

**KABUHAYAN SA GANAP NA KASARINLAN
CREDIT AND SAVINGS COOPERATIVE
(KASAGANA- KA OR K-COOP)
4th Flr. KMBA Members' Center Bldg. No. 5 Matimpiin St. Pinyahan
Quezon City, 1100**

**AUDITED FINANCIAL STATEMENTS
*December 31, 2022 and 2021***

Amounts in Philippine Pesos

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN**

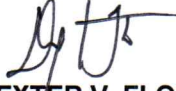
The Management of **KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE (Kasagana-Ka or K-Coop)** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2022. Management is likewise responsible for all information and 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 year ended December 31, 2022 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.


MARTINIANA G. MANCIO
Chairperson


JAIME E. VARELA
Treasurer


DEXTER V. FLORES
General Manager

Signed on March 20, 2023

**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 preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, 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 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 to do so.

The Board of Directors is responsible for overseeing the Cooperative's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the general assembly.

John Rick R. Gatdula and Ma. Elma L. Ilagan-Ame, the independent auditors appointed by the general assembly for the years 2022 and 2021, respectively, have audited the financial statements of the Cooperative in accordance with the Philippines Standards on Auditing and the Standard Audit Systems for Cooperatives and in their report to the general assembly, have expressed their opinion on the fairness of presentation upon completion of such audit.


MARTINIATA G. MANCIO
Chairperson


JAIME E. VARELA
Treasurer


DEXTER V. FLORES
General Manager

Signed on March 20, 2023

JOHN RICK R. GATDULA, CPA

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, 2022 that are herewith submitted to the Cooperative Development Authority, I hereby represent the following:

1. That said financial statements herewith attached are prepared and presented in accordance with the Philippine Financial Reporting Framework for Cooperatives, taking into consideration Cooperative laws, rules, regulations and principles;
2. 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;
3. 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);
4. 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;
5. That I nor any member of my immediate family do not have any direct or indirect financial interest with the cooperative;
6. That I am not an employee nor an officer of a secondary cooperative or tertiary cooperative of which this cooperative is a member;
7. 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;
8. That I make representation in my individual capacity;
9. 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.


JOHN RICK R. GATDULA

CPA No. 151155

TIN No. 257-302-631-000

PTR No. 6791765, January 04, 2023, Trece Martires City, Cavite

BOA No. 6692 (valid until March 26, 2023)

BIR Accreditation No. 09-007245-001-2021 (March 31, 2021 to March 30, 2024)

CDA Accreditation No. 1475 (August 9, 2022 – August 8, 2025)

20 March 2023

JOHN RICK R. GATDULA, CPA


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)
4th Flr. KMBA Members' Center Bldg. No. 5 Matimpiin St. Pinyahan Quezon City, 1100**

I have audited the financial statements of **KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE (Kasagana-Ka or K-Coop)** for the calendar year ended December 31, 2022, on which I have rendered my report dated March 22, 2023.

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

1. That the taxes paid or accrued by the above taxpayer for the year ended December 31, 2022 are shown in the schedule of taxes and licenses attached to the income tax return.
2. That I am not related by consanguinity or affinity to the Management and Members of the Board of Directors;
3. That I, as the Principal/ Managing Director of John Rick R. Gatdula, CPA, or my staff, have no financial interest to the Cooperative or any family relationships with its management.



JOHN RICK R. GATDULA
CPA No. 151155

TIN No. 257-302-631-000

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JOHN RICK R. GATDULA, CPA

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)
4th Flr. KMBA Members' Center Bldg. No. 5 Matimpiin St. Pinyahan Quezon City, 1100

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 statement of financial condition as at December 31, 2022, and the statement of operations, statement of changes in equity and statement of cash flows for the year 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, 2022, and of its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Framework for Cooperatives.

The financial statements of **KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE (Kasagana-Ka or K-Coop)**, for the year 2021 were audited by Ma. Elma L. Ilagan-Ame whose report dated March 22, 2022 disclosed an unqualified opinion.

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

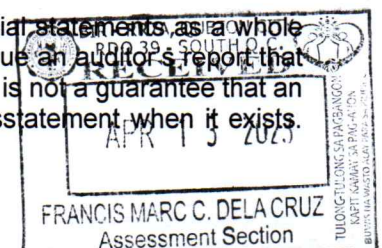
Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Philippine Financial Reporting Framework for Cooperatives, and for such internal control as management determines is necessary to enable the preparation of financial statements that 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.

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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 the Supplementary Information Required Under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees in Note 33 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as whole.


JOHN RICK R. GATDULA

CPA No. 151155

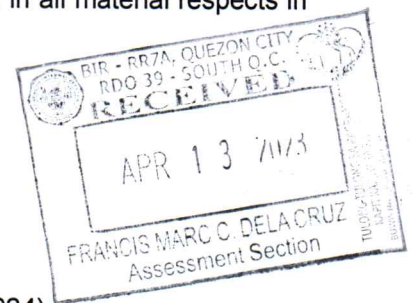
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20 March 2023

KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE
4th Flr. KMBA Members' Center Bldg. No. 5 Matimpiin St. Pinyahan Quezon City, 1100

STATEMENT OF FINANCIAL CONDITION

As of December 31, 2022

(With comparative figures for 2021)

(Amounts in Philippine Pesos)

	Notes	2022	2021
ASSETS			
Current Assets			
Cash	5	33,084,482	19,832,108
Loans and Receivables (net)	6	437,256,691	366,515,288
Other Current Assets	7	7,312,531	8,351,593
Total Current Assets		477,653,704	394,698,989
Non-Current Assets			
Other Financial Assets - Long term	8	675,000	540,000
Property and Equipment (net)	9	5,991,727	4,295,913
Intangible Assets	10	13,417	207,250
Total Non-Current Assets		6,680,144	5,043,163
TOTAL ASSETS		484,333,848	399,742,151
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Deposit Liabilities	11	164,667,688	146,498,494
Accounts Payable - Non Trade	12	10,874,618	10,655,717
Accrued Expenses	13	6,372,871	3,005,783
Loans Payable - Current	27	48,330,017	44,951,955
Due to Unions/Federations	14	3,066,112	2,002,671
Interest on Share Capital Payable	15	6,191,917	1,780,139
Patronage Refund Payable	16	11,583,268	3,397,031
Other Current Liabilities	17	14,342,508	15,426,866
Total Current Liabilities		265,428,998	227,718,656
Non-Current Liabilities			
Loans payable - Non-Current	27	29,007,720	24,741,706
Retirement fund payable	26	4,103,628	-
Accounts Payable - Non Trade	12	79,823,426	89,823,426
Total Non-Current Liabilities		112,934,774	114,565,132
TOTAL LIABILITIES		378,363,772	342,283,787
EQUITY			
Share Capital	18	29,068,600	11,256,500
Deposits for Share Capital Subscription	19	1,548,320	1,460,716
		30,616,920	12,717,216
Statutory Funds			
Reserve Fund	20	60,329,387	35,060,585
Cooperative Education and Training Fur	20	1,507,363	1,207,917
Community Development Fund	20	3,068,721	1,552,593
Optional Fund	20	10,447,685	6,920,053
Total Statutory Funds		75,353,157	44,741,148
TOTAL EQUITY		105,970,076	57,458,364
TOTAL LIABILITIES AND EQUITY		484,333,848	399,742,151

See Accompanying Notes to Financial Statements.

KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE
4th Flr. KMBA Members' Center Bldg. No. 5 Matimpiin St. Pinyahan Quezon City, 1100

STATEMENT OF OPERATIONS
For the year ended December 31, 2022
(With comparative figures for 2021)
(Amounts in Philippine Pesos)

	Notes	2022	2021
INCOME FROM BUSINESS OPERATIONS			
Income from Credit Operations	21	217,433,156	154,098,720
Other Income	22	3,263,351	2,940,547
TOTAL INCOME		220,696,507	157,039,267
LESS EXPENSES			
Cost of Services	23	134,532,485	111,628,344
Financing Cost	24	4,565,820	3,494,467
Administrative Cost	25	31,060,597	27,391,456
TOTAL EXPENSES		170,158,902	142,514,267
NET SURPLUS		50,537,605	14,525,000
DISTRIBUTED AS FOLLOWS:			
Reserve Fund	50%	25,268,802	7,262,500
Optional Fund	7%	3,537,632	1,016,750
Cooperative Education and Training Fund	2.5%	1,263,440	363,125
Due to Unions/ Federations	2.5%	1,263,440	363,125
Community Development Fund	3%	1,516,128	435,750
Interest on Share Capital	12.25%	6,190,857	1,779,313
Patronage Refund	22.75%	11,497,305	3,304,438
NET SURPLUS AS DISTRIBUTED		50,537,605	14,525,000

See Accompanying Notes to Financial Statements.



KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE
4th Flr. KMBA Members' Center Bldg. No. 5 Matimpiin St. Pinyahan Quezon City, 1100

STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2022
(With comparative figures for 2021)
(Amounts in Philippine Pesos)

	Notes	2022	2021
SHARE CAPITAL			
Authorized 400,000 shares at Php 100 par value			
Balance at beginning of year		11,256,500	7,346,050
Add: Receipts from Payment of Subscription		17,812,100	3,910,450
Total		29,068,600	11,256,500
Adjustments		-	-
Balance at end of year	18	29,068,600	11,256,500
DEPOSITS FOR SHARE CAPITAL SUBSCRIPTION			
Balance at beginning of year		1,460,716	1,460,716
Add: Receipts from Payment of Subscription		87,603	-
Total		1,548,320	1,460,716
Adjustments		-	-
Balance at end of year	19	1,548,320	1,460,716
STATUTORY FUNDS			
Reserve Fund			
Balance at beginning of year		35,060,585	27,798,084
Add: Allocation from Net Surplus		25,268,802	7,262,500
Total		60,329,387	35,060,585
Adjustments		-	-
Balance at end of year	20	60,329,387	35,060,585
Cooperative Education and Training Fund			
Balance at beginning of year		1,207,917	844,792
Add: Allocation from Net Surplus		1,263,440	363,125
Total		2,471,358	1,207,917
Less: Expenditures		(963,994)	-
Balance at end of year	20	1,507,363	1,207,917
Community Development Fund			
Balance at beginning of year		1,552,593	1,216,843
Add: Allocation from Net Surplus		1,516,128	435,750
Total		3,068,721	1,652,593
Less: Expenditures		-	(100,000)
Balance at end of year	20	3,068,721	1,552,593
Optional Fund			
Balance at beginning of year		6,920,053	6,722,303
Add: Allocation from Net Surplus		3,537,632	1,016,750
Total		10,457,685	7,739,053
Less: Expenditures		(10,000)	(819,000)
Balance at end of year	20	10,447,685	6,920,053
TOTAL STATUTORY FUNDS		75,353,157	44,741,148
TOTAL EQUITY		105,970,076	57,458,364

See Accompanying Notes to Financial Statements.

KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE
4th Flr. KMBA Members' Center Bldg. No. 5 Matimpiin St. Pinyahan Quezon City, 1100

STATEMENT OF CASH FLOWS
For the year ended December 31, 2022
(With comparative figures for 2021)
(Amounts in Philippine Pesos)

	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Surplus		50,537,605	14,525,000
Adjustments to reconcile net surplus to net cash provided by operating activities			
Depreciation	9	3,201,128	2,905,671
Amortization of Intangibles	10	207,833	278,667
Provision for probable losses on loans	6	7,401,632	3,758,944
Operating Income before Working Capital Changes		61,348,197	21,468,282
Changes in Assets and Liabilities			
Decrease (Increase) in:			
Loans and Receivables	6	(78,143,035)	(72,118,448)
Other Current Assets	7	1,039,062	(3,435,044)
Increase (Decrease) in:			
Deposit Liabilities	11	18,169,194	22,926,547
Accrued expenses	13	3,367,088	2,768,110
Due to Unions/Federations	14	(200,000)	(300,000)
Other Current Liabilities	17	(1,084,358)	(3,772,648)
Payment of Interest on Share Capital	15	(1,779,078)	(4,139,509)
Payment of Patronage Refund	16	(3,311,068)	(7,659,540)
Net cash provided by (used in) operating activities		(593,997)	(44,262,250)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net Acquisitions of Property and Equipment	9	(4,896,942)	(1,399,149)
Payments for Investments	8	(135,000)	(505,000)
Payments for Intangibles	10	(14,000)	(39,000)
Net cash provided by (used in) investing activities		(5,045,942)	(1,943,149)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash paid from (paid for) Program Subsidy Payable	12	(9,781,099)	514,317
Payments for Loans Payable	27	7,644,076	45,576,869
Utilizations of Statutory Funds	20	(973,994)	(919,000)
Net Changes in Share Capital	18	17,812,100	3,910,450
Changes in Deposits for Share Capital Subscription	19	87,603	572,261
Changes in Retirement Fund Payable	26	4,103,628	(987,630)
Net cash provided by (used in) financing activities		18,892,314	48,667,268
NET INCREASE IN CASH		13,252,374	2,461,868
ADD: CASH, JANUARY 1	5	19,832,108	17,370,240
CASH, DECEMBER 31	5	33,084,482	19,832,108

See Accompanying Notes to Financial Statements.

KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE
4th Flr. KMBA Member's Center Bldg. No. 5 Matimpiin St. Pinyahan Quezon City, 1100

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022

(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

The **KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE (KASAGANA-KA or K-COOP)** with address at 4th Flr. KMBA Members' Center Bldg. No. 5 Matimpiin St. Pinyahan Quezon City, 1100 was organized and registered on February 5, 2016 with the Cooperative Development Authority with Registration No. 9520-101600000028521 in accordance with Republic Act 9520, otherwise known as the Philippine Cooperative Code of 2008. The primary purpose of the Cooperative is to engage in thrift and savings mobilization among its members, particularly women in urban and peri-urban poor communities, to mobilize and generate funds in order to provide credit services, providing its members the means for financial sustainability and social protection, to adhere to and promote the principles and processes of cooperativism, as a way of improving the social and economic well-being of its members and create social infrastructures and networks with viable systems and processes and to do any related activities for the members by way of self-government, improving their social and economic empowerment thereby contributing to the creation of a truly just, gender-equal and democratic society.

The Cooperative started its business operations on August 18, 2016 with 30 branches around National Capital Region.

On October 18, 2021, the Cooperative was granted a certificate of tax exemption by the Bureau of Internal Revenue (BIR) stating that as a cooperative transacting with members only, it is entitled to the tax exemptions and incentives provided for under the Article 60 of R.A. No. 9520, Philippine Cooperative Code of 2008, as implemented by Section 7 of the Joint Rules and Regulations Implementing Articles 60, 61 and 144 of R.A. No. 9520. The said certificate of exemption shall be valid for five (5) years unless sooner revoked by the BIR for violation of any provisions of the Joint Revenue Regulations, the terms and conditions or upon withdrawal of the Certificate if Registration by the CDA. The Cooperative's current tax exemption is valid until October 19, 2027.

Vision and Mission

The Cooperative was organized to improve the quality of life of its members in urban and peri-urban communities through economic and social empowerment using microfinance as a strategy for its members to gain collateral-free credit for self-help activities.

In pursuit of its mission and vision, K- Coop provides the following programs and services:

- Livelihood and Enterprise Development
- Education, Training and Formation
- Health and Wellness
- Security, Shelter and Safety
- Social Protection

Kasagana-ka Synergizing Organizations

K-Coop is the fourth organization under the Kasagana-ka Synergizing Organizations. It was a spin-off from Kasagana-ka Development Center, Inc. (KDCI), to clearly separate the social programs from the credit and savings programs and services.

The Kasagana-ka Synergizing Organizations are as follows: (1) Kasagana-ka Development Center, Inc. (KDCI), (2) Kasagana-ka Mutual Benefit Association, Inc. (K-MBA), (3) Kasagana-ka Employee-employer's Provident Fund Association, Inc. (KPF) , and (4) Kasagana-ka Coop (K-Coop).

Some Directors of K-Coop have had served as KDCI's Board of Trustees. Kasagana-Ka Mutual Benefit Association, Inc. (K-MBA) is represented in the general assembly of KDCI. Kasagana-Ka Employee-employer's Provident Fund Association, Inc. (KPF) is a Provident fund for the employees of the cooperative, KDCI and K-MBA. Collectively, as the Kasagana-Ka Synergizing Organizations, the entities are related parties to each other.

At present, however, the Kasagana-Ka Synergizing Organizations formulated a policy versus double leadership positions. As such, K-Coop directors do not have a seat in the Board of Directors or Board of Trustees of the other Organization members of the Kasagana-Ka Synergizing Organizations. They can serve only after they finish term and not concurrently.

In August 2016, the Board of Trustees of the KDCI resolved to approve the grant of a program subsidy fund of One Hundred Twenty Million Pesos Php 120,000,000 to K-Coop. This program subsidy fund is part of a bundle of assistance for K-Coop, and was created to further KDCI's livelihood assistance and other social programs for the members. It was intended to help the Cooperative build its capital and to be used solely to finance K-Coop's various loan facilities. The fund was granted by KDCI to K-Coop in the form of an endowment. As such, the corpus of the fund shall remain as KDCI's and will revert to it once the fund's purpose has been fulfilled and K-Coop is viable and sustainable.

KDCI and K-Coop recognize that it is through their synergy that their common goal of improving the lives of their target beneficiaries will be attained. It is, therefore, in their mutual interest to ensure each other's sustainability.

K-Coop commits to support the operations of KDCI by providing program grants to cover KDCI expenses on programs designed and implemented for Cooperative members, extend annual donations to KDCI in support of its corporate affairs, and allow KDCI's use of the cooperative structure in engaging client-beneficiaries.

In turn, KDCI commits to develop social programs responsive to the needs of the members of the Cooperative, among others.

The grant of the program subsidy fund are contingent on the satisfactory performance of both parties. The fund may be used by K-Coop for an initial period of 5 years, subject to annual review of its financial performance and viability.

Consequently, the loans to client beneficiaries, due to client beneficiaries' capital build up (CBU) and portion of the retirement liability for the three (3) employees from KDCI were transferred from KDCI to the Cooperative in 2016.

In 2017, a total of 257 KDCI employees were transferred from KDCI to the Cooperative.

The financial statements of the cooperative as of December 31, 2022, were authorized for issue by its management and board of directors on March 20, 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

To facilitate the understanding of the financial statements, the more significant accounting policies and practices of the Cooperative are summarized as follows:

2.1 Basis of Preparation of Financial Statements

The Cooperative's financial statements have been prepared on a historical cost basis in accordance with the Philippine Financial Reporting Framework for Cooperatives.

2.1.1 Functional Currency

Items included in the financial statements of the cooperative are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Cooperative. The financial statements are presented in Philippine Peso which is the Cooperative's functional and presentation currency, and all values are rounded to the nearest peso except when otherwise indicated.

2.2 Statement of Compliance

The financial statements were prepared in accordance with the Philippine Financial Reporting Framework for Cooperatives, which became effective for annual reporting periods beginning on or before January 1, 2016, and in adherence to the cooperative laws, issued policies, rules and regulations and cooperative principles and practices whenever applicable.

2.3 Summary of Significant Accounting Policies

Cash

Cash includes cash on hand and in banks, petty cash fund and savings withdrawal fund which are recognized at its face value. These are unrestricted and readily available for use in current operations.

Financial Assets

Financial assets are recognized in the Cooperative's financial statements when the Cooperative becomes a party to the contractual provisions of the instrument. Transaction costs are included in the initial measurement of all financial assets.

The Cooperative derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Cooperative neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Cooperative recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. The Cooperative's financial assets include cash and trade and other receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognized in profit or loss.

Loans receivable are classified as current and non-current or past due accounts. These are further sub-classified as regular loan receivable and special loan receivable. Interest income on these loans are recognized only upon collections.

Loans receivable are presented in the financial statement at its realizable value. Provision for probable losses is estimated based on historical loss experience, current economic conditions and other risk factors obtained during the collection process. Credit review is made periodically by an officer duly delegated with such responsibility.

Past Due	Required Provision as % of the Balance
Current Loan Portfolio	1%
One (1) to 12 months	35%
More than 12 months	100%

Allowance for probable losses

Allowance for probable losses is maintained at a level considered adequate to provide for potential losses on loans and other resources. The allowance is increased by provision charged to operations and reduced by net write-offs and reversals. The level of allowance is set up at the higher of the amount determined based on management's evaluation of potential losses after consideration of prevailing and anticipated economic conditions, and the required allowance by the Cooperative Development Authority based on its Portfolio-at-risk.

Financial Assets at Cost

Financial assets in the form of equity securities which are not quoted in an active market like are recorded at cost less accumulated impairment.

Financial Assets at Amortized Cost

Financial assets in the form of debt securities which are not quoted in an active market like are recorded at amortized cost less accumulated impairment.

Impairment of Financial Assets

The Cooperative assesses at each statement of financial condition date whether a financial or group of financial assets is impaired. If there is objective evidence that an impairment loss on financial assets carried at amortized cost (e.g. Receivables) has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the assets' original effective interest rate. The carrying amount of the asset is reduced through use of allowance account. The amount of the loss shall be recognized in the statements of operations.

The cooperative first assesses whether its objective evidence of impairment, such as aging of assets and/or status of debtors, exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment. If, in a subsequent period, the amount of the impairment loss decrease can be related objectively to an event occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statements of operation, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

With respect to receivables, the Cooperative maintains a provision for impairment of receivables at a level considered adequate to provide for potential uncollectible receivables. The level of this provision is evaluated by management on the basis of factors that affect the collectability of the accounts. This provision is also in compliance with the requirements of the Cooperative Development Authority using the Portfolio-at-risk approach. A review of the age and status of receivables, designed to identify accounts to be provided with allowance, is performed regularly.

For Financial Assets at Cost and at Amortized Cost, the Cooperative assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In case of equity investments classified as Financial Assets at Cost, this would include a significant or prolonged decline in the fair value of the investments below its cost. Where there is evidence of impairment, the cumulative loss-measured as the difference between the acquisition cost/ amortized cost and the current net recoverable amount is recognized in the statement of operations.

Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired;
- the cooperative retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through"
- the cooperative has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained the risk and rewards of the asset but has transferred the control of the asset.

Where the cooperative has transferred its right to receive cash flows from an asset or has entered into pass-through arrangement has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the cooperative's continuing involvement in the asset.

Offsetting

Financial assets and liabilities are only offset and the net amount reported in the statement of financial condition when there is a legally enforceable right to offset the recognized amounts and the cooperative intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

Other Current Assets

Other Current assets consist of prepaid expenses, advances to others, unused supplies, rent deposits and the like. Prepaid expenses are payments made in advance. Advances to others are duly approved cash advances for official business to officers, employees and members subject to liquidation in accordance with the policy of the cooperative. Unused supplies refers to cost of supplies on hand. They are all measured at cost less impairment.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation, amortization and impairment in value.

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to income in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation, amortization and impairment loss, if any, are removed from the accounts and any resulting gain or loss is credited or charged to current operations.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets which range from 1-50 years.

Fully depreciated assets are retained in the accounts until they are disposed, and no further charge for depreciation is made in respect to those assets. Any gain resulting from their disposal is included in the statement of operations for the period.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization in the case of intangible assets with finite lives, and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets are amortized over the useful economic life or 10 years, whichever is shorter, and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and as treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the consolidated statements of operations in the expense category consistent with the function of the intangible asset.

Impairment of Nonfinancial Assets

Impairment of Property and Equipment

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount of an asset exceeds its recoverable amount, the asset or cash-generating unit is written down to its recoverable amount. The estimated recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of disposals while value in use is the present value of estimated future cash flows expected to rise from the continuing use of an asset and from its disposal at the end of its useful life. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statements of operations.

Recovery and impairment losses recognized in prior years are recorded when there is indication that the impairment losses recognized for the asset no longer exist or have decreased. The recovery is recorded in the consolidated statements of operations. However, the increased carrying amount of an asset due to a recovery of an impairment loss is recognized to the extent that it does not exceed the carrying amount that would have been determined (net of depletion, depreciation and amortization) had no impairment loss been recognized for the asset in prior years.

Impairment of Non-Current Assets

The carrying amounts of the cooperative's non-current assets are reviewed at the balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

Financial Liabilities

Financial liabilities are recognized in the Cooperative's financial statements when the Cooperative becomes a party to the contractual provisions of the instrument. Transaction costs are included in the initial measurement of all financial liabilities.

Financial liabilities are derecognized by the Cooperative when the obligation under the liability is discharged, cancelled, or expired.

Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees and cooperative members.

Deposit Liabilities

Deposit Liabilities represent the members' CBU and are the liabilities of the cooperative to its members. These are interest-bearing and may be withdrawn anytime or applied against the outstanding loan availed. The members' CBU should be at least 20% of the existing principal loan amount unless the membership with the Cooperative has been terminated.

Due to Union/Federation

Due to Union/Federation is the liability of the cooperative to a federation or union to which the cooperative is a member. In compliance with Section 87 of the Cooperative Code of the Philippines, the cooperative has set aside five percent (5%) of net surplus for Education and Training Fund. One half of this amount shall be utilized by the Cooperative for its own education and training activities while the other half shall be credited to the Cooperative education and training fund of the APEX organization of which the cooperative is a member.

Interest on Share Capital Payable

Interest on Share Capital Payable is the liability of the cooperative to its members for interest on share capital, which can be determined only at the end of every reporting period.

Patronage Refund Payable

Patronage Refund Payable is the liability of the cooperative to its members-patrons for patronage refund, which can be determined only at the end of every accounting period.

The basis for the computation of the interest on share capital is the average share capital while the total interest is used in determining the patronage refund.

Statutory Funds

Statutory Funds are mandated by Sections 86 and 87 of the RA 9520, otherwise known as the Cooperative Code of the Philippines, to be set up by the Cooperative. They are as follows:

- a. Reserve Fund;
- b. Education and Training Fund;
- c. Optional Fund;
- d. Community Development Fund

The Board of Directors has approved the distribution of net surplus for the year 2022 as follows:

Reserve Fund	- 50% of Net Surplus
Educational Fund	- 5% of Net Surplus broken own as follows: 2.5% Local 2.5% of Net Surplus
Community Development Fund	- 3% of Net Surplus
Optional Fund	- 7% of Net Surplus

The remaining balance of the net surplus is available for interest on share capital and patronage refund to be distributed at 35% and 65% respectively.

The basis for the computation of the interest on share capital is the average share capital while the total interest rate is used in determining the patronage refund.

Share Capital

Share capital include common as well as preferred shares. They are classified as Equity and are carried at cost, which is deemed as the fair value of these shares.

Revenue Recognition

To safeguard the interest of the cooperative, revenue recognition is as follows:

Interest income, penalties and income from other sources - It is recognized as the income is earned and collected.

Service and membership fees - It is recognized when the loans are granted and corresponding charges were deducted from loan proceeds and when members are accepted as such in the Cooperative and paid such fees.

Other revenues- Income from other sources is recognized when earned.

Expense Recognition

Expenses included as part of "Costs of services" and "Administrative cost" in the statement of operations are recognized when decrease in the future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably.

Leases

The Cooperative accounts for its leases as follows:

(a) Cooperative as Lessee

Leases which transfer to the cooperative substantially all risks and benefits incidental to ownership of the leased item are classified as finance leases and are recognized as assets and liabilities in the statements of financial condition at amounts equal at the inception of the lease to the fair value of the leased property or, if lower, at the present value of minimum lease payments. Lease payments are apportioned between the finance costs and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are directly charged against income. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases which do not transfer to the cooperative substantially all the risks and benefit of ownership of the asset are classified as operating leases. Operating lease payments are recognized as expense in the statement of operations on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expense as incurred.

(b) Cooperative as Lessor

Leases which do not transfer to the Cooperative substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments is recognized as income in the Statement of Operations on a straight- line basis over the lease term. Associated costs, such as maintenance and insurance, are recorded as income is incurred.

The Cooperative determines whether an arrangement is, or contains, a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset and arrangement conveys a right to use the asset.

Employee Benefits

Short-term Benefits

The Cooperative recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Company to its employees include salaries and wages, social security contributions, short-term compensated absences and non-monetary benefits.

Retirement Benefits

The Cooperative has a defined contribution plan wherein the cooperative contribute a fixed amount to the fund. The fund is utilized in settlement of the separation pay of separated employee/s. The contributions are recognized as expense whenever a contribution is made.

Retirement Funds Payable represents the accumulated benefit costs charged against income of the Cooperative which is determined using the accrued benefit actuarial cost method. The method reflects the length of service of the participating employee as of the date of valuation.

The Cooperative sets aside a Retirement Fund in order to fund its Retirement Funds Payable. The Funding of the Retirement Fund is part of the Other Funds and Deposits account.

Events after Balance Sheet Date

The Company identifies subsequent events as events that occurred after the balance sheet date but before the date when the financial statements were authorized for issue. Any subsequent events that provide additional information about the Cooperative's financial position at the balance sheet date are reflected in the financial statements. Non-adjusting subsequent events are disclosed in the notes to the financial statements when material.

3. MANAGEMENT'S SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

3.1 Judgments

The preparation of the Cooperative's financial statements in conformity with Philippine Financial Reporting Framework for Cooperatives requires management to make estimates and assumptions that affect the amounts reported in the Cooperative's financial statements and accompanying notes. The estimates and assumptions used in the Cooperative's financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the Cooperative's financial statements. Actual results could differ from such estimates, judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Cooperative as Lessee

The Cooperative has entered into various lease agreements as lessee. The Cooperative has determined that the lessor retains all significant risks and rewards of ownership of these properties which are being leased by the Cooperative under the operating lease agreements.

3.2 Estimates

In the application of the Cooperative's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following represents a summary of the significant estimates and judgments and related impact and associated risks in the Cooperative's financial statements.

Estimating Allowance for Probable Losses

The Cooperative assesses whether objective evidence of impairment exist for receivables and due from related parties that are individually significant and collectively for receivables that are not individually significant. Allowance for doubtful accounts is maintained at a level considered adequate to provide for potentially uncollectible receivables.

Estimated Useful Lives of Property and Equipment

The Cooperative estimates the useful lives of property and equipment based on the period over which the property and equipment are expected to be available for use. The estimated useful lives of the property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the property and equipment. In addition, the estimation of the useful lives of property and equipment is based on the collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future financial performance could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

A reduction in the estimated useful lives of the property and equipment would increase the recorded expenses and decrease the noncurrent assets.

Depreciation is computed on a straight-line method over the estimated useful lives of the assets as follows:

Vehicle	1-5 years
Furniture and Equipment	1-5 years

The foregoing estimated useful lives and depreciation method are reviewed from time to time to ensure that these are consistent with the expected economic benefits of the property and equipment.

Impairment of Non-financial Assets

The Cooperative is required to perform an impairment review when certain impairment indicators are present. Purchase accounting requires extensive use of accounting estimates and judgment to allocate the purchase price to the fair market values of the assets and liabilities.

Determining the fair value of property and equipment, investments and intangible assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Cooperative to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Cooperative to conclude that property and equipment and other long-lived assets are impaired. Any resulting impairment loss could have a material adverse impact on the Cooperative's financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Cooperative believes that its assumptions are appropriate and reasonable, significant changes in these assumptions may materially affect the Cooperative's assessment of recoverable values and may lead to future additional impairment charges.

Revenue recognition

The Cooperative's revenue recognition policies require the use of estimates and assumptions that may affect the reported amounts of revenues and receivables. Differences between the amounts initially recognized and actual settlements are taken up in the accounts upon reconciliation. However, there is no assurance that such use of estimates may not result to material adjustments in future periods.

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Cooperative and the amount of revenue can be measured reliably. Revenues from transactions of the Cooperative are recognized on a modified accrual basis.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Cooperative is exposed to credit, liquidity, and other risks that arise in the normal course of its business. Its risk and control framework includes a focus on minimizing negative effects on the Cooperative's financial performance due to unpredictability of financial markets that drives the risks.

Credit Risk

Credit risk refers to the risk of inability to service a debt and the potential loss arising from default of a borrower. The Cooperative has no significant concentration of credit risk. It has policies and procedures regarding its loan portfolio. Status of receivables are being monitored and reviewed regularly.

Liquidity Risk

Liquidity risk is the risk that the Cooperative will not be able to meet its financial obligations as they fall due. The Cooperative is not exposed to liquidity risk even if it has deposit liabilities because it has been maintaining sufficient cash to address obligations and payables. Liquidity position is being monitored and evaluated regularly by the Board through continuously monitoring forecasts and actual cash flows.

Interest Rate Risk

The primary source of the Cooperative's interest risk relates to cash.

The Cooperative's management believes that any 10% change in interest rate risk will not have any material impact on the financial statements.

5. CASH

This account consists of the following:

	2022	2021
Cash on Hand	11,119	5,077
Petty Cash Fund	283,500	265,000
Savings Withdrawal Fund	702,000	702,000
Cash in Bank	32,087,863	18,860,031
Total Cash	33,084,482	19,832,108

Cash on hand consists of petty cash fund and Savings Withdrawal Fund (SWF). SWF are emergency funds used to finance withdrawal of savings.

Interest income on bank deposits under other income amounted to Php 77,584 and Php 67,362 in 2022 and 2021, respectively.

6. LOANS AND RECEIVABLES

This account consists of the following:

	2022	2021
Loans Receivable:		
Current	430,699,655	356,363,588
Past Due	29,151,639	30,379,678
Sub-Total	459,851,294	386,743,266
Less:		
Unearned Interests and Discounts	-	-
Allowance for Probable Losses on Loans Receivable	26,453,743.69	21,902,703
Loans Receivable, Net	433,397,550	364,840,563
Others:		
Advances to Employees and Suppliers	2,734,126.49	742,418
Other Receivables	1,125,014.56	932,307
Others	3,859,141	1,674,725
Total Loans and Receivables, net	437,256,691	366,515,288

Loans granted to members are generally on a 15 to 52 week term. These loans earn interest rates ranging from 0% to 5% which are diminishing, depending on the loan product and are collectible on weekly installments. Interest earned on loans to members amounted to P 217.4 million, net of rebates. These rebates, given to Officers of the centers, are equivalent to one percent (1%) of the principal amount of the loan.

The Cooperative charges service fees for every loan released on certain loans products such as Business and Housing. They also charge service fees to new members and members for renewal of their identification cards. Service fees earned amounted to Php 29.8 and Php 22.8 million in 2022 and 2021, respectively.

Other receivables consist of advances to suppliers and advances to employees of the Cooperative, subject to liquidation.

7. OTHER CURRENT ASSETS

This account consists of the following:

	2022	2021
Unused Supplies	44,998	82,909
Rent Deposits	1,507,305	1,546,006
Prepaid Insurance	995,645	958,761
Prepaid Rent	269,673	267,245
Prepaid Expenses	15,356	42,534
Other Deposits	46,471	46,471
Others	4,433,083	5,407,667
Total Other Current Assets	7,312,531	8,351,593

8. OTHER FINANCIAL ASSETS

This account consists of the following:

8.1 Long term

Financial Assets at Cost

	2022	2021
Federation of NCRL- PFCCO	675,000	540,000
Total	675,000	540,000

9. PROPERTY AND EQUIPMENT

This consists mainly of the following:

	2022		
	Acquisition Cost, beginning	Net Additions (Disposals)/ Transfers	Acquisition Cost, ending
Vehicle	5,200,550	2,283,432	7,483,982
Furniture and Equipment	11,144,114	2,613,510	13,757,625
Total	16,344,664	4,896,942	21,241,607

	2022		
	Accumulated Depreciation, Beg	Depreciation and Adjustments	Accumulated Depreciation, End
Vehicle	3,016,714	1,272,783	4,289,497
Furniture and Equipment	9,032,038	1,928,344	10,960,382
Total	12,048,752	3,201,128	15,249,880

	2022		
	Acquisition Costs	Accumulated Depreciation	Net Book Value
Vehicle	7,483,982	4,289,497	3,194,485
Furniture and Equipment	13,757,625	10,960,382	2,797,242
Total	21,241,607	15,249,880	5,991,727

2021			
	Acquisition Cost, beginning	Net Additions (Disposals)/ Transfers	Acquisition Cost, ending
Vehicle	4,905,000	295,550	5,200,550
Furniture and Equipment	10,086,009	1,058,105	11,144,114
Total	14,991,009	1,353,655	16,344,664

2021			
	Accumulated Depreciation, Beg	Depreciation and Adjustments	Accumulated Depreciation, End
Vehicle	1,901,617	1,115,097	3,016,714
Furniture and Equipment	7,286,958	1,745,080	9,032,038
Total	9,188,575	2,860,177	12,048,752

2021			
	Acquisition Costs	Accumulated Depreciation	Net Book Value
Vehicle	5,200,550	3,016,714	2,183,836
Furniture and Equipment	11,144,114	9,032,038	2,112,076
Total	16,344,664	12,048,752	4,295,913

10. INTANGIBLE ASSETS

This account consists of the following:

2022			
	Acquisition Cost, beginning	Net Additions (Disposals)/ Transfers	Acquisition Cost, ending
Software and System Test	863,000	14,000	877,000
Total	863,000	14,000	877,000

2022			
	Accumulated Amortization, Beg	Amortization and Adjustments	Accumulated Amortization, End
Software and System Test	655,750	207,833	863,583
Total	655,750	207,833	863,583

2022			
	Acquisition Costs	Accumulated Amortization	Net Book Value
Software and System Test	877,000	863,583	13,417
Total	877,000	863,583	13,417

2021			
	Acquisition Cost, beginning	Net Additions (Disposals)/ Transfers	Acquisition Cost, ending
Software and System Test	824,000	39,000	863,000
Total	824,000	39,000	863,000

2021			
	Accumulated Amortization, Be	Amortization and Adjustments	Accumulated Amortization, En
Software and System Test	377,083	278,667	655,750
Total	377,083	278,667	655,750

2021			
	Acquisition Costs	Accumulated Amortization	Net Book Value
Software and System Test	863,000	655,750	207,250
Total	863,000	655,750	207,250

11. DEPOSIT LIABILITIES

This account consists of the following:

	2022	2021
Savings Deposits	164,667,688	146,498,494
Total Deposit Liabilities	164,667,688	146,498,494

Interest expense for the years 2022 and 2021 amounts to Php 1.6 and Php 1.3 million,

12. ACCOUNTS PAYABLE - NON TRADE

This account consists of the following:

	2022	2021
Current:		
Program Subsidy Payable-current - Others	874,618	655,717
Program Subsidy Payable-current	10,000,000	10,000,000
Non-Current:		
Program Subsidy Payable non-current - KDCI	79,823,426	89,823,426
Total Accounts Payable - Non Trade	90,698,044	100,479,143

Project subsidy payable - current - Others refers to the amount of project subsidy payable to various institutions in relation to the development of an internal audit system for the Cooperative as well as for the development of environment resiliency and sustainability program, and livelihood and leadership training for the members of the Cooperative.

Program subsidy payable - current - KDCI pertains to the current portion of the net amount of loan-related receivables from and payable to KDCI in relation to the latter's project in enhancing the livelihood of the Cooperative's members. This program subsidy is in relation to the transfer of the microfinance operations as discussed in Note 1 to the financial statements.

Program subsidy payable non-current - KDCI represents the non-current portion of the total program subsidy or endowment fund provided by KDCI under its livelihood program.

13. ACCRUED EXPENSES

This account consists of the following:

	2022	2021
SSS, PHIC and HDMF Premium Payable	222,592	12,198
SSS and HDMF Salary Loan Payable	199,044	34,023
Withholding Tax Payable	9,973	50,184
Other Accrued Expenses	5,941,262	2,909,378
Total Accrued Expenses	6,372,871	3,005,783

14. DUE TO UNIONS/ FEDERATIONS

This account consists of the following:

	2022	2021
Beginning Balance	2,002,671	1,939,546
Prior years' adjustments	-	-
Remittance to Unions/ Federations	(200,000)	(300,000)
Allocation for the year	1,263,440	363,125
Ending Balance	3,066,112	2,002,671

15. INTEREST ON SHARE CAPITAL PAYABLE

This account consists of the following:

	2022	2021
Beginning Balance	1,780,139	4,140,336
Prior years' adjustments	-	-
Distributions for the year	(1,779,078)	(4,139,509)
Total before allocation	1,061	826
Allocation for the year	6,190,857	1,779,313
Ending Balance	6,191,917	1,780,139

16. PATRONAGE REFUND PAYABLE

This account consists of the following:

	2022	2021
Beginning Balance	3,397,031	7,752,133
Prior years' adjustments	-	-
Distributions for the year	(3,311,068)	(7,659,540)
Total before allocation	85,963	92,593
Allocation for the year	11,497,305	3,304,438
Ending Balance	11,583,268	3,397,031

17. OTHER CURRENT LIABILITIES

This account consists of the following:

	2022	2021
Payable to KSO Members	3,368,858	5,835,631
Advances from Others	1,945,214	6,320,171
Others	9,028,436	3,271,064
Total Other Current Liabilities	14,342,508	15,426,866

18. SHARE CAPITAL

This account consists of the following:

Common Shares	2022	2021
Authorized 400,000 shares at Php 100 par value		
Subscribed Share Capital	29,068,600	11,256,500
Less Subscription Receivable	-	-
Paid-up Share Capital - Common	29,068,600	11,256,500
Total Share Capital	29,068,600	11,256,500

The Cooperative's by-laws stipulates that each member shall subscribe to at least 4 shares and pay at least 1 share.

As at December 31, 2016, the Cooperative has 12,000 authorized and subscribed shares at P100 par amounting to P1.20 million, of which P0.30 million had been paid up.

In 2018, the Cooperative increased its authorized share capital to 400,000 shares at P 100 par value amounting to P40 million.

18.1 Cooperative Laws, Rules, Regulation and Principles

In addition to the PFRF for Cooperatives discussed in Note 2 to the financial statements, the following cooperative laws, rules, regulations and principles were adopted in the preparation to the financial statements, as applicable:

R.A. 9520- Philippine Cooperative Code of 2008

On February 17, 2009, the President of the Philippines signed into law R.A. No. 9520. The code was published in a newspaper of general circulation on March 7, 2009 and took effect 15 days thereafter on March 22, 2009.

Salient features of R.A. 9520

Paid-up Capital

Article 14 - Paid up Capital shall not be less than 15,000 (before P2,000) which may increase every five (5) years upon consultation with the cooperative sector and National Economic Development Authority.

Taxation

Article 61 - Transactions of members with cooperatives shall not be subject to any taxes and fees, including but not limited to final taxes on members' deposits and documentary tax.

Cooperatives with accumulated reserves and undivided net savings of more than P10.00 million shall pay the following taxes at full rate:

Share Capital

Article 73- No member of a primary cooperative other than a cooperative itself shall own or hold more than 10% (before 20%) of the share capital.

Article 76- The par value of a share may be fixed at any figure not more than P1,000 (before not less than P1).

19. DEPOSITS FOR SHARE CAPITAL SUBSCRIPTION

This account consists of the following:

	2022	2021
Beginning Balance	1,460,716	888,455
Add Receipts	516,522	1,233,769
Less Transfers to Share Capital	(428,919)	(661,508)
Ending Balance	1,548,320	1,460,716

These represent payments of subscriptions by members in excess of the total authorized and subscribed shares, as well as fractional shares.

20. STATUTORY FUNDS

ALLOCATION AND DISTRIBUTION OF NET SURPLUS

The Cooperative's constitution and by-laws explicitly provides that its net surplus at the end of the fiscal year shall be distributed in the following manner:

a. Reserve Fund - at least ten percent (10%) shall be set aside for the reserve fund. The reserve fund shall be used for the stability of the cooperative and to meet net losses in its operation.

In 2022 and 2021, the Cooperative allocated 50% of its Net Surplus for Reserve Fund, following the RA 9520.

b. Educational and Training Fund - five percent (5%) for the education and training fund . Half of the amount transferred to the education and training fund annually under this subscription may be spent by the cooperative for education and training and other purposes: while the other half shall be credited to the Cooperative education and training fund of the apex organization of which the cooperative is a member.

c. Optional Fund - This is seven percent (7%) of the cooperative's net surplus.

d. Community Development Fund - This is computed at three percent (3%) of the cooperative's net surplus.

e. Interest on Share Capital and Patronage Refunds - After deduction of the statutory accounts, any remaining net surplus shall be distributed to the cooperative's members in the form of interest not to exceed the normal rate of return on investments and patronage refunds. Interest on Share Capital shall be allocated in proportion to the individual members' average share monthly, while patronage refund is divided according to their individual patronage; i.e., volume of loans availed.

21. INCOME FROM CREDIT OPERATIONS

This account consists of the following:

	2022	2021
Interest Income on Loans Receivable		
Livelihood and enterprise development	146,963,491	90,353,588
Education, training and formation	10,898,729	4,958,127
Health and wellness	3,750,484	5,256,219
Security, shelter and safety	20,948,596	12,964,709
Social protection	4,980,295	17,679,291
Service fees- members	29,891,561	22,886,786
Total Income from Credit Operations	217,433,156	154,098,720

Interest income is computed net of rebates to members.

22. OTHER INCOME

This account consists of the following:

	2022	2021
Membership fees	341,180	301,020
ID Fee	1,971,820	1,675,875
Closing Fee	848,600	869,100
Interest Income - Bank Deposit	77,584	67,362
Miscellaneous Income	24,166	27,190
Total Other Income	3,263,351	2,940,547

23. COST OF SERVICES

This account consists of the following:

	2022	2021
Personnel	88,851,336	73,520,757
Members' benefit	5,341,883	5,569,603
Supplies	7,913,075	6,885,748
Travel and transportation	7,845,697	6,706,544
Rental	6,259,722	5,887,574
Communication	2,622,601	2,757,926
Meeting and conferences	3,830,822	2,599,329
Power, light and water	1,483,987	1,351,671
Provision for probable losses on loans receivable	7,401,632	3,758,944
Advertising and promotion	43,395	66,808
Repairs and maintenance	238,200	185,182
Insurance	2,308,736	1,826,171
Taxes, fees and licenses	187,783	188,209
Miscellaneous	203,616	323,878
Total Cost of Services	134,532,485	111,628,344

24. FINANCING COST

This account consists of the following:

	2022	2021
Interest Expense on Loans Payable	2,868,910	2,112,019
Interest Expense on Member's Savings	1,696,909	1,382,448
Total Financing Cost	4,565,820	3,494,467

25. ADMINISTRATIVE COST

This account consists of the following:

	2022	2021
Depreciation and amortization	3,408,961	3,184,338
Professional fees	891,594	1,037,333
Personnel	17,108,821	15,612,574
Meetings and conference	2,384,504	1,721,846
Supplies	2,114,762	1,924,539
Rentals	1,436,543	1,175,213
Communication	653,566	577,163
Travel and transportation	856,011	629,902
Repairs and maintenance	1,055,089	640,737
Power, light and water	349,914	271,013
Insurance	103,548	245,410
Advertising and promotion	3,191	-
Taxes, fees and licenses	4,690	9,290
Miscellaneous	689,402	362,097
Total Administrative Cost	31,060,597	27,391,456

26. EMPLOYEE EBENEFITS

26.1 Short-term Benefits

2022	Cost of Services	Administrative
Salaries & Wages	48,525,963	10,454,423
13th Month	3,976,738	861,294
HDMF (ER) Contributions	957,419	213,491
Incentives	2,798,658	1,096,406
Medicine Expense	370,513	88,087
PHIC (ER) Contributions	994,418	200,170
Rice Subsidy	5,949,183	889,982
SSS (ER) Contributions	4,036,290	781,005
Staff Development	807,698	177,392
VL Pay	1,546,223	339,385
Total Short-term Benefits	69,963,102	15,101,635

2021	Cost of Services	Administrative
Salaries & Wages	43,621,443	10,452,866
13th Month	3,599,451	871,369
HDMF (ER) Contributions	874,502	210,103
Medicine Expense	453,680	33,434
PHIC (ER) Contributions	669,796	159,040
Rice Subsidy	5,890,520	989,910
SSS (ER) Contributions	3,724,070	887,267
Staff Development	667,799	178,404
VL Pay	1,403,535	87,726
Total Short-term Benefits	60,904,797	13,870,120

26.2 Retirement Benefits

The amount of retirement benefit obligation recognized in the financial statements are as follow

	2022	2021
Statement of Financial Condition Obligation		
Retirement Fund Payable	4,103,628	-
Statement of Operations		
Retirement Costs	4,103,628	-

The Cooperative has set up a non-contributory, tax-qualified retirement plan in 2016. This plan is a continuation of the transferred Plan Assets and Transferred Liability from KDCl to the Cooperative upon the transfer of employees from KDCl to K-Coop.

The Cooperative's latest actuarial valuation was made as of and for the year ending December 31, 2021.

The retirement fund of the Cooperative was set up with PERAA as its fund managers. Fair value of plan assets as of December 31, 2022 amount to Php 10,954,006.

The movements in the present value of the retirement benefit obligation recognized in the statements of financial condition are as follows:

	2022	2021
Beginning Balance, Retirement fund payable	-	987,630
Opening Balance Adjustment		
Contributions to Plan Assets	-	(987,630)
Transferred Plan Assets, In		
Transferred Liability, In		
Retirement Expense in Statement of Operations	4,103,628	-
Actuarial (Gain) Loss in Statement of Operations		
Transfer In		
Transfer Out		
Ending Balance, Retirement fund payable	4,103,628	-
Present value of Defined Benefit Obligations	15,057,634	11,307,400
Less: Fair value of Plan Assets	(10,954,006)	(11,307,400)
Deficit (Surplus)	4,103,628	-
Net Defined Benefit Liability	4,103,628	-

Movements in the Fair Value of Plan Assets are as follows:

	2022	2021
Fair value of plan assets, beg	11,307,400	10,045,183
Opening Balance Adjustment		
Contributions to Plan Assets	-	987,630
Interest Income	-	464,679
Withdrawals from plan assets due to retirement/death	-	(190,092)
Re-measurement gains/(losses)	(353,395)	-
Fair Value of Plan Assets, End	10,954,006	11,307,400

The weighted average assumptions were used to determine pension benefits as of December 31, 2022:

	2022	2021
Salary Projection Rate	2%	2%
Discount Rate	5%	6%
Expected Rate of Return on Assets	2%	2%

26.2.1 Tax Angle

Since the retirement plan is a tax-qualified plan, Company contributions for current service cost are considered 100% tax deductible, while those pertaining to past service (amortization of the transition liability, past service cost and actuarial gains or losses, interest cost, and the expected return on plan assets) are deductible to the extent of 10%, the other 90% being spread equally over the next succeeding nine (9) years.

Further, the income from the Trust Fund from its investments is fully exempt from income tax (Sec. 32 (b) (6) (a) of the Tax Code of 1997).

Ultimately, when the benefits are distributed to the retirees, these benefits are tax-exempt under certain conditions.

27. LOANS PAYABLE

This consists of the following:

Loan From	Principal	Interest Rate	Collateral	PN	Date of Maturity	Balance 12/31/2021	Additions/ deductions During the year	Balance 12/31/2022
CARD SME Bank, Inc	10,000,000	7%	Receivables	1020-0000-36442878	08/11/2025	-	10,000,000	10,000,000
SBC	13,000,000	2%	Receivables	2022-00002529-1	25/11/2024	-	13,000,000	13,000,000
SBC	24,000,000	7%	Receivables	2022-20970-1	25/11/2024	-	24,000,000	24,000,000
PFCCO	5,000,000	8%	Receivables	00001-2022	05/05/2023	-	4,180,448	4,180,448
BDO	787,200	9%	COR	501220600120	02/05/2027	-	707,791	707,791
BDO	787,200	9%	COR	501220600119	02/05/2027	-	707,791	707,791
KMBA	3,000,000	4%	Receivables	1	31/03/2022	3,000,000	(3,000,000)	-
RestartMe	15,000,000	3%	Receivables	1	06/12/2022	15,000,000	(15,000,000)	-
SBC	10,000,000	6%	Receivables	2021-20695-1	13/12/2023	10,000,000	(4,863,471)	5,136,529
SBC	10,000,000	2%	Receivables	2021-00001999-1	12/11/2023	10,000,000	(5,000,000)	5,000,000
SBC	14,000,000	6%	Receivables	2021-20667-1	12/11/2023	14,000,000	(6,808,859)	7,191,141
SBC	5,000,000	2%	Receivables	2021-00001782-1	11/06/2023	3,750,000	(2,493,766)	1,256,234
SBC	5,000,000	6%	Receivables	2021-20634-1	11/06/2023	3,805,266	(2,498,892)	1,306,374
PEF	5,000,000	8%	Receivables	1	15/10/2025	5,000,000	(1,105,624)	3,894,376
SBC	10,000,000	2%	Receivables	2020-1340-1	09/06/2022	2,537,530	(2,537,530)	-
BPI - Avanza	693,600	10%	COR	00000012142714	18/09/2024	421,835	(149,273)	272,562.04
BPI - H100	976,000	11%	COR	00000012034547	01/10/2024	611,633	(185,017)	426,615.51
BDO	684,800	9%	COR	501180811951	20/07/2023	250,786	(153,886)	96,900
BDO	1,137,600	9%	COR	501180811952	20/07/2023	416,611	(255,637)	160,974
HASIK	1,000,000	5%	Receivables	1	31/12/2022	900,000	(900,000)	-
TOTAL						69,693,660	7,644,076	77,337,737

Loan From	Principal	Interest Rate	Collateral	PN	Date of Maturity	Balance 12/31/2020	Additions/ deductions During the year	Balance 12/31/2021
KMBA	3,000,000	4%	Receivables	1	31/03/2022	-	3,000,000	3,000,000
RestartMe	15,000,000	3%	Receivables	1	06/12/2022	-	15,000,000	15,000,000
SBC	10,000,000	6%	Receivables	2021-20695-1	13/12/2023	-	10,000,000	10,000,000
SBC	10,000,000	2%	Receivables	2021-00001999-1	12/11/2023	-	10,000,000	10,000,000
SBC	14,000,000	6%	Receivables	2021-20667-1	12/11/2023	-	14,000,000	14,000,000
SBC	5,000,000	2%	Receivables	2021-00001782-1	11/06/2023	-	3,750,000	3,750,000
SBC	5,000,000	6%	Receivables	2021-20634-1	11/06/2023	-	3,805,266	3,805,266
PEF	5,000,000	8%	Receivables	1	15/10/2025	5,000,000	-	5,000,000
RestartMe	1,500,000	2%	Receivables	1	31/07/2021	1,500,000	(1,500,000)	-
SBC	10,000,000	2%	Receivables	2020-1340-1	09/06/2022	7,537,281	(4,999,751)	2,537,530
BPI - Avanza	693,600	10%	COR	00000012142714	18/09/2024	547,665	(125,830)	421,834.79
BPI - H100	976,000	11%	COR	00000012034547	01/10/2024	786,184	(174,552)	611,632.69
SBC	5,000,000	2%	Receivables	2019-1135-1	25/11/2021	2,524,937	(2,524,937)	-
SBC	5,000,000	7%	Receivables	2019-20413-1	25/11/2021	2,580,569	(2,580,569)	-
BDO	684,800	9%	COR	501180811951	20/07/2023	390,857	(140,071)	250,786
BDO	1,137,600	9%	COR	501180811952	20/07/2023	649,298	(232,687)	416,611
CARD SME Bank, Inc	5,000,000	8%	Receivables	0104-4053-00001819	29/10/2021	1,600,000	(1,600,000)	-
HASIK	1,000,000	5%	Receivables	1	31/12/2022	1,000,000	(100,000)	900,000
TOTAL						24,116,791	45,576,869	69,693,660

Loans payable account is presented in the statement of financial position as follows:

	2022	2021
Current (due within one year)	48,330,017	44,951,955
Non-Current (due more than one year)	29,007,720	24,741,706
Total	77,337,737	69,693,660

28. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with, the Company; (b) associates; and (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

The following are the Company's transactions with related parties:

a. Salaries of key management personnel

	2022	2021
Short-term benefits	3,272,233	1,106,547
Total	3,272,233	1,106,547

b. Receivables/ Payables to

These represents equity receivables (payables) of the Cooperative to its affiliates, as discussed in Note 1:

2022	Note	Amount	Terms
Payables to:			
KSO member Organizations	17	3,368,858	Unsecured, payable on demand
Program Subsidy Payable to KDCI	12	89,823,426	Unsecured, payable on demand
TOTAL		93,192,284	

2021	Note	Amount	Terms
Payables to:			
KSO member Organizations	17	5,835,631	Unsecured, payable on demand
Program Subsidy Payable to KDCI	12	99,823,426	Unsecured, payable on demand
TOTAL		105,659,057	

The relationship of these entities are discussed in Note 1 .

29. EVENTS AFTER BALANCE SHEET DATE

There were no events after balance sheet date that would require a disclosure or adjustment on the financial statements.

30. COMMITMENTS AND CONTINGENCIES

There were no significant commitments and contingencies involving the Cooperative as of Balance Sheet date.

31. GOING CONCERN

There were no going concern issues that have to be disclosed involving the Cooperative as of Balance Sheet date.

32. RECLASSIFICATION

Certain accounts in 2021 were reclassified to conform with the 2022 presentation of the Cooperative's financial statements.

33. SUPPLEMENTARY INFORMATION REQUIRED AS PER BIR RR 15-2010

Being a duly-registered cooperative with the CDA under R.A. No. 9520, the Cooperative enjoys tax exemption under the said act. Among others, it is provided that the cooperatives transacting business with both members and non-members shall not be subjected to tax on their transactions with members. In relation to this, the transactions of members with the Cooperative shall not be subject to any taxes and fees, including not limited to final taxes on members' deposits and documentary tax. Provided, that cooperatives with accumulated reserves and divided net savings of more than P10 million shall not be subjected to tax on transactions with members.

Of the information required to be disclosed by RR No. 15-2010, only certain taxes are applicable to the Cooperative. The following are the applicable supplementary tax information required for the taxable year ended December 31, 2022.

A. OUTPUT VAT

The Cooperative is exempt from Value Added Tax, by virtue of the implementing rules and regulations of RA 9520, which states that Cooperatives that transact with members only shall be exempt from both income tax and value added tax.

B. INPUT VAT

Because the Cooperative is an entity which transacts with members only, Input Vat paid by the Cooperative forms part of the cost of the goods or service purchased.

C. TAXES AND LICENSES

Details of the Cooperative's taxes and licenses, either paid or accrued are as follows:

	2022	2021
Documentary Stamp	3,392	5,998
Taxes and permit fees	183,677	158,838
Others	5,404	32,663
TOTAL TAXES AND LICENSES	192,473	197,499

D. WITHHOLDING TAXES

Details of the Company's withholding taxes, either paid or accrued are as follows:

	2022	2021
Withholding tax on Compensation and Benefits	771,899	410,772
Expanded Withholding Tax	460,360	429,556
TOTAL WITHHOLDING TAXES	1,232,260	840,328

34. SUPPLEMENTARY INFORMATION REQUIRED BY THE BIR UNDER RR 19-2011

Net sales/Revenues/Receipts/Fees

Details of the net sales/revenues/receipts/fees earned during the year are as follows:

	Special Rate	2022 Regular Rate	Exempt
Revenues	xx	xx	217,433,156
Total	xx	xx	217,433,156

Cost of Services

Details of the cost of services incurred during the year are as follows:

	Special Rate	2022 Regular Rate	Exempt
Personnel	xx	xx	88,851,336
Members' benefit	xx	xx	5,341,883
Supplies	xx	xx	7,913,075
Travel and transportation	xx	xx	7,845,697
Rental	xx	xx	6,259,722
Communication	xx	xx	2,622,601
Meeting and conferences	xx	xx	3,830,822
Power, light and water	xx	xx	1,483,987
Provision for probable losses on loans receivable	xx	xx	7,401,632
Advertising and promotion	xx	xx	43,395
Repairs and maintenance	xx	xx	238,200
Insurance	xx	xx	2,308,736
Taxes, fees and licenses	xx	xx	187,783
Miscellaneous	xx	xx	203,616
Interest Expense on Member's Savings	xx	xx	1,696,909
Interest expense on Loans payable	xx	xx	2,868,910
Total	xx	xx	139,098,305

Other Income

Details of other income during the year are as follows:

	Special Rate	2022 Regular Rate	Exempt
Membership fees	xx	xx	341,180
ID Fee	xx	xx	1,971,820
Closing Fee	xx	xx	848,600
Interest Income - Bank Deposit	xx	xx	77,584
Miscellaneous Income	xx	xx	24,166
Total	xx	xx	3,263,351

Itemized Deductions

Details of itemized deductions during the year are as follows:

		2022	
	Special Rate	Regular Rate	Exempt
Depreciation and amortization	XX	XX	3,408,961
Professional fees	XX	XX	891,594
Personnel	XX	XX	17,108,821
Meetings and conference	XX	XX	2,384,504
Supplies	XX	XX	2,114,762
Rentals	XX	XX	1,436,543
Communication	XX	XX	653,566
Travel and transportation	XX	XX	856,011
Repairs and maintenance	XX	XX	1,055,089
Power, light and water	XX	XX	349,914
Insurance	XX	XX	103,548
Advertising and promotion	XX	XX	3,191
Taxes, fees and licenses	XX	XX	4,690
Miscellaneous	XX	XX	689,402
Total	XX	XX	31,060,597