

Republic of the Philippines
Province of Cotabato
Municipality of Mlang
OFFICE OF THE MUNICIPAL MAYOR

October 13, 2011

The Honorable Members
Sangguniang Bayan of Mlang
Mlang, Cotabato

Ladies and Gentlemen:

Please allow me to submit the proposed Annual Budget for FY 2012 of the Municipal Government for General Fund (Proper), Market and Slaughterhouse, Cemetery and Local Development Fund pursuant to Section 318 of RA 7160 (Local Government Code).

A.INTRODUCTION

This Executive Budget was prepared after a series of meetings of the Municipal Finance Committee and with all the concerned offices/department heads so that there will be an equitable allocation of the limited resources of the municipal government, considering that our Internal Revenue Allotment has decreased by 5.5 million compared to the 2011 level due to the sharp decrease of National Internal Revenue Taxes in 2009. Despite the decrease in our IRA, we still have substantially committed funds for the programs, projects and activities needed for the efficient and effective delivery of the basic services to our constituents.

Our FY 2012 budget for the General Fund is composed of the Expenditure Program and Sources of Financing, in the amount of P 129,579,358.76 and P 130,088,973.00 respectively. These are illustrated in exhibits 1 and 2

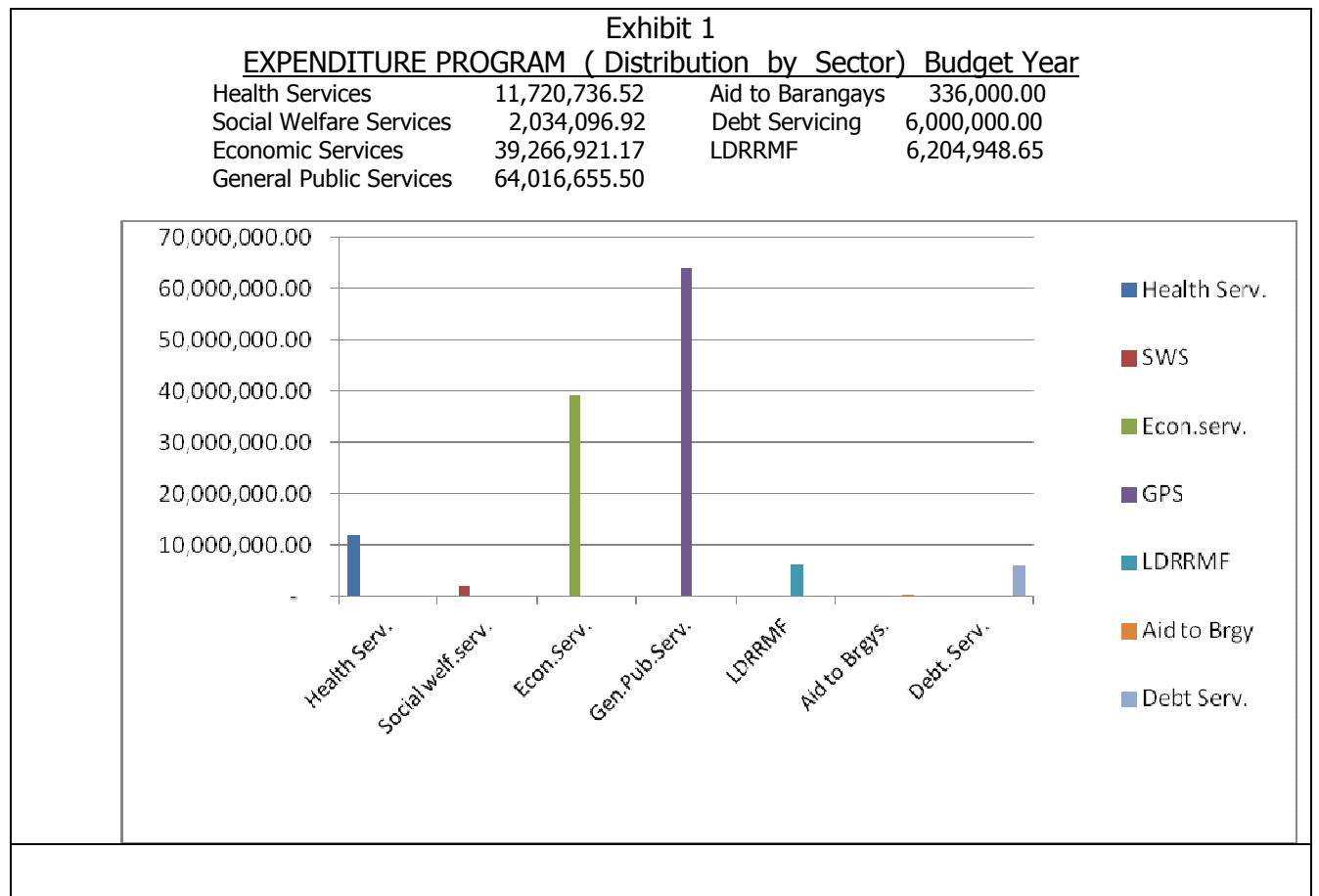
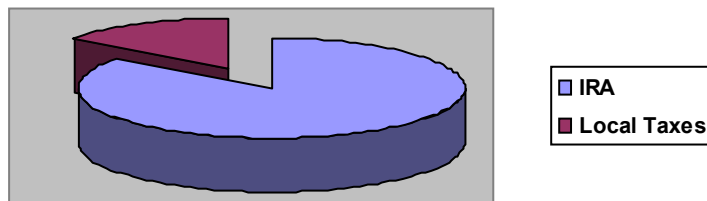


Exhibit 2

DISTRIBUTION BY TYPE OF REVENUE Budget Year

Internal Revenue Allotment - 112,179,453.00

Local Taxes - 17,909,520.00



B. Goals and Objectives

Our targets for the budget year are not entirely different from those of previous years. The thrusts are still the same, the manner of implementation, though, is viewed to be more compelling, viz:

1. To maximize the delivery of basic services particularly those related to health, education, agriculture, infrastructure and livelihood;
2. To provide optimum social and physical infrastructures to bring about the socio-economic upliftment of the constituents.

C. Fiscal policies

The following revenue-generating measures , which are already in place, must be strictly enforced:

1. 2005 Municipal Revenue Code;
2. Tax collection policies as discussed/ disseminated in tax information campaigns and fora.

D. Program Thrusts and Priorities

The amount of P 130,088,973.00 is projected to be collected next year . The Internal Revenue Allotment amounting to P112,179,453.00 remains as our primary source of income while the rest of funding sources in the amount of P17,909,520.00 are derived from local sources.

For our General Fund Proper, we maintained the 2011 level of income from local sources.

Income from Market and Slaughterhouse as well as Cemetery Operations are projected at P5,015,000.00 and P 975,000.00 respectively.

Here is a summary of our total General Fund budget proposals viewed in terms of sectoral allocations, viz:

Exhibit 3

| Sector | Amount (P) | % to Total |
|-------------------------|-----------------------|---------------|
| General Public Services | 64,016,655.50 | 49.40 |
| Health services | 11,720,736.52 | 9.05 |
| Social Welfare Services | 2,034,096.92 | 1.57 |
| Economic Services | 39,266,921.17 | 30.30 |
| Other Purposes: | | |
| 5% LDRRMF | 6,204,948.65 | 4.79 |
| Aid to barangays | 336,000.00 | .26 |
| Debt Servicing | 6,000,000.00 | 4.63 |
| TOTAL | 129,579,358.76 | 100.00 |

General Public Services

Allocation for this sector is P64,016,655.50 or 49.40% of the total budget. This supports the operation of all the departments and offices for effective and efficient governance.

Health Services

The allocation of P11,720,736.52 for this sector represents 9.05% of the total budget .

Social Welfare Services

The amount of P2,034,096.92 is provided for this purpose. It is about 1.57% of the total spending program and this will enable the continuous delivery of social services and welfare programs especially for the members of the marginalized sector of the community.

Economic Services

These are allocations for the Office of the Municipal Agriculturist, Municipal Engineer, Market and Slaughterhouse operations and local development projects, funded out of the 20% of our Internal Revenue Allotment, in the aggregate amount of P39,266,921.17.

We have set aside the amount of P6,204,948.65 for unforeseen expenditures arising from the occurrence of calamities.

We have provided P336,000.00 for aid to barangays. P300,000.00 will be given to Barangay Poblacion B, because they have no IRA and the remaining P36,000.00 is for the 36 barangays at P1,000.00 each.

For our Heavy Equipments which was acquired thru loan, the amount of P6,000,000.00 was earmarked for debt servicing payable to the Development Bank of the Philippines. This is 4.63% of our total spending plan.

E. Distribution by Major Expense Class (General Fund (Proper)

Personal Services

The implementation of the third (3rd) tranche of Salary Standardization Law III as authorized by Local Budget Circular No. 97 dated May 11, 2011 raised our Personal Services expenses to P 54,225,252.04. This represents 54.34% of the total budget for the General Fund (proper).

Maintenance and Other Operating Expenses

We maintained the FY 2011 expenditure level for our Maintenance and Other Operating Expenses at P 40,300,308.46 and this is 39.64% of our projected income .

Capital Outlays

The allocation for capital outlay is lowered to P 525,000.00 this year.

Other Purposes

This portion of the budget contains the 20% our Internal Revenue Allotment amounting to P22,435,890.60 which is stipulated to be spent for economic development programs and projects. An Annual Investment Plan for 2012 contains the details of these plans/ programs.

The amounts of P6,204,948.65, P6,000,000.00 and P336,000.00 as presented in Exhibit 3 are intended for 5% Local Disaster Risk Reduction Management Fund, debt servicing and aid to barangays.

F. Operation of Economic Enterprise

These are our spending plans for the two (2) economic enterprises, viz:

a.) Market and Slaughterhouse: Estimated income - - - P 5,015,000.00

| Particulars | Amount (P) | % to Total |
|--|--------------|------------|
| Personal Services | 3,364,385.76 | 74.67 |
| Maintenance & Other Operating Expenses | 1,141,000.00 | 25.33 |
| Capital Outlays | - | - |
| TOTAL | 4,505,385.76 | 100.00 |

b). Cemetery : Estimated income - - - P 975,000.00

| Particulars | Amount (P) | % to Total |
|--|------------|------------|
| Personal Services | 965,364.40 | 99.01 |
| Maintenance & Other Operating Expenses | 9,635.60 | .99 |
| TOTAL | 975,000.00 | 100.00 |

G. Conclusion

Please help me maximize the impact of resources that would be available to our Local Government Unit in 2012. We will align our programs, projects and activities to the five priority areas under the Aquino Social Contract with the Filipino people particularly the good governance, poverty reduction, sustained economic growth, just and lasting peace and the rule of law, and climate change adaptation and mitigation.

Ladies & Gentlemen, honorable members of the Sangguniang Bayan, these are the things I intend to do in the ensuing year. Please join hands with me for the fulfillment of these targets.

Very truly yours,

(SDG) JOSELITO F. PIÑOL
Municipal Mayor