

## Attachment 2. Budget Performance and Financial Statements

**Financial Management** means the efficient and effective management of money (funds) in such a manner as to accomplish the objectives of the organization. It also includes manners on how to raise the funds and how to allocate it. Not only about long term budgeting but also how to allocate the short term resources like current assets.

The provincial government should ensure sound financial management. This can be made thru accountable and transparent governance. The provincial government is only stewards of the resources of the people, thus the money of the government should be utilized properly and to be spent on endeavors leading towards utmost benefit for the citizenry. The effectiveness of a government also depends on how well, effective and efficient they manage their resources, more importantly their money. Every cent should be spent to where it intends to be spent.

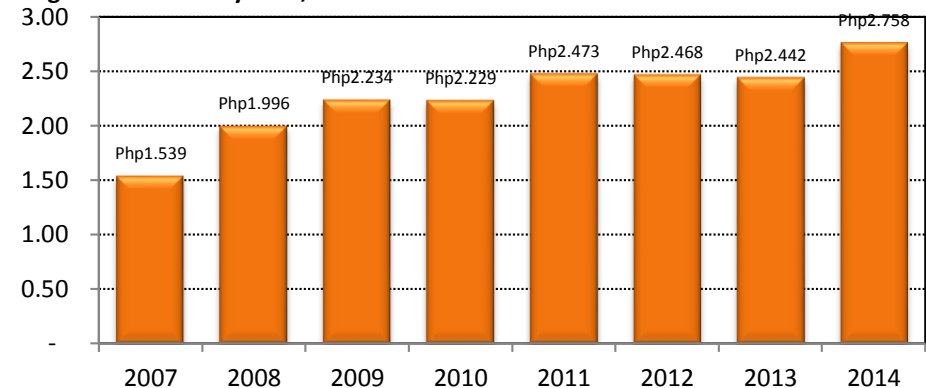
This part of the Local Government Report shall discuss the financial performance of the Province based on its official financial statements. Brief description on the trending of a particular financial aspect over five years will also be presented.

### Results of Operation

#### Provincial Operating Income

The provincial income of Cavite for the year 2014 have reached the amount of Php2,757,807,209.91. This is higher by Php315,847,093.49 as compared in the 2013 income corresponding to 12.93% increase. The rose of provincial income signifies the effectiveness of campaigns to augment the revenue from local taxes despite the conversion to city of different municipalities in Cavite. The computerization of the real property tax system may have also contributed to the increase considering its promotion of efficiency in revenue tax collection. The provincial income is stable at around Php2B since the year 2009.

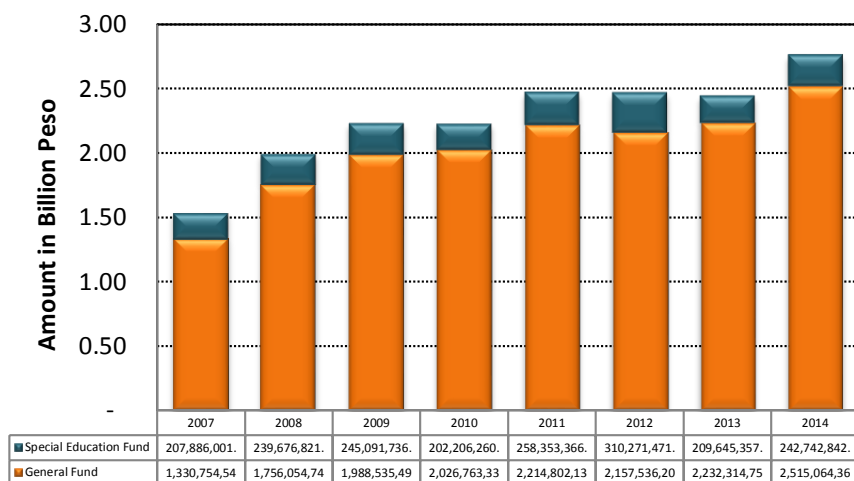
Figure 1. Income by Year, Province of Cavite: 2007 to 2014



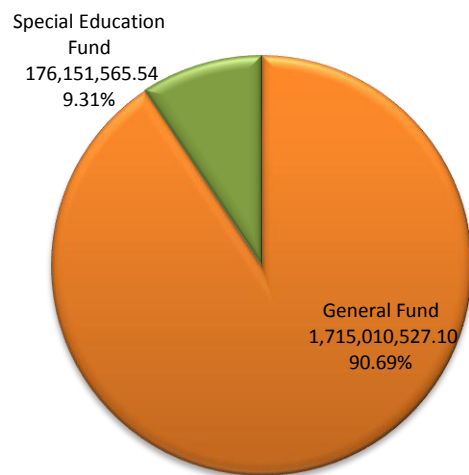
Financial management in the provincial government involves the classification of budget into two categories, the General Fund and the Special Education Fund. General funds are those that are being spent for the general expenses of the province like infrastructure projects, social services, economic services and everything other than education related programs which budgets are being drawn from the special education fund. Certain amount of budget is allocated under the special education fund in order to support the national government in the delivery of educational services. Special education fund on the other hand is being used to supplement teachers under the Local School Board, classroom construction, repair, improvement and maintenance and purchase of educational materials among other education related expenditures.

Due to the increase of internal revenue allotment, the general fund also increased by 12.67% equivalent to Php282,749,608.49. The general fund accounts to 91.20% of the entire provincial income. On the other hand, the special education fund accounts to 8.80% of the provincial income. Out of the total income, Php2,515,064,367.49 is general fund and only Php242,742,842.42 is special education fund (Figures 2 and 3).

**Figure 2. Provincial Income with Fund Category by Year, Province of Cavite: 2008 to 2014**



**Figure 3. Income by Fund Category, Province of Cavite: 2014**



## Sources of Income

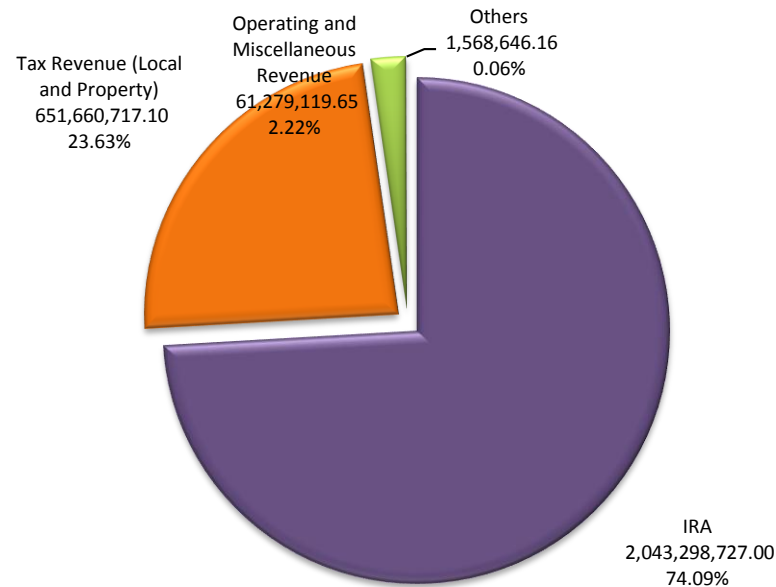
The provincial income may come from different sources. The amount of income of the province is critical in defining and prioritizing the programs to be implemented under the local administration, social, environment and economic sectors. The source of income of the province comes from national government subsidy, local collections and other sources, being the first two as the principal resources. The national government subsidy is in the form of Internal Revenue Allotment or what is commonly known as IRA. The local collections are from the real property taxes, permits and licenses fees being collected by the province as well as service income and business income. The other income includes dividends, insurances, interests, share from economic zones and Philippine Charity Sweepstakes Office (PCSO).

For the year 2014, the province of Cavite remains to be primarily IRA dependent at 74.09% IRA dependency rate. It showed insignificant movement from last year's 74.12% rate. The revenue of the province from local and property taxes covers 23.63% of the income.

The third largest share is Service Income which totaled to 2.43%. This income came primarily from medical, dental and laboratory fees in the provincial hospital while a portion of it came from other services, permits and licenses.

More efforts should be exerted to further decrease the IRA dependency of the province while intensifying its drive to become independent in terms of its locally-sourced income. This move would also reduce the impact of conversion of municipalities to cities (Figure 4) considering that the provincial government does not receive share from local taxes collected by cities.

**Figure 4. Income by Source, Province of Cavite: 2014**

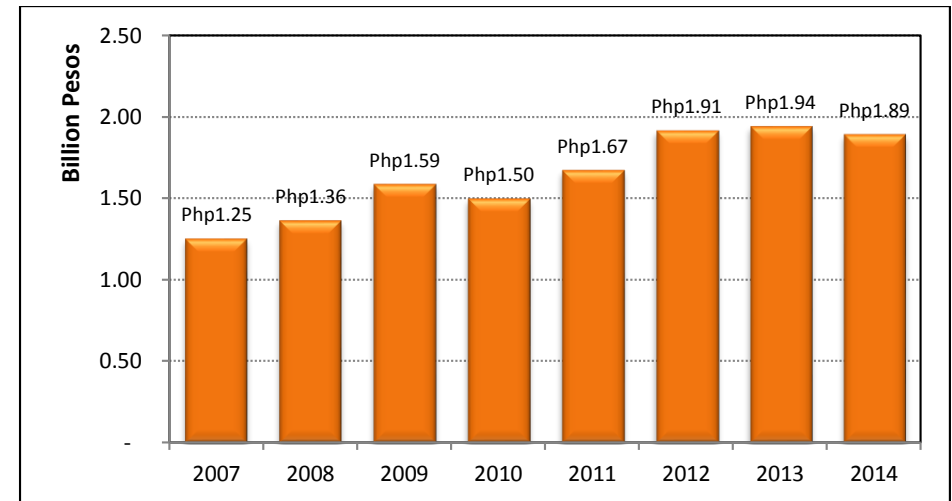


## Provincial Operating Expenses

The two major expense accounts of the provincial government are Personal Services and Maintenance and Other Operating Expenses (MOOE). For the year 2014, the operating expenses of the province totaled to Php1,891,162,092.64. This can be translated to 68.57% of the income of the province. The operating expense showed significant decrease of 10.91% as compared to 2013 data.

In the last eight years, the highest operating expense is recorded in the year 2013 at Php1.94B. The operating expenses do not include yet the financial expenses, subsidies to local government units, donations and other extraordinary items (Figure 5).

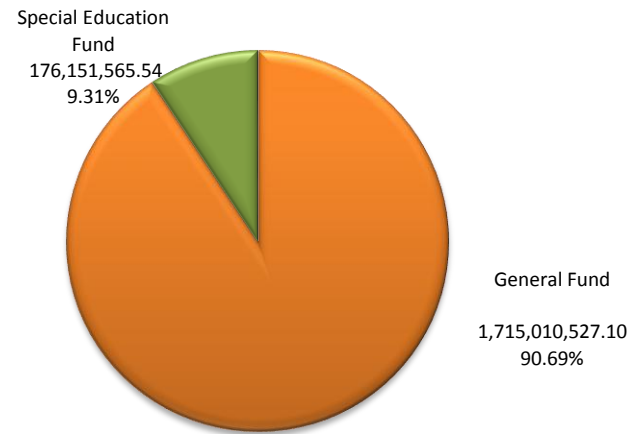
**Figure 5. Operating Expenses by Year, Province of Cavite: 2007 to 2014**



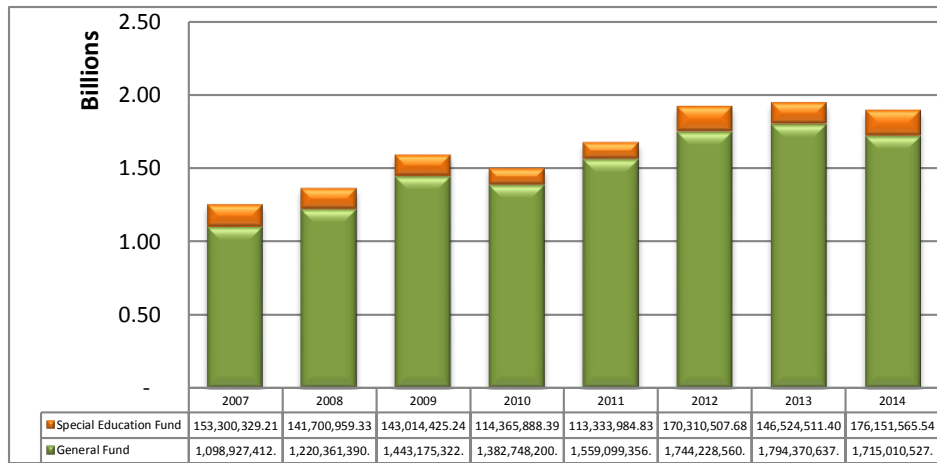
The operating expense is divided into two fund classification such as the Special Education Fund and General Fund. The expenses under the SEF amounted to Php146,524,511.40 that is equivalent to 7.55% of the total expenses. The general fund expenses on the other hand amounted to Php1,794,370,637.75 equivalent to 92.45% of the total operating expense (Figure 6).

The general fund was used-up up to 80.38% while the special education was used-up at 69.89%. The expenses under the special education fund decreased from year 2012 to 2013. However, the fund utilization is highest in the year 2013 for the general fund (Figure 7).

**Figure 6. Expenses by Fund Category, Province of Cavite: 2013**



**Figure 7. Operating Expenses with Fund Category by Year, Province of Cavite: 2007 to 2014**



## Gross Income, Expenses and Net Income

The province showed good financial standing based on its recorded net income for the past eight years. In the provincial government setting, the net income is the money remained from income after all the expenses have already been deducted except for extraordinary expenses. For 2014, the province has a net income of Php708,407,469.03. The net income increased from the year 2013 to 2014 by 164.44% or equivalent to Php440,515,307.42. The net income rate of 2013 is at 25.69%. The savings were due to austerity measures of the provincial government as well as to various innovations resulted in a more efficient provincial operation (Figure 8).

**Figure 8. Comparative Gross Income, Expenditure and Net Income by Year, Province of Cavite: 2007 to 2014**

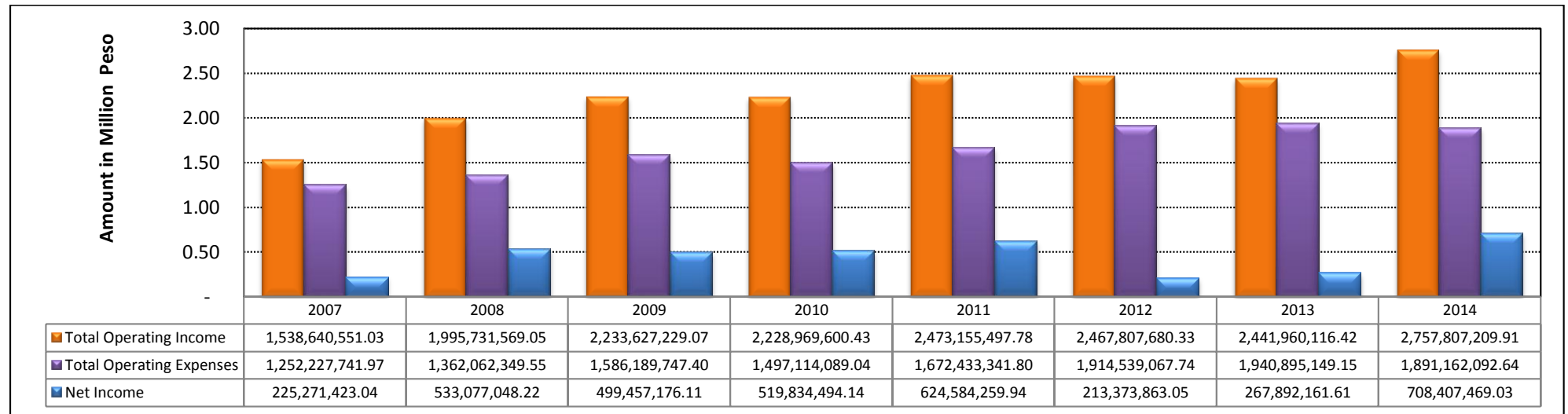




Figure 9. Statement of Income and Expenses, General Fund: for the period ended December 31, 2014

Annex C

**PROVINCE of CAVITE**  
**STATEMENT OF INCOME AND EXPENSES**  
General Fund 101  
For the period ended December 31, 2014

	2014
<b>TAX REVENUE</b>	
Local Taxes	
Amusement Tax	2,634,824.65
Business Tax	
Community Tax	
Franchise Tax	85,360,431.19
Occupation Tax	597,900.00
Printing and Publication Tax	-
Property Transfer Tax	91,040,917.86
Real Property Tax	187,906,282.81
Less: Discount on Real Property Tax	(3,324,926.47)
Real Property Tax on Idle Lands	239,537.50
Special Assessment Tax	
Special Education Tax	
Less: Discount on Special Education Tax	
Tax on Delivery Trucks and Vans	23,416,777.51
Tax on Sand, Gravel and Other Quarry Products	54,704.88
Other Local Taxes	6,110,685.37
Fines and Penalties- Local Taxes	14,978,718.18
<b>Total Local Taxes</b>	<b>409,015,853.48</b>
<b>GENERAL INCOME ACCOUNTS</b>	
Internal Revenue Allotment	<b>2,043,298,727.00</b>
Permits and Licenses	
Fees on Weights and Measures	
Fishery Rental Fees	
Franchising and Licensing Fees	
Motor Vehicles Users Charge	
Permit Fees	17,000.00
Registration Fees	
Other Permits and Licenses	
Fines and Penalties- Permits and Licenses	
<b>Total Permits and Licenses</b>	<b>17,000.00</b>
Service Income	
Affiliation Fees	
Athletic and Cultural Fees	
Clearance and Certification Fees	2,792,790.00
Comprehensive Examination Fees	
Diploma and Graduation Fees	
Garbage Fees	
Inspection Fees	
Library Fees	
Medical, Dental and Laboratory Fees	29,919,495.73
Processing Fees	
Seminar Fees	
Toll and Terminal Fees	
Transcript of Records Fees	
Other Services Income	
Fines and Penalties - Service Income	
<b>Total Service Income</b>	<b>32,712,285.73</b>

SIE  
1 of 6

Annex C

**PROVINCE of CAVITE**  
**STATEMENT OF INCOME AND EXPENSES**  
General Fund 101  
For the period ended December 31, 2014

	2014
<b>Business Income</b>	
Hospital Fees	23,315,074.79
Income from Canteen Operations	
Income from Cemetery Operations	
Income from Communication Facilities	
Income from Dormitory Operations	
Landing and Parking Fees	
Income from Markets	
Income from Slaughterhouse	
Income from Transportation System	
Income from Waterworks System	
Printing and Publication Income	-
Rent Income	3,278,857.76
Sales Revenue	31,000.00
Cost of Goods Sold	-
Net Sales Revenue	31,000.00
Tuition Fees	
Other Business Income	1,924,901.37
Fines and Penalties - Business Income	
<b>Total Business Income</b>	<b>28,649,833.92</b>
<b>Other Income</b>	
Dividend Income	-
Income from Grants and Donations	
Insurance Income	
Interest Income	1,470,667.36
Sale of Confiscated/Abandoned/Seized Goods and Properties	
Share from Economic Zones	-
Share from Expanded Value Added Tax	
Share from National Wealth	
Share from PAGCOR/PCSO	-
Share from Tobacco Excise Tax	
Miscellaneous Income	
Other Fines and Penalties	
<b>Total Other Income</b>	<b>1,470,667.36</b>
<b>TOTAL OPERATING INCOME</b>	<b>2,515,064,367.49</b>
<b>EXPENSES</b>	
<b>PERSONAL SERVICES</b>	
Salaries and Wages	
Salaries and Wages - Regular	393,653,744.26
Salaries and Wages - Military/Uniformed	
Salaries and Wages - Part-time	
Salaries and Wages - Substitute	
Salaries and Wages - Casual	117,905,070.11
Salaries and Wages - Contractual	9,421,631.44
Salaries and Wages - Emergency	
Other Compensation	
Personnel Economic Relief Allowance (PERA)	61,955,864.07
Additional Compensation (ADCOM)	-
Representation Allowance (RA)	5,411,484.10
Transportation Allowance (TA)	1,339,904.55
Clothing/Uniform Allowance	13,160,000.00
Subsistence, Laundry and Quarter Allowance	12,200,807.10
Productivity Incentive Allowance	4,992,666.70
Other Bonuses and Allowances	
Honoraria	216,000.00

SIE  
2 of 6



PROVINCE of CAVITE  
STATEMENT OF INCOME AND EXPENSES  
General Fund 101  
For the period ended December 31, 2014

Annex C

	2014
Hazard Pay	27,059,388.73
Longevity Pay	-
Overtime and Night Pay	3,662,823.90
Cash Gift	13,100,844.00
Year End Bonus	43,816,998.67
Personnel Benefits Contributions	
Life and Retirement Insurance Contributions	62,575,531.62
PAG-IBIG Contributions	3,131,000.00
PHILHEALTH Contributions	6,001,383.50
ECC Contributions	3,088,987.23
Other Personnel Benefits	
Pension Benefits - Civilian	
Retirement Benefits - Civilian	
Terminal Leave Benefits	13,831,638.27
Health Workers Benefits	
Other Personnel Benefits	76,731,581.39
<b>Total Personal Services</b>	<b>873,257,349.64</b>
<b>MAINTENANCE AND OTHER OPERATING EXPENSES</b>	
Travelling Expenses	
Travelling Expenses - Local	5,489,782.44
Travelling Expenses - Foreign	435,027.52
Training and Scholarship Expenses	
Training Expenses	29,830,048.98
Scholarship Expenses	
Supplies and Material Expenses	
Office Supplies Expense	26,314,830.67
Accountable Forms Expenses	895,425.00
Animal/Zoological Supplies Expenses	2,118,128.00
Food Supplies Expenses	65,409,590.44
Drugs and Medicines Expenses	10,676,039.68
Medical, Dental and Laboratory Supplies Expenses	28,857,669.69
Gasoline, Oil and Lubrication Expenses	73,704,048.38
Agricultural Supplies Expenses	4,412,929.25
Textbooks and Instructional Materials Expenses	1,008,614.00
Military and Police Supplies Expenses	74,973.00
Other Supplies Expenses	52,266,316.86
Utility Expenses	
Water Expenses	2,857,107.92
Electricity Expenses	58,491,922.67
Cooking Gas Expenses	82,507.00
Communication Expenses	
Postage and Deliveries	41,854.50
Telephone Expenses - Landline	2,355,702.03
Telephone Expenses - Mobile	2,859,088.93
Internet Expenses	2,353,691.14
Cable, Satellite, Telegraph and Radio Expenses	22,500.00
Membership Dues and Contributions to Organizations	136,350.00
Awards and Indemnities Expenses	
Advertising Expense	1,626,964.89
Printing and Binding Expenses	1,556,171.10
Rent Expenses	10,604,119.08
Representation Expenses	6,082,745.66
Transportation and Delivery Expenses	-
Storage Expenses	-
Subscriptions Expenses	359,304.00
Survey Expenses	-
Rewards and Other Claims	-

SIE  
3 of 6

PROVINCE of CAVITE  
STATEMENT OF INCOME AND EXPENSES  
General Fund 101  
For the period ended December 31, 2014

Annex C

	2014
Professional Services	
Legal Services	9,453,950.00
Auditing Services	-
Consultancy Services	5,059,000.00
Environment/Sanitary Services	67,000.00
General Services	3,652,195.00
Janitorial Services	16,779,091.39
Security Services	8,261,534.00
Other Professional Services	131,623,568.61
Repairs and Maintenance	
Land and Improvements	
Repairs and Maintenance - Land Improvements	-
Repairs and Maintenance - Electrification, Power and Energy Structures	-
Buildings	
Repairs and Maintenance - Office Buildings	2,155,132.00
Repairs and Maintenance - School Buildings	-
Repairs and Maintenance - Hospitals and Health Centers	3,235,356.64
Repairs and Maintenance - Markets and Slaughterhouses	-
Repairs and Maintenance - Other Structures	-
Leasehold Improvements	
Repairs and Maintenance - Leasehold Improvements, Land	-
Repairs and Maintenance - Leasehold Improvements, Buildings	-
Repairs and Maintenance - Other Leasehold Improvements	-
Office Equipment, Furniture and Fixtures	
Repairs and Maintenance - Office Equipment	1,185,632.72
Repairs and Maintenance - Furniture and Fixtures	750.00
Repairs and Maintenance - IT Equipment and Software	3,632,232.55
Machineries and Equipment	
Repairs and Maintenance - Machineries	-
Repairs and Maintenance - Agricultural, Fishery and Forestry Equipment	-
Repairs and Maintenance - Communication Equipment	18,816.00
Repairs and Maintenance - Construction and Heavy Equipment	6,851,186.00
Repairs and Maintenance - Firefighting Equipment and Accessories	222,690.00
Repairs and Maintenance - Hospital Equipment	86,874.40
Repairs and Maintenance - Medical, Dental and Laboratory Equipment	226,530.48
Repairs and Maintenance - Military and Police Equipment	-
Repairs and Maintenance - Sports Equipment	-
Repairs and Maintenance - Technical and Scientific Equipment	-
Repairs and Maintenance - Other Machineries and Equipment	17,898.00
Transportation Equipment	
Repairs and Maintenance - Motor Vehicles	7,873,393.91
Repairs and Maintenance - Watercrafts	-
Repairs and Maintenance - Other Transportation Equipment	-
Other Property, Plant and Equipment	
Repairs and Maintenance - Other Property, Plant and Equipment	-
Public Infrastructures	
Repairs and Maintenance - Roads, Highways and Bridges	5,262,888.00
Repairs and Maintenance - Plazas, Parks and Monuments	-
Repairs and Maintenance - Ports, Lighthouses and Harbors	-
Repairs and Maintenance - Artesian Wells, Reservoirs, Pumping Stations and Conduits	396,016.25
Repairs and Maintenance - Irrigation Canals and Laterals	160,160.00
Repairs and Maintenance - Flood Controls	-
Repairs and Maintenance - Waterways, Aqueducts, Seawalls, River/Walls and Others	-

SIE  
4 of 6



PROVINCE of CAVITE  
STATEMENT OF INCOME AND EXPENSES  
General Fund 101  
For the period ended December 31, 2014

Annex C

	2014
Repairs and Maintenance - Other Public Infrastructures	516,059.00
Reforestation Projects	
Repairs and Maintenance - Reforestation- Upland	
Repairs and Maintenance - Reforestation - Marshland/ Swampland	
Confidential, Intelligence, Extraordinary and Miscellaneous Expenses	
Confidential Expenses	81,240,000.00
Intelligence Expenses	
Extraordinary Expenses	4,476,486.63
Miscellaneous Expenses	
Taxes, Insurance Premiums and Other Fees	
Taxes, duties and Licenses	772,524.10
Fidelity Bond Premiums	570,561.99
Insurance Expenses	4,435,119.70
Non-Cash Expenses	
Depreciation	
Land Improvements	
Depreciation - Land Improvements	5,298,654.67
Depreciation - Electrification, Power and Energy Structures	
Buildings	
Depreciation - Office Buildings	22,747,404.92
Depreciation - School Buildings	4,152,622.95
Depreciation - Hospitals and Health Centers	4,354,743.07
Depreciation - Markets and Slaughterhouses	
Depreciation -Other Structures	2,209,691.48
Leasehold Improvements	
Depreciation - Leasehold Improvements, Land	24,106.02
Depreciation - Leasehold Improvements, Buildings	
Depreciation - Other Leasehold Improvements	
Office Equipment, Furniture and Fixtures	
Depreciation -Office Equipment	3,384,888.11
Depreciation -Furniture and Fixtures	4,464,487.94
Depreciation - IT Equipment	5,581,990.90
Depreciation -Library Books	418,601.04
Machineries and Equipment	
Depreciation - Machineries	
Depreciation - Agricultural, Fishery and Forestry Equipment	952,952.10
Depreciation -Communication Equipment	3,760,378.75
Depreciation -Construction and Heavy Equipment	20,720,891.82
Depreciation - Disaster Response & Rescue Equipment	898,252.11
Depreciation - Hospital Equipment	1,126,366.85
Depreciation - Medical, Dental and Laboratory Equipment	2,422,113.32
Depreciation - Military and Police Equipment	1,546,572.86
Depreciation - Sports Equipment	
Depreciation - Technical and Scientific Equipment	28,547.10
Depreciation -Other Machineries and Equipment	1,575,800.38
Transportation and Equipment	
Depreciation - Motor Vehicles	24,020,901.06
Depreciation -Watercrafts	1,345,890.00
Depreciation -Other Transportation Equipment	
Other Property, Plant and Equipment	

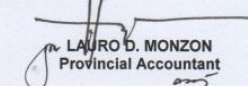
SIE  
5 of 6

PROVINCE of CAVITE  
STATEMENT OF INCOME AND EXPENSES  
General Fund 101  
For the year ended December 31, 2014

Annex C

	2014
Depreciation- Other Property, Plant and Equipment	632,776.88
Other Maintenance and Operating Expenses	
Loss of Assets	
Loss on Guaranty	
Other Maintenance and Operating Expenses	41,128,442.93
<b>TOTAL MAINTENANCE AND OPERATING EXPENSES</b>	<b>841,753,177.46</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>1,715,010,527.10</b>
<b>INCOME FROM OPERATIONS</b>	<b>800,053,840.39</b>
FINANCIAL EXPENSES	
Bank Charges	71,650.00
Commitment Fees	
Documentary Stamps Expenses	222,798.75
Interest Expenses	3,259,366.58
Other Financial Charges	20,047.00
Total	3,573,862.33
<b>Income before Subsidies, Donations and Extraordinary Items</b>	<b>796,479,978.06</b>
Add: Subsidy from Other National Government Agencies	
Subsidy from Other LGUs	
Subsidy from Other Funds	
Total	
Less: Subsidy to National Government Agencies	
Subsidy to Local Government Units	22,452,960.18
Subsidy to Gov't Owned and Controlled Corp	
Subsidy to NGOs/Pos	5,000,000.00
Subsidy to Other Funds	31,145,634.00
Donations	76,213,589.29
Total	134,812,183.47
<b>Income before Extraordinary Items</b>	<b>661,667,794.59</b>
Add (Less) Extraordinary Items:	
Gain/Loss on foreign Exchange	
Gain/Loss on Sale of Disposed Assets	
Gain/Loss on Sale of Securities	
<b>NET INCOME</b>	<b>661,667,794.59</b>

Certified Correct:

  
LAURO D. MONZON  
Provincial Accountant

SIE  
6 of 6



Figure 10. Statement of Income and Statement, Special Education Fund: for the period ended December 31, 2014

Annex C

PROVINCE of CAVITE  
STATEMENT OF INCOME AND EXPENSES  
Special Education Fund  
For the period ended December 31, 2014

<b>TAX REVENUE</b>	
Local Taxes	
Amusement Tax	
Business Tax	
Community Tax	
Franchise Tax	
Occupation Tax	
Printing and Publication Tax	
Property Transfer Tax	
Real Property Tax	
Less: Discount on Real Property Tax	
Real Property Tax on Idle Lands	
Special Assessment Tax	
Special Education Tax	249,818,866.80
Less: Discount on Special Education Tax	7,174,003.18
Tax on Delivery Trucks and Vans	
Tax on Sand, Gravel and Other Quarry Products	
Other Local Taxes	
Fines and Penalties- Local Taxes	
<b>Total Local Taxes</b>	<b>242,644,863.62</b>
<b>GENERAL INCOME ACCOUNTS</b>	
Internal Revenue Allotment	
Permits and Licenses	
Fees on Weights and Measures	
Fishery Rental Fees	
Franchising and Licensing Fees	
Motor Vehicles Users Charge	
Permit Fees	
Registration Fees	
Other Permits and Licenses	
Fines and Penalties- Permits and Licenses	
<b>Total Permits and Licenses</b>	
Service Income	
Affiliation Fees	
Athletic and Cultural Fees	
Clearance and Certification Fees	
Comprehensive Examination Fees	
Diploma and Graduation Fees	
Garbage Fees	
Inspection Fees	
Library Fees	
Medical, Dental and Laboratory Fees	
Processing Fees	
Seminar Fees	
Toll and Terminal Fees	
Transcript of Records Fees	

SIE  
1 of 6

Other Services Income	
Fines and Penalties - Service Income	
<b>Total Service Income</b>	
Business Income	
Hospital Fees	
Income from Canteen Operations	
Income from Cemetery Operations	
Income from Communication Facilities	
Income from Dormitory Operations	
Landing and Parking Fees	
Income from Markets	
Income from Slaughterhouse	
Income from Transportation System	
Income from Waterworks System	
Printing and Publication Income	
Rent Income	
Sales Revenue	
Cost of Goods Sold	
Net Sales Revenue	
Tuition Fees	
Other Business Income	
Fines and Penalties - Business Income	
<b>Total Business Income</b>	
Other Income	
Dividend Income	
Income from Grants and Donations	
Insurance Income	
Interest Income	97,978.80
Sale of Confiscated/Abandoned/Seized Goods and Properties	
Share from Economic Zones	
Share from Expanded Value Added Tax	
Share from National Wealth	
Share from PAGCOR/PCSO	
Share from Tobacco Excise Tax	
Miscellaneous Income	
Other Fines and Penalties	
<b>Total Other Income</b>	<b>97,978.80</b>
<b>TOTAL OPERATING INCOME</b>	<b>242,742,842.42</b>
<b>EXPENSES</b>	
<b>PERSONAL SERVICES</b>	
Salaries and Wages	
Salaries and Wages - Regular	
Salaries and Wages - Military/Uniformed	
Salaries and Wages - Part-time	
Salaries and Wages - Substitute	
Salaries and Wages - Casual	170,000.00
Salaries and Wages - Contractual	
Salaries and Wages - Emergency	
Other Compensation	
Personnel Economic Relief Allowance (PERA)	34,000.00
Additional Compensation (ADCOM)	
Representation Allowance (RA)	
Transportation Allowance (TA)	
Clothing/Uniform Allowance	10,000.00

SIE  
2 of 6



Subsistence, Laundry and Quarter Allowance	
Productivity Incentive Allowance	2,000.00
Other Bonuses and Allowances	
Honoraria	
Hazard Pay	
Longevity Pay	
Overtime and Night Pay	
Cash Gift	7,500.00
Year End Bonus	15,000.00
Personnel Benefits Contributions	
Life and Retirement Insurance Contributions	14,400.00
PAG-IBIG Contributions	1,200.00
PHILHEALTH Contributions	1,500.00
ECC Contributions	1,200.00
Other Personnel Benefits	27,000.00
Pension Benefits - Civilian	
Retirement Benefits - Civilian	
Terminal Leave Benefits	
Health Workers Benefits	
Other Personnel Benefits	
<b>Total Personal Services</b>	<b>283,800.00</b>
<b>MAINTENANCE AND OTHER OPERATING EXPENSES</b>	
Travelling Expenses	
Travelling Expenses - Local	
Travelling Expenses - Foreign	216,615.23
Training and Scholarship Expenses	
Training Expenses	10,218,595.22
Scholarship Expenses	
Supplies and Material Expenses	
Office Supplies Expense	
Accountable Forms Expenses	
Animal/Zoological Supplies Expenses	
Food Supplies Expenses	
Drugs and Medicines Expenses	137,171.25
Medical, Dental and Laboratory Supplies Expenses	
Gasoline, Oil and Lubrication Expenses	
Agricultural Supplies Expenses	
Textbooks and Instructional Materials Expenses	23,474,623.26
Military and Police Supplies Expenses	
Other Supplies Expenses	48,469,714.55
Utility Expenses	
Water Expenses	
Electricity Expenses	
Cooking Gas Expenses	
Communication Expenses	
Postage and Deliveries	
Telephone Expenses - Landline	
Telephone Expenses - Mobile	
Internet Expenses	
Cable, Satellite, Telegraph and Radio Expenses	
Membership Dues and Contributions to Organizations	
Awards and Indemnities Expenses	
Advertising Expense	
Printing and Binding Expenses	

SIE  
3 of 6

Rent Expenses	1,029,170.00
Representation Expenses	
Transportation and Delivery Expenses	30,000.00
Storage Expenses	
Subscriptions Expenses	
Survey Expenses	
Rewards and Other Claims	
Professional Services	
Legal Services	
Auditing Services	
Consultancy Services	
Environment/Sanitary Services	
General Services	
Janitorial Services	
Security Services	
Other Professional Services	3,442,600.00
Repairs and Maintenance	
Land and Improvements	
Repairs and Maintenance - Land Improvements	690,106.84
Repairs and Maintenance - Electrification, Power and Energy Structures	
Buildings	
Repairs and Maintenance - Office Buildings	
Repairs and Maintenance - School Buildings	6,903,089.13
Repairs and Maintenance - Hospitals and Health Centers	
Repairs and Maintenance - Markets and Slaughterhouses	
Repairs and Maintenance - Other Structures	
Leasehold Improvements	
Repairs and Maintenance - Leasehold Improvements, Land	
Repairs and Maintenance - Leasehold Improvements, Buildings	
Repairs and Maintenance - Other Leasehold Improvements	
Office Equipment, Furniture and Fixtures	
Repairs and Maintenance - Office Equipment	
Repairs and Maintenance - Furniture and Fixtures	
Repairs and Maintenance - IT Equipment and Software	
Machineries and Equipment	
Repairs and Maintenance - Machineries	
Repairs and Maintenance - Agricultural, Fishery and Forestry Equipment	
Repairs and Maintenance - Communication Equipment	
Repairs and Maintenance - Construction and Heavy Equipment	
Repairs and Maintenance - Firefighting Equipment and Accessories	
Repairs and Maintenance - Hospital Equipment	
Repairs and Maintenance - Medical, Dental and Laboratory Equipment	
Repairs and Maintenance - Military and Police Equipment	
Repairs and Maintenance - Sports Equipment	
Repairs and Maintenance - Technical and Scientific Equipment	
Repairs and Maintenance - Other Machineries and Equipment	
Transportation Equipment	
Repairs and Maintenance - Motor Vehicles	
Repairs and Maintenance - Watercrafts	
Repairs and Maintenance - Other Transportation Equipment	

SIE  
4 of 6

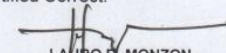


Other Property, Plant and Equipment	
Repairs and Maintenance - Other Property, Plant and Equipment	
Public Infrastructures	
Repairs and Maintenance - Roads, Highways and Bridges	
Repairs and Maintenance - Plazas, Parks and Monuments	
Repairs and Maintenance - Ports, Lighthouses and Harbors	
Repairs and Maintenance - Artesian Wells, Reservoirs, Pumping Stations and Conduits	
Repairs and Maintenance - Irrigation Canals and Laterals	164,000.00
Repairs and Maintenance - Flood Controls	
Repairs and Maintenance - Waterways, Aqueducts, Seawalls, River/Walls and Others	
Repairs and Maintenance - Other Public Infrastructures	8,846,288.00
Reforestation Projects	
Repairs and Maintenance - Reforestation- Upland	
Repairs and Maintenance - Reforestation - Marshland/ Swampland	
Confidential, Intelligence, Extraordinary and Miscellaneous Expenses	
Confidential Expenses	
Intelligence Expenses	
Extraordinary Expenses	
Miscellaneous Expenses	
Taxes, Insurance Premiums and Other Fees	
Taxes, duties and Licenses	
Fidelity Bond Premiums	
Insurance Expenses	
Non-Cash Expenses	
Depreciation	
Land Improvements	
Depreciation - Land Improvements	1,418,644.75
Depreciation - Electrification, Power and Energy Structures	
Buildings	
Depreciation - Office Buildings	
Depreciation - School Buildings	34,709,636.57
Depreciation - Hospitals and Health Centers	
Depreciation - Markets and Slaughterhouses	
Depreciation - Other Structures	3,724,438.04
Leasehold Improvements	
Depreciation - Leasehold Improvements, Land	
Depreciation - Leasehold Improvements, Buildings	
Depreciation - Other Leasehold Improvements	
Office Equipment, Furniture and Fixtures	
Depreciation - Office Equipment	2,344,316.42
Depreciation - Furniture and Fixtures	5,272,925.33
Depreciation - IT Equipment	930,060.20
Depreciation - Library Books	
Machineries and Equipment	
Depreciation - Machineries	
Depreciation - Agricultural, Fishery and Forestry Equipment	
Depreciation - Communication Equipment	25,099.13
Depreciation - Construction and Heavy Equipment	
Depreciation - Firefighting Equipment and Accessories	
Depreciation - Hospital Equipment	
Depreciation - Medical, Dental and Laboratory Equipment	1,342,699.80

S/E  
5 of 6

Depreciation - Military and Police Equipment	
Depreciation - Sports Equipment	
Depreciation - Technical and Scientific Equipment	19,239,611.64
Depreciation - Other Machineries and Equipment	
Transportation and Equipment	
Depreciation - Motor Vehicles	127,212.36
Depreciation - Watercrafts	
Depreciation - Other Transportation Equipment	
Other Property, Plant and Equipment	
Depreciation - Other Property, Plant and Equipment	2,183,147.82
Other Maintenance and Operating Expenses	
Loss of Assets	
Loss on Guaranty	
Other Maintenance and Operating Expenses	928,000.00
<b>TOTAL MAINTENANCE &amp; OPERATING EXPENSES</b>	<b>175,867,765.54</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>176,151,565.54</b>
<b>INCOME FROM OPERATIONS</b>	<b>66,591,276.88</b>
FINANCIAL EXPENSES	
Bank Charges	
Commitment Fees	
Documentary Stamps Expenses	
Interest Expenses	19,422,628.34
Other Financial Charges	428,974.10
Total	19,851,602.44
<b>Income before Subsidies, Donations and Extraordinary Items</b>	<b>46,739,674.44</b>
Add: Subsidy from Other National Government Agencies	
Subsidy from Other LGUs	
Subsidy from Other Funds	
Total	
Less: Subsidy to National Government Agencies	
Subsidy to Local Government Units	
Subsidy to Gov't Owned and Controlled Corp	
Subsidy to NGOs/Pos	
Subsidy to Other Funds	
Donations	-
Total	-
<b>Income before Extraordinary Items</b>	<b>46,739,674.44</b>
Add (Less) Extraordinary Items:	
Gain/Loss on foreign Exchange	
Gain/Loss on Sale of Disposed Assets	
Gain/Loss on Sale of Securities	
<b>NET INCOME</b>	<b>46,739,674.44</b>

Certified Correct:

  
LAURO D. MONZON  
Provincial Accountant

S/E  
6 of 6