



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

## INDEPENDENT AUDITOR'S REPORT

**The Board of Directors**  
Baliwag Water District  
Baliuag, Bulacan

We have audited the accompanying financial statements of Baliwag Water District, which comprise the statement of financial position as of December 31, 2012, the statement of income and expenses, and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

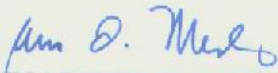
*Basis for Qualified Opinion*

As stated in Part II of the report, (a) the expected cost of the accumulating compensated absences of P5,818,821.40 was not recorded in the books of account resulting in the understatement of the liabilities and overstatement of Retained Earnings account; and (b) the balance of the accounts receivable of P8,861,769.43 showed discrepancies of P2,517,215.03 vis-à-vis the Aging Schedules due to (i) erroneous classification of the account billed to Local Government Units (LGUs) in the amount of P2,503,934.48 as Due from LGUs by the Accounting Division; and (ii) an unaccounted difference of P13,280.55, thus, Accounts Receivable – Customers was understated while Due from LGUs was overstated.

*Opinion*

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* paragraph, the financial statements present fairly, in all material respects, the financial position of the Baliwag Water District as of December 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with State accounting principles.

**COMMISSION ON AUDIT**

  
**ANNABETH D. MENDOZA**  
Supervising Auditor

June 20, 2013



# Baliwag Water District

Tomacruz St., Poblacion, Baliwag, Bulacan 3006  
Tel. Nos. : (044) 766-2618  
Fax No. : (044) 766-3737  
www.baliwagwd.com

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Baliwag Water District is responsible for all information and representation contained in the Balance Sheet as of December 31, 2011 to December 31, 2012 and Statement of Income and Expenses including the Cash Flow Statement for the year/s then ended. The financial statements have been prepared in conformity with applicable laws and regulations and generally accepted accounting principles applied on a consistent basis and reflect amounts that are based on the best estimates and informed judgment of management with appropriate consideration for materiality.

In this regard, Management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.

The Commission on Audit, in pursuance of its mandate under Section 2, Article IX-D of the Philippine Constitution and pertinent provisions of Presidential Decree 1445, has audited the financial statements of the District in accordance with the COA laws and standards, and applicable generally accepted auditing standards and has expressed its opinion on the fairness of presentation upon completion of such examination in its report to Board of Directors.

  
**MA. TERESA F. RAMOS**  
OIC – Finance Department

  
**ARTEMIO F. BAYLOSIS**  
General Manager



ISO 9001:2008 Certified  
Cert. No. 44 100 122036

**BALIWAG WATER DISTRICT**  
**Baliuag, Bulacan**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2012**

*(With comparative figures for 2011)*

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents (Note 3)	P 8,546,542.25	P 2,341,506.51
Receivables, Net (Note 4)	14,038,720.67	10,588,463.49
Inventories (Note 5)	6,848,892.25	6,903,726.59
Other Deferred Debits (Note 6)	544,197.19	544,197.19
<b>Total Current Assets</b>	<u>29,978,352.36</u>	<u>20,377,893.78</u>
<b>Non-Current Assets</b>		
Investments (Note 7)	3,568,490.36	2,296,525.61
Intangible Assets	1,121,188.25	1,121,188.25
Property, Plant and Equipment, Net (Note 8)	222,575,806.91	169,726,433.51
<b>Total Non-Current Assets</b>	<u>227,265,485.52</u>	<u>173,144,147.37</u>
<b>TOTAL ASSETS</b>	<u>257,243,837.88</u>	<u>193,522,041.15</u>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Payable Accounts	2,342,528.67	2,539,708.87
Inter-Agency Payables (Note 9)	1,516,109.43	1,305,929.72
Other Current Liabilities (Note 10)	2,783,178.55	179,271.13
<b>Total Current Liabilities</b>	<u>6,641,816.65</u>	<u>4,024,909.72</u>
<b>Non-Current Liabilities</b>		
Loans Payable (Note 11)	31,325,562.02	35,853,358.21
Deferred Credits	57,340,268.83	8,865,922.29
<b>Total Non-Current Liabilities</b>	<u>88,665,830.85</u>	<u>44,719,280.50</u>
<b>TOTAL LIABILITIES</b>	<u>95,307,647.50</u>	<u>48,744,190.22</u>
<b>Equity</b>		
Government Equity (Note 12)	24,304,396.52	24,304,396.52
Retained Earnings (Note 13)	137,631,793.86	120,473,454.41
<b>TOTAL EQUITY</b>	<u>161,936,190.38</u>	<u>144,777,850.93</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u>P 257,243,837.88</u>	<u>P 193,522,041.15</u>

(See accompanying Notes to Financial Statements)

**BALIWAG WATER DISTRICT**  
**Baliuag, Bulacan**  
**STATEMENT OF INCOME AND EXPENSES**  
**For the Year Ended December 31, 2012**  
*(With comparative figures for 2011)*

	<u>2012</u>	<u>2011</u>
<b>INCOME</b>		
Income from Waterworks	P 111,063,536.27	P 94,301,877.84
Other Service Income	6,471,257.97	5,656,999.18
Fines and Penalties-Business Income	3,500,162.41	3,342,255.95
<b>Gross Income</b>	<b><u>121,034,956.65</u></b>	<b><u>103,301,132.97</u></b>
<b>EXPENSES</b>		
Personal Services (Note 14)	38,229,173.44	33,599,259.28
Maintenance and Other Operating Expenses (Note 15)	61,610,717.84	54,231,352.79
Financial Expenses (Note 16)	4,359,798.80	3,338,560.76
<b>Total Expenses</b>	<b><u>104,199,690.08</u></b>	<b><u>91,169,172.83</u></b>
<b>INCOME (LOSS) FROM OPERATION</b>	<b><u>16,835,266.57</u></b>	<b><u>12,131,960.14</u></b>
<b>ADD: OTHER INCOME</b>		
Other General Income (Note 17)	77,463.10	146,453.42
Gain/Loss on Sale of Disposed Assets	38,522.50	-
Other Non-Operating Income	293,200.00	282,562.40
<b>Total Other Income (Expenses)</b>	<b><u>409,185.60</u></b>	<b><u>429,015.82</u></b>
<b>NET INCOME (LOSS)</b>	<b><u>P 17,244,452.17</u></b>	<b><u>P 12,560,975.96</u></b>

(See accompanying Notes to Financial Statements)

**BALIWAG WATER DISTRICT**  
**Baliuag, Bulacan**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2012**  
*(With comparative figures for 2011)*

	2012	2011
<b>Cash Flows from Operating Activities</b>		
<b>Cash Inflows</b>		
Collection of Accounts Receivable	P 110,972,637.42	P 97,081,366.86
Collection of Service Fees & Charges	3,737,266.22	3,527,787.85
Collection of Advanced Payment	114,296.01	124,517.42
Collection of Other Receivables	2,636,148.92	3,217,830.74
Proceeds from Sale of Materials	126,096.00	306,397.50
Refund of Cash Advances	267,367.32	305,894.65
Miscellaneous Receipts	344,059.26	165,634.36
Cash Debit Adjustment	1,284,201.00	117,385.03
<b>Total Cash Inflows</b>	<b>119,482,072.15</b>	<b>104,846,813.91</b>
<b>Cash Outflows</b>		
Payment of Personal Services	44,629,849.71	33,599,259.28
Payment of MOOE	14,937,822.21	20,511,646.74
Payment of Accounts Payable	16,160,565.68	13,663,196.39
Payment of Cash Advances	1,595,306.00	1,781,849.30
Replenishment of Working Fund	214,672.38	171,496.76
Remittances - GSIS, BIR, Philhealth	14,939,802.51	9,743,030.30
Contribution to Provident Fund	6,005,220.82	7,849,350.01
Miscellaneous Disbursements	616,140.97	205,462.62
Cash Credit Adjustment	2,456,470.30	84,943.05
<b>Total Cash Outflows</b>	<b>101,555,850.58</b>	<b>87,610,234.45</b>
<b>Net Cash Provided (used) in Operating Activities</b>	<b>17,926,221.57</b>	<b>17,236,579.46</b>
<b>Cash Flows from Investing Activities</b>		
<b>Cash Inflows</b>		
Interest on Time Deposits	-	-
Interest on Savings Deposits	12,259.80	4,671.47
Dividend on Stock Investment	-	76,157.50
<b>Total Cash Inflows</b>	<b>12,259.80</b>	<b>80,828.97</b>
<b>Cash Outflows</b>		
Purchase/Construction of PPE	50,211,736.68	13,827,920.08
<b>Total Cash Outflows</b>	<b>50,211,736.68</b>	<b>13,827,920.08</b>
<b>Net Cash Provided (used) in Investing Activities</b>	<b>(50,199,476.88)</b>	<b>(13,747,091.11)</b>
<b>Cash Flows from Financing Activities</b>		
<b>Cash Inflows</b>		
Proceeds from Borrowings	48,185,502.49	7,969,950.00
<b>Total Cash Inflows</b>	<b>48,185,502.49</b>	<b>7,969,950.00</b>

<b>Cash Outflows</b>		
Finance Charges	-	12,835.34
Payment of Principal/Interest	9,707,611.68	9,355,452.04
<b>Total Cash Outflows</b>	<b>9,707,611.68</b>	<b>9,368,287.38</b>
<b>Net Cash Provided (used) in Financing Activities</b>	<b>38,477,890.81</b>	<b>(1,398,337.38)</b>
<b>Net Cash Provided by Operating, Investing and Financing Activities</b>		
	6,205,035.74	2,091,150.97
Cash & Cash Equivalents, Beginning	2,341,506.51	250,355.54
<b>CASH &amp; CASH EQUIVALENTS, END</b>	<b>P 8,546,542.25</b>	<b>P 2,341,506.51</b>

BALIWAG WATER DISTRICT

**BALIWAG WATER DISTRICT**  
**Baliuag, Bulacan**  
**STATEMENT OF CHANGES IN GOVERNMENT EQUITY**  
**For the Year Ended December 31, 2012**  
*(With comparative figures for 2011)*

	<u>2012</u>	<u>2011</u>
<b>GOVERNMENT EQUITY</b>		
Balance at the Beginning of the Year	P 24,304,396.52	P 24,304,396.52
Additions/Deductions	0.00	0.00
<b>Total</b>	<u>24,304,396.52</u>	<u>P 24,304,396.52</u>
<b>RETAINED EARNINGS</b>		
Balance at the Beginning of the Year	120,473,454.41	108,784,939.83
Prior Years' Adjustment	(86,112.72)	(872,461.38)
Net Income	17,244,452.17	12,560,975.96
<b>GOVERNMENT EQUITY - End</b>	<u><u>P 161,936,190.38</u></u>	<u><u>P144,777,850.93</u></u>

BALIWAG WATER DISTRICT



**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

**1. AGENCY BACKGROUND**

Pursuant to Presidential Decree No. 198, otherwise known as the "Local Water Utilities Act of 1973" as amended by P.D. Nos. 768 and 1479, and by virtue of the Local Sangguniang Bayan Resolution No. 011 series of 1988, the Baliwag Water District was created. On July 1, 1989, the Conditional Certificate of Conformance No. 407 was issued by Local Water Utilities Administration to formalize its establishment. This CCC is the accreditation of LWUA to a newly-formed water district to operate under the standard specification.

Since 1992, by virtue of the Supreme Court En Banc Decision, GR No. 95237-38 (Davao City Water District, et al. vs. CSC et al.), water districts were declared government owned and/or controlled corporation (GOCC) with original charter, and as such they are placed under the jurisdiction of the Civil Service Commission and Commission on Audit.

As of December 31, 2012, the District has 17 pumping stations which serve 27 barangays with 23,108 total active service connections. The District is categorized as "big" water district pursuant to the Local Water District Manual on Re-categorization on August 2005. It has 85 personnel as of December 31, 2012, and headed by its General Manager, Mr. Artemio F. Baylosis.

The Baliwag Water District was formed for the purpose of acquiring, installing, improving, maintaining and operating water supply and distribution system for the residents of Baliwag, Bulacan.

As of December 31, 2012, the District's Board of Directors was composed of the following:

Conrado E. Evangelista (Education)	- Chairman
Rogelio R. Munsayac (Business)	- Vice-Chairman
Juanito F. Gregorio (Civic)	- Secretary
Ernesto C. Francisco (Professional)	- Member
Zenaida R. Salao (Women)	- Member

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*a. Accounting System*

The Corporation adopts the prescribed New Government Accounting System (NGAS) for Government -Owned and/or Controlled Corporations effective January 1, 2009.

b. *Materials and Supplies Inventory*

The inventories on hand are stated at cost based on the first in - first out method.

c. *Property, Plant and Equipment*

PPE is carried at cost less accumulated depreciation. Depreciation is computed on a straight-line method over the estimated useful lives of the property, and commences on the month subsequent to acquisition.

Major repairs that prolong the life of the property are capitalized while minor repairs and maintenance costs are expensed as incurred.

d. *Income and Expense Recognition*

The accrual method of accounting is adopted in the recognition of earnings and expenses.

3. **CASH AND CASH EQUIVALENTS**

This account is composed of cash on hand and in banks available for general expenditures and for fixed deposits, viz:

	2012	2011	Increase / (Decrease)
Cash - Undeposited Collections	P 841,131.47	P 834,012.25	P 7,119.22
Cash - Petty Cash Fund	19,000.00	10,000.00	9,000.00
Cash in Bank - PNB	6,709,181.00	1,303,549.33	5,405,631.67
Cash in Bank - BSP	977,229.78	193,944.93	783,284.85
<b>Total</b>	<b>P8,546,542.25</b>	<b>P2,341,506.51</b>	<b>P6,205,035.74</b>

4. **ACCOUNTS RECEIVABLE**

This includes all amounts due on open accounts arising from services rendered to the customers for water sales and incidental services. Other Receivables pertain to the balance of loan of Bill Deposit to Meralco of various Pump Stations of BWD.

	2012	2011	Increase / (Decrease)
Accounts Receivable - Customers	P11,365,703.91	P 8,153,143.55	P 3,212,560.36
Notes Receivable	1,475,476.68	1,347,633.85	127,842.83
Due from Officers and	2,934.42	59,906.80	(56,972.38)

Employees			
Other Receivable	2,331,176.06	1,843,093.65	488,082.41
Allowance for Bad Debts	(1,136,570.40)	(815,314.36)	(321,256.04)
<b>Total</b>	<b>P14,038,720.67</b>	<b>P10,588,463.49</b>	<b>P3,450,257.18</b>

#### 5. INVENTORIES

This account pertains to unissued materials and supplies, which are kept in stock and held for future use.

	2012	2011	Increase / (Decrease)
Office Supplies	P544,638.74	P590,652.47	P(46,013.73)
Materials Inventory	6,021,653.51	6,160,274.12	(138,620.61)
Chemical Supplies Inventory	282,600.00	152,800.00	129,800.00
<b>Total</b>	<b>P 6,848,892.25</b>	<b>P6,903,726.59</b>	<b>(54,834.34)</b>

#### 6. OTHER DEFFERED DEBITS

This represents amount of other expenses which were paid for but remained unconsumed at the end of the accounting period.

	2012	2011	Increase / (Decrease)
Bal. as of 1998	P 1,398.00	P 1,398.00	-
Bond Deposit to DPWH	216,838.00	216,838.00	-
Meter Deposit to Meralco	185,800.00	185,800.00	-
For Adjustment	140,161.19	140,161.19	-
<b>Total</b>	<b>P544,197.19</b>	<b>P544,197.19</b>	<b>-</b>

#### 7. INVESTMENTS

This includes excess cash deposited with authorized government depository banks and Financing Institutes as time deposits and acquisition of securities held as permanent or long-term investment.

	2012	2011	Increase / (Decrease)
Investments in Time Deposit	P 1,652,413.23	P 2,296,525.61	P (644,112.38)
Other Investment	691,077.13	-	691,077.13
Reserve Funds (PNB)	1,225,000.00	-	1,225,000.00
<b>Total</b>	<b>P 3,568,490.36</b>	<b>P 2,296,525.61</b>	<b>P 1,271,964.75</b>

### 8. *PROPERTY, PLANT & EQUIPMENT*

This includes all properties of the District of relatively permanent character that are used in normal operations. The breakdown of this account is as follows:

	2012	2011	Increase / (Decrease)
Land	P 17,487,546.76	P 15,170,698.76	P 2,316,848.00
Waterworks Structures and Facilities	214,757,400.87	194,645,703.41	20,111,697.46
Office Buildings	22,559,855.36	20,698,401.73	1,861,453.63
IT Equipment and Software	6,880,151.02	5,773,531.02	1,106,620.00
Communication Equipment	1,471,370.27	1,431,945.27	39,425.00
Construction and Heavy Equipment	1,846,286.71	1,846,286.71	-
Other Machineries and Equipment	4,008,687.50	3,742,212.50	266,475.00
Land Transportation Equipment	9,099,803.50	6,745,278.50	2,354,525.00
Other Property, Plants and Equipment	420,056.16	181,684.16	238,372.00
Office Equipment/Furniture and Fixtures	5,781,906.76	5,445,153.51	336,753.25
Accumulated Depreciation	(102,641,939.28)	(88,612,898.02)	(14,029,041.26)
Construction in Progress	40,904,681.28	2,658,435.96	38,246,245.32
<b>Total</b>	<b>P222,575,806.91</b>	<b>P169,726,433.51</b>	<b>P52,849,373.40</b>

### 9. *INTER-AGENCY PAYABLES*

This represents contributions due, collections received, amounts withheld for remittance to the following government agencies:

	2012	2011	Increase / (Decrease)
Due to BIR	P 607,462.32	P 555,558.24	P 51,904.08
Due to GSIS	392,441.21	329,629.43	62,811.78
Due to Pag-ibig	78,305.51	72,268.92	6,036.59
Due to Philhealth	18,925.00	14,987.50	3,937.50
Due to Provident Fund	418,975.39	333,485.63	85,489.76
<b>Total</b>	<b>P 1,516,109.43</b>	<b>P 1,305,929.72</b>	<b>P 210,179.71</b>

#### 10. OTHER CURRENT LIABILITY

Consist of the indebtedness of the District arising from trade or business.

	2012	2011	Increase / (Decrease)
Guaranty Deposits Payable	P 0.00	P 59,257.21	(59,257.11)
Contractors Security Deposit	2,783,178.55	120,013.92	2,663,164.63
<b>Total</b>	<b>P 2,783,175.55</b>	<b>P 179,271.13</b>	<b>P 2,603,907.52</b>

#### 11. LOANS PAYABLE

These are long term indebtedness of the District from domestic creditors covered by a contract or agreement to finance its various projects.

	2012	2011	Increase / (Decrease)
Loans Payable - LWUA	P10,083,168.51	P11,701,264.75	(1,618,096.24)
Loans Payable - LBP	20,176,293.41	23,539,008.98	(3,362,715.57)
Other Long Term Debt	1,066,100.10	613,084.48	453,015.62
<b>Total</b>	<b>P31,325,562.02</b>	<b>P35,853,358.21</b>	<b>(4,527,796.19)</b>

#### 12. GOVERNMENT EQUITY

These are contributions by government agencies and private corporation which becomes part of BWD equity.

	2012	2011	Increase / (Decrease)
Equity from Municipal Government	P 3,420,845.00	P 3,420,845.00	-
From NPC	1,495,000.00	1,495,000.00	-
Other Paid-In Capital	19,388,551.52	19,388,551.52	-
<b>Total</b>	<b>P24,304,396.52</b>	<b>P24,304,396.52</b>	<b>-</b>

### 13. RETAINED EARNINGS

This account consist of all earnings by the BWD derived from operations.

	2012	2011	Increase / (Decrease)
Retained Earnings, Beginning	P120,473,454.41	P108,784,939.83	P11,688,514.58
Add(Deduct):	-	-	-
Net Income	17,244,452.17	12,560,975.96	4,683,476.21
Prior Year Adjustment	(86,112.72)	(872,461.38)	786,348.66
<b>Total</b>	<b>P137,631,793.86</b>	<b>P120,473,454.41</b>	<b>P17,158,339.45</b>

### 14. PERSONAL SERVICES

	2012	2011	Increase / (Decrease)
Salaries and Wages - Regular	P18,649,528.97	P15,704,651.40	P 2,944,877.57
Employee Benefits	13,809,415.98	12,094,753.23	1,714,662.75
Honoraria	1,052,490.00	1,812,100.00	(759,610.00)
Overtime and Night Pay	459,293.23	417,985.14	41,308.09
Life and Retirement Insurance	2,142,036.84	1,829,113.06	312,923.78
Pag-IBIG Contribution	339,733.35	289,004.85	50,728.50
PhiHealth Contributions	195,375.00	167,625.00	27,750.00
Provident Fund	1,581,300.07	1,284,026.60	297,273.47
<b>Total</b>	<b>P38,229,173.44</b>	<b>P33,599,259.28</b>	<b>P 4,629,914.16</b>

### 15. MAINTENANCE AND OTHER OPERATING EXPENSES

	2012	2011	Increase / (Decrease)
Travelling Expenses	1,805,776.92	1,313,940.17	491,836.75
Training Expenses	1,602,627.93	741,741.74	860,886.19
Office Supplies Expenses	1,948,527.64	1,298,725.94	649,801.70
Laboratory/Chemicals	1,629,420.00	1,324,770.00	304,650.00
Gasoline, Oil and Lubricants	2,735,666.62	2,150,567.01	585,099.61
Electricity Expenses	21,290,219.33	19,392,905.85	1,897,313.48
Communication Expenses	403,970.70	403,318.41	652.29
Advertising Expenses	138,005.65	168,729.92	(30,724.27)
Rent Expenses	178,076.60	222,160.15	(44,083.55)
Representation Expenses	168,775.75	200,538.12	(31,762.37)
Professional Services	341,230.00	191,070.00	150,160.00

Other Maintenance and Operating Expenses	5,977,693.39	5,181,695.99	795,997.40
Donations	127,823.15	68,584.25	59,238.90
Taxes, Duties and Licenses	2,353,351.53	2,069,293.31	284,058.22
Insurance Expenses	207,465.31	189,778.10	17,687.21
Bad Debts Expenses	321,256.04	26,476.68	294,779.36
Repairs and Maintenance Expenses	6,432,591.66	6,009,592.61	422,999.05
Depreciation Expense	13,948,239.62	13,277,464.54	670,775.08
<b>Total</b>	<b>P61,610,717.84</b>	<b>P 54,231,352.79</b>	<b>P 2,619,849.30</b>

**16. FINANCIAL EXPENSES**

	2012	2011	Increase / (Decrease)
Bank Charges	P 260,178.18	P 56,350.60	P 203,827.58
Interest Expenses	4,099,620.62	3,282,210.16	817,410.46
<b>Total</b>	<b>P 4,359,798.80</b>	<b>P 3,338,560.76</b>	<b>P 1,021,238.04</b>

**17. OTHER INCOME**

	2012	2011	Increase / (Decrease)
Dividend Income	P 200.00	P 76,157.50	(75,957.50)
Interest Income	77,263.10	70,295.92	6,967.18
<b>Total</b>	<b>P 77,463.10</b>	<b>P 146,453.42</b>	<b>(68,990.32)</b>