

31 May 2023

MARIA CHRISTINA P. ANTONIS

Supervising Auditor

Commission On Audit

Metropolitan Waterworks and Sewerage System

Attention: JOCELYN T. UMILA
OIC - Audit Team Leader

Subject: Submission of Revised Financial Statements for Calendar Year (CY) 2022

Dear Auditor Antonis:

As agreed during the Exit Conference last 22 May 2023, the MWSS Regulatory Office respectfully submits the revised Financial Statements for CY 2022, to wit:

- a.) Statement of Management's Responsibility for Financial Statements Management and;
- b.) Financial Statements with comparative figures for the year ended 31 December 2022
 - Condensed Statement of Financial Position;
 - Detailed Statement of Financial Position;
 - Condensed Statement of Comprehensive Income;
 - Detailed Statement of Comprehensive Income;
 - Statement of Changes in Government Equity;
 - Statement of Cash Flows;
 - Notes to Financial Statements;

Thank you very much.

Respectfully yours,

RAMON A. JAVIER

Manager, Administration Department





**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The Management of the **Metropolitan Waterworks and Sewerage System Regulatory Office (MWSS RO)** is responsible for the preparation of the financial statements as at **31 December 2022**, including the additional components attached thereto in accordance with the prescribed financial reporting framework indicated therein. The responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material statement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Board of Directors (RO En Banc) reviews and approves the financial statements before such statements are issued to the regulators, creditors and other users.

The Commission on Audit has audited the financial statements of the **MWSS RO** in accordance with the Philippine Public Sector Standards on Auditing and has expressed its opinion on the fairness of presentation upon completion of such audit, in its report to the Board of Directors (RO En Banc).

ATTY. PATRICK LESTER N. TY
Chairperson of the RO en Banc and
the Chief Regulator

MAY 31 2023
Date Signed

ATTY. CLAUDINE B. OROCIO - ISORENA
Deputy Administrator for
Administration and Legal Affairs

MAY 31 2023
Date Signed

RAMON A. JAVIER
Manager, Administration Department

MAY 31 2023
Date Signed

SIR GIL P. MARAVILLA
Chief Corporate Accountant

MAY 31 2023
Date Signed





Republic of the Philippines
MWSS - REGULATORY OFFICE
STATEMENT OF FINANCIAL POSITION
31 December 2022 (Post-Closing)

<u>PARTICULARS</u>	<u>Note</u>	<u>2022</u>	<u>2021</u> <u>(AS RESTATED)</u>	<u>INC/(DEC)</u>	<u>%</u>
ASSETS					
CURRENT ASSETS					
CASH AND CASH EQUIVALENT	6	424,264,731.46	599,873,790.88	(175,609,059.42)	-29%
RECEIVABLES	7	450,529,271.75	195,299,380.96	255,229,890.79	131%
INVENTORIES		-	-	-	
Total Current Assets		874,794,003.21	795,173,171.84	79,620,831.37	10%
NON-CURRENT ASSETS					
PROPERTY, PLANT AND EQUIPMENT	9	160,875,583.68	123,904,789.34	36,970,794.34	30%
OTHER ASSETS	8	4,399,218.69	3,061,825.97	1,337,392.72	44%
Total Non-Current Assets		165,274,802.37	126,966,615.31	38,308,187.06	30%
TOTAL ASSETS		1,040,068,805.58	922,139,787.15	117,929,018.43	13%
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
FINANCIAL LIABILITIES	10	42,701,792.54	29,697,934.86	13,003,857.68	44%
INTER-AGENCY PAYABLES	11	879,995.77	265,620.82	614,374.95	231%
INTRA-AGENCY PAYABLES	12	2,919.91	(903.00)	3,822.91	-423%
TRUST LIABILITIES	13	597,482.01	573,444.01	24,038.00	4%
DEFERRED CREDITS	14	17,983,961.66	-	17,983,961.66	
OTHER PAYABLES	15	664,084.41	664,084.41	-	0%
Total Current Liabilities		62,830,236.30	31,200,181.10	31,630,055.20	101%
NON CURRENT LIABILITIES					
LOANS PAYABLE - LONG TERM		-	-	-	
DEFERRED CREDITS		-	-	-	
Total Non-Current Liabilities		-	-	-	
EQUITY					
GOVERNMENT EQUITY		-	-	-	
RETAINED EARNINGS		977,238,569.28	890,939,606.05	86,298,963.23	10%
Total Government Equity		977,238,569.28	890,939,606.05	86,298,963.23	10%
TOTAL LIABILITIES AND EQUITY		1,040,068,805.58	922,139,787.15	117,929,018.43	13%

Prepared by:


SIR GIL P. MARAVILLA
 Chief Corporate Accountant

Noted by:


RAMON A. JAVIER
 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
31 December 2022 (Post-Closing)

PARTICULARS	2022	2021 (AS RESTATED)	INC/(DEC)	%
ASSETS				
CURRENT ASSETS				
CASH AND CASH EQUIVALENT	424,264,731.46	599,873,790.88	(175,609,059.42)	-29%
CASH ON HAND	-	-	-	
CASH COLLECTING OFFICERS	-	-	-	
PETTY CASH FUND	-	-	-	
CASH IN BANK - LOCAL CURRENCY	52,674,795.89	232,863,154.85	(180,188,358.96)	-77%
CASH CIB-LC, Current Account	52,674,795.89	232,863,154.85	(180,188,358.96)	-77%
CASH CIB-LC, Savings Account	-	-	-	
CASH EQUIVALENT	371,589,935.57	367,010,636.03	4,579,299.54	1%
TIME DEPOSITS - LOCAL CURRENCY	371,139,502.42	365,615,236.02	5,524,266.40	2%
TIME DEPOSITS - FOREIGN CURRENCY	450,433.15	1,395,400.01	(944,966.86)	-68%
RECEIVABLES	450,529,271.75	195,299,380.96	255,229,890.79	131%
LOANS AND RECEIVABLES	33,051,652.36	34,139,429.08	(1,087,776.72)	-3%
INTEREST RECEIVABLE	620,628.79	878,409.55	(257,780.76)	-29%
LOANS RECEIVABLE -OTHERS	32,431,023.57	33,261,019.53	(829,995.96)	-2%
INTRA-AGENCY RECEIVABLES	256,272,000.00	-	256,272,000.00	
DUE FROM CENTRAL OFFICE/HOME OFFICE	256,272,000.00	-	256,272,000.00	
OTHER RECEIVABLES	161,205,619.39	161,159,951.88	45,667.51	0%
RECEIVABLES - DISALLOWANCES	159,642,767.56	159,642,767.56	-	
DUE FROM OFFICERS AND EMPLOYEES	1,279,747.56	1,234,180.05	45,567.51	4%
OTHER RECEIVABLES	283,104.27	283,004.27	100.00	0%
INVENTORIES	-	-	-	
SUPPLIES	-	-	-	
TOTAL CURRENT ASSETS	874,794,003.21	795,173,171.84	79,620,831.37	10%
NON CURRENT ASSETS				
PROPERTY, PLANT AND EQUIPMENT	160,875,583.68	123,904,789.34	36,970,794.34	30%
BUILDINGS AND OTHER STRUCTURE	102,113,704.97	-	102,113,704.97	
BUILDING	102,113,704.97	2,533,884.79	99,579,820.18	3930%
Accum. Depre. - Office Bldg	-	(2,533,884.79)	2,533,884.79	-100%
NET VALUE - BUILDING	102,113,704.97	-	102,113,704.97	
MACHINERY AND EQUIPMENT	46,536,977.33	16,529,699.24	30,007,278.09	182%
OFFICE EQUIPMENT	7,906,648.18	5,270,849.18	2,635,799.00	50%
Accum. Depre. - Office Eqpt.	(2,664,100.04)	(2,803,099.41)	138,999.37	-5%
NET VALUE - OFFICE EQUIPMENT	5,242,548.14	2,467,749.77	2,774,798.37	112%
IT EQUIPMENT & SOFTWARE	129,108,474.00	124,992,659.71	4,115,814.29	3%
Accum. Depre. - IT Eqpt.	(108,727,250.69)	(111,637,968.13)	2,910,717.44	-3%
NET VALUE - IT EQUIPMENT & SOFTWARE	20,381,223.31	13,354,691.58	7,026,531.73	53%
COMMUNICATION EQUIPMENT	226,000.00	396,113.21	(170,113.21)	-43%
Accum. Depre. - Comm. Eqpt.	(166,109.99)	(278,531.88)	112,421.89	-40%
NET VALUE - COMMUNICATION EQUIPMENT	59,890.01	117,581.33	(57,691.32)	-49%
MEDICAL, DENTAL & LAB EQPT.	-	-	-	
Accum. Depre. - Medical Eqpt.	-	-	-	



Republic of the Philippines
MWSS - REGULATORY OFFICE
DETAILED STATEMENT OF FINANCIAL POSITION
31 December 2022 (Post-Closing)

PARTICULARS	2022	2021 (AS RESTATED)	INC/(DEC)	%
NET VALUE - MEDICAL, DENTAL & LAB EQPT.	-	-	-	
SPORTS EQUIPMENT	685,448.00	213,572.38	471,875.62	221%
Accum. Depre. - Sports Eqpt.	(88,902.84)	(137,753.84)	48,851.00	-35%
NET VALUE - SPORTS EQUIPMENT	596,545.16	75,818.54	520,726.62	687%
TECHNICAL & SCIENTIFIC EQPT.	23,043,058.44	3,291,743.24	19,751,315.20	600%
Accum. Depre. - Technical & Sc	(2,798,885.14)	(2,919,918.38)	121,033.24	-4%
NET VALUE - TECHNICAL & SCIENTIFIC EQUIPMENT	20,244,173.30	371,824.86	19,872,348.44	5345%
OTHER MACHINERIES AND EQUIPMENT	50,390.01	1,358,083.60	(1,307,693.59)	-96%
Accum Depre.-OME	(37,792.60)	(1,216,050.44)	1,178,257.84	-97%
NET VALUE - OTHER MACHINERIES & EQUIPMENT	12,597.41	142,033.16	(129,435.75)	-91%
TRANSPORTATION EQUIPMENT	3,922,426.57	4,903,098.27	(980,671.70)	-20%
MOTOR VEHICLES	15,858,011.17	15,858,011.17	-	0%
Accum. Depre. - Motor Vehicle	(11,935,584.60)	(10,954,912.90)	(980,671.70)	9%
NET VALUE - MOTOR VEHICLES	3,922,426.57	4,903,098.27	(980,671.70)	-20%
FURNITURE, FIXTURES AND BOOKS	8,302,474.81	358,286.86	7,944,187.95	2217%
FURNITURE & FIXTURES	8,935,824.99	4,132,499.34	4,803,325.65	116%
Accum. Depre. - Furniture & Fi	(652,826.58)	(3,793,688.88)	3,140,862.30	-83%
NET VALUE - FURNITURE & FIXTURES	8,282,998.41	338,810.46	7,944,187.95	2345%
BOOKS	194,763.97	464,482.30	(269,718.33)	-58%
Accum. Depre. - Library Books	(175,287.57)	(445,005.90)	269,718.33	-61%
NET VALUE - BOOKS	19,476.40	19,476.40	0.00	0%
CONSTRUCTION IN PROGRESS	-	102,113,704.97	(102,113,704.97)	-100%
CONSTRUCTION IN PROGRESS - BUILDINGS & STRUCTURES	-	102,113,704.97	(102,113,704.97)	-100%
OTHER NON CURRENT ASSETS	4,399,218.69	3,061,825.97	1,337,392.72	44%
ADVANCES	63,591.24	64,992.24	(1,401.00)	-2%
ADVANCES TO SDO	63,591.24	64,992.24	(1,401.00)	-2%
PREPAYMENTS	581,474.99	169,983.46	411,491.53	242%
ADVANCES TO CONTRACTORS	252,031.49	252,031.49	-	0%
PREPAID INSURANCE	475,298.22	63,806.69	411,491.53	645%
OTHER PREPAID EXPENSES	(145,854.72)	(145,854.72)	-	0%
DEPOSITS	1,043,626.19	1,007,626.19	36,000.00	4%
GUARANTY DEPOSITS	1,043,626.19	1,007,626.19	36,000.00	4%
RESTRICTED FUND	-	-	-	
RESTRICTED FUND	-	-	-	
OTHER ASSETS	2,710,526.27	1,819,224.08	891,302.19	49%
OTHER ASSETS	2,710,526.27	1,819,224.08	891,302.19	49%
TOTAL NON CURRENT ASSETS	165,274,802.37	126,966,615.31	38,308,187.06	30%
TOTAL ASSETS	1,040,068,805.58	922,139,787.15	117,929,018.43	13%
LIABILITIES				
CURRENT LIABILITIES				
FINANCIAL LIABILITIES	42,701,792.54	29,697,934.86	13,003,857.68	44%
PAYABLES	42,701,792.54	29,697,934.86	13,003,857.68	44%
ACCOUNTS PAYABLE	21,111,953.97	13,415,666.75	7,696,287.22	57%
DUE TO OFFICERS & EMPLOYEES	21,589,838.57	16,282,268.11	5,307,570.46	33%



Republic of the Philippines
MWSS - REGULATORY OFFICE
DETAILED STATEMENT OF FINANCIAL POSITION
31 December 2022 (Post-Closing)

PARTICULARS	2022	2021 (AS RESTATED)	INC/(DEC)	%
INTEREST PAYABLE	-	-	-	
LOANS PAYABLE	-	-	-	
LOANS PAYABLE - FOREIGN	-	-	-	
INTER-AGENCY PAYABLES	879,995.77	265,620.82	614,374.95	231%
INTER-AGENCY PAYABLES	879,995.77	265,620.82	614,374.95	231%
DUE TO BIR	269,564.81	283,602.25	(14,037.44)	-5%
DUE TO GSIS	664,573.78	(10,109.64)	674,683.42	-6674%
DUE TO PAG-IBIG	(656.65)	(5,306.65)	4,650.00	-88%
DUE TO PHILHEALTH	(53,486.17)	(2,565.14)	(50,921.03)	1985%
INTRA-AGENCY PAYABLES	2,919.91	(903.00)	3,822.91	-423%
INTRA-AGENCY PAYABLES	2,919.91	(903.00)	3,822.91	-423%
DUE TO OPERATING UNITS	(200.00)	2,050.00	(2,250.00)	-110%
DUE TO OTHER FUNDS	(438.00)	(2,953.00)	2,515.00	-85%
DUE TO C.O.	3,557.91	-	3,557.91	
TRUST LIABILITIES	597,482.01	573,444.01	24,038.00	4%
TRUST LIABILITIES	597,482.01	573,444.01	24,038.00	4%
TRUST LIABILITIES - BAC	597,482.01	573,444.01	24,038.00	4%
PERFORMANCE/BIDDERS BOND	-	-	-	
DEFERRED CREDITS	17,983,961.66	-	17,983,961.66	
DEFERRED CREDITS	17,983,961.66	-	17,983,961.66	
OTHER DEFERRED CREDITS	17,983,961.66	-	17,983,961.66	
OTHER PAYABLES	664,084.41	664,084.41	-	0%
OTHER PAYABLES	664,084.41	664,084.41	-	0%
DIVIDENDS PAYABLE	-	-	-	
OTHER PAYABLES	664,084.41	664,084.41	-	0%
TOTAL CURRENT LIABILITIES	62,830,236.30	31,200,181.10	31,630,055.20	101%
NON CURRENT LIABILITIES				
FINANCIAL LIABILITIES	-	-	-	
LOANS PAYABLE	-	-	-	
LOANS PAYABLE - FOREIGN	-	-	-	
DEFERRED CREDITS	-	-	-	
DEFERRED CREDITS	-	-	-	
OTHER DEFERRED CREDITS	-	-	-	
TOTAL NON CURRENT LIABILITIES	-	-	-	
TOTAL LIABILITIES	62,830,236.30	31,200,181.10	31,630,055.20	101%
EQUITY				
GOVERNMENT EQUITY	-	-	-	



Republic of the Philippines
MWSS - REGULATORY OFFICE
DETAILED STATEMENT OF FINANCIAL POSITION
31 December 2022 (Post-Closing)

PARTICULARS	2022	2021 (AS RESTATED)	INC/(DEC)	%
GOVERNMENT EQUITY	-	-	-	
GOVERNMENT EQUITY	-	-	-	
CONTRIBUTED CAPITAL	-	-	-	
RETAINED EARNINGS	977,238,569.28	890,939,606.05	86,298,963.23	10%
RETAINED EARNINGS	977,238,569.28	890,939,606.05	86,298,963.23	10%
RETAINED EARNINGS	977,238,569.28	890,939,606.05	86,298,963.23	10%
TOTAL EQUITY	977,238,569.28	890,939,606.05	86,298,963.23	10%
TOTAL LIABILITIES & EQUITY	1,040,068,805.58	922,139,787.15	117,929,018.43	13%

Prepared by:


SIR GIL P. MARAVILLA
Chief Corporate Accountant

Noted by:


RAMON A. JAVIER
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, 2022 (Post-Closing)

<u>PARTICULARS</u>	<u>Note</u>	<u>2022</u>	<u>2021</u> <u>(AS RESTATED)</u>	<u>INC/(DEC)</u>	<u>%</u>
REVENUES					
SERVICE AND BUSINESS INCOME	16	260,002,512.72	156,193,292.38	103,809,220.34	66%
TOTAL REVENUES		260,002,512.72	156,193,292.38	103,809,220.34	66%
CURRENT OPERATING EXPENSES					
PERSONNEL SERVICES	17	80,842,192.98	70,243,026.87	10,599,166.11	15%
MAINTENANCE & OTHER OPERATING EXPENSES	18	89,435,812.87	40,970,724.51	48,465,088.36	118%
FINANCIAL EXPENSES		-	-	-	
NON-CASH EXPENSES	19	5,205,061.87	3,896,846.13	1,308,215.74	34%
TOTAL CURRENT OPERATING EXPENSE		175,483,067.72	115,110,597.51	60,372,470.21	52%
SURPLUS/(DEFICIT) FROM CURRENT OPERATION		84,519,445.00	41,082,694.87	43,436,750.13	106%
OTHER NON-OPERATING INCOME	20	56,628.00	-	56,628.00	
GAIN/(LOSS)	20	1,722,890.23	934,556.34	788,333.89	84%
INCOME/(LOSS) BEFORE INCOME TAX		86,298,963.23	42,017,251.21	44,281,712.02	105%
INCOME TAX EXPENSE					
INCOME/(LOSS) AFTER INCOME TAX					
NET INCOME FOR THE PERIOD					

Not applicable. Adoption of Policy Determination approved by the Board of Trustees pursuant to Resolution No. 2014-041-CO

Prepared by:


SIR GIL P. MARAVILLA
Chief Corporate Accountant

Noted by:


RAMON A. JAVIER
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, 2022 (Post-Closing)

PARTICULARS	2022	2021 (AS RESTATED)	INC/(DEC)	%
REVENUE				
SERVICE INCOME AND BUSINESS INCOME				
OTHER SERVICE INCOME - CONCESSION FEES	256,272,000.00	152,526,000.00	103,746,000.00	68%
INTEREST INCOME	3,730,512.72	3,667,292.38	63,220.34	2%
TOTAL SERVICE INCOME AND BUSINESS INCOME	260,002,512.72	156,193,292.38	103,809,220.34	66%
TOTAL REVENUE	260,002,512.72	156,193,292.38	103,809,220.34	66%
CURRENT OPERATING EXPENSES				
PERSONAL SERVICES				
SALARIES & WAGES				
SALARIES & WAGES - REGULAR	52,403,367.74	43,059,090.81	9,344,276.93	22%
SALARIES & WAGES - CONTRACTUAL	-	-	-	
TOTAL SALARIES AND WAGES	52,403,367.74	43,059,090.81	9,344,276.93	22%
OTHER COMPENSATION				
PERA	1,471,406.46	1,491,972.03	(20,565.57)	-1%
REPRESENTATION ALLOWANCE	1,358,625.00	1,358,250.00	375.00	0%
TRANSPORTATION ALLOWANCE	798,305.00	806,250.00	(7,945.00)	-1%
CLOTHING/UNIFORM ALLOWANCE	366,000.00	384,000.00	(18,000.00)	-5%
SUBSISTENCE, COLA, AMELIORATION	-	-	-	
PRODUCTIVITY INCENTIVE ALLOWANCE	1,550,000.00	2,214,752.88	(664,752.88)	-30%
HONORARIA	62,000.00	-	62,000.00	
HAZARD PAY	-	1,115,250.00	(1,115,250.00)	-100%
LONGEVITY PAY	40,000.00	-	40,000.00	
OVERTIME AND NIGHT PAY	295,150.16	127,733.66	167,416.50	131%
YEAR END BONUS (13TH MO.)	4,170,229.00	3,974,266.10	195,962.90	5%
CASH GIFT	310,000.00	310,500.00	(500.00)	0%
OTHER BONUSES & ALLOWANCES	4,120,496.00	3,422,071.00	698,425.00	20%
TOTAL OTHER COMPENSATION	14,542,211.62	15,205,045.67	(662,834.05)	-4%
PERSONNEL BENEFIT CONTRIBUTION				
LIFE & RETIREMENT INS. CONTRIB	4,898,260.88	4,859,783.77	38,477.11	1%
PAG-IBIG CONTRIBUTIONS	74,100.00	75,100.00	(1,000.00)	-1%
PHILHEALTH CONTRIBUTIONS	633,035.41	479,377.01	153,658.40	32%
ECC CONTRIBUTIONS	72,700.00	74,700.00	(2,000.00)	-3%
PROVIDENT FUND BENEFITS	-	-	-	
TOTAL PERSONNEL BENEFIT CONTRIBUTION	5,678,096.29	5,488,960.78	189,135.51	3%
OTHER PERSONNEL BENEFITS				
TERMINAL LEAVE BENEFITS	6,711,017.33	5,029,929.61	1,681,087.72	33%
OTHER PERSONNEL BENEFITS	1,507,500.00	1,460,000.00	47,500.00	3%
TOTAL OTHER PERSONNEL BENEFITS	8,218,517.33	6,489,929.61	1,728,587.72	27%
TOTAL PERSONAL SERVICES	80,842,192.98	70,243,026.87	10,599,166.11	15%



Republic of the Philippines
MWSS - REGULATORY OFFICE
DETAILED STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended December 31, 2022 (Post-Closing)

PARTICULARS	2022	2021 (AS RESTATED)	INC/(DEC)	%
MAINTENANCE AND OTHER OPERATING EXPENSES				
TRAVELLING EXPENSE				
TRAVELLING EXP - LOCAL	1,006,284.15	116,505.72	889,778.43	764%
TRAVELLING EXP - FOREIGN			-	
TOTAL TRAVELLING EXPENSE	1,006,284.15	116,505.72	889,778.43	764%
TRAINING AND SCHOLARSHIP EXPENSE				
TRAINING EXPENSES	1,304,985.93	1,735,129.08	(430,143.15)	-25%
SCHOLARSHIP EXPENSES	899,433.49	-	899,433.49	
TOTAL TRAINING AND SCHOLARSHIP EXPENSE	2,204,419.42	1,735,129.08	469,290.34	27%
SUPPLIES AND MATERIALS EXPENSE				
OFFICE SUPPLIES	468,675.58	960,734.88	(492,059.30)	-51%
MAINTENANCE, SAMPLING & OTHER CONSUMABLE SUPPLIES	699,451.00	584,144.66	115,306.34	20%
GASOLINE, OIL AND LUBRICANTS	1,955,170.42	1,157,929.44	797,240.98	69%
OTHER SUPPLIES EXPENSE	10,786,152.40	36,535.75	10,749,616.65	29422%
TOTAL SUPPLIES AND MATERIALS EXPENSE	13,909,449.40	2,739,344.73	11,170,104.67	408%
UTILITY EXPENSES				
WATER EXPENSES	307,535.66	330,735.16	(23,199.50)	-7%
ELECTRICITY EXPENSE	2,953,675.92	2,032,493.00	921,182.92	45%
TOTAL UTILITY EXPENSES	3,261,211.58	2,363,228.16	897,983.42	38%
COMMUNICATION EXPENSES				
POSTAGE AND DELIVERIES	87,702.00	62,570.00	25,132.00	40%
TELEPHONE EXPENSES - LANDLINE/MOBILE	651,244.29	580,252.27	70,992.02	12%
INTERNET EXPENSE	310,423.20	175,044.00	135,379.20	77%
TOTAL COMMUNICATION EXPENSES	1,049,369.49	817,866.27	231,503.22	28%
CONFIDENTIAL, INTELLIGENCE & EXTRAORDINARY EXPENSES				
EXTRAORDINARY AND MISCELLANEOUS EXPENSES	762,034.88	496,731.03	265,303.85	53%
TOTAL CONFIDENTIAL, INTELLIGENCE & EXTRAORDINARY EXPENSES	762,034.88	496,731.03	265,303.85	53%
PROFESSIONAL SERVICES				
LEGAL SERVICES-Appeals	-	-	-	
AUDITING SERVICES	328,474.81	68,260.60	260,214.21	381%
CONSULTANCY	28,255,099.59	4,114,896.00	24,140,203.59	587%
OTHER PROFESSIONAL SERVICES	20,430,439.60	16,966,099.36	3,464,340.24	20%
TOTAL PROFESSIONAL SERVICES	49,014,014.00	21,149,255.96	27,864,758.04	132%
GENERAL SERVICES				
ENVIRONMENT/SANITARY SERVICES	-	-	-	
JANITORIAL SERVICES	1,538,815.34	1,431,833.45	106,981.89	7%
SECURITY SERVICES	2,131,042.55	1,493,904.04	637,138.51	43%
TOTAL GENERAL SERVICES	3,669,857.89	2,925,737.49	744,120.40	25%
REPAIRS AND MAINTENANCE				
R&M - OFFICE BUILDINGS	633,060.25	27,644.50	605,415.75	2190%
R&M - MACHINERY & EQUIPMENT	931,717.12	286,441.20	645,275.92	225%



Republic of the Philippines
MWSS - REGULATORY OFFICE
DETAILED STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended December 31, 2022 (Post-Closing)

PARTICULARS	2022	2021 (AS RESTATED)	INC/(DEC)	%
R&M - MOTOR VEHICLES	323,926.49	330,869.86	(6,943.37)	-2%
R&M - FURNITURE & FIXTURES	1,119.00	-	1,119.00	
TOTAL REPAIRS AND MAINTENANCE	1,889,822.86	644,955.56	1,244,867.30	193%
TAXES, INSURANCE PREMIUMS AND OTHER FEES				
TAXES, DUTIES AND LICENSES	34,458.12	46,626.90	(12,168.78)	-26%
FIDELITY BOND PREMIUMS	67,500.00	67,500.00	-	0%
INSURANCE EXPENSE	898,834.88	95,808.98	803,025.90	838%
TOTAL TAXES, INSURANCE PREMIUMS AND OTHER FEES	1,000,793.00	209,935.88	790,857.12	377%
OTHER MAINTENANCE AND OPERATING EXPENSES				
MEMEBRSHIP DUES/CONTRI TO ORG	-	-	-	
ADVERTISING EXPENSES	1,132,705.96	727,322.40	405,383.56	56%
PRINTING AND BINDING EXPENSES	1,171,830.00	661,979.96	509,850.04	77%
RENT EXPENSE	989,662.44	263,590.00	726,072.44	275%
REPRESENTATION EXPENSES	1,020,142.11	136,562.00	883,580.11	647%
TRANSPORTATION EXPENSES	-	-	-	
SUBSCRIPTION EXPENSES	966,500.29	2,161,876.74	(1,195,376.45)	-55%
SURVEY EXPENSES - PAWS UPNEC	-	-	-	
DONATIONS	-	-	-	
OTHER MOOE	6,387,715.40	3,820,703.53	2,567,011.87	67%
TOTAL OTHER MAINTENANCE AND OPERATING EXPENSES	11,668,556.20	7,772,034.63	3,896,521.57	50%
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	89,435,812.87	40,970,724.51	48,465,088.36	118%
FINANCIAL EXPENSES				
FINANCIAL EXPENSES				
INTEREST EXPENSE - DEBT SERVICE	-	-	-	
BANK CHARGES	-	-	-	
TOTAL FINANCIAL EXPENSES	-	-	-	
NON CASH EXPENSE				
DEPRECIATION				
DEPRECIATION - OFFICE BUILDINGS	-	-	-	
DEPRECIATION - MACHINERY AND EQUIPMENT	3,552,763.13	1,998,860.85	1,553,902.28	78%
DEPRECIATION - TRANSPORTATION	980,671.70	1,878,387.60	(897,715.90)	-48%
DEPRECIATION - FURNITURES, FIRXTURE & BOOKS	671,627.04	19,597.68	652,029.36	3327%
TOTAL NON-CASH DEPRECIATION	5,205,061.87	3,896,846.13	1,308,215.74	34%
TOTAL NON CASH EXPENSE	5,205,061.87	3,896,846.13	1,308,215.74	34%
TOTAL CURRENT OPERATING EXPENSE	175,483,067.72	115,110,597.51	60,372,470.21	52%
SURPLUS/(DEFICIT) FROM CURRENT OPERATION	84,519,445.00	41,082,694.87	43,436,750.13	106%
OTHER NON OPERATING INCOME/(LOSS)				
MISCELLANEOUS INCOME				
MISCELLANEOUS INCOME	56,628.00	-	56,628.00	
OTHER NON OPERATING INCOME/(LOSS)	56,628.00	-	56,628.00	



Republic of the Philippines
MWSS - REGULATORY OFFICE
DETAILED STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended December 31, 2022 (Post-Closing)

<u>PARTICULARS</u>	<u>2022</u>	<u>2021</u> <u>(AS RESTATED)</u>	<u>INC/(DEC)</u>	<u>%</u>
GAINS/(LOSS)				
GAINS/(LOSS)				
GAIN/(LOSS) ON FOREX	1,722,890.23	934,556.34	788,333.89	84%
TOTAL GAINS/(LOSS)	<u>1,722,890.23</u>	<u>934,556.34</u>	<u>788,333.89</u>	<u>84%</u>
SURPLUS/(DEFICIT) BEFORE INCOME TAX	<u>86,298,963.23</u>	<u>42,017,251.21</u>	<u>44,281,712.02</u>	<u>105%</u>
INCOME TAX EXPENSE				
INCOME/(LOSS) AFTER INCOME TAX				
NET INCOME FOR THE PERIOD				

Not applicable. Adoption of Policy Determination approved by the Board of Trustees pursuant to Resolution No. 2014-041-CO

Prepared by:


SIR GIL P. MARAVILLA
Chief Corporate Accountant

Noted by:


RAMON A. JAVIER
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 CHANGES IN GOVERNMENT EQUITY
For the Year Ended December 31, 2022

	Accumulated Surplus	Government Equity	Contributed Capital	Share Capital	Share Premium	Cumulative Changes in Fair Value of Investments	Total
BALANCE AT JANUARY 1, 2021	770,922,347.21	-	-	-	-	-	770,922,347.21
ADJUSTMENTS:							
Add/(Deduct)							
Changes in accounting policy	(2,122,470.51)	-	-	-	-	-	(2,122,470.51)
Prior Year errors	80,122,478.14	-	-	-	-	-	80,122,478.14
Other Adjustments	-	-	-	-	-	-	-
RESTATED BALANCE AT JANUARY 1, 2021	848,922,354.84	-	-	-	-	-	848,922,354.84
Add/(Deduct)							
Surplus for the period	42,017,251.21	-	-	-	-	-	42,017,251.21
Issuances of share Capital	-	-	-	-	-	-	-
Additional capital from the National Government	-	-	-	-	-	-	-
Changes in fair value of available-for-sale securities	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2021	890,939,606.05	-	-	-	-	-	890,939,606.05
Changes in Net Assets/ Equity for CY 2022							
Add/(Deduct)							
Surplus for the period	86,298,963.23	-	-	-	-	-	86,298,963.23
Issuances of share Capital	-	-	-	-	-	-	-
Additional capital from the National Government	-	-	-	-	-	-	-
Changes in fair value of available-for-sale securities	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2022	977,238,569.28	-	-	-	-	-	977,238,569.28

Prepared by:


SIR GIL P. MARAVILLA
Chief Corporate Accountant

Noted by:


RAMON A. JAVIER
DM for Administration

Recommending Approval:


CLAUDINE B. ORACIO - 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, 2022

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection of Concession Fees	-	250,889,000.00
Other Collections	19,532,796.38	4,062,134.47
Payment of Borrowing Cost	-	-
Payment of Personnel Cost	(70,826,384.07)	(61,759,604.70)
Payment of MOOE	(78,218,059.76)	(51,205,325.67)
	-	-
Net Cash Generated from Operating Activities	(129,511,647.45)	141,986,204.10
CASH FLOWS FROM INVESTING ACTIVITIES		
Matured Investments	3,881,107.95	2,676,368.22
Investments	-	-
Investments in special reserve fund (restricted fund reverted to Cash)	-	104,407,812.49
Capital Expenditures	(51,701,410.15)	(24,538,327.09)
Net Cash provided by Investing Activities	(47,820,302.20)	82,545,853.62
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	1,722,890.23	934,556.34
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(175,609,059.42)	225,466,614.06
CASH AND CASH EQUIVALENTS BEGINNING BALANCES	599,873,790.88	374,407,176.82
CASH AND CASH EQUIVALENT ENDING BALANCES	424,264,731.46	599,873,790.88

Prepared by:


ALAN D. CHUEGAN
Finance Officer B

Certified Correct by:


SIR GIL P. MARAVILLA
Chief Corporate Accountant

Noted by:


RAMON A. JAVIER
Manager, Administration Dept.

Recommending Approval:


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

APPROVED:

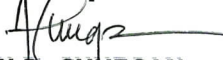

PATRICK LESTER N. TY
Chief Regulator



Republic of the Philippines
MWSS - REGULATORY OFFICE
STATEMENT OF CASH FLOWS
As of December 31, 2022

	<u>For the Month</u>	<u>Year-to-Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection of Concession Fees	-	-
Other Collections	18,266,659.22	19,532,796.38
Payment of Borrowing Cost	-	-
Payment of Personnel Cost	(8,194,791.56)	(70,826,384.07)
Payment of MOOE	(8,719,789.20)	(78,218,059.76)
	-	-
Net Cash Generated from Operating Activities	1,352,078.46	(129,511,647.45)
CASH FLOWS FROM INVESTING ACTIVITIES		
Matured Investments	20,873.65	3,881,107.95
Investments	-	-
Investments in special reserve fund (restricted fund reverted to Cash)	-	-
Capital Expenditures	(57,708.00)	(51,701,410.15)
Net Cash provided by Investing Activities	(36,834.35)	(47,820,302.20)
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	1,722,890.23	1,722,890.23
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,038,134.34	(175,609,059.42)
CASH AND CASH EQUIVALENTS BEGINNING BALANCES	421,226,597.12	599,873,790.88
CASH AND CASH EQUIVALENT ENDING BALANCES	424,264,731.46	424,264,731.46

Prepared by:


ALAN D. CHUEGAN
Finance Officer B

Certified Correct by:


SIR GIL P. MARAVILLA
Chief Corporate Accountant

Noted by:


RAMON A. JAVIER
Manager, Administration Dept.

Recommending Approval:


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

APPROVED:


PATRICK LESTER N. TY
Chief Regulator

METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM – REGULATORY OFFICE

Notes to Financial Statements

For the year ended 31 December 2022

1. GENERAL INFORMATION/ENTITY PROFILE

The financial statement of the Metropolitan Waterworks and Sewerage System (MWSS) Regulatory Office (RO) was authorized for issue on MAY 31 2023 as shown in the Statement of Management Responsibility for Financial Statements signed by Atty. Patrick Lester N. Ty, the Chief Regulator of the MWSS RO.

The 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.

This 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.

On March 31, 2021, and May 18, 2021, a Revised Concession Agreements (RCA) were executed with MWCI and MWSI respectively, confirming the continuation of the concession until July 31, 2037. Among the highlights of the RCA are the removal of Corporate Income Taxes and Foreign Currency Differential Adjustment as recoverable expenditures; and the imposition of tariff freeze until December 31, 2022.

On December 10, 2021, Republic Act (RA) No. 11160, which grants MWSI a 25-year franchise for West Zone service area of Metro Manila and the province of Cavite; and RA No. 11601, which grants MWCI a 25-year franchise for East Zone service area of Metro Manila and Rizal, were signed into law.

The Regulatory Office

The MWSS Regulatory Office (RO) was established under the jurisdiction of the MWSS Board of Trustees pursuant to Section 4 (c) of the MWSS Charter and in accordance with other applicable laws and regulation.

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.

On September 27, 2021, Executive Order No. 149 was issued transferring the administrative supervision of MWSS, including the RO, from the Department of Public Works and Highways to the Office of the President.

CY 2022 Rate Rebasing

On 20 December 2021, the MWSS RO *en banc* issued RO Resolution No. 2021-19, awarding the Contract for the Procurement of Consultancy Services for the Fifth Rate Rebasing (Contract No. RO-CS2021-002) to Woodfields Consultants, Inc. in joint venture with Addvalue Business Advisors, Inc. amounting to Sixty-Three Million Seven Hundred Five Thousand Three Hundred Pesos (PHP63,705,300.00).

Section 9.1 of the RCA provides that the Standard Rates may be adjusted from time to time in accordance to Section 9.2 Rate Adjustments, Section 9.3 Extraordinary Price Adjustment, and

Section 9.4 General Rates Setting Policy/Rate Rebasing Determination.

In CY 2022, the Fifth Rate Rebasing Exercise was conducted to review the compliance to Service Obligation and appropriateness of proposed Business Plans of the Concessionaires. The exercise ensures that the tariff rates shall be set a level that will permit the Concessionaires to

recover expenditures that were efficiently and prudently incurred and to earn a reasonable rate of return.

The Rebasing Convergence Adjustment ("R") that was determined in this exercise shall be part of the Rate Adjustment Limit that will adjust the Standard Rates for CY 2023 to 2027. As such, the exercise serves as one of the major drivers of tariff adjustments under the RCA.

On 10 November 2022, the MWSS BOT, as recommended by the MWSS RO, issued BOT Resolution No. 2022-148-RO, approving the following determination for Manila Water Company, Inc.:

1. Denial the proposed Rewards calculation of Manila Water amounting to Php2,460 Million for the period 2018-2022 based on the 2008 Reward-Penalty Framework due to the following circumstances:
 - a. For 2018, the actual average number of personnel is lower than the forecasted and thus, cannot be considered savings due to efficiency. The low Controllable OPEX also cannot be considered due to efficiency as Manila Water was not able to meet its sewer coverage because of the non-completion of the conveyance lines of Marikina North sewerage treatment plant (STP). Moreover, Manila Water's operation and management of the La Mesa Dam in the last quarter of 2018 contributed to the water shortage in 2019;
 - b. MWSS BOT Resolution No. 2012-142-RO suspended the imposition of penalties for Manila Water's non- attainment of targets for 2021-2022; and
 - c. Manila Water invoked Events of Force Majeure for 2019-2021.
2. Tariff adjustments on the Environmental Charge and Sewerage Charge presented in the table below, subject to the attainment of sewer coverage of 30% by the end of 2025;

% of Water Charge	2023	2024	2025	2026	2027
Environmental Charge	25%	25%	25%	30%	30%
Sewer Charge	32.85%	32.85%	32.85%	32.85%	32.85%

3. "R" Adjustment to be implemented on a staggered basis as follows:

Kaliwa Dam Water Source completion on or before 2028	2023	2024	2025	2026	2027
"R" Factor Php	8.04	5.00	3.25	3.00	1.08
"R" Factor %	30.00%	14.35%	8.15%	6.96%	2.34%

Kaliwa Dam Water Source completion after 2028	2023	2024	2025	2026	2027
"R" Factor Php	8.04	5.00	3.25	1.91	1.05
"R" Factor %	30.00%	14.35%	8.15%	4.43%	2.34%

The said staggered tariff determination is subject to a 2.12% "R" Adjustment in 2028, which represents the non-full recovery of the Total Expenses for the Wawa Bulk Water Supply Project in compliance to MWSS BOT Resolution No. 2019-143-RO. However, the actual "R" Adjustment in 2028 will be based on the next Rate Rebasing exercise.

On even date, the MWSS BOT, as recommended by the MWSS RO, issued BOT Resolution No. 2022-149-RO, approving the following determination for Maynilad Water Services, Inc.:

1. Tariff adjustment on the Environmental Charge from 20% to 25% starting January 2025, subject to Maynilad's attainment of sewer coverage of 25% by the end of 2024.
2. "R" Adjustment to be implemented on a staggered basis as follows:

Kaliwa Dam Water Source Completed on or before 2028	2023	2024	2025	2026	2027
"R" Factor Php	3.29	6.26	2.12	1.01	1.01
"R" Factor %	9.37%	16.30%	4.75%	2.17%	2.12%

Kaliwa Dam Water Source Completed after 2028	2023	2024	2025	2026	2027
"R" Factor Php	3.29	6.26	2.12	0.84	0.80
"R" Factor %	9.37%	16.30%	4.75%	1.80%	1.68%

Beginning 2024, the implementation of the staggered tariff shall be subject to Maynilad's being able to attain its targets for water supply, continuity, and coverage provided in the 2022 Approved Business Plan, as determined by the MWS RO.

SOURCES OF FUNDS

The following are the sources of funds of MWSS:

- a. Concession fees collected,
- b. Interest income on investments; and
- 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 International Public Sector Accounting Standards (IPSAS) prescribed by the Commission on Audit through COA Resolution No. 2020-001 dated January 09, 2020.

The accounting policies have been consistently applied throughout the year presented.

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 IPSAS 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 IPSAS.

3.2 Financial Instruments

a. Financial assets

i. Initial recognition and measurement

Financial assets within the scope of IPSAS 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 IPSAS 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 IPSAS 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.

The MWSS RO's financial liabilities include trade and other payables, loans and borrowings, financial guarantee contracts.

ii. Subsequent measurement

1. Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well through the effective interest method amortization process.

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.

iii. Derecognition

A financial liability is derecognized when the obligation under the liability expires or is discharged or cancelled.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

3.3 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash in bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

Cash in bank earns interest at the respective authorized government depository bank rates.

Cash equivalents are for varying period of up to three months depending on the immediate cash requirements of the System, and earn interest at the respective investment rates. Due to the short-term nature of the transaction, the fair value of cash and cash equivalents and short-term investment approximates the amount at the time of initial recognition.

3.4 Receivables

Receivables are recognized and carried at original billed amount. Provision for impairment is maintained at a level considered adequate to provide for potential losses on receivables. The level of this provision or allowance is based on Management's evaluation of collection experience and other factors that may affect collectability.

3.5 Property, Plant and Equipment

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 Cost

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 IPSAS 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 policies:

4.1. Notes to FS

MWSS adopted the IPSAS 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.

4.2. Property, Plant and Equipment

MWSS adopted the COA Circular No. 2022-004 dated 31 May 2022 increasing the capitalization threshold from PhP 15,000.00 to PhP 50,000.00. It means that the new capitalization threshold of PhP 50,000.00 shall be applied for all tangible items purchased in Calendar Year (CY) 2022 onwards and in the prior years.

5. PRIOR PERIOD ADJUSTMENTS

Particulars	As at December 31, 2022	As at December 31, 2021 (As Restated)
Retained Earnings Beginning	890,939,606.05	770,922,347.21
PPA: Recognition of Notice of Disallowances with issued of Notice of Finality of Decision		81,133,812.56
PPA: Recognition of Property Received as settlement for MPLP Loan		(586,795.67)
PPA: Adjustments on the PPE based on the CY 2021 PPE Inventory Report		27,358.73
PPA: Derecognition of various PPE		(451,897.48)
Change in Accounting Policy: Increase in Capitalization Threshold from Php 15,000.00 to Php 50,000.00		(2,122,470.51)
Adjusted Retained Earnings	890,939,606.05	848,922,354.84

The *Prior Period Adjustment (PPA)* account of the MWSS RO totaling Php 80,122,478.14 attributable to recognition of Notice of Disallowances with issued of Notice of Finality of Decision, property received as settlement for MPLP Loan and derecognition various PPE items. A total of (Php 2,122,470.51) is attributable to the change in accounting policy on increasing the capitalization threshold from Php 15,000.00 to Php 50,000.00.

6. CASH AND CASH EQUIVALENTS

Particulars	2022	2021 (As restated)
Cash in Bank - Local Currency	52,674,795.89	232,863,154.85
Cash Equivalent	371,589,935.57	367,010,636.03
Total	424,264,731.46	599,873,790.88

- 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, Time Deposits* - This consists of placements in local currency time deposits with LBP that are made for varying period.
- Cash in Bank - Foreign Currency, Time Deposits* - This consists of placements in foreign currency time deposit with LBP.
- The *Cash and Cash Equivalents* account includes the restricted fund solely for the future arbitrations.

7. RECEIVABLES

7.1. Loans and Receivables

Particulars	2022	2021 (As Restated)
Accounts Receivable	-	-
<i>Allowance for Impairment -A/R</i>	-	-
Interests Receivable	620,628.79	878,409.55
Loans Receivable	32,431,023.57	33,261,019.53
Total	33,051,652.36	34,139,429.08

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 Inter-agency Receivables

Particulars	2022	2021 (As Restated)
Due from Central Office / Home Office	256,272,000.00	-

The *Due from Central Office / Home Office* account pertains to the MWSS RO's Corporate Operating Budget for CY 2022 approved by the MWSS Board of Trustees (BOT) through Board Resolution No. 2022-008-RO, subject to written confirmation from the Office of the President, coordination with the MWSS Corporate Office Finance Department, and that the release of funds shall be in tranches.

7.3 Other Receivables

Particulars	2022	2021 (As Restated)
Receivables-Disallowances/Charges	159,642,767.56	159,642,767.56
Due from Officers and Employees	1,279,747.56	1,234,180.05
Other Receivables	283,104.27	283,004.27
Total	161,205,619.39	161,159,951.88

The *Other Receivables* account consists of the following:

Particulars	2022	2021 (As Restated)
Receivables from Trustee Ferdinand Mahusay	196,000.00	196,000.00
Receivables prior 2008	87,004.27	87,004.27
D.D Trippy Dyes	100.00	
Total	283,104.27	283,004.27

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 and those Notice of Disallowances with Notice of Finality of Decision.

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.

Receivable from D.D Trippy Dyes refers to the bank charges resulting to the Stop Payment of the lost check under its name with Check No. 580691 dated 6/20/2022.

7.4 Aging / Analysis of Receivables

Particulars	Total	Not past due	Past Due		
			< 30 days	30-60 days	>60 days
Interests Receivable	620,628.79	620,628.79	-	-	
Loans Receivable	32,431,023.57	-	-	-	32,431,023.57
Due from Central Office / Home Office	256,272,000.00	-	-	-	256,272,000.00
Receivables-Disallowances/Charges	159,642,767.56	-	-	-	159,642,767.56
Due from Officers and Employees	1,279,747.56	-	-	-	1,279,747.56
Other Receivables	283,104.27	-	100.00	-	283,004.27
Total	450,529,271.75	620,628.79	100.00	-	449,908,542.96

8 OTHER ASSETS.

8.1. Current and Non-Current Other Assets

PARTICULARS	2022			2021		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
ADVANCES	910.00	62,681.24	63,591.24	2,311.00	62,681.24	64,992.24
PREPAYMENTS	475,298.22	106,176.77	581,474.99	63,806.69	106,176.77	169,983.46
DEPOSITS	-	1,043,626.19	1,043,626.19	-	1,007,626.19	1,007,626.19
OTHER ASSETS	-	2,710,526.27	2,710,526.27	-	1,819,224.08	1,819,224.08
TOTAL	476,208.22	3,923,010.47	4,399,218.69	66,117.69	2,995,708.28	3,061,825.97

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, common use supplies and equipment, cellphone, gasoline & lubricants, power, water, and copiers.

The *Other Assets* account consists of the following:

Particulars	2022	2021
Unserviceable Assets	1,986,776.27	1,095,474.68
Development of Human Resource Information System (HRIS)	723,750.00	723,750.00
Total	2,710,526.27	1,819,224.08

Unserviceable Assets includes those PPE items left in the Old MWSS RO Building upon transferred to the New MWSS RO Building.

8.2 Contingent Assets

The MWSS RO has the following contingent assets where the estimated or known assets are, or exceed Two Million Nine Hundred Sixteen Thousand pesos. Collection of these assets is dependent on the completion of the engagement with the consultants for the 5th Rate Rebasement Exercises, and the proper turn-over to the MWSS RO. Contingent assets are not recognized in the financial statements.

Particulars	Quantity	Total Cost
Service Vehicle	2	2,000,000.00
Copier	1	196,000.00
Laptop	12	720,000.00
Total		2,916,000.00

9 PROPERTY PLANT AND EQUIPMENT (PPE)

The details of PPE are as follows:

As at December 31, 2022

Particulars	Buildings and Other Structure	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures	Construction In Progress	Total
Carrying Amount January 1, 2022	-	16,529,699.24	4,903,098.27	358,286.86	102,113,704.97	123,904,789.34
Additions/ Acquisitions	102,113,704.97	33,793,833.34		8,935,825.00	-	144,843,363.31
Total	102,113,704.97	50,323,532.58	4,903,098.27	9,294,111.86	102,113,704.97	268,748,152.65
Disposal/ Reclassification		(2,062,299.85)	-	(338,810.55)	102,113,704.97	(104,514,815.37)
Depreciation	-	(1,724,255.40)	(980,671.70)	(652,826.50)		(3,357,753.60)
Impairment Loss						-
Carrying Amount December 31, 2022	102,113,704.97	46,536,977.33	3,922,426.57	8,302,474.81	-	160,875,583.68

Gross Cost	102,113,704.97	161,020,018.63	15,858,011.17	9,130,588.96	102,113,704.97	390,236,028.70
Accumulated Depreciation	-	(114,483,041.30)	(11,935,584.60)	(828,114.15)		127,246,740.05)
Reclassification	-	-	-		(102,113,704.97)	-
Carrying Amount December 31, 2022	102,113,704.97	46,536,977.33	3,922,426.57	8,302,474.81	-	160,875,583.68

As At December 31, 2021

Particulars	Buildings and Other Structure	Machinery and Equipment	Transportation Equipment	Furniture and Fixtures	Construction In Progress	Total
Carrying Amount January 1, 2021	281,542.75	18,237,952.03	6,781,485.87	585,344.11	73,616,503.08	99,502,827.84
Additions/ Acquisitions	-	2,323,615.00	-	25,000.00	28,497,201.89	30,845,816.89
Total	281,542.75	20,561,567.03	6,781,485.87	610,344.11	102,113,704.97	130,348,644.73
Disposal	(281,542.75)	-	-	-	-	(281,542.75)
Depreciation	-	(4,031,867.79)	(1,878,387.60)	(252,057.25)	-	(6,162,312.64)
Carrying Amount December 31, 2021	-	16,529,699.24	4,903,098.27	358,286.86	102,113,704.97	123,904,789.34

Gross Cost	2,533,884.79	135,523,021.32	15,858,011.17	4,596,981.64	102,113,704.97	260,625,603.89
Accumulated Depreciation	(2,533,884.79)	(118,993,322.08)	(10,954,912.90)	(4,238,694.78)		(136,720,814.55)
Carrying Amount December 31, 2021	0.00	16,529,699.24	4,903,098.27	358,286.86	102,113,704.97	123,904,789.34

The *Building and Other Structure* account pertains to the reclassification of the *Construction in Progress - Office Building* account upon completion of the construction of the new MWSS RO Building located at the H. Ventura St. corner Katipunan Avenue Brgy. Pansol, Quezon City.

The *Land*, wherein the new MWSS RO Building is located, was turned-over by the MWSS CO to the MWSS RO with total control of the site pursuant to the Board of Trustees Resolution No. 2017-123-RO.

10 FINANCIAL LIABILITIES

10.1. Payables

Particulars	2022		2021 (As Restated)	
	Current	Non-Current	Current	Non-Current
Accounts Payable	21,111,953.97	-	13,415,666.75	-
Interest Payable	-	-	-	-
Due to Officers and Employees	21,589,838.57	-	16,282,268.11	-
Total	42,701,792.54	-	29,697,934.86	-

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	2022	2021 (As Restated)
Due to BIR	269,564.81	283,602.25
Due to GSIS	664,573.78	(10,109.64)
Due to PhilHealth	(53,486.17)	(2,565.14)
Due to Pag-IBIG	(656.65)	(5,306.65)
Total	879,995.77	265,620.82

The balance of *Due to BIR* account pertains to the tax refunds of MWSS RO employees who were separated from the office with pending certification of clearances.

The balances of accounts *Due to GSIS* and *Due to PhilHealth* pertains to the unremitted differential in the contributions resulted from the implementation of the CPCS rates and the pending submission of the Agency Remittance Advice to respective oversight agencies which serve as the basis for updating the membership profile to reflect the new salary rate.

12. INTRA - AGENCY PAYABLES

Particulars	2022	2021 (As Restated)
Due to Operating Units	(200.00)	2,050.00
Due to Other Funds	(438.00)	(2 953.00)
Due to MWSS CO	3,557.91	-
Total	2,919.91	(903.00)

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

The balance of *Due to MWSS CO* account pertains to the accrued water bill share of the MWSS RO for the remaining occupied portion in the old building.

13. TRUST LIABILITIES

Particulars	2022	2021 (As Restated)
Trust Liabilities – BAC	597,482.01	573,444.01
Total	597,482.01	573,444.01

The balance of *Trust Liabilities* account pertains to the sale of Bid Documents earmarked for the payment of Bids and Awards Committee, Secretariat, and Technical Working Group honoraria.

14. DEFERRED CREDITS

Particulars	2022	2021 (As Restated)
Deferred Credits	17,983,961.66	-

The balance of the *Deferred Credits* account pertains to the collection from the two concessionaires, Maynilad Water Services Inc, and Manila Water Company Inc, for the refund of cost incurred on the Consultancy Services for the Asset Condition Report.

15. OTHER PAYABLES

Particulars	2022	2021 (As Restated)
Other Payables	664,084.41	664,084.41
Total	664,084.41	664,084.41

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.

16. SERVICE AND BUSINESS INCOME

Particulars	2022	2021 (As Restated)
Service Concession Revenue		
Concession Income	256,272,000.00	152,526,000.00
Business Income		
Interest Income	3,730,512.72	3,667,292.38
Total	260,002,512.72	156,193,292.38

Concession Income – is the annual Current Operating Budget to be paid by the MWSS CO to MWSS RO for administrative expenditures, procurement of consultancy services and capital outlay. This was approved by the MWSS Board of Trustees (BOT) through Board Resolution No. 2022-008-RO, subject to written confirmation from the Office of the President, coordination with the MWSS Corporate Office Finance Department, and that the release of funds shall be in tranches

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.

17. PERSONNEL SERVICES

17.1 Salaries and Wages

Particulars	2022	2021 (As Restated)
Salaries and Wages - Regular	52,403,367.74	43,059,090.81
Salaries and Wages – Casual/Contractual		
Total	52,403,367.74	43,059,090.81

Increase in the *Salaries and Wages – Regular* account was due to the implementation of the Compensation and Position Classification System (CPCS) rates in compliance to the Authority to Implement issued by the Government Commission of GOCCs (GCG).

17.2 Other Compensation

Particulars	2022	2021 (As Restated)
PERA	1,471,406.46	1,491,972.03
Representation Allowance	1,358,625.00	1,358,250.00
Transportation Allowance	798,305.00	806,250.00
Clothing/Uniform Allowance	366,000.00	384,000.00
Subsistence, COLA, Amelioration	-	-
Productivity Incentive Allowance	1,550,000.00	2,214,752.88
Honoraria	62,000.00	-
Hazard Pay	-	1,115,250.00
Longevity Pay	40,000.00	-
Overtime & Night Pay	295,150.16	127,733.66
Year End Bonus	4,170,229.00	3,974,266.10
Cash Gift	310,000.00	310,500.00
Other Bonuses & Allowances	4,120,496.00	3,422,071.00
Total	14,542,211.62	15,205,045.67

The *Other Bonuses and Allowances* account pertains to the Mid-Year Bonuses, and the Anniversary Bonuses granted for the celebration of the 25th Anniversary of the MWSS Regulatory Office pursuant to National Budget Circular No. 452.

17.3 Personnel Benefit Contributions

Particulars	2022	2021 (As Restated)
Retirement and Life Insurance Contributions	4,898,260.88	4,859,783.77
PhilHealth Contributions	633,035.41	479,377.01
Employees Compensation Insurance Premium	72,700.00	74,700.00
Pag-IBIG Contributions	74,100.00	75,100.00
Total	5,678,096.29	5,488,960.78

17.4 Other Personnel Benefits

Particulars	2022	2021 (As Restated)
Terminal Leave Benefits	6,711,017.33	5,029,929.61
Other Personnel Benefits	1,507,500.00	1,460,000.00
Total	8,218,517.33	6,489,929.61

The *Other Personnel Benefits* account pertains to the payment of Collective Negotiation Agreement Incentive.

18 MAINTENANCE AND OTHER OPERATING EXPENSES

18.1 Professional Services

Particulars	2022	2021 (As Restated)
Consultancy Services	28,255,099.59	4,114,896.00
Other Professional Services	20,430,439.60	16,966,099.36
Auditing Services	328,474.81	68,260.60
Total	49,014,014.00	21,149,255.96

18.2 Taxes, Insurance Premiums and Other Fees

Particulars	2022	2021 (As Restated)
Taxes, Duties and Licenses	34,458.12	46,626.90
Insurance Expenses	898,834.88	95,808.98
Fidelity Bond Premiums	67,500.00	67,500.00
Total	1,000,793.00	209,935.88

The *insurance expenses* include the payment for the coverage of Director's and Officers' Liability Insurance and Fire Insurance for the New MWSS RO Building including its facilities and equipment.

18.3 General Services

Particulars	2022	2021 (As Restated)
Security Services	2,131,042.55	1,493,904.04
Janitorial Services	1,538,815.34	1,431,833.45
Total	3,669,857.89	2,925,737.49

18.4 Utility Expenses

Particulars	2022	2021 (As Restated)
Electricity Expenses	2,953,675.92	2,032,493.00
Water Expenses	307,535.66	330,735.16
Total	3,261,211.58	2,363,228.16

Increase in the *Electricity Expenses* account was due to the transfer of the MWSS RO to its new building. MWSS CO started to bill *Water Expenses* share of MWSS RO in CY2019.

18.5 Supplies and Materials Expenses

Particulars	2022	2021 (As Restated)
Fuel, Oil and Lubricants Expenses	1,955,170.42	1,157,929.44
Other Supplies Expenses	10,786,152.40	36,535.75

Office Supplies Expenses	468,675.58	960,734.88
Maintenance, Sampling and Other Consumable	699,451.00	584,144.66
Total	13,909,449.40	2,739,344.73

The *Other Supplies Expenses* include the effect of reclassification of PPE items procured during the year in compliance to the new accounting policy increasing the capitalization threshold from Php 15,000.00 to Php 50,000.00.

18.6 Training and Scholarship Expenses

Particulars	2022	2021 (As Restated)
Training Expenses	2,204,419.42	1,735,129.08

The *Training Expenses* account includes the cost related to the domestic and foreign Learning and Development (L&D) attended and participated by the officials and employees of the MWSS RO. For CY 2022, the foreign L&D participated by the MWSS RO are the 2022 Singapore Convention Week, International Water Association World Water Congress and Exhibition 2022, and 7th International Water Regulators Forum.

18.7 Communication Expenses

Particulars	2022	2021 (As Restated)
Telephone Expenses – Landline		9,892.00
Telephone Expenses – Mobile	651,244.29	570,360.27
Internet Expenses	310,423.20	175,044.00
Postage and Courier Services	87,702.00	62,570.00
Total	1,049,369.49	817,866.27

18.8 Repairs and Maintenance (RM)

Particulars	2022	2021 (As Restated)
RM – Transportation Equipment	323,926.49	330,869.86
RM – Buildings and Other Structures	633,060.25	27,644.50
RM – Machinery and Equipment	931,717.12	286,441.20
RM – Furniture and Fixtures	1,119.00	-
Total	1,889,822.86	644,955.56

Increase in *RM – Building and Other Structures* account was due to the transfer to the New MWSS RO building which includes the in-house wiring of the conduit for the connectivity transfer and engagement for the pest control services.

Increase in *RM – Machinery and Equipment* account was due to the renewal of firewall license and engagement for the regular preventive maintenance service for the air-conditioning units.

18.9 Extraordinary and Miscellaneous Expenses

Particulars	2022	2021 (As Restated)
Extraordinary and Miscellaneous Expenses	762,034.88	496,731.03

Increase in the *Extraordinary and Miscellaneous Expenses* account was due to the increase in the applicable rates in line with the Authority to Implement issued by the GCG.

18.10 Traveling Expenses

Particulars	2022	2021 (As Restated)
Travelling Expenses – Local	1,006,284.15	116,505.72
Travelling Expenses – Foreign	-	-
Total	1,006,284.15	116,505.72

18.11. Other Maintenance and Operating Expenses

Particulars	2022	2021 (As Restated)
Other Maintenance and Operating Expenses	6,387,715.40	3,820,703.53
Representation Expenses	1,020,142.11	136,562.00
Subscription Expenses	966,500.29	2,161,876.74
Advertising, Promotional and Marketing Expenses	1,132,705.96	727,322.40
Rent/Lease Expenses	989,662.44	263,590.00
Printing and Publication Expenses	1,171,830.00	661,979.96
Total	11,668,556.20	7,772,034.63

Increase in the *Other Maintenance and Operating Expenses* account was due to the full implementation of the plans and activities, such as tree planting, in-house and inter-agency sports activity, team building, and other Gender and Development related, as a result of more relaxed COVID restrictions.

19 NON-CASH EXPENSES

19.1. Depreciation

Particulars	2022	2021 (As Restated)
Depreciation - Building and Other Structures	-	-
Depreciation - Furniture and Fixtures	671,627.04	19,597.68
Depreciation – Machinery and Equipment	3,552,763.13	1,998,860.85
Depreciation – Transportation Equipment	980,671.70	1,878,387.60
Depreciation – Service Concession Assets	-	-
Total	5,205,061.87	3,896,846.13

20. NON-OPERATING INCOME, GAIN OR LOSSES

20.1 Miscellaneous Income

Particulars	2022	2021 (As Restated)
Miscellaneous Income	56,6258.00	-

The *Miscellaneous Income* includes the proceeds from the sale of bidding documents.

20.2 Gains/ (Losses)

Particulars	2022	2021 (As Restated)
Gain on Foreign Exchange (Loss)/ Gain	1,722,890.23	934,556.34
Gain on Sale of Property, Plant and Equipment	-	-
Total	1,722,890.23	934,556.34

21. INCOME TAX EXPENSE

The Metropolitan Waterworks and Sewerage System (MWSS) Regulatory Office (RO) adopted the policy determination approved by the MWSS Board of Trustees (BOT) on its Resolution No. 2014-041-CO, to wit:

"The Concession Agreements mandated the establishment of a Regulatory Office as the unit that shall discharge purely regulatory powers and functions contractually stipulated under Section 7 and 8, Exhibit A, of said Agreements. The RO does not possess a legal or juridical personality separate and distinct from the MWSS.

The RO is a cost center and not a revenue-generating unit of MWSS. The RO was not given any substantial assets that can be used to generate revenue or to encumber/secure loans nor was it granted the power to raise revenues from licenses fees and charges.

"That, in years past, RO was not able to fully utilize or allocated its budgetary releases did not result in income but only budgetary surplus for that calendar year."

In compliance with the directive of the MWSS BOT, the unutilized budget or the surplus of the RO at the end of the budget year was carried over to the succeeding budget year and deducted to the fund allocation requested from the MWSS Corporate Office to cover the Corporate Operating Budget for the succeeding year.

In addition, the MWSS BOT directed that toward the calendar year's end, the RO budget utilization and other year-end financial reports will be consolidated with that of CO and reported to the BOT for determination and approval of any dividends and taxes that may be remitted to the National Government pursuant to law. As a purely regulatory office, any undisbursed, unallocated, or unencumbered budget will be reported to the BOT for appropriate disposition.

22. UNRECONCILED ASSET AND LIABILITY ACCOUNT BALANCES

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

Particulars	2022	2021
Asset Accounts		
Cash and Cash Equivalent	1,270,973.75	1,270,973.75
Due from Employees	1,168,271.61	1,168,271.61
Other Receivables	87,004.27	87,004.27
Other Prepayments	(145,854.72)	(145,854.72)
Guaranty Deposit	17,125.00	17,125.00
Total Unreconciled Assets	2,397,519.91	2,397,519.91
Liability Accounts		
Other Payables	664,084.41	664,084.41
Total Unreconciled Liabilities	664,084.41	664,084.41
Net Unreconciled Balances	1,733,435.50	1,733,435.50

The unreconciled balances refer to carryforward balances from prior years and most were dated before the implementation of Peachtree in 2008. Reconciliation of these items has not been prioritized due to the difficulty in finding the supporting documents and lack of manpower. Moving forward, reconciliation of these accounts will be among the priority projects of the Finance Section – Administration Department.

23. RESTATEMENT OF ACCUMULATED SURPLUS / (DEFICIT)

The Accumulated Surplus/(Deficit) as of January 1, 2022 has been restated as follows:

Balance, January 1, 2021 (Unrestated)	770,922,347.21
Prior Period Adjustments	80,122,478.14
Other Adjustment: Changes in Accounting Policy	(2,122,470.51)
Adjusted Balance, January 1, 2021 (Restated)	848,922,354.84
Changes in Net Assets/Equity for CY 2021, net	42,017,251.21
Adjusted Balance, December 31, 2021 (Restated)	890,939,606.05

24. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

The budget was on an accrual basis, covering the period from January 1, 2022 to December 31, 2022. The MWSS Corporate and Regulatory Office have separate budget approval from the Department of Budget and Management (DBM).

Particulars	Budgeted Amounts		Actual Amounts on Comparable Basis	Difference: Actual and Final Amounts
	Original	Final		
Sources of Funds:				
Projected Free Cash	37,960,000.00	37,960,000.00	37,960,000.00	
Concession Fee Allocation	219,943,000.00	219,943,000.00	0.00	219,943,000.00
Interest Income	4,034,000.00	4,034,000.00	3,730,512.72	303,487.28
Miscellaneous Income	654,000.00	654,000.00	9,048,608.83	(8,394,608.83)
	262,591,000.00	262,591,000.00	50,739,121.55	211,851,878.45

Total Sources of Funds				
Expenditures				
Personnel Services (PS)	136,404,000.00	136,404,000.00	80,842,192.98	55,561,807.02
Maintenance & Other Operating Exp (MOOE)	97,604,000.00	96,104,000.00	54,168,184.37	41,935,815.63
Capital Outlays (CO)	23,895,000.00	17,386,000.00	7,619,032	9,766,968.00
Total Expenditures	257,903,000.00	249,894,000.00	142,629,409.35	107,264,590.65
Surplus/ (Deficit) for the Period	4,688,000.00	12,697,000.00	(91,890,287.80)	104,587,287.50

The MWSS RO submitted to the DBM its CY 2022 Corporate Operating Budget (COB), however, the DBM on its letter dated 12 September 2022, constrained to evaluate, and to approve the CY 2022 COB pending the written clarification from the Office of the President on the MWSS RO sources of funding. Thus, the MWSS RO adopted the level for both MOOE and Capital Outlay only up to the extent of last year's approved budget level, net of non-recurring expenses in accordance with the DBM Corporate Budget Circular No. 22 dated 01 December 2016.

CY 2021		
Particulars	Budgeted Amounts	
	Original	DBM Approved
Maintenance & Other Operating Exp (MOOE)	162,756,000.00	150,012, 000.00
Capital Outlays (CO)	35,203,000.00	35,203,000.00
Total Expenditures	277,490,000.00	257,383,000.00



Republic of the Philippines
MWSS - REGULATORY OFFICE
POST CLOSING TRIAL BALANCE
 December 31, 2022

Account Description	Revised Acct. Code	BALANCES	
		Dr	Cr
ASSETS			
CURRENT ASSETS			
CASH AND CASH EQUIVALENTS			
CASH-CASH ON HAND			
CASH - Cash Collecting Officer	1-01-01-010	-	-
PETTY CASH FUND	1-01-01-020	-	-
CASH IN BANK - LOCAL CURRENCY			
CASH CIB-LC, Current Account	1-01-02-020	52,674,795.89	-
CASH CIB-LC, Savings Account	1-01-02-030	-	-
CASH IN BANK - FOREIGN CURRENCY			
CASH EQUIVALENT			
TIME DEPOSITS - LOCAL CURRENCY	1-01-05-020	371,139,502.42	-
TIME DEPOSITS - FOREIGN CURRENCY	1-01-05-030	450,433.15	-
RECEIVABLES			
LOANS AND RECEIVABLES			
INTEREST RECEIVABLE	1-03-01-050	620,628.79	-
LOANS RECEIVABLE -OTHERS	1-03-01-990	32,431,023.57	-
INTRA-AGENCY RECEIVABLES			
DUE FROM CENTRAL OFFICE/HOME OFF	1-03-04-060	256,272,000.00	-
OTHER RECEIVABLES			
RECEIVABLES - DISALLOWANCES	1-03-05-010	159,642,767.56	
DUE FROM OFFICERS AND EMPLOYEES	1-03-05-020	1,279,747.56	-
OTHER RECEIVABLES	1-03-05-990	283,104.27	-
INVENTORIES			
SUPPLIES			
OFFICE SUPPLIES INVENTORY	1-04-04-010	-	-
SPARE PARTS INVENTORY	1-04-04-990	-	-
PROPERTY, PLANT AND EQUIPMENT			
BUILDINGS AND OTHER STRUCTURE			
BUILDING	1-06-04-010	102,113,704.97	
Accum. Depre. - Office Bldg	1-06-04-011		-
MACHINERY AND EQUIPMENT			
OFFICE EQUIPMENT	1-06-05-020	7,906,648.18	
Accum. Depre. - Office Eqpt.	1-06-05-021		2,664,100.04
IT EQUIPMENT & SOFTWARE	1-06-05-030	129,108,474.00	
Accum. Depre. - IT Eqpt.	1-06-05-031		108,727,250.69
COMMUNICATION EQUIPMENT	1-06-05-070	226,000.00	
Accum. Depre. - Comm. Eqpt.	1-06-05-071		166,109.99



Republic of the Philippines
MWSS - REGULATORY OFFICE
POST CLOSING TRIAL BALANCE
 December 31, 2022

Account Description		Revised Acct. Code	BALANCES	
			Dr	Cr
	MEDICAL, DENTAL & LAB EQPT.	1-06-05-110	-	
	Accum. Depre. - Medical Eqpt.	1-06-05-111		-
	SPORTS EQUIPMENT	1-06-05-130	685,448.00	
	Accum. Depre. - Sports Eqpt.	1-06-05-131		88,902.84
	TECHNICAL & SCIENTIFIC EQPT.	1-06-05-140	23,043,058.44	
	Accum. Depre. - Technical & Sc	1-06-05-141		2,798,885.14
	OTHER MACHINERIES AND EQUIPMENT	1-06-05-990	50,390.01	-
	Accum Depre.-OME	1-06-05-991		37,792.60
	TRANSPORTATION EQUIPMENT			
	MOTOR VEHICLES	1-06-06-010	15,858,011.17	
	Accum. Depre. - Motor Vehicle	1-06-06-011		11,935,584.60
	FURNITURE, FIXTURES AND BOOKS			
	FURNITURE & FIXTURES	1-06-07-010	8,935,824.99	
	Accum. Depre. - Furniture & Fi	1-06-07-011		652,826.58
	LIBRARY BOOKS	1-06-07-020	194,763.97	
	Accum. Depre. - Library Books	1-06-07-021		175,287.57
	CONSTRUCTION IN PROGRESS			
	BUILDING & OTHER STRUCTURES	1-06-99-030	-	
	OTHER ASSETS			
	ADVANCES			
	ADVANCES TO SDO	1-99-01-030	63,591.24	
	PREPAYMENTS			
	ADVANCES TO CONTRACTORS	1-99-02-010	252,031.49	
	PREPAID INSURANCE	1-99-02-050	475,298.22	
	OTHER PREPAID EXPENSES	1-99-02-990	-	145,854.72
	DEPOSITS			
	GUARANTY DEPOSITS	1-99-03-020	1,043,626.19	-
	RESTRICTED FUND			
	RESTRICTED FUND	1-99-04-010	-	
	OTHER ASSETS			
	OTHER ASSETS	1-99-99-990	2,710,526.27	
	LIABILITIES			
	CURRENT LIABILITIES			
	FINANCIAL LIABILITIES			
	ACCOUNTS PAYABLE	2-01-01-010		21,111,953.97
	DUE TO OFFICERS & EMPLOYEES	2-01-01-020		21,589,838.57
	INTEREST PAYABLE	2-01-01-050		-
	LOANS PAYABLE - FOREIGN	2-01-02-050		-



Republic of the Philippines
MWSS - REGULATORY OFFICE
POST CLOSING TRIAL BALANCE
December 31, 2022

Account Description	Revised Acct. Code	BALANCES	
		Dr	Cr
INTER-AGENCY PAYABLES			
DUE TO BIR	2-02-01-010		269,564.81
DUE TO GSIS	2-02-01-020		664,573.78
DUE TO PAG-IBIG	2-02-01-030		(656.65)
DUE TO PHILHEALTH	2-02-01-040		(53,486.17)
INTRA-AGENCY PAYABLES			
DUE TO OPERATING UNITS	2-03-01-040		(200.00)
DUE TO OTHER FUNDS	2-03-01-050		(438.00)
DUE TO C.O.	2-03-01-060		3,557.91
TRUST LIABILITIES			
PERFORMANCE/BIDDERS BOND	2-04-01-040	-	-
TRUST LIABILITIES - BAC	2-04-01-010	-	597,482.01
DEFERRED CREDITS			
OTHER DEFERRED CREDITS	2-05-01-020	-	17,983,961.66
OTHER PAYABLES			
DIVIDENDS PAYABLE	2-99-99-090		-
OTHER PAYABLES	2-99-99-990	-	664,084.41
GOVERNMENT EQUITY			
RETAINED EARNINGS	3-07-01-010		977,238,569.28

TOTAL

1,167,461,400.35 1,167,461,400.35

Prepared by:


Sir Gil P. Maravilla
Chief Corporate Accountant



Republic of the Philippines
MWSS - REGULATORY OFFICE
PRE-CLOSING DETAILED TRIAL BALANCE
December 31, 2022

Account Description	Acct Code	Revised Acct Code	Dr.	Cr.
CASH CIB-LC, C/A- LBP Regular	111-LBP	1-01-02-020-02	37,809,170.35	-
CASH CIB-LC, C/A-LBP MVFP/MPLP	111-LBP2	1-01-02-020-03	13,594,651.79	-
CASH CIB-LC, C/A- PNB Regular	111-PNB1	1-01-02-020-04	1,242,351.30	-
CASH CIB-LC, C/A- PNB MVFP	111-PNB2	1-01-02-020-05	28,622.45	-
CASH CIB-LC, TD - LBP Special	113-LBPS	1-01-05-020-02	371,139,502.42	-
CASH CIB-FC, TD - LBP Dollars	117-LBP\$	1-01-05-030-01	450,433.15	-
DUE FROM OE - Cash Advance	123-CA	1-99-01-030-00	63,591.24	-
DUE FROM OE - Health Insurance	123-HMO	1-03-05-020-01	942,839.94	-
DUE FROM OE - MVFP Insurance	123-INS	1-03-05-020-02	75,614.55	-
DUE FROM OE - Others	123-Others	1-03-05-020-03	52,261.68	-
DUE FROM OE - Phone Calls	123-PHONE	1-03-05-020-04	209,031.39	-
LOANS RECEIVABLE - MVFP/HOUSNG	126	1-03-01-990-00	32,431,023.57	-
INTEREST RECEIVABLE	129	1-03-01-050-00	620,628.79	-
DUE FROM C.O./HOME OFFICE	141-1	1-03-04-060-01	256,272,000.00	-
RECEIVABLES - Disallowances	146	1-03-05-010-00	159,642,767.56	-
OTHER RECEIVABLES	149	1-03-05-990-00	283,104.27	-
PREPAID INSURANCE	178	1-99-02-050-00	475,298.22	-
ADVANCES - BUILDING	181 - BUILDING	1-99-02-010-01	252,031.49	-
OTHER PREPAID - WF Gov't	185	1-99-02-990-00	-	145,854.72
GUARANTY DEP - Airfare	186-AIRFARE	1-99-03-020-01	200,000.00	-
GUARANTY DEP - Cellphone	186-CP	1-99-03-020-03	17,125.00	-
GUARANTY DEP - GAS	186-GAS	1-99-03-020-04	40,000.00	-
GUARANTY DEP - COPIERS	186-XEROX	1-99-03-020-05	7,500.00	-
GUARANTY DEP - DBM	186-DBM	1-99-03-020-06	319,641.19	-
GUARANTY DEP -Meralcol	186-MERALCO	1-99-03-020-07	423,360.00	-
OFFICE BUILDINGS	211	1-06-04-010-00	102,113,704.97	-
OFFICE EQUIPMENT	221	1-06-05-020-00	7,906,648.18	-
Accum. Depre. - Office Eqpt.	221-321	1-06-05-021-00	-	2,664,100.04
FURNITURE & FIXTURES	222	1-06-07-010-00	8,935,824.99	-
Accum. Depre. - Furniture & Fi	222-322	1-06-07-011-00	-	652,826.58
IT EQUIPMENT & SOFTWARE	223	1-06-05-030-00	129,108,474.00	-
Accum. Depre. - IT Eqpt.	223-323	1-06-05-031-00	-	108,727,250.69
LIBRARY BOOKS	224	1-06-07-020-00	194,763.97	-
Accum. Depre. - Library Books	224-324	1-06-07-021-00	-	175,287.57
COMMUNICATION EQUIPMENT	229	1-06-05-070-00	226,000.00	-
Accum. Depre. - Comm. Eqpt.	229-329	1-06-05-071-00	-	166,109.99
SPORTS EQUIPMENT	235	1-06-05-130-00	685,448.00	-
Accum. Depre. - Sports Eqpt.	235-335	1-06-05-131-00	-	88,902.84
TECHNICAL & SCIENTIFIC EQPT.	236	1-06-05-140-00	23,043,058.44	-
Accum. Depre. - Technical & Sc	236-336	1-06-05-141-00	-	2,798,885.14
O M & E - Audio Visual	240-4	1-06-05-990-40	50,390.01	-
Accum Depre.-OME- Audio Visual	240-4-340	1-06-05-991-41	-	37,792.60
MOTOR VEHICLES	241	1-06-06-010-00	15,858,011.17	-
Accum. Depre. - Motor Vehicle	241-341	1-06-06-011-00	-	11,935,584.60
OTHERS ASSETS	290	1-99-99-990-07	2,710,526.27	-
A/P-Vouchers Payable	401-1	2-01-01-010-01	-	2,936,542.34
A/P-Accrued Expenses - MOOE	401-2	2-01-01-010-02	-	18,027,412.84
A/P-Accrued Expenses - CAPEX	401-3	2-01-01-010-03	-	147,998.79



Republic of the Philippines
MWSS - REGULATORY OFFICE
PRE-CLOSING DETAILED TRIAL BALANCE
 December 31, 2022

Account Description	Acct Code	Revised Acct Code	Dr	Cr.
DUE TO OE - Claims	403-2	2-01-01-020-02	-	21,589,838.57
DUE TO BIR - ITW Employees	412-1	2-02-01-010-01	-	292,792.36
DUE TO BIR - VAT Professionals	412-3	2-02-01-010-03	-	2,955.38
DUE TO BIR - EWT Supplrs/Servi	412-4	2-02-01-010-04	-	12,978.22
DUE to BIR - Final Vat Withhld	412-5	2-02-01-010-05	39,161.15	-
DUE TO GSIS - Employee Share	413-2	2-02-01-020-02	-	679,926.12
DUE TO GSIS - Plans	413-4	2-02-01-020-04	50.64	-
DUE TO GSIS - Loans	413-5	2-02-01-020-05	15,301.70	-
DUE TO PAG-IBIG - Employee Sha	414-2	2-02-01-030-02	200.00	-
DUE TO PAG-IBIG - Empl Loans	414-3	2-02-01-030-03	456.65	-
DUE TO PHILHEALTH - Gov't. Sha	415-1	2-02-01-040-01	97,052.89	-
DUE TO PHILHEALTH - Empl. Shar	415-2	2-02-01-040-02	-	43,566.72
DUE TO C.O.	421	2-03-01-060-00	-	3,557.91
DUE TO OPTNG U - RO Tubig Due	423	2-03-01-040-00	200.00	-
DUE TO OF - WF Empl. Share	424-2	2-03-01-050-02	100.00	-
DUE TO OF - WASSLAI Contributn	424-4	2-03-01-050-08	146,613.50	-
DUE TO OF - WASSLAI Loans	424-5	2-03-01-050-09	-	143,595.50
DUE TO OF - Coop Capital	424-6	2-03-01-050-10	600.00	-
PERFORMANCE/BIDDERS BOND	427	2-04-01-010-00	-	597,482.01
OTHER PAYABLES	439	2-99-99-990-00	-	664,084.41
DEFERRED CREDITS	455	2-05-01-020-00	-	17,983,961.66
RETAINED EARNINGS	510	3-07-01-010-00	-	890,939,606.05
INCOME FROM WATERWORKS	639	4-02-01-990-00	-	256,272,000.00
INTEREST INCOME - Bank Deposit	664-1	4-02-02-210-01	-	3,668,299.96
INTEREST INCOME - MVFP	664-2	4-02-02-210-02	-	62,212.76
MISCELLANEOUS INCOME	678	4-06-03-990-00	-	56,628.00
GAIN/LOSS ON FOREX	681	4-05-01-010-00	-	1,722,890.23
SALARIES & WAGES - REGULAR	701	5-01-01-010-00	52,403,367.74	-
PERA	711	5-01-02-010-00	1,471,406.46	-
REPRESENTATION ALLOWANCE	713	5-01-02-020-00	1,358,625.00	-
TRANSPORTATION ALLOWANCE	714	5-01-02-030-00	798,305.00	-
CLOTHING/UNIFORM ALLOWANCE	715	5-01-02-040-00	366,000.00	-
PRODUCTIVITY INCNTV - Others	717-3	5-01-02-080-03	1,550,000.00	-
OTHER BONUSES & ALL - Others	719-1	5-01-02-990-01	3,958,496.00	-
OTHER BONUSES - Anniversary	719-3	5-01-02-990-03	162,000.00	-
HONORARIA	720	5-01-02-100-00	62,000.00	-
OVERTIME AND NIGHT PAY	723	5-01-02-130-00	295,150.16	-
CASH GIFT	724	5-01-02-150-00	310,000.00	-
YEAR END BONUS	725	5-01-02-140-00	4,170,229.00	-
LIFE & RETIREMENT INS. CONTRIB	731	5-01-03-010-00	4,898,260.88	-
PAG-IBIG CONTRIBUTIONS	732	5-01-03-020-00	74,100.00	-
PHILHEALTH CONTRIBUTIONS	733	5-01-03-030-00	633,035.41	-
ECC CONTRIBUTIONS	734	5-01-03-040-00	72,700.00	-
TERMINAL LEAVE BENEFITS	742	5-01-04-030-00	6,711,017.33	-
LOYALTY AWARD BENEFITS	743	5-01-02-120-01	40,000.00	-
OTHER PERSONNEL BENEFITS - CNA	749-3	5-01-04-990-03	1,507,500.00	-
TRAVELLING EXP-LOCAL-Allowance	751-1	5-02-01-010-02	186,350.00	-
TRAVELLING EXP-LOCAL-Air&Sea	751-2	5-02-01-010-03	172,835.36	-



Republic of the Philippines
MWSS - REGULATORY OFFICE
PRE-CLOSING DETAILED TRIAL BALANCE
December 31, 2022

Account Description	Acct Code	Revised Acct Code	Dr	Cr.
TRAVELLING EXP-LOCAL-Inland	751-3	5-02-01-010-04	159,705.50	-
TRAVELLING EXPENSES - FOREIGN	752	5-02-01-020-00	487,393.29	-
TRAINING EXPENSES	753	5-02-02-010-00	1,304,985.93	-
SCHOLARSHIP EXPENSES	754	5-02-02-020-00	899,433.49	-
OFFICE SUPPLIES - Off Supplies	755-1	5-02-03-010-01	285,907.83	-
OFFICE SUPPLIES - Computer Sup	755-2	5-02-03-010-02	182,767.75	-
MAINTENANCE, SAMPLING & OTHER CON	759	5-02-03-070-00	699,451.00	-
GASOLINE, OIL AND LUBRICANTS	761	5-02-03-090-00	1,955,170.42	-
OTHER SUPPLIES EXPENSE	765	5-02-03-990-00	10,786,152.40	-
WATER EXPENSES	766	5-02-04-010-00	307,535.66	-
ELECTRICITY EXPENSES	767	5-02-04-020-00	2,953,675.92	-
POSTAGE AND DELIVERIES	771	5-02-05-010-00	87,702.00	-
TELEPHONE EXPENSES - MOBILE	773	5-02-05-020-02	651,244.29	-
INTERNET EXPENSE	774	5-02-05-030-00	310,423.20	-
ADVERTISING EXPENSES	780	5-02-99-010-00	1,132,705.96	-
PRINTING AND BINDING EXPENSES	781	5-02-99-020-00	1,171,830.00	-
RENT EXPENSE - COPIERS	782-1	5-02-99-050-01	688,882.44	-
RENT EXPENSE - Others	782-2	5-02-99-050-02	300,780.00	-
REPRESENTATION EXPENSES	783	5-02-99-030-00	1,020,142.11	-
SUBSCRIPTION EXPNSSES	786	5-02-99-070-00	966,500.29	-
AUDITING SERVICES	792	5-02-11-020-00	328,474.81	-
CONSULTANCY - ACR/CAPEX/Service Obli	793-2	5-02-11-030-02	65,636.36	-
CONSULTANCY - Rate/tariff Restr/Regulato	793-4	5-02-11-030-04	17,777,383.23	-
CONSULTANCY - CUSTOMER SURVEY	793-6	5-02-11-030-06	1,825,600.00	-
CONSULTANCY - Cost Referencing	793-7	5-02-11-030-07	8,586,480.00	-
JANITORIAL SERVICES	796	5-02-12-020-00	1,538,815.34	-
SECURITY SERVICES	797	5-02-12-030-00	2,131,042.55	-
OTHER PROF SRVCS - WQ Test	799-1	5-02-11-990-01	8,891,615.00	-
OTHER PROF SRVCS - Others	799-3	5-02-11-990-03	11,538,824.60	-
R&M - OFFICE BUILDINGS	811	5-02-13-040-01	633,060.25	-
R&M - OFFICE EQUIPMENT	821	5-02-13-050-01	115,181.00	-
R&M - FURNITURE & FIXTURES	822	5-02-13-070-00	1,119.00	-
R&M - IT EQPT & SOFTWARE	823	5-02-13-050-02	438,315.00	-
R&M - COMMUNICATION EQPT.	829	5-02-13-050-04	48,721.12	-
R&M - OTHER EQPT.- ELECTRICAL & COC	840-4	5-02-13-050-13	329,500.00	-
R&M - MOTOR VEHICLES	841	5-02-13-060-01	323,926.49	-
EXTRAORDINARY & MISCELLANEOUS EX	883	5-02-10-030-00	762,034.88	-
MISCELLANEOUS EXPENSES	884	5-02-99-990-04	34,858.43	-
TAXES, DUTIES & LIC.-Veh Regis	891-1	5-02-15-010-01	34,458.12	-
FIDELITY BOND PREMIUMS	892	5-02-15-020-00	67,500.00	-
INSURANCE EXP.- Vehicle Insura	893-1	5-02-15-030-01	898,834.88	-
DEPRECIATION - OFFICE EQPT.	921	5-05-01-050-01	1,392,681.53	-
DEPRECIATION - FURN & FIXTURES	922	5-05-01-070-01	671,627.04	-
DEPRECIATION - IT Equipment	923	5-05-01-050-02	1,938,080.27	-
DEPRECIATION - Communication E	929	5-05-01-050-04	40,680.00	-
DEPRECIATION - Sports Eqpt.	935	5-05-01-050-07	28,723.38	-
DEPRECIATION - Technical & Sci	936	5-05-01-050-08	125,091.56	-
Depre. - OM&E - Audio Visual	940-4	5-05-01-050-10	27,506.39	-



Republic of the Philippines

MWSS - REGULATORY OFFICE
PRE-CLOSING DETAILED TRIAL BALANCE

December 31, 2022

<u>Account Description</u>	<u>Acct Code</u>	<u>Revised Acct Code</u>	<u>Dr</u>	<u>Cr.</u>
DEPRECIATION - Motor Vehicle	941	5-05-01-060-01	980,671.70	-
OTHER MOOE - SPORTS & WELLNESS	969-1	5-02-99-990-01	318,614.00	-
OTHER MOOE - GAD & CULTURAL	969-2	5-02-99-990-02	5,221,442.97	-
OTHER MOOE - PROJECTS & MISC	969-3	5-02-99-990-03	812,800.00	-
TOTAL			1,343,244,204.60	1,343,244,204.60

Prepared by:


Sir Gil P. Maravilla
Chief Corporate Accountant

METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM

REGULATORY OFFICE


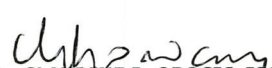

Katipunan Road, Balara, Quezon City

JOURNAL VOUCHER

Journal Voucher No. 12-22- 123

FUND

Page _____ of _____
For the Month of: **December 2022**

EXPLANATION	Posted to Subsi	ACCOUNTS SYMBOL	DEBITS	CREDITS
To comply with the COA AOM No. RO-2023-06 (2022) Re: Recognition of the unrecorded collection from the Maynilad Water Services, Inc (refund of cost for the ACR Consultancy Services).; and Bank Charges for the stop payment				
CASH CIB-LC, C/A- LBP Regular		111-LBP	8,991,980.83	
DEFERRED CREDITS		455		8,991,980.83
OTHER RECEIVABLES		149	100.00	
CASH CIB-LC, C/A- LBP Regular		111-LBP		100.00
To comply with the COA AOM No. RO-2023-02 (2022) Re: Reclassification of recorded Miscellaneous Income to Deferred Credits - collection from the Manila Water Company Inc. (refund of cost for the ACR Consultancy Services)				
MISCELLANEOUS INCOME		678	8,991,980.83	
DEFERRED CREDITS		455		8,991,980.83
TOTAL			17,984,061.66	17,984,061.66
RECORDS OF AUDIT		Prepared by:	REVIEWED AS TO TECHNICAL CORRECTNESS OF ENTRIES & SUPPORTING DOCS:	
Particulars	Date	Initials	-	
Comp.& Extensions..			Journalized by:	Corporate Accountant: 
Index.....				SIR GIL P. MARAVILLA
Classification & Journl....			Certified as to:	Certified Correct:
Audit.....				
Checked to GL.....			CHIEF,	Recommending Approval: 
Checked to SL.....				CLAUDINE B. OROCIO-ISORENA DA for Administration and Legal Affairs
Passed in Audit			APPROVED: 	
AUDITOR			PATRICK LESTER N. TY Chief Regulator	

Republic of the Philippines
METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM
REGULATORY OFFICE
Katipunan Road, Balara Quezon City

BANK RECONCILIATION

LANDBANK KATIPUNAN CURRENT ACCOUNT NO 1462-1011-78

For the period October 01 to December 31, 2022

BANK BALANCES, December 31, 2022

47,503,306.72

Add/Deduct: Adjustments

Outstanding Checks

(9,698,385.37)

Deposit in transit 12.30.22 credited via G-Cash

4,249.00

(9,694,136.37)

ADJUSTED BANK BALANCES

37,809,170.35

BOOK BALANCES, December 31, 2022

28,817,289.52

Add : Credit Memo 12.07.22 no entry made for confirmation with LBP

8,991,980.83

Sub - Total

8,991,980.83

Less : Bank Charges for Stop Payment (DD Trippy)

100.00

37,809,270.35

100.00

ADJUSTED BOOK BALANCES

37,809,170.35

Prepared by:

Reviewed by:

Verified Correct:


Ian D. Chuegan
Finance Officer B


Sir Gil P. Maravilla
Chief Corporate Accountant

Resident Auditor

Noted by:


Ramon A. Javier
Manager, Administrative Department

METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM

REGULATORY OFFICE

Katipunan Road, Balara, Quezon City

JOURNAL VOUCHER

Journal Voucher No. 12-22- 124

FUND

Page _____ of _____
For the Month of: **December 2022**

EXPLANATION	Posted to Subsi	ACCOUNTS SYMBOL		
			DEBITS	CREDITS
CY2022 Closing Entries				
INCOME FROM WATERWORKS		639	256,272,000.00	
INTEREST INCOME - Bank Deposit		664-1	3,668,299.96	
INTEREST INCOME - MVFP		664-2	62,212.76	
MISCELLANEOUS INCOME		678	56,628.00	
GAIN/LOSS ON FOREX		681	1,722,890.23	
SALARIES & WAGES - REGULAR		701		52,403,367.74
PERA		711		1,471,406.46
REPRESENTATION ALLOWANCE		713		1,358,625.00
TRANSPORTATION ALLOWANCE		714		798,305.00
CLOTHING/UNIFORM ALLOWANCE		715		366,000.00
PRODUCTIVITY INCNTV - Others		717-3		1,550,000.00
OTHER BONUSES & ALL - Others		719-1		3,958,496.00
OTHER BONUSES - RO ANNIV		719-3		162,000.00
HONORARIA		720		62,000.00
OVERTIME AND NIGHT PAY		723		295,150.16
CASH GIFT		724		310,000.00
YEAR END BONUS		725		4,170,229.00
LIFE & RETIREMENT INS. CONTRIB		731		4,898,260.88
PAG-IBIG CONTRIBUTIONS		732		74,100.00
PHILHEALTH CONTRIBUTIONS		733		633,035.41
ECC CONTRIBUTIONS		734		72,700.00
TERMINAL LEAVE BENEFITS		742		6,711,017.33
LOYALTY AWARD BENEFITS		743		40,000.00
OTHER PERSONNEL BENEFITS - CNA		749-3		1,507,500.00
TRAVELLING EXP-LOCAL-Allowance		751-1		186,350.00
TRAVELLING EXP-LOCAL-Air&Sea		751-2		172,835.36
TRAVELLING EXP-LOCAL-Inland		751-3		159,705.50
TRAVELLING EXPENSES - FOREIGN		752		487,393.29
TRAINING EXPENSES		753		1,304,985.93
SCHOLARSHIP EXPENSES		754		899,433.49
OFFICE SUPPLIES - Off Supplies		755-1		285,907.83
OFFICE SUPPLIES - Computer Sup		755-2		182,767.75
MAINTENANCE, SAMPLING, & OTHER CONSUMABLE SUPPLIES		759		699,451.00
GASOLINE, OIL AND LUBRICANTS		761		1,955,170.42
OTHER SUPPLIES EXPENSE		765		10,786,152.40
WATER EXPENSES		766		307,535.66
ELECTRICITY EXPENSES		767		2,953,675.92
POSTAGE AND DELIVERIES		771		87,702.00
TELEPHONE EXPENSES - MOBILE		773		651,244.29
INTERNET EXPENSE		774		310,423.20
ADVERTISING EXPENSES		780		1,132,705.96
PRINTING AND BINDING EXPENSES		781		1,171,830.00
RENT EXPENSE - COPIERS		782-1		688,882.44
RENT EXPENSE - Others		782-2		300,780.00
REPRESENTATION EXPENSES		783		1,020,142.11
SUBSCRIPTION EXPENSES		786		966,500.29
AUDITING SERVICES		792		328,474.81
CONSULTANCY - Asset Condition		793-2		65,636.36

JOURNAL VOUCHER

Journal Voucher No. 12-22-

FUND

Page ____ of ____

For the Month of: **December 2022**

EXPLANATION	Posted to Subsi	ACCOUNTS SYMBOL		
			DEBITS	CREDITS
CONSULTANCY - Rate Rebasing		793-4		17,777,383.23
CONSULTANCY - Customer Satisfaction Survey		793-6		1,825,600.00
CONSULTANCY - Cost Referencing		793-7		8,586,480.00
JANITORIAL SERVICES		796		1,538,815.34
SECURITY SERVICES		797		2,131,042.55
OTHER PROF SRVCS - WQ Test		799-1		8,891,615.00
OTHER PROF SRVCS - Others		799-3		11,538,824.60
R&M - OFFICE BUILDINGS		811		633,060.25
R&M - OFFICE EQUIPMENT		821		115,181.00
R&M - FURNITURE & FIXTURES		822		1,119.00
R&M - IT EQPT & SOFTWARE		823		438,315.00
R&M - COMMUNICATION EQPT.		829		48,721.12
R&M - ELECTRICAL & COOLING		840-4		329,500.00
R&M - MOTOR VEHICLES		841		323,926.49
EXTRAORDINARY EXPENSES		883		762,034.88
MISCELLANEOUS EXPENSES		884		34,858.43
TAXES, DUTIES & LIC.-Veh Regis		891-1		34,458.12
FIDELITY BOND PREMIUMS		892		67,500.00
INSURANCE EXP.- Vehicle Insura		893-1		898,834.88
DEPRECIATION - OFFICE EQPT.		921		1,392,681.53
DEPRECIATION - FURN & FIXTURES		922		671,627.04
DEPRECIATION - IT Equipment		923		1,938,080.27
DEPRECIATION - Communication E		929		40,680.00
DEPRECIATION - Sports Eqpt.		935		28,723.38
DEPRECIATION - Technical & Sci		936		125,091.56
Depre. - OM&E - Audio Visual		940-4		27,506.39
DEPRECIATION - Motor Vehicle		941		980,671.70
OTHER MOOE - Sports & Wellness		969-1		318,614.00
OTHER MOOE - GAD & Cultural		969-2		5,221,442.97
OTHER MOOE - Projects & Other Miscellaneous Expenses		969-3		812,800.00
RETAINED EARNINGS		510		86,298,963.23
TOTAL			261,782,030.95	261,782,030.95
RECORDS OF AUDIT		Prepared by:	REVIEWED AS TO TECHNICAL CORRECTNESS OF	
Particulars	Date	Initials	ENTRIES & SUPPORTING DOCS:	
Comp.& Extensions..			Journalized by:	Corporate Accountant: <u>Sir Gil P. Maravilla</u>
Index.....				
Classification & Journl....			Certified as to:	Certified Correct:
Audit.....				
Checked to GL.....				
Checked to SL.....			CHIEF,	Recommending Approval: <u>CLAUDINE B. OROCIO - ISORENA</u>
Passed in Audit				
AUDITOR			APPROVED: <u>PATRICK LESTER NG TY</u>	Chief Regulator