



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO STREET, SAN MIGUEL, MANILA

CORPORATE OPERATING BUDGET
Fiscal Year 2024

TO: SANTA MARIA WATER DISTRICT

Your Corporate Operating Budget (COB) for FY 2024 per approved Santa Maria Water District Board Resolution No. 2023-85 dated December 15, 2023 amounting to **[EIGHT HUNDRED TWENTY EIGHT MILLION EIGHT HUNDRED TWENTY THOUSAND (P 828,820,000.00)]**, submitted pursuant to Section 6 of Executive Order (EO) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of EO No. 292, series of 1987, is hereby recommended for a total amount of **[SEVEN HUNDRED EIGHTY MILLION FORTY NINE THOUSAND (P 780,049,000.00)]**, details of which are shown below:

PARTICULARS	PROPOSAL (a)	RECOMMENDED (b)	VARIANCE (c=b-a)
TOTAL SOURCES	P 828,820	P 828,820	P -
Corporate Funds	425,309	425,309	-
National Government (NG) Subsidy	-	-	-
Domestic Borrowings	403,511	403,511	-
TOTAL USES	P 822,873	P 780,049	P (42,824)
Personnel Services (PS)	119,920	77,096 a/	(42,824)
Maintenance & Other Operating Expenses (MOOE)	295,251	295,251 b/	-
Capital Outlays (CO)	407,702	407,702 c/	-
Excess	P 5,947	P 48,771	P 42,824

Footnotes:

a/ The recommended PS level is based on existing rates per prescribed guidelines and issuances.

b/ The recommended MOOE level is computed considering the agency's absorptive capacity i.e., historical budget utilization rates (BURs) of at least three (3) immediately preceding years, and *(as applicable)* the latest report on expenditures of the current year and the doable programs, activities and projects of the LWD until the end of the year.

c/ The recommended CO level considers the implementation-readiness of the projects and activities under the respective CO items, as well as the National Government support, as applicable.

Notwithstanding the aforementioned variances in PS, MOOE, and CO, the SANTA MARIA WATER DISTRICT still has the flexibility to modify its utilization within the total DBM-reviewed budget level.

Further, the following conditions shall be observed and complied with:

- All expenditures, whether for current operating expenditures or for COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and NG budgetary support either in the form of subsidy, equity or loans outlay.

TO: SANTA MARIA WATER DISTRICT

2. Any increase in the approved principal COB in the course of the budget year, as may be warranted by additional corporate receipts, shall require the submission of a supplemental COB to cover the additional expenditures.
3. This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval by the OP. **Disbursements for PS shall strictly observe pertinent compensation laws, rules and regulations**, including EO Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively and EO No. 150 for Government-Owned or-Controlled Corporations (GOCCs) covered by RA No. 10149. Such expenditures shall also be subject to relevant conditions under the GPs of the annual General Appropriations Act (GAA) or any specific law or approval of the President of the Philippines and/or Secretary of Budget and Management or the Governance Commission for GOCCs, as the case may be.
4. Disbursements for Extraordinary and Miscellaneous Expenses and other MOOE expenditures shall be subject to the relevant provisions of the annual GAA, among others.
5. For equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned, the same shall be secured before acquisition thereof. Example: OP/Department of Budget and Management/Supervising Department for the purchase of MV, if any, in accordance with the provisions of the Budget Circular No. 2022-01 dated February 11, 2022 (Omnibus Guidelines on the Acquisition, Use, Rental, and Replacement of MVs), RA No. 9184 (Government Procurement Reform Act) and its Implementing Rules and Regulations, among others.
6. Electronic payment shall be observed in the disbursement of corporate and public funds. In case the same is impracticable, the GOCC shall be allowed to continue with the existing payment scheme.
7. Pursuant to AO No. 6 dated September 19, 2017, no irregular, unnecessary, extravagant, excessive and unconscionable expenses shall be incurred. Furthermore, existing laws, rules and regulations mandating the judicious and prudent use of government funds shall be observed.
8. It is understood that this review action does not authorize any item of expenditure that is prohibited by or inconsistent with the provisions of existing laws, rules and regulations.
9. Any and all officials or employees who will authorize, allow or permit, as well as those who are negligent in the performance of their duties and functions which resulted in the incurrence or payment of unauthorized and unlawful obligation or expenditure shall be personally liable to the government for the full amount committed or expended and subject to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of EO No. 292.

Reviewed by:


GRACELA A. ORTIZ
Acting Assistant Director/Chief BMS
Date: JUN 04 2024


ROSALIE C. ABESAMIS
Acting Director, DBM Regional Office III
Date: JUN 04 2024

cf: **The Chairman**
Board of Directors, Santa Maria Water District

The Resident Auditor
COA - Santa Maria Water District

Board Resolution No. 2023-85
FY 2024 Corporate Operating Budget
Date: _____

COB NO. ROIII-B-2024-0020

JUN 04 2024

C. FINANCIAL RATIOS (as applicable)**1. Revenue to Expense Ratio**

Particulars	Amount (In Thousand Pesos)		
	FY 2021 Audited	FY 2022 Audited/Actual	FY 2023 Estimates
Operating Income (OI)	298,076	323,475	372,640
Operating Expense (OE)	250,449	267,019	302,905
Revenue to Expense Ratio (OI/OE)	119.02	121.14	123.02

2. Capital Adequacy Ratio

Particulars	Amount (In Thousand Pesos)		
	FY 2021 Audited 1/	FY 2022 Audited/Actual 1/	FY 2023 Estimates 2/
Cash and Cash Equivalent (CCE)	Not Applicable	Not Applicable	Not Applicable
Tier 1 Capital			
Tier 2 Capital			
Less: Required Deductions			
Total Qualifying Capital			
Risk Weighted Assets			
Total Capital Adequacy Ratio (CAR)			

1/ Per COA Audit Report of the GOCC

2/ To be provided by the Agency as submitted to the Bangko Sentral ng Pilipinas

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Positive Net Balance In Average Net Income for twelve (12) months	Positive net balance	Positive net balance	
Current Ration ($\geq 1:5:1$)	1.5:1	1.58:1	
Compliance "With RA No. 11032 or the Ease of Doing Business and Efficient Government Delivery Service Act of 2018"	Certificate of Compliance posted to Transparency	Certificate of Compliance posted to Transparency on March 29, 2023	
Percentage of Customer related complaints acted upon against received complaints	100%	100%	362 out of 362 received complaints were acted upon
Complaints through hotline #8888 acted upon 72 hours	100%	100%	7 complaints received were acted upon in 8 hours
Complaints received through the WD customer service unit within the period prescribed under RA 11032 and other issuances	100%	100%	355 complaints received were acted upon
Submission of reports in accordance to content and period of submission	Complied	Complied	

B. FINANCIAL PERFORMANCE

PARTICULARS	APPROVED COB	ACTUAL UTILIZATION	REMARKS
PS	112,070.00	80,013	Based on the Financial Audit Report and Form 703-A
MOOE	252,863.00	221,732	Based on the FY 2023 Financial Audit Report, the difference from Form 703 and 703-B is due to Financial Expenses
CO	29,913.00	101,419	Out of 101,419, 23.9M were for 2023. There was a realignment of 8.5M from MOOE to CO and 6M was not utilized due to unfinished projects.
Total	394,846	403,164	

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GOCC under:

- DBM
 GCG

NG Budgetary Support:

- Asking
 Non-Asking

Particulars	In Thousand Pesos			Remarks																												
	Proposal	Recommendation	Variance																													
Sources of Funds																																
The sources of funds are derived from the following:																																
1. Operating Revenue	P 423,344	P 423,344	P -	Itemize GOCC's sources of funds such as corporate receipts, authorized corporate borrowings, and National Government budgetary support (current year General Appropriations Act (GAA) and prior year's unutilized allotment as authorized in its Special Provision) The estimated domestic loan proceeds is 95.31% of its operating revenue. Santa Maria Water District should put up measures to ensure that enough cash flows from its operations is generated to pay for debt and interest.																												
2. Other Revenues	P 1,965	P 1,965	P -																													
3. Domestic Borrowings	P 403,511	P 403,511	P -																													
Total Sources	P 828,820	P 828,820	P -																													
Uses of Funds																																
Personnel Services (PS)	P 119,920	P 77,096	-P 42,824	For GOCCs under the coverage of the GCG, PS is recommended as proposed , provided that the PS requirements is based on the approved Compensation and Position Classification System (CPCS) as governed by EO 150 and its IRR, while other specific benefits is in accordance with the applicable CPCS issuances on the matter. For GOCCs under the coverage of DBM, PS shall be computed per separate schedules as follows: 1. Schedule I-A - Permanent Positions 2. Schedule I-B - Non- Permanent /Contractual Pos. 3. Schedule I-C - RATA 4. Schedule I-D- Per Diem																												
Maintenance & Other Operating Expenses (MOOE)	P 295,251	P 295,251	P -	The recommended MOOE level is computed considering the agency's absorptive capacity: a. historical budget utilization rates (BURs) of at least three (3) immediately preceding years and apply the year with the highest BUR to compute the MOOE level for the year; and b. latest report on expenditures of the current year and the doable programs, activities and projects of the GOCC until the end of the year.																												
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Capital Outlay (CO)	P 407,702	P 407,702	P -	Supported by a Certification signed by the GOCC head that the proposed project/s are implementation-ready and will be completed within the fiscal year. For Multi-year projects, the same is supported by a Certificate of Budget Inclusion, duly approved by the Governing Board. Transportation Equipment is evaluated in accordance with the provisions of Budget Circular No. 2022-1 dated February 11, 2022.																												
Investment Outlay																																
Loans Outlay	P 393,616	P 393,616																														
Investment Property Outlay																																
Land and Land Improvements Outlay	P 1,590	P 1,590																														
Infrastructure Outlay	P 5,703	P 5,703																														
Buildings and Other Structures	P 1,348	P 1,348																														
Machinery and Equipment Outlay	P 3,701	P 3,701																														
Furniture and Fixtures, Books Outlay	P 1,000	P 1,000																														
Transportation Equipment	P 744	P 744																														
Total	P 822,873	P 780,049	-P 42,824																													

**LWD: SANTA MARIA WATER DISTRICT
PERFORMANCE REVIEW FOR COB
FOR FY 2023**

SCHEDULE II

A. PHYSICAL PERFORMANCE

PROGRAM INDICATORS	ANNUAL TARGET	ACCOMPLISHMENT	REMARKS
Percentage of households with access to potable water againsts the total number of household within the coverage of the LWD	53.32%	55.56%	
Percentage of household connections receiving 24/7 supply of water	98.00%	99.74%	
Source Capacity of LWD to meet demands for 24/7 supply of water	1.5:1	1.68:1	
In compliance with DOH AO No. 2014-0027, LWDs among others, has been required to develop and implement Water Safety Plan (WSP) to ensure safe delivery of safe drinking water.	Passed the WSP review by LWUA	Passed the WSP review by LWUA with an acceptance rating of 97.57% on May 18, 2023.	
Percentage of unbilled water to water production should not exceed 30%	14.00%	12.67%	
All water samples during the year should pass the physical chemical and microbiological tests as required by PNSDW 2017. Daily Chlorine residual requirement should be at least 0.3 ppm at the farthest point. In case the LWD is using chlorine dioxide, the allowable level should be at least 0.2 to 0.4 ppm	Maitain chlorine residual of at least 0.2ppm to 0.4ppm using chlorine dioxide and chlorine residual of at least 0.3ppm to 1.5ppm using calcium hypochlorite.	Maitained 0.31ppm chlorine residual at all points using chlorine dioxide and 1.05ppm chlorine residual at all points using calcium hypochlorite.	
Average response time in hours to restore service (major repair) when there are interruptions due to line breaks and/or production equipment , or facility breakdown as reflected in the updated Citizen's of Service Charter of SMWD	Response time to restore water service within 3.5 hours (210 mins) for minor repairs and 7 hours (420 mins) for major repairs	Water servicerestored in an average of 2 hours 28 mins (148 mins) for minor repairs and 4 hours 38 mins (278 mins) for major repairs	
Categories A, B and C=1 staff for every one hundred twenty (120) service connections	1:228	1:245	
Microbiological/Bacteriological Reports, Physical and Chemical Reports, and Chlorine Residual Reports	All samples passed the mandatory parameters and the required number of samples to be tested	All samples tested passed	
Collection Efficiency (≥90%)	90.00%	97.96%	

Computation of PS Limitation
 FY 2024 Corporate Operating Budget
 LWD: Santa Maria Water District

Particulars	Preceding Year
	2023 (in thousand)

Total Aggregate twelve (12) months net revenue, next preceding year (Form 703)		367,142.00
Less:		
Debt Service (preceeding year)	42,558.00	
Expenses for fuel or energy for pumping (preceeding year)	27,278.00	69,836.00
Total		297,306.00
Multiply by 50%		0.50
PS Limitation for FY 2024		148,653.00
FY 2024 PS Approved by Governing Board		119,920.00
Less: Waived Item: TLB (FY 2024)		3,024.00
Total PS Budget, net of TLB		116,896.00
PS Limitation		148,653.00
Total PS Budget, net of TLB		116,896.00
Still Allowable for PS		31,757.00