



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

CORPORATE OPERATING BUDGET

Fiscal Year 2025

TO: BALANGA WATER DISTRICT

Your Corporate Operating Budget (COB) for FY 2025 per approved Balanga Water District Board Resolution No. 2 dated January 10, 2025, 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 **ONE HUNDRED FORTY MILLION SEVENTY SIX THOUSAND AND 0/100 (P 140,076,000.00)**, details of which are shown below:

PARTICULARS	PROPOSAL (a)		RECOMMENDED (b)		VARIANCE (c=b-a)
TOTAL SOURCES	P	163,613	P	163,613	P -
Corporate Funds		163,613		163,613	-
National Government (NG) Subsidy		-		-	-
TOTAL USES	P	140,675	P	140,076	P (599)
Personnel Services (PS)		60,501		60,760 <i>a/</i>	259
Maintenance & Other Operating Expenses (MOOE)		50,487		49,629 <i>b/</i>	(858)
Capital Outlays (CO)		29,687		29,687 <i>c/</i>	-
Excess	P	22,938	P	23,537	P 599

Footnotes:

- a/ The recommended PS level is based on existing rates per prescribed guidelines and issuances. The variance is due to additional appropriation under RLIP, ECIP, Pag-Ibig and Philhealth. Also, please be reminded that the reimbursable fee of the Board of Directors shall be allocated under MOOE.
- 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
- 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 BALANGA 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: BALANGA 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), existing procurement law 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:


JENINA M. PINEDA

Acting Chief BMS
Date: MAR 07 2025


ROSALIE C. ABESAMIS
Director IV, DBM Regional Office III
Date: MAR 07 2025

cf: **The Chairman**
Board of Directors, Balanga Water District

The Resident Auditor
COA - Balanga Water District

COB No. ROIII-B-2025-00-20

Date: MAR 07 2025

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	136,547	136,547	-	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)
2. Other Revenues	27,066	27,066	-	
Total Sources	163,613	163,613	-	

Uses of Funds
Personnel Services (PS)

259	60,501	60,760		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. All the salaries of the jobe order/contractual personnel charged against PS.
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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

(85) 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.

Particulars	FY 2022	FY 2023	FY 2024
DBM-recommended COB	110,108	115,664	121,588
Actual Expenditures	106,228	103,201	107,662
Unutilized Balance	3,880	12,463	13,926
OBUR	96.48	89.22	88.55
Actual Disbursement	103,973	101,321	105,829
DBUR	97.88	98.18	98.30

Proposed MOOE	50,487	MOOE	49,945
x Highest BUR	98.30%	FINEX	542
MOOE Level	49,629		50,487

Maintenance & Other Operating Expenses (MOOE)

(85)	50,487	49,629		Supported by a Certification signed by the GOCC head that the proposed projects 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.
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Capital Outlay (CO)

Investment Outlay	7,096	7,096		Transportation Equipment is evaluated in accordance with the provisions of Budget Circular No. 2022-1 dated February 11, 2022.
Loans Outlay	595	595		
Investment Property Outlay	-	-		
Land and Land Improvements Outlay	-	-		
Infrastructure Outlay	5,080	5,080		
Buildings and Other Structures	3,296	3,296		
Machinery and Equipment Outlay	6,807	6,807		
Furniture and Fixtures, Books Outlay	653	653		
Transportation Equipment	6,160	6,160		
Total	140,675	140,076	(599)	

**LWD: BALANGA WATER DISTRICT
PERFORMANCE REVIEW FOR COB
FOR FY 2024**

SCHEDULE II

A. PHYSICAL PERFORMANCE

PROGRAM INDICATORS	ANNUAL TARGET	ACCOMPLISHMENT	REMARKS
Percentage of households with access to potable water against the total number of household within the coverage of the LWD	Households with access to potable water - 18,080; Total no. of households within the coverage of LWD - 24,086	Households with access to potable water - 18,080; Total no. of households within the coverage of LWD - 24,086	
Percentage of household connections receiving 24/7 supply of water	100%	100%	
Source Capacity of LWD to meet demands for 24/7 supply of water	1.5:1	3.1:1	
In compliance with the Department of Health (DOH) Administrative Order No. 2014-0027, LWDs among others, has been required to develop and implement a Water Safety Plan (WSP) to ensure safe delivery of safe drinking water.	DOH Approved Water Safety Plan issued Sept. 22, 2022 (valid until Sept. 25, 2025)	DOH Approved Water Safety Plan issued Sept. 22, 2022 (valid until Sept. 25, 2025)	
Percentage of unbilled water to water production	30%	19%	
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	Complied 100%	Monitored the residual chlorine at the end points and maintained it at 0.3ppm. All water samples passed the physical-chemical and microbiological test required by PNSDW 2017	
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 or Service Charter of the LWD	Mainline repair (5 hours) Production equipment or facility breakdown (12 hrs.)	Mainline repair (1 hr. and 56 mins.) Production equipment or facility breakdown (5 hrs. & 36 mins.)	
Categories A,B,C = 1 staff for every one hundred twenty (120) service connections (1:120)	1:120	1:242	

Microbiological/Bacteriological Reports, Physical and Chemical Reports, and Chlorine Residual Reports	Complied 100%	Complied 100%	
ISO-certified Quality Management System (QMS) or its equivalent for LWDs under Categories A and B	Complied (ISO-certified QMS)	Complied (ISO-certified QMS)	
Compliance with COA reporting requirements in accordance with content and period of submission	Complied 100%	Complied 100%	
Compliance with LWUA reporting requirements in accordance with content and period of submission	Complied 100%	Complied 100%	
Collection Efficiency (≥90%)	90%	92%	
Current Ratio (≥1.5:1)	1.5:1	7:1	
Positive Net Balance In Average Net Income for twelve (12) months	Positive net balance in the average net income for 12 months	Positive P1,140,107.96	
Reasonableness/affordability of water rates to consumers with access connections	Water rate for 1st cu.m.-P150.00 Ave. Income of LIG-P12,089.00 5% of Ave. income of LIG-P604.00	Water rate for 1st cu.m.-P150.00 Ave. Income of LIG-P12,089.00 5% of Ave. income of LIG-P604.00	
Compliance with Republic Act No. 11032 or Ease of Doing Business and Efficient Government Delivery Service Act of 2018	Complied 100%	Submitted updated Citizen's Charter-January 12, 2024	
Percentage of Customer's Complaints acted upon against received complaints through hotline 8888, Presidential Complaint Center, Contract Center ng Bayan acted upon within 72 hours	Complied 100%	Complied 100%	
Complaints received through the WD Customer Service unit within the period subscribe under RA 11032 and other issuance	Complied 100%	Total complaints received-8,757/Total acted Upon-8,754 Commercial Dept.-4,355/4,355 Maintenance Division-3,964/3,961 Water Resources Division-438/438	

B. FINANCIAL PERFORMANCE

PARTICULARS	DBM APPROVED LEVEL	ACTUAL UTILIZATION	REMARKS
PS	50,975,000.00	48,752,000.00	Based on the Financial Audit Report and Form 703-A
MOOE + FINEX	47,282,000.00	38,982,000.00	Based on the FY 2023 Financial Audit Report, Form 703 and 703-B include the Financial Expenses
CO	17,407,000.00	15,467,000.00	Based on SABUDB
Total	115,664,000.00	103,201,000.00	

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

Particulars	Amount (In Thousand Pesos)		
	FY 2022 Audited	FY 2023 Audited/Actual	FY 2024 Estimates
Operating Income (OI)	93,690,172	101,945,902	113,058,804
Operating Expense (OE)	93,089,182	94,689,399	90,468,586
Revenue to Expense Ratio (OI/OE)	100.65	107.66	124.97

2. Capital Adequacy Ratio

Particulars	Amount (In Thousand Pesos)		
	FY 2022 Audited 1/	FY 2023 Audited/Actual 1/	FY 2024 Estimates 2/
Cash and Cash Equivalent (CCE)			
Tier 1 Capital			
Tier 2 Capital			
Less: Required Deductions			
Total Qualifying Capital			
Risk Weighted Assets			
Total Capital Adequacy Ratio (CAR)	Not Applicable	Not Applicable	Not Applicable

1/ Per COA Audit Report of the GOCC

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