUILDING &amp; OTHER STRUCTURES</b>	<b>1-06-99-030</b>	24,276,291.25	
<b>OTHER ASSETS</b>			
<b>ADVANCES</b>			
<b>ADVANCES TO SDO</b>	<b>1-99-01-030</b>	478,044.09	
<b>PREPAYMENTS</b>			
<b>ADVANCES TO CONTRACTORS</b>	<b>1-99-02-010</b>	15,985,633.72	
<b>PREPAID INSURANCE</b>	<b>1-99-02-050</b>	60,884.09	
<b>OTHER PREPAID EXPENSES</b>	<b>1-99-02-990</b>	-	145,854.72
<b>DEPOSITS</b>			
<b>GUARANTY DEPOSITS</b>	<b>1-99-03-020</b>	264,625.00	-
<b>RESTRICTED FUND</b>			
<b>RESTRICTED FUND</b>	<b>1-99-04-010</b>	103,381,818.91	
<b>OTHER ASSETS</b>			
<b>OTHER ASSETS</b>	<b>1-99-99-990</b>	1,698,290.46	
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
<b>FINANCIAL LIABILITIES</b>			
<b>ACCOUNTS PAYABLE</b>	<b>2-01-01-010</b>		6,674,158.27
<b>DUE TO OFFICERS &amp; EMPLOYEES</b>	<b>2-01-01-020</b>		13,468,602.15
<b>INTEREST PAYABLE</b>	<b>2-01-01-050</b>		-
<b>LOANS PAYABLE - FOREIGN</b>	<b>2-01-02-050</b>		-
<b>INTER-AGENCY PAYABLES</b>			





Republic of the Philippines  
**MWSS - REGULATORY OFFICE**  
**POST CLOSING TRIAL BALANCE**  
December 31, 2019

Account Description	Revised Acct. Code	BALANCES	
		Dr	Cr
DUE TO BIR	2-02-01-010		333,154.55
DUE TO GSIS	2-02-01-020		349.71
DUE TO PAG-IBIG	2-02-01-030		6,251.39
DUE TO PHILHEALTH	2-02-01-040		(3,551.10)
<b>INTRA-AGENCY PAYABLES</b>			
DUE TO OPERATING UNITS	2-03-01-040		(100.00)
DUE TO OTHER FUNDS	2-03-01-050		-
DUE TO C.O.	2-03-01-060		426,855.29
<b>TRUST LIABILITIES</b>			
PERFORMANCE/BIDDERS BOND	2-04-01-040	-	-
TRUST LIABILITIES - BAC	2-04-01-010	-	2,032,234.18
<b>DEFERRED CREDITS</b>			
OTHER DEFERRED CREDITS	2-05-01-020	-	-
<b>OTHER PAYABLES</b>			
DIVIDENDS PAYABLE	2-99-99-090		-
OTHER PAYABLES	2-99-99-990	-	664,084.41
<b>GOVERNMENT EQUITY</b>			
RETAINED EARNINGS	3-07-01-010		696,760,966.52

TOTAL

850,174,121.11

850,174,121.11

Prepared by:

  
Joriel M. Dagsa  
Chief Corp. Accountant





Republic of the Philippines  
**MWSS - REGULATORY OFFICE**  
**PRE-CLOSING DETAILED TRIAL BALANCE**  
**December 31, 2019**

<u>Account Description</u>	<u>Revised Acct Code</u>	<u>Dr</u>	<u>Cr.</u>
CASH CIB-LC, C/A- LBP Regular	1-01-02-020-02	97,645,070.13	-
CASH CIB-LC, C/A-LBP MVFP/MPLP	1-01-02-020-03	9,676,591.32	-
CASH CIB-LC, C/A- PNB Regular	1-01-02-020-04	1,242,351.30	-
CASH CIB-LC, C/A- PNB MVFP	1-01-02-020-05	28,622.45	-
CASH CIB-LC, TD - LBP Special	1-01-05-020-02	317,323,615.64	-
CASH CIB-FC, TD - LBP Dollars	1-01-05-030-01	1,395,207.72	-
DUE FROM OE - Cash Advance	1-99-01-030-00	478,044.09	-
DUE FROM OE - Health Insurance	1-03-05-020-01	954,839.94	-
DUE FROM OE - MVFP Insurance	1-03-05-020-02	75,614.55	-
DUE FROM OE - Others	1-03-05-020-03	78,561,216.68	-
DUE FROM OE - Phone Calls	1-03-05-020-04	157,592.01	-
LOANS RECEIVABLE - MVFP/HOUSNG	1-03-01-990-00	37,152,276.81	-
INTEREST RECEIVABLE	1-03-01-050-00	817,651.15	-
OTHER RECEIVABLES	1-03-05-990-00	283,004.27	-
PREPAID INSURANCE	1-99-02-050-00	60,884.09	-
ADVANCES - BUILDING	1-99-02-010-01	11,053,381.09	-
181-UPNEC PAWS P2 Y5	1-99-02-010-07	4,932,252.63	-
OTHER PREPAID - WF Gov't	1-99-02-990-00	-	145,854.72
GUARANTY DEP - Airfare	1-99-03-020-01	200,000.00	-
GUARANTY DEP - Cellphone	1-99-03-020-03	17,125.00	-
GUARANTY DEP - GAS	1-99-03-020-04	40,000.00	-
GUARANTY DEP - COPIERS	1-99-03-020-05	7,500.00	-
OFFICE BUILDINGS	1-06-04-010-00	2,815,427.54	-
Accum. Depre. - Office Bldg	1-06-04-011-00	-	2,533,884.79
OFFICE EQUIPMENT	1-06-05-020-00	3,364,111.31	-
Accum. Depre. - Office Eqpt.	1-06-05-021-00	-	1,654,498.43
FURNITURE & FIXTURES	1-06-07-010-00	4,321,110.15	-
Accum. Depre. - Furniture & Fi	1-06-07-011-00	-	3,744,523.21
IT EQUIPMENT & SOFTWARE	1-06-05-030-00	126,520,885.69	-
Accum. Depre. - IT Eqpt.	1-06-05-031-00	-	109,760,284.89
LIBRARY BOOKS	1-06-07-020-00	494,451.00	-
Accum. Depre. - Library Books	1-06-07-021-00	-	445,005.90
COMMUNICATION EQUIPMENT	1-06-05-070-00	396,113.21	-
Accum. Depre. - Comm. Eqpt.	1-06-05-071-00	-	197,171.88
SPORTS EQUIPMENT	1-06-05-130-00	222,191.75	-
Accum. Depre. - Sports Eqpt.	1-06-05-131-00	-	113,274.08
TECHNICAL & SCIENTIFIC EQPT.	1-06-05-140-00	3,294,530.44	-
Accum. Depre. - Technical & Sc	1-06-05-141-00	-	2,867,385.26
OM & E - Elect & Cooling	1-06-05-990-10	536,217.32	-
Accum Depre.-OME- Elec & Cooli	1-06-05-991-11	-	482,595.59
O M & E - Tools	1-06-05-990-20	44,800.00	-
Accum Depre.-OME- Tools	1-06-05-991-21	-	40,320.00





Republic of the Philippines  
**MWSS - REGULATORY OFFICE**  
**PRE-CLOSING DETAILED TRIAL BALANCE**  
**December 31, 2019**

<u>Account Description</u>	<u>Revised Acct Code</u>	<u>Dr</u>	<u>Cr.</u>
O M & E - Appliances	1-06-05-990-30	144,289.00	-
Accum Depre.-OME- Appliances	1-06-05-991-31	-	129,263.21
O M & E - Audio Visual	1-06-05-990-40	702,741.04	-
Accum Depre.-OME- Audio Visual	1-06-05-991-41	-	498,916.08
MOTOR VEHICLES	1-06-06-010-00	15,858,011.17	-
Accum. Depre. - Motor Vehicle	1-06-06-011-00	-	7,198,137.70
Construction in Progress - Buildings & Other	1-06-99-030-00	24,276,291.25	-
RESTRICTED FUND/ASSETS	1-99-04-010-00	103,381,818.91	-
OTHERS ASSETS	1-99-99-990-07	1,698,290.46	-
A/P-Vouchers Payable	2-01-01-010-01	-	4,246,529.14
A/P-Accrued Expenses - MOOE	2-01-01-010-02	-	2,427,629.13
DUE TO OE - Claims	2-01-01-020-02	-	13,468,602.15
DUE TO BIR - ITW Employees	2-02-01-010-01	-	315,506.53
DUE TO BIR - VAT Professionals	2-02-01-010-03	-	1,409.12
DUE TO BIR - EWT Supplrs/Servi	2-02-01-010-04	-	20,428.35
DUE to BIR - Final Vat Withhld	2-02-01-010-05	4,189.45	-
DUE TO GSIS - Employee Share	2-02-01-020-02	-	349.71
DUE TO PAG-IBIG - Gov't.Share	2-02-01-030-01	4,000.00	-
DUE TO PAG-IBIG - Employee Sha	2-02-01-030-02	-	3,950.00
DUE TO PAG-IBIG - Empl Loans	2-02-01-030-03	-	6,301.39
DUE TO PHILHEALTH - Gov't. Sha	2-02-01-040-01	-	725.00
DUE TO PHILHEALTH - Empl. Shar	2-02-01-040-02	4,276.10	-
DUE TO C.O.	2-03-01-060-00	-	426,855.29
DUE TO OPTNG U - RO Tubig Due	2-03-01-040-00	100.00	-
PERFORMANCE/BIDDERS BOND	2-04-01-010-00	-	2,032,234.18
OTHER PAYABLES	2-99-99-990-00	-	664,084.41
RETAINED EARNINGS	3-07-01-010-00	-	695,788,401.93
INCOME FROM WATERWORKS	4-02-01-990-00	-	121,055,000.00
INTEREST INCOME - Bank Deposit	4-02-02-210-01	-	4,283,829.13
INTEREST INCOME - MVFP	4-02-02-210-02	-	102,918.09
MISCELLANEOUS INCOME	4-06-03-990-00	-	160.00
GAIN/LOSS ON FOREX	4-05-01-010-00	641,298.29	-
SALARIES & WAGES - REGULAR	5-01-01-010-00	42,866,387.12	-
PERA	5-01-02-010-00	1,494,657.14	-
REPRESENTATION ALLOWANCE	5-01-02-020-00	1,351,875.00	-
TRANSPORTATION ALLOWANCE	5-01-02-030-00	820,060.00	-
CLOTHING/UNIFORM ALLOWANCE	5-01-02-040-00	390,000.00	-
PRODUCTIVITY INCNTV - Others	5-01-02-080-03	915,000.00	-
OTHER BONUSES & ALL - Others	5-01-02-990-01	3,462,113.00	-
OVERTIME AND NIGHT PAY	5-01-02-130-00	195,604.73	-
CASH GIFT	5-01-02-150-00	316,500.00	-
YEAR END BONUS	5-01-02-140-00	3,644,422.70	-





Republic of the Philippines

# **MWSS - REGULATORY OFFICE** **PRE-CLOSING DETAILED TRIAL BALANCE**

December 31, 2019

<u>Account Description</u>	<u>Revised Acct Code</u>	<u>Dr</u>	<u>Cr.</u>
LIFE & RETIREMENT INS. CONTRIB	5-01-03-010-00	5,144,860.03	-
PAG-IBIG CONTRIBUTIONS	5-01-03-020-00	75,000.00	-
PHILHEALTH CONTRIBUTIONS	5-01-03-030-00	347,661.70	-
ECC CONTRIBUTIONS	5-01-03-040-00	75,100.00	-
TERMINAL LEAVE BENEFITS	5-01-04-030-00	2,222,066.54	-
LOYALTY AWARD BENEFITS	5-01-02-120-01	35,000.00	-
OTHER PERSONNEL BENEFITS - CNA	5-01-04-990-03	2,372,556.60	-
TRAVELLING EXP-LOCAL-Allowance	5-02-01-010-02	1,051,008.00	-
TRAVELLING EXP-LOCAL-Air&Sea	5-02-01-010-03	281,172.41	-
TRAVELLING EXP-LOCAL-Inland	5-02-01-010-04	117,713.55	-
TRAINING EXPENSES	5-02-02-010-00	2,553,708.48	-
OFFICE SUPPLIES - Off Supplies	5-02-03-010-01	574,693.26	-
OFFICE SUPPLIES - Computer Sup	5-02-03-010-02	204,120.00	-
MAINTENANCE, SAMPLING & OTHER COM	5-02-03-070-00	289,103.75	-
GASOLINE, OIL AND LUBRICANTS	5-02-03-090-00	1,191,069.52	-
OTHER SUPPLIES EXPENSE	5-02-03-990-00	427,506.23	-
WATER EXPENSES	5-02-04-010-00	992,449.52	-
ELECTRICITY EXPENSES	5-02-04-020-00	2,287,701.84	-
POSTAGE AND DELIVERIES	5-02-05-010-00	59,310.00	-
TELEPHONE EXPENSES - LANDLINE	5-02-05-020-01	230,975.79	-
TELEPHONE EXPENSES - MOBILE	5-02-05-020-02	570,977.64	-
INTERNET EXPENSE	5-02-05-030-00	73,597.55	-
ADVERTISING EXPENSES	5-02-99-010-00	385,976.44	-
PRINTING AND BINDING EXPENSES	5-02-99-020-00	431,576.25	-
RENT EXPENSE - COPIERS	5-02-99-050-01	226,557.57	-
RENT EXPENSE - Others	5-02-99-050-02	623,837.65	-
REPRESENTATION EXPENSES	5-02-99-030-00	334,111.36	-
SUBSCRIPTION EXPNSSES	5-02-99-070-00	1,786,064.07	-
AUDITING SERVICES	5-02-11-020-00	87,719.06	-
CONSULTANCY - ACR/CAPEX/Service Obli	5-02-11-030-02	11,592,224.00	-
CONSULTANCY - Rate/tariff Restr/Regulator	5-02-11-030-04	3,915,146.67	-
CONSULTANCY - CUSTOMER SURVEY	5-02-11-030-06	3,289,000.00	-
JANITORIAL SERVICES	5-02-12-020-00	845,304.76	-
SECURITY SERVICES	5-02-12-030-00	1,043,089.26	-
OTHER PROF SRVCS - WQ Test	5-02-11-990-01	3,820,905.00	-
OTHER PROF SRVCS - Others	5-02-11-990-03	9,951,539.70	-
R&M - OFFICE BUILDINGS	5-02-13-040-01	26,971.40	-
R&M - OFFICE EQUIPMENT	5-02-13-050-01	28,558.00	-
R&M - IT EQPT & SOFTWARE	5-02-13-050-02	768,227.50	-
R&M - OTHER EQPT.- ELECTRICAL & COC	5-02-13-050-13	98,000.00	-
R&M - MOTOR VEHICLES	5-02-13-060-01	371,030.02	-
EXTRAORDINARY & MISCELLANEOUS EX	5-02-10-030-00	529,952.49	-





Republic of the Philippines  
**MWSS - REGULATORY OFFICE**  
**PRE-CLOSING DETAILED TRIAL BALANCE**

December 31, 2019

<u>Account Description</u>	<u>Revised Acct Code</u>	<u>Dr</u>	<u>Cr.</u>
MISCELLANEOUS EXPENSES	5-02-99-990-04	74,812.43	-
TAXES, DUTIES & LIC.-Veh Regis	5-02-15-010-01	28,181.54	-
FIDELITY BOND PREMIUMS	5-02-15-020-00	63,000.00	-
INSURANCE EXP.- Vehicle Insura	5-02-15-030-01	100,174.00	-
DEPRECIATION - OFFICE EQPT.	5-05-01-050-01	519,782.43	-
DEPRECIATION - FURN & FIXTURES	5-05-01-070-01	92,990.16	-
DEPRECIATION - IT Equipment	5-05-01-050-02	1,308,121.78	-
DEPRECIATION - Communication E	5-05-01-050-04	40,680.00	-
DEPRECIATION - Sports Eqpt.	5-05-01-050-07	12,239.88	-
DEPRECIATION - Technical & Sci	5-05-01-050-08	26,266.56	-
Depre. - OM&E - Elec & Cooling	5-05-01-050-13	585.00	-
Depre. - OM&E - Appliances	5-05-01-050-12	3,581.52	-
Depre. - OM&E - Audio Visual	5-05-01-050-10	34,354.44	-
DEPRECIATION - Motor Vehicle	5-05-01-060-01	1,878,387.60	-
OTHER MOOE - GAD & CULTURAL	5-02-99-990-02	2,846,123.70	-
BANK CHARGES	5-03-01-040-00	9,000.00	-
<b>TOTAL</b>		<b>974,656,029.29</b>	<b>974,656,029.29</b>

Prepared by:

  
**Joriel M. Dagsa**  
Chief-Corp. Accountant

**METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM – REGULATORY OFFICE**  
**Notes to Financial Statements**  
**For the year ended December 31, 2019**

**1. GENERAL INFORMATION/ENTITY PROFILE**

The Metropolitan Waterworks and Sewerage System (MWSS) holds the distinction of being one of the oldest and most formidable government organizations in the Philippines. Its roots were traced to the first water system laid out in old Manila in 1878 from funds donated by Spanish philanthropist Francisco Carriedo y Peredo.

The construction of a water system in 1878 delivered 16 million liters of water per day (MLD) to 300,000 people. Its main objective was to improve the people's health and living conditions through clean drinking water.

The Carriedo System had evolved from the Manila Water Supply System in 1908 to Metropolitan Water District in 1919. Thirty-five years later, it became the National Waterworks and Sewerage Authority (NAWASA).

The government changed its nomenclature again in 1972 to Metropolitan Waterworks and Sewerage System (MWSS), by which it is known to this date. From a national agency, attending to water needs of the entire Philippines, the MWSS by virtue of its Charter was tasked to provide water to Metro Manila and environs.

The MWSS, in spite of all its efforts, through the years has hardly satisfied the needs of the consuming public. Manifestations of which was the increasing demand for better water services across the sub-sectors. This dilemma basically paved the way for the government to introduce urgent and significant measures for conservation of the water resources and improve the management of the water industry.

Many laws were promulgated for the purpose of addressing the water crisis. However, the most significant and related to the operation of the water utilities, among others, was the National Water Crisis Act of 1995 (RA #8041). This law states the need for the government to adopt urgent and effective measures to address the nationwide water crisis which adversely affects the health and well being of the population, food production and industrialization process.

These was followed by the enactment of Executive Order No. 286 which affected the reorganization of the MWSS and Local Water Utilities Administration (LWUA) to enable these agencies to become more effective, efficient and responsive to the country's needs for potable water.

In March 1996, Executive Order No. 311 was implemented. This policy encouraged the private sector's participation in the operation and facilities of MWSS.

As a result of these numerous adjustments, the MWSS – on its 120th years of continued service to the people was privatized. This bold move was aimed at improving the water delivery service.



The responsibility to operate and improve waterworks system was passed on to the two private consortia in conformity to the Concession Agreement. This contractual agreement was entered into by the Republic of the Philippines through the MWSS, the Maynilad Water Services Inc. (MWSI) for the West Zone and the Manila Water Company, Inc. (MWCI) for the East Zone.

### **The Regulatory Office**

The MWSS Regulatory Office (RO) was created in August 1997 by virtue of the Concession Agreements signed between the MWSS and the two concessionaires, Manila Water Company, Inc. for the East Zone and Maynilad Water Services, Inc. for the West Zone.

RO functions as a collegial body composed of five members headed by the Director or Chief Regulator who has over-all responsibility for the operation of the office. Other members are the Regulators for Technical Regulation, Customer Service Regulation, Financial Regulation and Administration and Legal Affairs.

Any action or decision by the RO on substantive matters affecting the Concession Agreement requires at least a majority vote of three members. The Chief Regulator chairs the meeting of the Regulatory Office and has the final approval over the hiring and dismissal of all professional staff of the RO. He also acts as the principal spokesperson of the office.

RO is mandated to monitor the Concession Agreement. Among its many functions, RO reviews, monitor and enforces rates and service standards; arranges and reports regular independent audits of the performance of the Concessionaires; and monitors the infrastructure assets. However, RO's functions may change over time for effective regulation of water and sewerage services.

### **CY 2018 Rate Rebasing**

In CY 2018, Rate Rebasing (RR) was performed which served as basis for reviewing the performance as well as to determine the new business plan that the MWCI and MWSI will undertake. The exercise will also ensure that notwithstanding the changes in the economic and operating assumptions, both concessionaires will be able to recover all its expenditures (Opex, Capex and Income Taxes), plus guaranteed rate of return. As such, the exercise will serve as one of the major drivers of tariff adjustments under the CA.

Section 9.2 of the CA provides that the Standard Rates for water and sewerage services shall be adjusted each year effective January 1 of each Charging Year. In accordance with (i) the Rate Adjustment Limit set forth in Section 9.2.1., (ii) the adjustment principles set forth in Section 9.2.2 and (iii) the procedures set forth in Sec. 9.2.3.

Rate Adjustment Limit (RAL) is defined as the percentage, either positive or negative, equal to the sum of "C" or the percentage change in the Consumer Price Index, "E" or Extraordinary Price Adjustment and "R" or the Rate Rebasing Convergence Adjustment.

On May 25, 2017, after two failed biddings, the MWSS BOT issued Resolution No. 2017-056-RO that approved the Revised Terms of Reference (TOR) for the procurement services for the 4<sup>th</sup> RR and its Approved Budget for the Contract (ABC) amounting to P64,664,320.00

using the alternative method of procurement, Negotiated Procurement – Two Failed Biddings.

On August 31, 2017, only Test Consults, Inc. in joint venture with Constantino Guadalquivier & Co. (TCI/CGC) submitted its bid. After the procurement process, the MWSS BOT issued Resolution No. 2017-122-RO dated September 14, 2017 that awarded the contract for the consultancy services for the 4<sup>th</sup> RR (Contract No. RO-CS2017-001) with a total cost not exceeding P64,555,904.00 to TCI/CGC.

#### **Manila Water Company, Inc. (MWCI)**

On September 24, 2018, MWSS RO recommended to the MWSS BOT, among others, for Manila Water Company, Inc. the implementation of partial "R" on a staggered basis as scheduled below:

<b>Year</b>	<b>01 Jan 2019</b>	<b>01 Jan 2020</b>	<b>01 Jan 2021</b>	<b>01 Jan 2022</b>
Php/cu.m.	0.00	2.00	2.00	0.76

On September 27, 2018, as recommended by MWSS RO, the MWSS BOT issued Resolution No. 2018-145-RO for RR determination for Manila Water Company, Inc. for Charging Years 2018 to 2022.

#### **Maynilad Water Services, Inc. (MWSI)**

On September 7, 2018 after months of audit, series of meetings and consultations, the MWSS RO recommended to the MWSS BOT, among others, for Maynilad Water Services, Inc. the implementation of partial "R" on a staggered basis subject to the decision by the Supreme Court of the case docketed as G.R. No. 239938, to wit:

<b>Year</b>	<b>01 Jan 2019</b>	<b>01 Jan 2020</b>	<b>01 Jan 2021</b>	<b>01 Jan 2022</b>
Php/cu.m.	0.00	1.95	1.95	0.93

On September 13, 2018, as recommended by MWSS RO, the MWSS BOT issued Resolution No. 2018-136-RO for RR determination for Maynilad Water Services, Inc. for Charging Years 2018 to 2022.

#### **SOURCES OF FUNDS**

The following are the sources of funds of MWSS:

- a. Concession fees collected;
- b. Interest income on investments;
- c. Other incidental revenues

## **2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in compliance with the Philippine Public Sector Accounting Standards (PPSAS) prescribed by the Commission on Audit through COA Resolution No. 2014-003 dated January 24, 2014.



The financial statements are presented in peso (P), which is also the country's functional currency.

The preparation of financial statements in compliance with the adopted PPSAS requires the use of certain accounting estimates. It also requires the entity to exercise judgement in applying the entity's accounting policies.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **3.1 Basis of Accounting**

The financial statements are prepared on an accrual basis in accordance with the PPSAS.

#### **3.2 Financial Instruments**

##### **a. Financial assets**

##### **i. Initial recognition and measurement**

Financial assets within the scope of PPSAS 29 - Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, held-to-maturity investments, loans and receivables or available-for-sale financial assets, as appropriate. The MWSS RO determines the classification of its financial assets at initial recognition.

The MWSS RO's financial assets include cash and cash equivalents; trade and other trade receivables; and loans and other loans receivables.

##### **ii. Subsequent measurement**

##### **1. Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

##### **iii. Derecognition**

The MWSS RO derecognizes a financial asset or, where applicable, a part of a financial asset or part of MWSS RO of similar financial assets when:

1. the contractual rights to the cash flows from the financial asset expired or waived; and

2. the MWSS RO has transferred its contractual rights to receive the cash flows of the financial assets, or retains the contractual rights to receive the cash flows of the financial assets but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets the conditions set forth in PPSAS 29 – Financial Instruments: Recognition and Measurement; and either the entity has:
  - transferred substantially all the risks and rewards of ownership of the financial asset; or
  - neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, but has transferred the control of the asset.

#### **iv. Impairment of financial assets**

An assessment is made at each reporting date to determine whether there is any indication of impairment of assets, or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's value in use or its net selling price.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to operations in the year in which it arises.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

#### **b. Financial liabilities**

##### **i. Initial recognition and measurement**

Financial liabilities within the scope of PPSAS 29 are classified as financial liabilities at fair value through surplus or deficit, or loans and borrowings, as appropriate. The entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.



Property, plant and equipment (PPE) are composed of tangible assets that are purchased and acquired by MWSS RO from the start of Concession.

Depreciation of PPE commences once the properties become operational and available for use, and is calculated on a straight-line basis over the estimated useful lives of the property, plant and equipment.

Minor repairs and maintenance costs are expensed when incurred, while major repairs and/or those repairs that will prolong the useful lives of the assets are capitalized.

When property and equipment are retired or disposed of, the cost and the related accumulated depreciation, amortization and accumulated provision for impairment losses, as the case may be, are removed from the accounts and any resulting gain or loss is recognized in profit or loss.

The useful lives and the depreciation and amortization methods are reviewed periodically to ensure that they are consistent with the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

### **3.6 Construction in-progress**

Construction in-progress is stated at cost. While the construction is in progress, project costs are accrued based on the contractors' accomplishment reports and billings. These represent costs incurred for technical services and capital works program contracted to facilitate the implementation of the project. While the construction of the project is in progress, no provision for depreciation is recognized.

Construction in-progress is transferred to the related Property, Plant and Equipment account when the construction or installation and related activities necessary to prepare the property, plant and equipment for their intended use have been completed, and the property, plant and equipment are ready for service.

### **3.7 Long-term foreign loans**

Long-term foreign loans are recorded in peso based on the exchange rate at the time of withdrawal and are revalued at the end of each reporting date.

### **3.8 Revenue recognition**

All Concession fees billed/collected/received from the MWSS Corporate Office (CO) are treated as operating revenue.

Concession Fee – COB is the annual Current Operating Budget being paid by the concessionaires to MWSS for administrative expenditures subject to annual Consumer Price Index adjustment.

### **3.9 Foreign currency-denominated transactions**

Foreign currency-denominated transactions are recorded using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at reporting date. Foreign



exchange gains and losses arising from foreign currency fluctuations are recognized in profit or loss for the period.

### **3.10 Subsequent events**

All post year-end events up to the date the financial statements are authorized for issue that provide additional information about the MWSS RO's position at reporting date (adjusting events) are reflected in the financial statements. Any post year-end event that is material and not an adjusting event is disclosed in the notes to the financial statements.

### **3.11 Borrowing costs**

Borrowing costs are generally expensed as incurred. Borrowing costs that are directly attributable to the acquisition, development, improvement and construction of fixed assets (including costs incurred in connection with rehabilitation works) are capitalized as part of the cost of the asset. The capitalization commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all activities necessary in preparing the related assets for their intended use are complete.

### **3.12 Judgments and use of estimates**

The preparation of the accompanying financial statements in conformity with PPSAS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from such estimates.

### **3.13 Use of estimates**

Key assumptions concerning the future and other sources of estimation and uncertainty at the balance sheet 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.

### **3.14 Estimating allowance for impairment**

The MWSS RO maintains allowances for impairment at a level considered adequate to provide for potential losses on receivables. The level of this allowance is based on management's evaluation of collection experience and other factors that may affect collectability. The amount and timing of recorded expenses for any period would, therefore, differ depending on the judgments and estimates made for the year.

### **3.15 Estimated useful lives of property, plant and equipment**

The MWSS RO estimates the useful lives of its property, plant and equipment based on the period over which the assets are expected to be available for use. The MWSS RO reviews annually the estimated useful lives of property, plant and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information. It is possible that future results of operation could be materially



affected by changes in the MWSS RO's estimates brought about by changes in the factors mentioned.

### **3.16 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. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable. Contingent assets are not recognized unless virtually certain.

### **3.17 Changes in Accounting Policies and Estimates**

The MWSS recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

The MWSS recognizes the effects of changes in accounting estimates prospectively through surplus or deficit.

### **3.18 Budget Information**

The annual budget is prepared on a cash basis and is published in the government website.

A separate Statement of Comparison of Budget and Actual Amounts (SCBAA) is prepared since the budget and the financial statements are not prepared on comparable basis. The SCBAA is presented showing the original and final budget and the actual amounts on comparable basis to the budget. Explanatory comments are provided in the notes to the annual financial statements.

The annual budget figures included in the financial statements are for the MWSS RO and therefore exclude the budget for MWSS CO. These budget figures are those approved by the governing body both at the beginning and during the year following a period of consultation with the public.

## **4. CHANGES IN ACCOUNTING POLICIES**

MWSS RO adopted the following new accounting policy:

### **4.1. Notes to FS**

MWSS adopted the PPSAS No. 1 – Presentation of Financial Statements. The new standard includes the requirement for Notes to FS to provide narrative descriptions or disaggregation of items disclosed in those statements and information that do not qualify recognition in the statement of financial position, statement of financial performance, statement in changes in government equity, and cash flow statement. Preparation of Notes to FS shall take effect for years beginning January 1, 2019. This accounting change has no significant impact on MWSS' consolidated financial statements.

## **5. PRIOR PERIOD ADJUSTMENTS**

Particulars	As at December 31, 2019	As at December 31, 2018 (As restated)
Retained Earnings Beginning	695,788,401.93	688,904,985.85
PPA: Disposal of Vehicle	-	(64,832.92)
<b>Adjusted Retained Earnings</b>	<b>695,788,401.93</b>	<b>688,840,152.93</b>

The Prior Period Adjustment (PPA) account of the Regulatory Office totaling P64,832.92 for CY 2018 is directly attributable to the donation of one (1) unit Toyota Revo with plate no. SGZ123 to Public Safety Assistance Center in Brgy. Laiya Ibabao, San Juan, Batangas. The vehicle has a cost of P648,329.17 and has an accumulated depreciation of P583,496.25 with a book value of P64,832.92.

## 6. CASH AND CASH EQUIVALENTS

Particulars	2019	2018 (As Restated)
Cash on Hand	-	-
Cash in Bank – Local Currency	108,592,635.20	131,436,071.07
Cash in Bank – Foreign Currency	-	-
Cash – Modified Disbursement System	-	-
Cash Equivalent	318,718,823.36	346,147,701.75

### Cash and Cash Equivalent

**427,311,458.56**

**477,583,772.82**

- Cash on Hand* - This consists of the amount of collection with the Cash Collecting Officers and cash granted to Petty Cash Custodians for payment of authorized petty and miscellaneous expenses which cannot be conveniently paid thru check.
- Cash in Bank - Local Currency, Current Account* - This consists of cash in local currency deposited in current account with the Land Bank of the Philippines (LBP) that earn interest at respective bank deposit rates.
- Cash in Bank - Local Currency, Savings Account* - This consists of cash in local currency deposited in savings account with the Development Bank of the Philippines (DBP) and LBP that earn interest at respective bank deposit rates.
- Cash in Bank – Local Currency, Time Deposits* - This consists of placements in local currency time deposits with DBP and LBP that are made for varying period.
- Cash in Bank – Foreign Currency, Savings Account* - This represents balances of cash in foreign currency, deposited in savings account with the Bureau of the Treasury and LBP.
- Cash in Bank – Foreign Currency, Time Deposits* - This consists of placements in foreign currency time deposit with LBP.



## 7. RECEIVABLES

### 7.1. Loans and Receivables

Particulars	2019	2018 (As restated)
Accounts Receivable	-	-
<i>Allowance for Impairment –A/R</i>	-	-
Interests Receivable	817,651.15	973,077.45
Loans Receivable	37,152,276.81	40,299,428.52
<b>Total</b>	<b>37,969,927.96</b>	<b>41,272,505.97</b>

*Loans Receivable* Account represents the outstanding balance of the employees' multipurpose loan from MWSS RO loan facility. This includes secured loans for housing and motor vehicles on which collaterals were encumbered to the MWSS RO.

### 7.2. Other Receivables

Particulars	2019	2018 (As restated)
Receivables-Disallowances/Charges	78,508,955.00	78,508,955.00
Due from Officers and Employees	1,240,308.18	1,257,613.90
Other Receivables	283,004.27	283,004.27
<b>Total</b>	<b>80,032,267.45</b>	<b>80,049,573.17</b>

The *Other Receivables* account consists of the following:

Particulars	2019	2018 (As restated)
Receivables from Trustee Ferdinand Mahusay	196,000.00	196,000.00
Receivables prior 2008	87,004.27	87,004.27
<b>Total</b>	<b>283,004.27</b>	<b>283,004.27</b>

The *Receivables – Disallowances/ Charges* Account pertains to the COA Order of Execution No. 2016-097 for the enforcement of supreme court resolution on the refund of allowances, bonuses, incentives, and other benefits to the officials, and employees of MWSS RO and members of the MWSS Board of Trustees.

The *Due from Officers and Employees* Account includes receivables from phone, insurances, and medical advances.

Receivables prior 2008 were balances carried forward since the implementation of the Peachtree in year 2008. Some of the accounts are subject to reconciliation while some are to be requested for write off in which there is a high probability of uncertainty of collection.

## 8. OTHER ASSETS



## 8.1. Current and Non-Current Other Assets

Particulars	2019			2018		
	Current	Non Current	Total	Current	Non Current	Total
Advances	415,362.85	62,681.24	478,044.09	-	62,681.24	62,681.24
Prepayments	11,114,265.18	4,786,397.91	15,900,663.09	68,825.29	5,153,895.26	5,222,720.55
Deposits	-	264,625.00	264,625.00	-	164,625.00	164,625.00
Restricted Fund	-	103,381,818.91	103,381,818.91	-	77,966,274.39	77,966,274.39
Other Assets	-	1,698,290.46	1,698,290.46	-	1,261,655.05	1,261,655.05
<b>Total</b>	<b>11,529,628.03</b>	<b>110,193,813.52</b>	<b>121,723,441.55</b>	<b>68,825.29</b>	<b>84,609,130.94</b>	<b>84,677,956.23</b>

*Advances – Non Current* account pertains to the unliquidated Cash Advance of Virgilio P. A. Ocaya for his executive check-up during CY2000 in the amount of P45,000.00 and CY2001 IBP Convention in the amount of P17,681.24.

*Prepayments* account includes *Advances to suppliers/contractors* that represent the balance of the 15 percent mobilization costs paid to the contractors/ suppliers/ consultants of civil works/ goods/ consultancy services, subject to periodic recoupment during the billing period and project implementation.

*Guaranty Deposits* Account includes deposits to suppliers for the procurement of airfare, cellphone, gasoline & lubricants and copiers.

*Restricted Fund* Account is the amount set aside by MWSS RO earmarked solely for future arbitrations.

*The Other Assets* account consists of the following:

Particulars	2019	2018 (As restated)
Unserviceable Assets	974,540.06	730,905.05
Development of Human Resource Information System (HRIS)	723,750.00	530,750.00
<b>Total</b>	<b>1,698,290.06</b>	<b>1,261,655.05</b>

## 9. PROPERTY PLANT AND EQUIPMENT

The details of property, plant and equipment (PPE) are as follows:

As At December 31,  
2019

Particulars	Buildings and Other Structure	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures	Construction In Progress	Total
Carrying Amount January 1, 2019	281,542.75	20,650,367.36	10,538,261.07	719,022.20	-	32,189,193.38
Additions/Acquisitions	-	1,021,050.00	-	-	24,276,291.25	25,297,341.25
<b>Total</b>	<b>281,542.75</b>	<b>21,671,417.36</b>	<b>10,538,261.07</b>	<b>719,022.20</b>	<b>24,276,291.25</b>	<b>57,486,534.63</b>
Disposal	-	243,635.41	-	-	-	243,635.41
Depreciation	-	1,945,611.61	1,878,387.60	92,990.16	-	3,916,989.37
Impairment Loss	-	-	-	-	-	-
<b>Carrying Amount December 31, 2019</b>	<b>281,542.75</b>	<b>19,482,170.34</b>	<b>8,659,873.47</b>	<b>626,032.04</b>	<b>24,276,291.25</b>	<b>53,325,909.85</b>



Gross Cost	2,815,427.54	135,225,879.76	15,858,011.17	4,815,561.15	24,276,291.25	182,991,170.87
Accumulated Depreciation	2,533,884.79	115,743,709.42	7,198,137.70	4,189,529.11	-	129,665,261.02
Accumulated Impairment Loss	-	-	-	-	-	-
<b>Carrying Amount December 31, 2019</b>	<b>281,542.75</b>	<b>19,482,170.34</b>	<b>8,659,873.47</b>	<b>626,032.04</b>	<b>24,276,291.25</b>	<b>53,325,909.85</b>

As At December 31,  
2018

Particulars	Buildings and Other Structure	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures	Construction In Progress	Total
Carrying Amount January 1, 2018	281,542.75	16,602,088.31	5,788,302.63	819,396.23	-	32,189,193.38
Additions/Acquisitions	-	5,458,688.00	6,231,000.00	-	-	11,689,688.00
Total	281,542.75	22,060,776.31	12,019,302.63	819,396.23	-	35,181,017.92
Disposal	-	204,511.77	324,164.58	-	-	528,676.35
Depreciation	-	1,205,897.18	1,156,876.98	100,374.03	-	2,463,148.19
Impairment Loss	-	-	-	-	-	-
<b>Carrying Amount December 31, 2019</b>	<b>281,542.75</b>	<b>20,650,367.36</b>	<b>10,538,261.07</b>	<b>719,022.20</b>	<b>-</b>	<b>32,189,193.38</b>

Gross Cost	2,815,427.54	136,176,077.03	15,858,011.17	4,815,561.15	-	159,665,076.89
Accumulated Depreciation	2,533,884.79	115,525,709.67	5,319,750.10	4,096,538.95	-	127,475,883.51
Accumulated Impairment Loss	-	-	-	-	-	-
<b>Carrying Amount December 31, 2018</b>	<b>281,542.75</b>	<b>20,650,367.36</b>	<b>10,538,261.07</b>	<b>719,022.20</b>	<b>-</b>	<b>32,189,193.38</b>

The increase in *Construction in Progress* was due to the Construction of MWSS RO Building. It is expected to be completed on May 12, 2020 with a total actual disbursement of P35,329,672.34 and 23.50% percentage of completion as of December 31, 2019.

## 10. FINANCIAL LIABILITIES

### 10.1. Payables

Particulars	2019		2018 (As restated)	
	Current	Non-Current	Current	Non-Current
Accounts Payable	6,674,158.27	-	4,679,008.76	-
Interest Payable	-	-	-	-
Due to Officers and Employees	13,468,602.15	-	11,919,188.22	-
<b>Total</b>	<b>20,142,760.42</b>	<b>-</b>	<b>16,598,196.98</b>	<b>-</b>

*Accounts payable* includes accrued maintenance and other operating expenses.

*Due to officers and employees* refers to accrued personal services to be paid the following year.

#### 11. INTER-AGENCY PAYABLES

Particulars	2019	2018 (As restated)
Due to BIR	333,154.55	188,870.04
Due to GSIS	349.71	(11,808.50)
Due to PhilHealth	(3,551.10)	69.27
Due to Pag-IBIG	6,251.39	(150.00)
Due to Government Corporations	-	-
<b>Total</b>	<b>336,204.55</b>	<b>176,980.81</b>

#### 12. INTRA-AGENCY PAYABLES

Particulars	2019	2018 (As restated)
Due to Operating Units	(100.00)	41,584.86
Due to Other Funds	-	(12,542.00)
Due to MWSS CO	426,855.29	650,560.40
<b>Total</b>	<b>426,755.29</b>	<b>679,603.26</b>

The balances of accounts *Due to Operating Units* and *Due to Other Funds* pertain to other intra-agency payables of the MWSS RO.

#### 13. TRUST LIABILITIES

Particulars	2019	2018 (As restated)
Trust Liabilities - BAC	2,032,234.18	1,878,234.18
<b>Total</b>	<b>2,032,234.18</b>	<b>1,878,234.18</b>

The increase in the balance of *Trust Liabilities* account pertains to the sale of Bid Documents for the construction of the MWSS RO Building and procurement of different consultancy services for CY2019.

#### 14. OTHER PAYABLES

Particulars	2019	2018 (As restated)
Other Payables	664,084.41	664,084.41
<b>Total</b>	<b>664,084.41</b>	<b>664,084.41</b>

*Other Payable* Account were balances carried forward since the implementation of the Peachtree in year 2008. These are long-standing accounts subject to validation and to be requested for write off in the books of MWSS RO.



## 15. SERVICE AND BUSINESS INCOME

Particulars	2019	2018 (As restated)
Service Concession Revenue		
Concession Income	121,055,000.00	142,955,000.00
Business Income		
Interest Income	4,386,747.22	4,945,282.85
<b>Total</b>	<b>125,441,747.22</b>	<b>147,900,282.85</b>

*Concession Income* – is the annual Current Operating Budget being paid by the MWSS CO to MWSS RO for administrative expenditures, procurement of consultancy services and capital outlay. This is the difference between the Board Approved Corporate Operating Budget and Cash Opening Balance of MWSS RO

*Interest Income* – is money earned by MWSS RO by putting it into a savings account in a bank or by getting certificates of deposits with maturities.

## 16. PERSONNEL SERVICES

### 16.1. Salaries and Wages

Particulars	2019	2018 (As restated)
Salaries and Wages - Regular	42,866,387.12	35,410,891.30
Salaries and Wages – Casual/Contractual	-	-
<b>Total</b>	<b>42,866,387.12</b>	<b>35,410,891.30</b>

### 16.2. Other Compensation

Particulars	2019	2018 (As restated)
PERA	1,494,657.14	1,452,784.56
Representation Allowance	1,351,875.00	1,327,504.00
Transportation Allowance	820,060.00	1,104,993.97
Clothing/Uniform Allowance	390,000.00	348,500.00
Subsistence, COLA, Amelioration	-	-
Productivity Incentive Allowance	915,000.00	293,500.00
Honoraria	-	-
Hazard Pay	-	-
Longevity Pay	35,000.00	20,000.00
Overtime & Night Pay	195,604.73	335,627.28
Year End Bonus	3,644,422.70	2,963,526.00
Cash Gift	316,500.00	288,000.00
Other Bonuses & Allowances	3,462,113.00	2,824,013.00
<b>Total</b>	<b>12,625,232.57</b>	<b>10,958,448.81</b>



### 16.3. Personnel Benefit Contributions

Particulars	2019	2018 (As restated)
Retirement and Life Insurance Contributions	5,144,860.03	4,265,090.49
PhilHealth Contributions	347,661.70	317,351.93
Employees Compensation Insurance Premium	75,100.00	70,700.00
Pag-IBIG Contributions	75,000.00	70,400.00
<b>Total</b>	<b>5,642,621.73</b>	<b>4,723,542.42</b>

### 16.4. Other Personnel Benefits

Particulars	2019	2018 (As restated)
Retirement Gratuity	-	-
Terminal Leave Benefits	2,222,066.54	4,238,343.21
Other Personnel Benefits	2,372,556.60	2,146,528.30
<b>Total</b>	<b>4,594,623.14</b>	<b>6,384,871.51</b>

The *Retirement Gratuity* account refers to payments made to employees who availed of the Early Retirement Investment Plan (ERIP) during the year.

## 17. MAINTENANCE AND OTHER OPERATING EXPENSES

### 17.1. Professional Services

Particulars	2019	2018 (As restated)
Consultancy Services	18,796,370.67	50,605,926.10
Other Professional Services	13,772,444.70	11,610,187.15
Auditing Services	87,719.06	8,624.55
Legal Services	-	-
<b>Total</b>	<b>32,656,534.43</b>	<b>62,224,737.80</b>

### 17.2. Taxes, Insurance Premiums and Other Fees

Particulars	2019	2018 (As restated)
Taxes, Duties and Licenses	28,181.54	30,621.54
Insurance Expenses	100,174.00	80,556.54
Fidelity Bond Premiums	63,000.00	60,000.00
<b>Total</b>	<b>191,355.54</b>	<b>171,178.08</b>



### 17.3. General Services

Particulars	2019	2018 (As restated)
Security Services	1,043,089.26	1,333,178.20
Janitorial Services	845,304.76	1,215,075.99
<b>Total</b>	<b>1,888,394.02</b>	<b>2,548,254.19</b>

### 17.4. Utility Expenses

Particulars	2019	2018 (As restated)
Electricity Expenses	2,287,701.84	2,395,027.95
Water Expenses	992,449.52	-
<b>Total</b>	<b>3,280,151.36</b>	<b>2,395,027.95</b>

MWSS CO started to bill *Water Expenses* share of MWSS RO in CY2019. The amount includes water bill share for CY2018 and CY2019.

### 17.5. Supplies and Materials Expenses

Particulars	2019	2018 (As restated)
Fuel, Oil and Lubricants Expenses	1,191,069.52	926,986.32
Other Supplies Expenses	427,506.23	266,264.55
Office Supplies Expenses	778,813.26	592,245.75
Maintenance, Sampling and Other Consumable	289,103.75	351,245.90
<b>Total</b>	<b>2,686,492.76</b>	<b>2,136,742.52</b>

### 17.6. Training and Scholarship Expenses

Particulars	2019	2018
Training Expenses	2,553,708.48	3,347,353.47

### 17.7. Communication Expenses

Particulars	2019	2018 (As restated)
Telephone Expenses – Landline	230,975.79	259,981.12
Telephone Expenses – Mobile	570,977.64	529,633.49
Internet Expenses	73,597.55	4,350.00
Postage and Courier Services	59,310.00	64,237.00
<b>Total</b>	<b>934,860.98</b>	<b>858,201.61</b>



**17.8. Repairs and Maintenance**

Particulars	2019	2018 (As restated)
Repairs and Maintenance – Transportation Equipment	371,030.02	195,778.76
Repairs and Maintenance – Buildings and Other Structures	26,971.40	54,634.55
Repairs and Maintenance – Machinery and Equipment	894,785.50	291,182.00
Repairs and Maintenance – Furniture and Fixtures	-	3,200.00
<b>Total</b>	<b>1,292,786.92</b>	<b>544,795.31</b>

**17.9. Extraordinary and Miscellaneous Expenses**

Particulars	2019	2018 (As restated)
Extraordinary and Miscellaneous Expenses	529,952.49	572,181.66

**17.10. Traveling Expenses**

Particulars	2019	2018 (As restated)
Travelling Expenses – Local	1,449,893.96	510,212.04
Travelling Expenses – Foreign	-	-
<b>Total</b>	<b>1,449,893.96</b>	<b>510,212.04</b>

**17.11. Other Maintenance and Operating Expenses**

Particulars	2019	2018 (As restated)
Other Maintenance and Operating Expenses	2,920,936.13	2,707,019.36
Representation Expenses	334,111.36	443,453.41
Donations	-	-
Subscription Expenses	1,786,064.07	1,939,696.66
Advertising, Promotional and Marketing Expenses	385,976.44	527,076.18
Rent/Lease Expenses	850,395.22	944,924.82
Printing and Publication Expenses	431,576.25	62,719.00
Membership Dues and Contributions to Organizations	-	-
<b>Total</b>	<b>6,709,059.47</b>	<b>6,624,889.43</b>

**18. FINANCIAL EXPENSES**

Particulars	2019	2018 (As restated)
Interest Expenses	-	-
Bank Charges	9,000.00	3,500.00
<b>Total</b>	<b>9,000.00</b>	<b>3,500.00</b>



## 19. NON-CASH EXPENSES

### 19.1. Depreciation

Particulars	2019	2018 (As restated)
Depreciation – Building and Other Structures	-	-
Depreciation – Furniture and Fixtures	92,990.16	100,374.03
Depreciation – Machinery and Equipment	1,945,611.61	1,205,897.18
Depreciation – Transportation Equipment	1,878,387.60	1,156,876.98
Depreciation – Service Concession Assets	-	-
<b>Total</b>	<b>3,916,989.37</b>	<b>2,463,148.19</b>

## 20. NON-OPERATING INCOME, GAIN OR LOSSES

### 20.1. Other Non-Operating Income

Particulars	2019	2018 (As restated)
Miscellaneous Income	160.00	1,228.39

### 20.2. Gains/ (Losses)

Particulars	2019	2018 (As restated)
Gain on Foreign Exchange (FOREX)	(641,298.29)	924,714.05
Gain on Sale of Property, Plant and Equipment	-	-
<b>Total</b>	<b>(641,298.29)</b>	<b>924,714.05</b>

## 21. INCOME TAX EXPENSE

Section 18 of the MWSS Charter (R.A. 6234) provides that "All articles imported by the Metropolitan Waterworks and Sewerage System xxx, shall be exempt from the imposition of import duties and other taxes."

BIR Ruling No. DA-088-2001 dated May 16, 2001 ruled that the concession fees paid by the Concessionaires to MWSS, if at all they are in the nature of income, shall be excluded from the gross income subject to tax.

Categorically, MWSS is taxable with respect to its other income other than concession fees received from the concessionaires.

The account Taxes, Duties and Licenses is used to recognize the amount of taxes, duties and licenses and other fees due to regulatory agencies except income tax. This also includes taxes on interest income on savings deposits, time deposits and government securities of the bond sinking fund/other funds. (COA Circular No. 2001-008 and the New Government Accounting Manual)

## 22. UNRECONCILED ASSET AND LIABILITY ACCOUNT BALANCES

The summary of the unreconciled balances in the Asset and Liability accounts are as follows:

Particulars	2019	2018 (As restated)
<b>Asset Accounts</b>		
Cash and Cash Equivalent	1,270,973.75	1,270,973.75
Due From Employees	1,185,158.88	1,202,464.60
Other Receivables	87,004.27	87,004.27
Other Prepayments	(145,854.72)	(145,854.72)
Guaranty Deposit	17,125.00	17,125.00
<b>Total Unreconciled Assets</b>	<b>2,414,407.18</b>	<b>2,431,712.90</b>
<b>Liability Accounts</b>		
Other Payables	664,084.41	664,084.41
<b>Total Unreconciled Liabilities</b>	<b>664,084.41</b>	<b>664,084.41</b>
<b>Net Unreconciled Balances</b>	<b>1,750,322.77</b>	<b>1,767,628.49</b>

The unreconciled balances refer to carryforward balances from prior years and most were dated before the implementation of Peachtree in 2008. Previous reconciliations have already been conducted which substantially reduced the balances to their current amounts. Reconciliation of these items has not been prioritized due to the difficulty in finding the supporting documents and lack of man-power. Moving forward, reconciliation of these accounts will be among the priority projects of the Finance Department.

## 23. RESTATEMENT OF ACCUMULATED SURPLUS/(DEFICIT)

The Accumulated Surplus/(Deficit) as of January 1, 2019 has been restated as follows:

Balance, January 1, 2018 (Unrestated)	<b>688,904,985.85</b>
Prior Period Adjustments	(64,832.92)
Other Adjustment	-
<b>Adjusted Balance, January 1, 2018 (Restated)</b>	<b>688,840,152.93</b>
Changes in Net Assets/Equity for CY 2018, net	6,948,249.00
<b>Adjusted Balance, January 1, 2019 (Restated)</b>	<b>695,788,401.93</b>

## 24. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

The budget was on an accrual basis, covering the period from January 1, 2019 to December 31, 2019. The MWSS-Corporate and Regulatory Offices have a separate budget approval from the Department of Budget and Management.

	Particulars	Budgeted Amounts		Actual Amounts	Difference: Actual and Final Amounts
		Original	Final		
Sources of Funds:					
	Projected Free Cash	178,055,000.00	178,055,000.00	178,055,000.00	-
	Concession Fee Allocation	121,055,000.00	121,055,000.00	121,055,000.00	-



Particulars	Budgeted Amounts		Actual Amounts	Difference: Actual and Final Amounts
	Original	Final		
Sources of Funds:				
Interest Income	-	-	4,386,747.22	4,386,747.22
Miscellaneous Income	-	-	160.00	160.00
Total Sources of Funds	299,110,000.00	299,110,000.00	303,496,907.22	4,386,907.22
Expenditures				
Personnel Services (PS)	75,285,000.00	75,285,000.00	65,728,864.56	(9,556,135.44)
Maintenance & Other Operating Exp (MOOE)	90,223,000.00	87,679,000.00	69,076,966.41	(18,602,033.59)
Capital Outlays (CO)	133,602,000.00	133,602,000.00	98,991,206.96	(34,610,793.04)
Total Expenditures	299,110,000.00	296,566,000.00	233,797,037.93	(62,768,962.07)
Surplus/ (Deficit) for the Period	-	2,544,000.00	69,699,869.29	67,155,869.29