



3RD ANNUAL REPRESENTATIVE ASSEMBLY

2019
ANNUAL REPORT

Mensahe mula sa Chairman of the Board



Isang mapagpalang araw sa buong kasapian ng K-COOP,

Mula sa pamunuan ako ay taos-pusong bumabati at nagpapasalamat sa inyo at higit na pasasalamat sa ating Panginoong Diyos dahil sa muli sa ikatlong pagkakataon tayo ay magkakasama-sama upang idaos ang ating ikatlong Asembleiya ng mga Kinatawan ng ating mga kasapi.

Naging mapaghamon ang taong 2019 ngunit naging tulay iyon upang mas maging malakas pa ang ating kooperatiba. Masaya akong malaman ang mga kwento ng tagumpay ng mga kasapi natin mula sa iba't-ibang *satellite offices*. Ang tagumpay ng bawat kasapi ay maituturing din na tagumpay ng samahan. Bagamat maituturing natin na nasa "*young age*" pa ang Kooperatiba hindi naman tayo nahuhuli pagdating sa pagbibigay ng iba't-ibang programa at serbisyo na sumasagot sa mga pangunahing pangangailangan ng pamilya. Sa kabila ng maraming pagsubok na ating napagdaanan, tulad ng mga problemang pangkabuhayan ng ating mga kasapi, kalamidad, at maging ang ekonomiya sa ating bansa hindi ito naging hadlang upang tayo ay mapanghinaan ng loob bagkus tayo ay patuloy na lumalaban at nagiging matatag sa bawat hamon ng buhay at dito natin maaasahan ang tulong at suporta ng K-Coop. Ang bawat kwento ay nagsisilbing inspirasyon upang maging matatag at magpatuloy.

Sa nagdaang taon o maging sa taong kasalukuyan, seryoso po ang pamunuan sa paghahanda ng mga "*SUCCESSORS*" bilang sunod na magiging lider upang tiyakin at siguruhin na maipagpatuloy at manuot sa bawat isa ang mga nasimulang gawain, kultura, pati ang *Vision, Mission, at Goals* ng ating samahan.

Ngayong Ikatlong Asembleiya, tayo ay muling pipili ng ating magiging lider. Kilalanin at piliin po natin ang lider na may matapat na kalooban, may kagustuhan, kakayahan, at puso sa pagseserbisyo. Sama-sama po nating itaguyod at lalo pang palakasin ang ating samahan upang patuloy tayong makapagbigay ng *financial at social services* sa mga komunidad. Tuloy - tuloy nating tangkilikin ang bawat produkto at serbisyo.

Ngayong taon, ibalik natin ang disiplina sa mga sentro, gawing aktibo itong muli. May mga bagong produktong ididiseno na mula sa pagdinig sa kasapian at kasabay nito ang pagsisinop ng mga proseso at polisiya at pag-uupgrade ng mga sistema upang mas mapabilis at tumaas ang kalidad ng ating serbisyo. Sama-sama at tulong-tulong tayo dahil para sa atin din ito.

"Naway magsilbing larawan ng pagtutulongan, pagkakaisa, at pag-asa ang ating kooperatiba sa bawat indibidwal at pamilya".

Mabuhay po tayong lahat. *God Bless and More Power!*


Martiniana G. Mancio
CHAIRMAN OF THE BOARD



K-COOP 2019 Board of Directors and General Manager

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Sa aming mga Kasapi,

Isa na namang taon ang lumipas at may pagkakataon na namang balik-tanawan ang ating mga plano at na-pagtagumpayan noong 2019.

Tuluy-tuloy pa rin ang paglago ng ating kooperatiba. Nag-ambisyon tayo ng mas higit pa subalit 41,820 lang ang ating naabot na bilang ng ating mga kasapi. Gayunpaman, kumita tayo ng may Php 37,890,000.00 na lumagpas naman sa ating kita noon taong 2018. Malaki ang naiambag ng ating mga *Satellite Offices* sa Rizal at *Central Sectors*. Hindi rin pahuhuli ang Bulacan Sector. Ang ating *South Sector* ang nangangailangan pa ng dagdag na disiplina at pagpapalawak sa kasapian gayun din ang mga batang *satellite offices* natin sa Cluster 3 ng Bulacan. Tumaas naman ang ating *portfolio* sa Php340M noong Disyembre 2019. Umabot ang kabuoang napaikot nating tulong-pautang sa ating kasapian sa Php1.24 bilyon.

Noong Nobyembre 2019, sa *Estancia Lorenzo*, nakasama ng mga tagapamahala ang pamunuan ng K-Coop. Taun-taon nagpupulong upang baliktanawan ang 6-taon na *Strategic Plan* ng kooperatiba. Nangangalahati na tayo sa *StratPlan 2017 -2021*. Doon nakita ang pagtataya ng mga nagpapatakbo ng ating kooperatiba at *Board of Directors* nito. Hindi matatawaran ang pagsusumikap ng ating mga empleyado subali't tunay na naging pagsubok sa taong 2019.

Bilang pandagdag-sigla sa ating kooperatiba, nagpapakilala tayo ng mga bagong produktong-pautang, pag-impok at serbisyo. Masaya ang ating kooperatiba dahil sa may mga kapamilya ang ating mga kasapi na naging kasapi na rin sa taong 2019. Nawa'y mas dumami pa sila sa taong 2020. Marami rin ang natuwa sa ating *K-Noche Buena*, tulong pandagdag sa handaan nitong nakaraang Pasko. Sa darating na Pasko iaalok na natin ang produktong ito sa mas malawak na kasapian. Patuloy din ang pagsasaayos ng ating mga programa upang mas tangkilikin pa ito ng ating mga kasapi.

Sa taong 2020, may dalawang mahalagang pagtutuunan ng pansin at sikap ang K-Coop. Una na ang pagtitiyak na nasunod natin ng maayos ang mga gabay prinsipyo natin sa pamamalakad ng mga sentro at mga tanggapan. Kasama na dito ang pag-aalaga sa ating mga kasapi at mga empleyado, upang maramdaman nila na sila ang pinakamahalaga sa K-Coop. Isa pang paglalaanan ng pansin sa tamang pamamalakad ay ang pagiging masinop at matipid. Layon natin na malagpasan pa ang kinita natin noong 2019. Php 40 milyon ang nais natin marating na kita sa taong 2020.

Ang ikalawang pagtutuunan ng pansin ng K-Coop ay ang patuloy na pag-disenyo at pagpapaunlad sa mga produkto at serbisyo nito. Dalawang programa ang ipapakilala natin sa 2020; ito ang programang pabahay at kabataan. Kung tutuusin, meron na tayong produktong K-bahay. Ang plano natin ay ang pagsisinop pa at gagawin natin ito na isang kumpletong programa para tunay na tumugon sa isyu ng katiyakan sa paninirahan. Ang programa naman sa kabataan ay paraan ng pagtitiyak na patuloy ang buhay ng ating kooperatiba. Karamihan sa ating mga kasapi ay lampa 40 taon na ang edad. Nararapat lang na ibukas ng K-Coop ang mga pinto nito sa mga anak ng ating kasapi upang patuloy na umunlad at mapakinabangan ang mga programa nito.

May bagong produktong pautang din na ilulunsad tulad ng K-Biyahe at K-Sagip. May mga pag-aayos din sa sistema para mapadali sa mga kasapi ang pagkuha nila ng datos ukol sa kabilang utang at impok. Abangan po natin ang mga ito at sana ay makadagdag ang mga ito sa ikalulugod nyo bilang mga kasapi ng K-Coop.

Aktibo din tayong lumalahok sa iba't ibang gawain at alituntunin ng pederasyon at network. Masigasig po tayong kasapi ng National Capital Region League-Philippine Federation of Credit Cooperatives at ng Microfinance Council of the Philippines. Naging kasapi din tayo simula 2019 ng MIDAS para sa data-sharing at pagtugon sa regulasyon patungkol sa credit bureau. Lagi tayong nagsusumikap sumunod sa mga regulasyon para sa ating sektor katuwang ang Cooperative Development Authority.

Bilang pangwakas, nais kong pasalamatang lahat ng mga Directors, Committee Members, Coordinators at Center Officers. Batid po namin ang pagmamahal at paglilingkod nyo sa ating kooperatiba. Sana ay ipagpatuloy po natin ito at ipagdasal natin lagi ang patuloy na ikauunlad ng ating kooperatiba at kasapian.

Mabuhay po tayong lahat at mabuhay ang ating kooperatiba!


Maria Anna de-Rosas Ignacio
GENERAL MANAGER

Katitikan ng Ikalawang Asembleya ng mga Kinatawan

Sa pulong ng Asembleya ng mga Kinatawan (Representative Assembly) noong ika- 23 ng Marso 2019, kung saan mayroong quorum, pinagtibay ang mga sumusunod:

1. Pagtitibay ng Katitikan ng Pulong ng mga Kinatawan noong 2018
2. Ulat ng Tagapangulo para sa taong 2018 (Operations Year-end Report at 2019 Plans)
3. Ulat Pinansyal ng Ingat-Yaman (2017 Audited Financial Statements at 2018 Unaudited Financial Statements)
4. Pagtitibay ng Budget para sa 2019
5. Mga Paksang Sinang-ayunan ng Asembleya:
 - Pagtanggap sa 2017 Audited Financial Statements
 - Pagkuha ng External Auditor para sa Taong 2018 at 2019
 - Pamamahagi ng Patronage Refund ng Taong 2018
 - Pagbabago sa Resolusyon noong 2018 para sa Pamamahagi ng Interest on Share Capital
 - Pamamahagi ng Interest on Share Capital ng Taong 2018
 - Pagkuha ng Credit Line sa mga Bangko at Institusyong Pinansiyal
 - Pagbabayad ng mga Miyembro ng Unpaid Share Subscription

TAON NA NAGING MIYEMBRO	UNPAID SHARE SUBSCRIPTION
2016	3 shares
2017	2 shares

- Pagsapi sa National Capital Region League- Philippine Federation of Credit Cooperatives (NCRL-PFCCO)
- Pag-Amyenda sa Termino ng mga Miyembro ng Election at Audit Committees

Dalawa sa tatlong miyembro na mahahalal sa susunod na eleksyon ay magsisilbi ng dalawang taon, habang ang ikatlo ay uupo sa loob lamang ng isang taon. Sa mga susunod pang regular na eleksyon, bawat miyembro ay magsisilbi ng dalawang taon.

6. Pagtitibay at Ratipikasyon ng mga Aksyon at Desisyon ng Lupon at Pamunuan
7. Pasasalamat sa mga Direktor na nagtapos ng termino
8. Pagkahalal ng mga bagong miyembro ng Lupon (Board of Directors)

Dalawang taong termino:

Martiniana Mancio (East Sector- RHS Satellite Office)
Mary Grace Calayag (North Sector- Norzagaray Satellite Office)
Jenny Navarro (East Sector- Masinag Satellite Office)

Bilang pagpapatunay sa mga napagkasunduan sa itaas, kami ay lumalagda:


Atty. Ferdinand M. Casis
Cooperative Secretary


Martiniana G. Mancio
Chairperson

2019-1 Approval of the Revised 2019 Budget Projections

2019-2 Recommending to the Representative Assembly the Adoption of a Staggered Term of Office of Committee Members

2019-3 Expanding the Role of the Treasurer to Include the Review of the Financial Statements as of end of November of Each Year to Determine the Basis for the Grant of Christmas Gift

2019-4 Recommending to the Representative Assembly the Engagement of the Services of Ms. Minette Ame as External Auditor for the Audit of 2018 and 2019 Financial Statements of K-Coop

2019-4-A Approving the closure of the Cooperative's corporate bank account with RCBC RHS

2019-5 Approving the Renewal of the Rediscounting Line with Land Bank of the Philippines in the Maximum Amount of Php10M.

2019-6 Authorizing the Release of the Performance Incentive of Employees for the Period July to December 2018

2019-7 Acceptance of Transfer of KDCL employee Maricel Sual

2019-8 Requesting K-Coop Depository Banks to Honor Valid and Official K-Coop Member's ID in K-Coop Check Encashment

2019-8-A Authorizing the Updating of Business Permit Renewal Applications to reflect the change in Chairmanship

2019-9 Amending list of authorized signatories for the Cooperative's corporate bank account with AUB Sapang Palay

2019-9-A Amending list of authorized signatories for the Cooperative's corporate bank account with AUB Bagbag Branch

2019-9-B Amending list of authorized signatories for the Cooperative's corporate bank account with AUB Camarin Branch

2019-9-C Amending list of authorized signatories for the Cooperative's corporate bank account with AUB Lagro Branch

2019-9-D Amending list of authorized signatories for the Cooperative's corporate bank account with AUB Zabarte Branch

2019-10 Amending list of authorized signatories for the Cooperative's corporate bank account with Security Bank Taytay Branch

2019-10-A Election of Board Chairperson and Vice-Chairperson

2019-10-B Re-appointment of the Cooperative Secretary and Treasurer

2019-11 Setting a 20% Maintaining Balance for every loan exceeding P7,000.00

2019-12 Authority to apply under Small Business Corporation's P3 Wholesale Lending Program

2019-13 Authorizing the Engagement of a Third Party for the Assessment of Managers, and Appropriating Funds Therefor

2019-14 Amending list of authorized signatories for the Cooperative's corporate bank account with RCBC Padilla Branch

2019-15 Amending list of authorized signatories for the Cooperative's corporate bank account with Security Bank Montalban Branch

2019-16 Amending list of authorized signatories for the Cooperative's corporate bank account with Landbank of the Philippines

2019-17 Authorizing the opening of the Cooperative's account with UCPB Multi-One account Masinag Branch

2019-18 Authorizing the opening of the Cooperative's account with UCPB Savings San Mateo Branch

2019-19 Amending list of authorized signatories for the Cooperative's corporate bank account with Banco de Oro

2019-20 Authority to apply under Small Business Corporation's Regular Wholesale Lending Program

2019-20-A Amending list of authorized signatories for the Cooperative's corporate bank account with Bank of the Philippine Islands

2019-21 Authorizing the Release of the Employee Bonds

2019-22 Approving the renewal of the Health Insurance for Employees

2019-23 Approving the proposed improvements of the Leave Benefits of Employees

2019-24 Approving the improvements on the Per Diem policy for Travel Abroad

2019-25 Approving the Educational Subsidy for D. Flores

2019-26 Approving the transfer of the K-COOP Head Office

2019-27 Approving the purchase of Additional Vehicles

2019-28 Partnership with Asian Community Center 21

2019-29 Authorizing the opening of the Cooperative's account with PNB Dasmarinas Cavite Branch

2019-30 Authorizing the opening of the Cooperative's account with PNB Savings Bank Silang Cavite

2019-31 Amending list of authorized signatories for the Cooperative's corporate bank account with Security Bank Taytay

2019-32 Amending list of authorized signatories for the Cooperative's corporate bank account with Security Bank Cainta

2019-33 Amending list of authorized signatories for the Cooperative's corporate bank account with AUB Trece Martires Branch

2019-34 Amending list of authorized signatories for the Cooperative's corporate bank account with AUB Guiguinto Branch

2019-35 Amending list of authorized signatories for the Cooperative's corporate bank account with BPI SM Southmall Branch

2019-36 Authorizing the opening of the Cooperative's account with Unionbank Paranaque Branch

Buod ng mga Resolution para sa taong 2019

2019-37 Amending list of authorized signatories for the Cooperative's corporate bank account with Unionbank San Pedro Branch

2019-38 Authorizing the opening of the Cooperative's account with PNB Marilao Branch

2019-39 Authorizing the opening of the Cooperative's account with Unionbank Meycauayan Branch

2019-40 Amending list of authorized signatories for the Cooperative's corporate bank account with AUB Bocaue Branch

2019-41 Amending list of authorized signatories for the Cooperative's corporate bank account with RCBC San Mateo Branch

2019-42 Amending list of authorized signatories for the Cooperative's corporate bank account with Bank of Makati-Montalban Branch

2019-43 Amending list of authorized signatories for the Cooperative's corporate bank account with UCPB Tungko Branch

2019-44 Amending list of authorized signatories for the Cooperative's corporate bank account with BPI Norzagaray Branch

2019-45 Amending list of authorized signatories for the Cooperative's corporate bank account with RCBC Binangonan

2019-45-A Amending list of authorized signatories for the Cooperative's corporate bank account with AUB Plaridel Branch for Pulilan Satellite Office

2019-45-B Amending list of authorized signatories for the Cooperative's corporate bank account with RCBC Montalban Branch

2019-46 Approving the Proposal of KDCI on the Additional grant

2019-47 Approving the Renewal of Life Insurance benefit for employees

2019-48 Approving the Step Increment for Qualified employees for the Year 2019

2019-49 Granting authority to D. Flores, C. Saballegue, and A. Ramos to sign PAG-IBIG Fund documents in behalf of the Cooperative

2019-49-A Amending list of authorized signatories for the Cooperative's corporate bank account with AUB Guiguinto Branch

2019-49-B Amending list of authorized signatories for the Cooperative's corporate bank account with AUB Pulilan Branch

2019-49-C Amending list of authorized signatories for the Cooperative's corporate bank account with AUB Baliuag-Branch

2019-49-D Amending list of authorized signatories for the Cooperative's corporate bank account with RCBC Sumulong Branch

2019-50 Approving the policy on Categorization of Members

2019-51 Approving that there will be no Processing Fee for loans from SB Corp

2019-52 Approving the Performance Incentive of Employees for the period January- June 2019

2019-53 Approving the budget for the K-COOP Office Interior in the new Head Office

2019-54 Approving the subscription with Microfinance Information Data Sharing Inc. (MIDAS)

2019-55 Amending list of authorized signatories for the Cooperative's corporate bank account with AUB for Batasan Satellite Office

2019-56 Amending list of authorized signatories for the Cooperative's corporate bank account with AUB for Fairview Satellite Office

2019-57 Amending list of authorized signatories for the Cooperative's corporate bank account with AUB Trece Martires Branch for GMA Satellite Office

2019-58 Amending list of authorized signatories for the Cooperative's corporate bank account with AUB Sapang Palay Branch

2019-59 Amending list of authorized signatories for the Cooperative's corporate bank account with PNB Savings Bank Silang Cavite Branch

2019-60 Amending list of authorized signatories for the Cooperative's corporate bank account with RCBC Padilla Branch

2019-61 Amending list of authorized signatories for the Cooperative's corporate bank account with UCPB Savings San Mateo

2019-62 Approving the Renewal of the Cooperative's Credit Line with Landbank

2019-63 Approving the Noche Buena Loan

2019-64 Approving the Adjustment in Salary Rates

2019-65 Amending list of authorized signatories for the Cooperative's corporate bank account with Security Bank Cainta Branch

2019-66 Approving the closure of the Cooperative's account with PNB Antipolo Branch

2019-67 Approving the closure of the Cooperative's account with RCBC Savings Bank Starmall Branch

OUTREACH

41,820

TOTAL NUMBER OF MEMBER



40,338

FAMILIES HAD ACCESS TO FINANCIAL SERVICES

+ 1,482

SPOUSES OF MEMBERS HAD ACCESS TO FINANCIAL AND INSURANCE PRODUCTS AND SERVICES (KAAGAPAY)



161,352*

*Number of member multiply by four (4) as the average household size

PEOPLE REACHED BY KASAGANA-KA

1,762

 CENTERS IN NCR, REGION III & 4A

PROGRAMS



LIVELIHOOD AND ENTERPRISE DEVELOPMENT

75,479

LIVELIHOOD ASSISTANCE

Php **900M** LIVELIHOOD LOANS DISBURSED



EDUCATION, TRAINING AND FORMATION

18,518

EDUCATIONAL ASSISTANCE

Php **183M** EDUCATIONAL LOANS DISBURSED



SECURITY, SHELTER AND SAFETY

15,469

HOUSING, SECURITY OF TENURE AND CALAMITY ASSISTANCE

Php **117.1M** HOUSING LOANS DISBURSED



HEALTH AND WELLNESS

11,450

HEALTH ASSISTANCE

Php **32.2M** HEALTH CARE LOANS DISBURSED



SOCIAL PROTECTION

161,352*

*Number of member multiply by four (4) as the average household size

INDIVIDUALS COVERED BY KMBA & PARTNER MICROINSURANCE PROVIDERS

Php **4.2M** SOCIAL PROTECTION LOANS DISBURSED

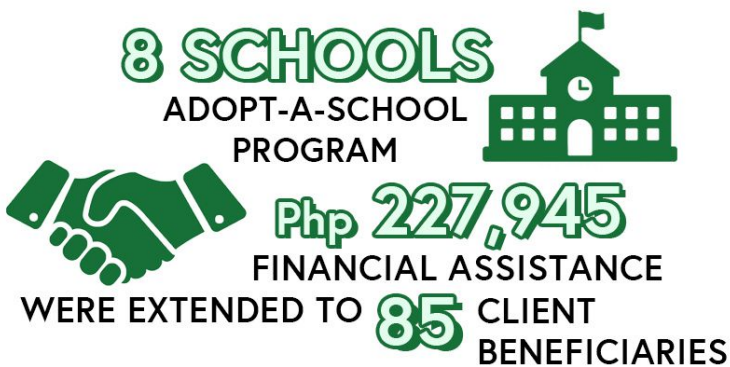
Total Loan Disbursed as of 31 DECEMBER 2019

1.24B

Outstanding Loans as of 31 DECEMBER 2019

340.4M

BENEFICIARIES



PROGRAMS

LIVELIHOOD AND ENTERPRISE DEVELOPMENT



ENTREPRENEURS TRAINED

(2 Kasagana-ka Superstores were established in Taytay and Tungko)

EDUCATION, TRAINING AND FORMATION



OFFICERS AND STAFF CAPACITATED



SECURITY, SHELTER AND SAFETY



CLIENT-BENEFICIARIES INFORMED ON DISASTER PREPAREDNESS



3S Kadets were trained from KCoop's 7 Most Vulnerable Satellite Offices



SOCIAL PROTECTION



Client-beneficiaries and their dependents were provided protection during unexpected events through Kwarta o Kahon



Were linked to SSS through the SSS Service on Wheels project



HEALTH AND WELLNESS



Client-beneficiaries and their families had access to affordable and quality health care



Client-beneficiaries with increased knowledge on health through the health education conducted by the K-Kalusugan Kadets and Health Coordinators



Client-beneficiaries with improved eyesight through our partnership with Executive Optical



K-Kalusugan Kadets trained and capacitated



Women underwent papsmear

MEMBERSHIP

46,846 or **187,384** **COVERED LIVES**
FAMILIES

 **ASSOCIATE MEMBERS CONSTITUTE 26%**
OF THE TOTAL MEMBERSHIP OR **12,211**

BLIP 

Basic Life Insurance Product

555 Number of Claims
Amount of Claims **Php 10.4M**

CLIP 


Credit Life Insurance Product

266 Number of Claims
Amount of Claims **Php 3.2M**

HIIP 

Hospital Income Insurance Plan

31 Number of Claims
Amount of Claims **Php 46,600**

K-KALINGA 
24,003 Enrolled in K-KALINGA
Claims of accidental death and fire assistance **85**
450,000 Claims Released

K-BENTE 
73,388 Enrolled in K-BENTE
Amount of Claims **212**
Php 1.3M Claims Released

Kuya Jun Scholarship
41 and **90**
College High School
Php 680,000
Financial Assistance

PhilHealth
1,650
Enrolled in PhilHealth

Calamity Assistance
75 Amount of Claims
Php 225,000
Calamity Assistance

AWARD



KMBA was awarded **11th** place in the 2019 Insurance Industry ASEAN Corporate Governance Scorecard (ACGS) Assesment by the Institute of Corporate Directors (ICD)

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN

The Management of **KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE (Kasagana-Ka or K-Coop)** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2018. Management is likewise responsible for all information and representations contained in the financial statements accompanying the (Annual Income Tax Return or Annual Information Return) covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the yearended December 31, 2018 and the accompanying Annual Income Tax Return are in accordance with the books and records of **KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE (Kasagana-Ka or K-Coop)**, complete and correct in all material respects. Management likewise affirms that:

- a. the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- b. any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- c. **KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE (Kasagana-Ka or K-Coop)** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

**KABUHAYAN SA GANAP NA KASARINLAN
CREDIT AND SAVINGS COOPERATIVE**

(**KASAGANA- KA OR K-COOP**)

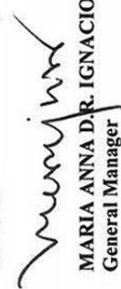
No. 5 Don Francisco St., Don Enrique Heights, Brgy. Holy Spirit,
Commonwealth, Quezon City-II, MM

AUDITED FINANCIAL STATEMENTS
December 31, 2018 and 2017

Amounts in Philippine Pesos


MARTINIANA C. MANCIO
Chairperson


JAIIME E. VARELA
Treasurer


MARIA ANNA DR. IGNACIO
General Manager



Signed on April 2, 2019.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE (Kasagana-Ka or K-Coop) is responsible for all information and representations contained in the financial statements for the year ended December 31, 2018. The financial statements have been prepared in conformity with Philippine Financial Reporting Framework for Cooperatives in the Philippines and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.

The Board of Directors reviews the financial statements before such statements are approved and submitted to the members of the cooperative.

Ma. Elma Ilagan-Ame, the independent auditor appointed by the board of Directors for the years 2018 and 2017, has examined the financial statements of the cooperative in accordance with the Philippines Standards on Auditing and the Standard Audit Systems for Cooperatives and has expressed her opinion on the fairness of presentation upon completion of such examination, in her report to the members of the cooperative.

MARTINIANA G. MANCIO Chairperson

JAIME E. VARELA Treasurer

MARIA ANNA D.R. IGNACIO General Manager

Signed on April 2, 2019.



COMPILATION REPORT

TO THE GENERAL ASSEMBLY THRU THE BOARD OF DIRECTORS KABUHAYAN SA GANAP NG KASARINLAN CREDIT AND SAVINGS COOPERATIVE (Kasagana-Ka or K-Coop) No. 5 Don Francisco St, Don Enrique Heights, Brgy. Holy Spirit, Commonwealth, Quezon City-II, MM

We have compiled the accompanying financial statements of KABUHAYAN SA GANAP NG KASARINLAN CREDIT AND SAVINGS COOPERATIVE based on information you have provided. These financial statements comprise the statement of financial condition of KABUHAYAN SA GANAP NG KASARINLAN CREDIT AND SAVINGS COOPERATIVE as at December 31, 2018, the statement of operations, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with Philippine Standard on Related Services 410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with Philippine Financial Reporting Framework for Cooperatives. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with Philippine Financial Reporting Framework for Cooperatives.

JOHN RICK R. GAIPOLA CPA No. 151155 TIN No. 257-302-631-000 PTR No. 1613639, January 3, 2019 Trece Martires City, Cavite BOA No. 6692 (valid until March 10, 2020) BIR Accreditation No. 09-007245-001-2018 (March 22, 2018 to December 18, 2021)

02 April 2019



M. I. AME ACCOUNTING OFFICE

M. I. AME ACCOUNTING OFFICE

STATEMENT OF REPRESENTATION

TO THE COOPERATIVE DEVELOPMENT AUTHORITY:

In connection with my examination of the financial statements of the **KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE (Kasagana-Ka or K-Coop)** covering the period ended December 31, 2018 that are herewith submitted to the Cooperative Development Authority, I hereby represent the following:

- That said financial statements herewith attached are prepared and presented in conformity with the Philippine Financial Reporting Framework for Cooperatives;
- That in the conduct of my audit, I adhered to the Philippine Standards on Auditing and the Standard Audit System for Cooperatives (SASC) as required by the Cooperative Development Authority;
- That I am qualified as provided for in Section 8 of the Code of Professional Ethics for Certified Public Accountants and Article 81 of R.A. No. 9520 (Cooperative Code of the Philippines);
- That I am fully aware of my responsibility as an independent auditor for the audit report issued and attached to the financial statements and the sanctions to be bestowed on me for my misrepresentations that I may have willingly or unwillingly committed;
- That I nor any member of my immediate family do not have any direct or indirect financial interest with the cooperative;
- That I am not an employee nor an officer of a secondary cooperative or tertiary cooperative of which this cooperative is a member;
- That I am not an employee of the Cooperative Development Authority nor have I engaged an employee of the CDA in the course of audit;
- That I make representation in my individual capacity;
- That I am a member of the Cavite Chapter of the PICPA.

It is however, understood that my accountability is based on matter within the normal coverage of an audit conducted in accordance with Philippine Standards on Auditing and the Standard Audit Systems for Cooperatives.

Ma. Elma L. Ilagan-AME

MA. ELMA L. ILAGAN-AME
CPA No. 79047
TIN No. 134-550-503-000
PTR No. CAV1751044, January 4, 2019, Trece Martines City, Cavite
BOA Reg. No. 0195 (Valid until December 31, 2019)
SEC Accreditation No. 0448-AR-3 (Group C) (May 1, 2016 to May 1, 2019)
BIR Accreditation No. 09-002142-001-2017 (November 28, 2017 to November 27, 2020)
CDA Accreditation No. 0001 (November 18, 2016 to November 17, 2019)

03 April 2019



STATEMENT REQUIRED BY SECTION 8-A, REVENUE REG. NO. V-20

**THE GENERAL ASSEMBLY AND THE BOARD OF DIRECTORS
KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE
(Kasagana-Ka or K-Coop)
No. 5 Don Francisco St., Don Enrique Heights, Brgy. Holy Spirit,
Commonwealth, Quezon City-II, MM**

In compliance with Section 8-A, Revenue Regulation V-20, I am stating the following:

- That the taxes paid or accrued by the above taxpayer for the year ended December 31, 2018 are shown in the schedule of taxes and licenses attached to the income tax return.
- That I am not related by consanguinity or affinity to the Management and Members of the Board of Directors;
- That I, as the Principal/ Managing Director of M. I. Ame Accounting Office, or my staff, have no financial interest to the Cooperative or any family relationships with its management.

Ma. Elma L. Ame

MA. ELMA L. ILAGAN-AME
CPA No. 79047
TIN No. 134-550-503-000
PTR No. CAV1751044, January 4, 2019, Trece Martines City, Cavite
BOA Reg. No. 0195 (Valid until December 31, 2019)
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CDA Accreditation No. 0001 (November 18, 2016 to November 17, 2019)

03 April 2019



As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Cooperative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Cooperative to cease to continue as a going concern.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

My audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes and licenses, taxable revenue and deductible expenses in the related notes to the financial statements are presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Those supplementary information are the responsibility of management and have been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, those supplementary information are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

MA. ELMA L. ILAGAN-AME
 MA. ELMA L. ILAGAN-AME
 CPA No. 79047

TIN No. 134-550-503-000
 PTR No. CAV1751044, January 4, 2019, Trece Martines City, Cavite
 BOA Reg. No. 0195 (Valid until December 31, 2019)
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 CDA Accreditation No. 0001 (November 18, 2016 to November 17, 2019)

03 April 2019



M. I. AME ACCOUNTING OFFICE

INDEPENDENT AUDITOR'S REPORT

TO THE GENERAL ASSEMBLY
 THRU THE BOARD OF DIRECTORS
 KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE
 (Kasagana-Ka or K-Coop)
 No. 5 Don Francisco St., Don Enrique Heights, Brgy. Holy Spirit,
 Commonwealth, Quezon City-II, MM

Report on the Audit of the Financial Statements

Opinion
 We have audited the financial statements of KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE (Kasagana-Ka or K-Coop), which comprise the statements of financial condition as at December 31, 2018 and 2017, and the statements of operations, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE (Kasagana-Ka or K-Coop) as at December 31, 2018 and 2017, and of its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Framework for Cooperatives.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs) and the Standard Audit System for Cooperatives (SASC). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Cooperative in accordance with the Code of Ethics for Professional Accountants in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Philippine Financial Reporting Framework for Cooperatives, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Cooperative's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Cooperative or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Cooperative's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



No. 6 Madiaracay St., Silang, Cavite • Telefax No. (046) 865-0553

KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE
No. 5 Don Francisco St., Don Enrique Heights, Brgy. Holy Spirit, Commonwealth, Quezon City-II, MM

STATEMENTS OF FINANCIAL CONDITION

As of December 31, 2018 and 2017

(Amounts in Philippine Pesos)

	Notes	2018	2017
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	47,534,170	30,649,872
Loans and Receivables	6	326,317,737	248,608,183
Other Current Assets	7	2,562,662	1,297,268
Total Current Assets		376,214,569	280,555,323
Non-current Assets			
Property, Plant and Equipment (net)	8	4,998,235	3,270,490
Intangible asset - net	9	18,517	46,333
Total Non-Current Assets		5,016,752	3,316,823
TOTAL ASSETS		381,231,321	283,872,146
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Deposit Liabilities	10	126,583,288	100,027,187
Accrued expenses		5,099,434	3,168,375
Accounts payable - non trade	11	-	5,820,217
Interest on Share Capital Payable	22	4,482,164	3,142,883
Patronage Refund Payable	22	8,388,672	5,836,782
Due to Unions/Federations	22	1,556,030	641,405
Loans Payable - current	21	29,562,119	-
Other Current Liabilities	12	39,373,119	28,519,889
Total Current Liabilities		215,044,826	147,156,736
Non-Current Liabilities			
Retirement fund payable	20	6,040,050	3,750,744
Accounts payable - non trade	13	99,823,426	113,469,051
Loans Payable - non-current	21	17,338,203	-
Total Non-Current Liabilities		123,201,678	117,219,795
TOTAL LIABILITIES		338,246,505	264,376,531
EQUITY			
Share Capital	14	3,927,100	2,500,000
Deposits on Share Capital Subscriptions	14	884,402	960,500
		4,811,502	3,460,500
Statutory Funds			
Reserve Fund	15	31,120,601	12,828,092
Cooperative Education and Training Fund	15	1,126,541	641,405
Community Development Fund	15	1,569,288	769,686
Optional Fund	15	4,356,884	1,795,933
Total Statutory Funds		38,173,314	16,035,115
TOTAL EQUITY		42,984,816	19,495,615
TOTAL LIABILITIES AND EQUITY		381,231,321	283,872,146

See Accompanying Notes to Financial Statements.



KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE
No. 5 Don Francisco St., Don Enrique Heights, Brgy. Holy Spirit, Commonwealth, Quezon City-II, MM

STATEMENTS OF OPERATIONS

For the years ended December 31, 2018 and 2017

(Amounts in Philippine Pesos)

	Notes	2018	2017
REVENUES FROM CREDIT OPERATIONS			
Interest Income	16	146,783,130	122,027,490
Service Fees		28,692,028	20,379,559
Total Revenues from Credit Operations		175,475,158	142,407,049
OTHER INCOME	17	5,146,000	1,820,801
DIRECT COST			
COST OF SERVICES	18	113,702,744	97,861,495
FINANCING COST			
Interest Expense on Loans Payable		639,821	-
Interest Expense on Member's Savings	10	5,804,037	4,884,359
TOTAL DIRECT COST		120,146,602	102,745,854
ADMINISTRATIVE COST	19	23,889,538	20,649,602
TOTAL DIRECT AND ADMINISTRATIVE COST		144,036,140	123,395,456
NET SURPLUS FROM OPERATIONS		36,585,018	20,832,394
NET SURPLUS		36,585,018	20,832,394
DISTRIBUTED AS FOLLOWS:			
Reserve Fund		18,292,509	10,416,197
Optional Fund		2,560,951	1,458,268
Cooperative Education and Training Fund		914,625	520,810
Due to Unions/ Federations		914,625	520,810
Community Development Fund		1,097,551	624,972
Interest on Share Capital		4,481,665	2,551,968
Patronage Refund		8,323,092	4,739,370
NET SURPLUS AS DISTRIBUTED		36,585,018	20,832,394

See Accompanying Notes to Financial Statements.



KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE
 No. 5 Don Francisco St., Don Enrique Heights, Brgy. Holy Spirit, Commonweath, Quezon City-II, MM

STATEMENTS OF CHANGES IN EQUITY
 For the years ended December 31, 2018 and 2017

(Amounts in Philippine Pesos)

	Notes	2018	2017
SHARE CAPITAL			
Balance at beginning of year		2,500,000	300,000
Add: Receipts from Collection of Subscriptions		1,427,100	2,200,000
Total		3,927,100	2,500,000
Less: Adjustments			
Balance at end of year	14	3,927,100	2,500,000
DEPOSITS ON SHARE CAPITAL SUBSCRIPTION 14			
		884,402	960,500
STATUTORY FUNDS			
Reserve Fund			
Balance at beginning of year		12,828,092	2,411,895
Add: Allocation from Net Surplus		18,292,509	10,416,197
Total		31,120,601	12,828,092
Adjustments			
Balance at end of year	15	31,120,601	12,828,092
Cooperative Education and Training Fund			
Balance at beginning of year		641,405	120,595
Add: Allocation from Net Surplus		914,625	520,810
Total		1,556,030	641,405
Less: Expenditures/adjustments		(429,489)	-
Balance at end of year	15	1,126,541	641,405
Community Development Fund			
Balance at beginning of year		769,686	144,714
Add: Allocation from Net Surplus		1,097,551	624,972
Total		1,867,236	769,686
Less: Expenditures		(297,948)	-
Balance at end of year	15	1,569,288	769,686
Optional Fund			
Balance at beginning of year		1,795,933	337,665
Add: Allocation from Net Surplus		2,560,951	1,458,268
Total		4,356,884	1,795,933
Adjustments			
Balance at end of year	15	4,356,884	1,795,933
TOTAL STATUTORY FUNDS		38,173,314	16,035,115
TOTAL EQUITY		42,984,816	19,495,615



See Accompanying Notes to Financial Statements.

KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE
 No. 5 Don Francisco St., Don Enrique Heights, Brgy. Holy Spirit, Commonweath, Quezon City-II, MM

STATEMENTS OF CASH FLOWS
 For the years ended December 31, 2018 and 2017

(Amounts in Philippine Pesos)

	Notes	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Surplus		36,585,018	20,832,394
Adjustments to reconcile net surplus to net cash provided by operating activities			
Depreciation		1,866,137	1,339,888
Amortization of Intangibles		41,817	28,500
Provision for probable losses on loans		4,576,947	476,280
Operating Income before Working Capital Changes		43,069,919	22,677,061
Changes in Assets and Liabilities			
Decrease (Increase) in:			
Loans and Receivables		(82,286,501)	(40,563,125)
Other Current Assets		(1,065,395)	(472,004)
Intangibles		(14,000)	(12,000)
Increase (Decrease) in:			
Accrued expenses		1,931,060	1,290,946
Due to Unions/Federations		-	-
Interest on Share Capital Payable		(3,142,384)	-
Parsonage Refund Payable		(5,771,201)	-
Retirement payable		2,289,306	3,101,307
Other Current Liabilities		10,853,230	15,739,449
Net cash generated from operations		(34,135,966)	1,761,634
Net cash provided by (used in) operating activities		(34,135,966)	1,761,634
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of Property and Equipment		(3,593,882)	(1,698,460)
Net cash provided by (used in) investing activities		(3,593,882)	(1,698,460)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (Decrease) in Deposit Liabilities		26,556,102	15,372,463
Increase (Decrease) in Program Subsidy Payable		(19,465,842)	(9,179,783)
Increase (Decrease) in Loans Payable		46,900,322	-
Movements in Statutory Funds		(727,438)	-
Net Changes in Share Capital		1,427,100	2,200,000
Net Changes in Deposits on Share Capital Subscriptions		(76,098)	(1,746,375)
Net cash provided by (used in) financing activities		54,614,146	6,646,304
NET INCREASE IN CASH AND CASH EQUIVALENTS		16,884,297	6,709,478
ADD: CASH AND CASH EQUIVALENTS, JANUARY 1		30,649,872	23,940,394
CASH AND CASH EQUIVALENTS, DECEMBER 31		47,534,169	30,649,872

See Accompanying Notes to Financial Statements.



