

PRELIMINARY LGU FISCAL SUSTAINABILITY SCORECARD¹

SORSOGON CITY			3 RD INCOME CLASS CITY					
Key Result Area	Indicator	Max Score	2010	Score	2011	Score	2012	Score
1. Revenue Generation Capacity (60 points)	1.1 Regular income level ²	10	Fair	6	Fair	6	Good	8
	1.2 Local revenue level ³	15	Poor	3	Poor	3	Poor	3
	1.3 Local revenue growth	20	83%	20	19%	15	-3%	0
	1.4 Dependence on locally sourced income ⁴	10	Poor (12%)	2	Poor (13%)	2	Poor (14%)	2
	1.5 Dependence on IRA	10	Very High (86%)	2	Very High (86%)	2	Very High (85%)	2
	1.6 Dependence on Other Shares from National Tax Collection	5	Low (2%)	5	Low (1%)	5	Low (1%)	5
2. Local Collection Growth (20 points)	2.1 Tax Revenues	5	125%	5	-19%	0	31%	5
	2.1.1 Real property tax (Basic)		256%		-65%		44%	
	2.1.2 Tax on Business		82%		28%		31%	
	2.1.3 Other Taxes	5	9%	4	18%	5	2%	0
	2.2 Non-Tax Revenues	5	10%	4	153%	5	-42%	0
	2.2.1 Regulatory Fees		3%		-5%		47%	
	2.2.2 User/Service Charges		21%		7%		93%	
2.2.3 Econ. Enterprise	17%		515%		-80%			
3. Expenditure Management (20 points)	3.1 Total Expenditure Per Capita ⁵	5	Low	2	Low	2	Low	2
	3.2 Use of IRA for Local Development Projects ⁶	5	Failed (16.9%)	0	Failed (13.1%)	0	Passed (44.6%)	5
	3.3 Limitation on Expenditure for Personal Services ⁷	5	N/A ⁸	5	Passed (37.0%)	5	Passed (37.0%)	5
	3.4 Limitation on Debt Service Ratio ⁹	5	Passed (7.1%)	5	Passed (6.8%)	5	Passed (7.6%)	5
SUB-TOTAL: QUANTITATIVE INDICATORS (90%)		100	53.1 PTS.		45 PTS.		37.8 PTS.	
4. Submission of Timely and Accurate Statement of Receipts and Expenditures per DOF Order No. 8-2011	40	Non-Compliant	20	Non-Compliant	20	Compliant	40	
5. Regular Updating of Schedule of Market Values and Conduct of General Revision of Property Assessments per Sec. 219 of the Local Government Code and DOF-DILG Joint Memorandum Circular No. 2010-01	30	Non-Compliant (SMV is outdated.)	0	Non-Compliant (SMV is outdated.)	0	Compliant (SMV effective 2012.)	30	
6. Submission of Timely and Accurate Quarterly Report on Real Property Assessment (QRRPA)	30	Incomplete	15	Incomplete	15	Incomplete	15	
SUB-TOTAL: QUALITATIVE INDICATORS (10%)		100	3.5 PTS.		3.5 PTS.		8.5 PTS.	
OVERALL SCORE¹⁰		100	56.6 PTS.		48.5 PTS.		46.3 PTS.	
OVERALL RATING			D AVERAGE		E NEEDS IMPROVEMENT		E NEEDS IMPROVEMENT	

DATA SOURCES: LGU Treasurer's Electronic Statement of Receipts and Expenditures (BLGF run date of Aug 15, 2013), LGU Assessor's Quarterly Reports on Real Property Assessment, and approved LGU Schedule of Market Values

¹ Rating scheme for KRAs 1.1, 1.2, 1.4, 1.5 and 1.6 was based on performance as a 3rd Income Class city in relation to average performance of LGUs within the same income classification. NI = Needs Improvement
² Total regular income is the sum of locally sourced income (excluding SEF), current year's IRA + other shares from national tax collection. Other income/receipts were not considered due to reporting errors.
³ Total revenues collected from real property tax (basic), business tax, other taxes, regulatory fees, user charges, and income from economic enterprise.
⁴ % share of local revenues (excluding Other Receipts) to total regular income
⁵ Based on 2010 Census, with 1.82% projected annual growth for FY2011 and FY2012.
⁶ At least 20% of IRA should be utilized for local development projects (LGC Sec. 287)
⁷ Not to exceed 45% of the annual regular income realized in the next preceding fiscal year for 1st - 3rd income class LGUs or 55% for 4th or lower income class LGUs (LGC Sec. 325a)
⁸ 2008 regular income data not included; full provisional 5 points given
⁹ Expenditures for debt servicing not to exceed 20% of the regular income for the fiscal year (LGC Sec. 324a)
¹⁰ Based on the weighted score for all quantitative (KRAs 1, 2 & 3; 80% for revenue indicators vs 20% for expenditure indicators) and qualitative (KRAs 4, 5, & 6): 100% = 90% Quantitative KRAs + 10% Qualitative KRAs.

DATA USED AND FINDINGS FOR VALIDATION BY THE CITY TREASURER AND THE CITY ASSESSOR.

Annex A - Detailed Report

LGU Name: Sorsogon City

Income Class: 3

FY Covered: 2010-2012

Indicator/Item	2010	+/- YoY	2011	+/- YoY	2012	+/- YoY
1 Regular Income	459,809,508	14%	493,322,595	7%	432,978,837	-12%
Locally Sourced Income	53,979,158	83%	64,013,428	19%	62,207,309	-3%
% Share to Regular Income	12%		13%		14%	
Internal Revenue Allotment (Current)	396,760,836	10%	426,152,684	7%	367,136,302	-14%
% Share to Regular Income	86%		86%		85%	
Other Shares from Nat'l Tax Collection	9,069,514	-25%	3,156,483	-65%	3,635,225	15%
% Share to Regular Income	2%		1%		1%	
2 Local Revenue	53,979,158	83%	64,013,428	19%	62,207,309	-3%
Tax Revenues	42,290,060	125%	34,433,769	-19%	45,007,804	31%
<i>Real property tax (Basic)</i>	20,694,709	256%	7,178,726	-65%	10,343,820	44%
<i>Tax on Business</i>	18,554,517	82%	23,657,772	28%	31,009,303	31%
<i>Other Taxes</i>	3,040,834	9%	3,597,271	18%	3,654,680	2%
Non-tax Revenues	11,689,098	10%	29,579,660	153%	17,199,505	-42%
<i>Regulatory Fees</i>	6,068,539	3%	5,793,947	-5%	8,495,880	47%
<i>User/Service Charges</i>	2,119,302	21%	2,266,173	7%	4,382,580	93%
<i>Income from Econ. Enterprise</i>	3,501,257	17%	21,519,541	515%	4,321,045	-80%
3 Internal Revenue Allotment - Current	396,760,836	10%	426,152,684	7%	367,136,302	-14%
4 Other Shares from Nat'l Tax Collection	9,069,514	-25%	3,156,483	-65%	3,635,225	15%
Share from Economic Zone	-	-	-	-	-	-
Share from EVAT	-	-	-	-	-	-
Share from National Wealth	8,113,492	-31%	-	-100%	-	-
Share from PAGCOR/PCSO/Lotto	956,022	125%	3,156,483	230%	3,635,225	15%
Share from Tobacco Excise Tax	-	-	-	-	-	-
5 Total Expenditures (with SEF)	527,976,387	-6%	579,473,631	10%	558,634,795	-4%
General Public Services	226,266,963	-7%	235,895,319	4%	250,915,478	6%
Economic Services	87,845,926	-38%	73,986,950	-16%	90,973,454	23%
Social Services	173,241,435	15%	211,629,500	22%	162,498,968	-23%
Debt Service	32,672,705	74%	33,604,188	3%	33,071,879	-2%
6 Total Expenditures per Capita	3,403		3,668		3,473	
<i>Population/Projected Population</i>	155,144		157,968		160,843	
7 Utilization of IRA for Local Devt. Projects	16.9%		13.1%		44.6%	
20% Expenditure	67,033,063		55,910,843		163,896,782	
8 Personal Services (PS)	144,782,021		149,133,471		169,923,582	
PS-to-Total Expenditures Ratio	N/A		37.0%		37.0%	
9 Total Debt Service	32,672,705		33,604,188		33,071,879	
Debt-to-Regular Income Ratio	7.1%		6.8%		7.6%	

Notes on Rating System Used in the Preliminary Scorecard:

Regular Income and Locally Sourced Income were assessed according to Income Class, with the following scale:

- Very Good = 50% higher than the average value
- Good = 25% higher than the average value
- Fair = Average
- Needs Improvement = 25% lower than the average value
- Poor = 50% lower than the average value

(Dependence on locally sourced income was assessed using the same scale but on per LGU type basis.)

IRA Dependence was assessed across LGU Type

- Very Low = Less than 50%
- Low = Greater than 50% but less than 60%
- Fair = Average dependence for cities: 60%-70%
- High = Greater than 70% but less than 80%
- Very High = Greater than 80%

Total Expenditure per Capita was assessed across LGU Type

- Very High = 50% higher than the average value
- High = 25% higher than the average value
- Fair = Average
- Low = 25% lower than the average value
- Very Low = 50% lower than the average value

Use of IRA for Local Dev't Projects: PASSED = Ratio is greater than or equal to 20%; else, FAILED

Limitation on PS Expenditure:

PASSED : <=45% for 1st - 3rd Class LGUs, <=55% for 4th to lower income class LGUs; else, FAILED

Debt Service Ratio:

PASSED : Expenditures for debt servicing is less than or equal to 20% of Regular Income; else, FAILED