



KABU. BAYAN SA GANAP NA KASARIN
Credit and Savings Cooperative
CDA Reg. No. 9520-101600000028521

2018

ANNUAL REPORT



2nd Annual Representative Assembly

March 23, 2019



TALAN NG NILALAMAN

Mensahe mula sa Chairman of the Board at General Manager
Katitikan ng Pangkalahatang Pagpupulong at buod
ng mga naaprubahang Board Resolutions para sa 2018
Ulat ng K-Coop
Ulat ng KDCI at KMBA
Audited Financial Statement
Balik Tanaw 2018

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"Tumulong sa pagpapaunlad ng kabuhayan ng bawat isa sa pamamagitan ng ating kooperatiba"

Binabati ko ang lahat ng mga miyembro at ang pamunuan ng kooperatiba para sa isa na namang matagumpay na taon para sa ating samahan. Sa nakaraang taon, na panahon din ng aking panunungkulan, nakita ko ang pagsusumikap ng bawat isa, ang matiyaga at masipag na paggawa, at higit sa lahat, ang pagiging masinop sa yaman ng samahan. Maraming naging mga pagbabago. Lalong napabilis ang bawat transaksyon sa bawat *Satellite Offices*. Walang tigil ang pamunuan sa pag-iisip at pagdidisenyo ng magagandang proyekto para sa ating kasapiang, sa tulong na rin ng mga *SATO Coordinators*. Tinitiyak din ng pamunuan na nasusunod ang ating *core values at vision, mission and goals* (VMG) upang huwag malihis ng landas ang ating samahan. Seryoso din ang samahan sa pagpapalawak ng kasapiang at pagtitiyak na maaabot natin ang mas marami pang nangangailangan ng ating serbisyo.

Ako po ay taos-pusong nagpapasalamat sa inyong pagbibigay-tiwala sa aking kakayahan. Hindi ko akalain na mailalagay ako sa posisyong ito bilang Tagapangulo ng ating kooperatiba. Parang kailan lang, napakabilis ng panahon. Hindi po biro ang posisyong ito, na isa ako sa naging haligi ng samahan. Nagkaroon ako ng agam-agam sa aking sarili, ngunit naniniwala ako sa tunay na layunin ng samahan.

Sa pamunuan, sa pangunguna ni Ma'am Mean at ng mga propesyunal na bumubuo ng *KDCI Board of Trustees*, na ngayon ay ating *Board of Advisers*, salamat po sa inyong patuloy na paggabay at pagbabahagi ng inyong kaalaman.

Binabati ko rin ang mga kasalukuyang Direktor, miyembro ng mga Komite at *Coordinators*. Pinamalas ninyo sa nakalipas na taon ang inyong pagnanais na matuto at pagsisikap na maipaabot ang mga suhestyon at hinaing ng mga miyembrong inyong nasasakupan. Ang mga bago nating produkto at serbisyo, tulad ng K-Tatay at produkto sa impok, ay mahahalagang ambag ninyo sa ating kooperatiba. Nalulugod ako na kayo ang mga nakasama ko sa panahon ng aking paglilingkod.

Sa bagong halal na mga kinatawan ng *Representative Assembly*, malaking hamon sa inyo ang ipagpatuloy ang maganda nating simulain. Asahan ninyo ang suporta at gabay ng kasapiang at pamunuan sa inyong mga gawain.

Ang mensahe ko sa bawat kasapi ay tumulong sa pagpapaunlad ng kabuhayan ng isa't-isa sa tulong ng ating kooperatiba. Dapat po nating alamin ang ating mga karapatan at tungkulin sa ating kooperatiba dahil ang tagumpay ng alinmang samahan ay nakasalalay sa pagtupad ng tungkulin ng bawat kasapi.



Sa Aming Mga Mahal na K-Kasapi,

Naging matagumpay ang taong 2018 para sa ating kooperatiba. Pinatunayan ng ating mga kasapi ang kanilang pagpupursige at malalim na pagnanais na umunlad hindi lang ang kanilang kabuhayan kundi pati na ang ibang aspeto ng buhay-pamilya at pamayanan.

Nakita natin sa taon 2018 ang patuloy na pagtaas sa bilang ng ating mga kasapi. May halos 40,000 na tayong kasapi sa may 30 *Satellite Offices*. Binubuo nila ang 1,724 na sentro. Masipag magsidal sa mga pulong sa sentro ang ating mga kasapi. Halos dalawang daang libong indibidwal rin ang natulungan ng iba't ibang programa ng K-Coop pati na ang mga kapatid nitong institusyon, ang Kasagana-ka Mutual Benefit Association at ang Kasagana-ka Development Center Inc. Sa ikalawang taon ng ating paglilingkod bilang isang kooperatiba, humigit sa Php 37 milyon ang kinita sa nakaraang taon. Mamamahagi na naman tayo ng *interest on share capital at patronage refund*. At "VERY GOOD" tayo sa P.E.S.O.S., ang sinusunod nating *performance standards* para sa mga kooperatiba.

Maliban sa magandang mga numero at grado, ang K-Coop ay nananatiling tapat sa tawag ng paglilingkod. Tuwing panahon ng baha at sunog, makikita ang ating mga tauhan na nangangamusta at nagbibigay-tulong sa mga naapektuhan nito. Taun-taon, sa tulong ng KDCI, may sampu tayong paaralan ang tinutulungan natin. Dito sa mga paaralang ito nag-aaral ang mga anak ng ating mga kasapi. Ang mga batang ito ang saksi kung paano ang mga nanay nila ay nakakatulong sa kanilang mga paaralan.

Marami pang kwento ng tagumpay at paglilingkod meron ang K-Coop. Sa pagkakataong ito ang pinakamahalaga ay ang pagpapabatid sa ating mga kasapi na tuluy-tuloy ang paglago at pagunlad ng atingsamahan at kasama kayo sa pagyabong na ito. Hayaan ninyong magpasalamat ako at manghikayat pa na ipatuloy natin na sama-samang paghahkbang tungo sa kasarinlan.

Dasal ko na mapuspos pa tayo ng biyaya mula sa ating Maykapal.

Hanggang sa muling pag-uulat...

"Ipagpatuloy natin ang sama-samang paghahkbang tungo sa kasarinlan"



GENERAL MANAGER

Maria Anna de Rosas-Ignacio



Katitikan ng Unang Asembleya ng mga Kinatawan

Sa pulong ng Asembleya ng mga Kinatawan (Representative Assembly) noong ika-24 ng Marso 2018, kung saan mayroong quorum, pinagtibay ang mga sumusunod:

- Katitikan ng Pulong ng Pangkalahatang Kapulungan 2017
- Ulat ng Pangulo para sa taong 2017
- Plano para sa taong 2018
- Ulat Pinansiyal ng Ingat-Yaman para sa taong 2017
- Budget para sa 2018
- Mga pagbabago sa Articles of Cooperation

| | |
|--|--|
| Pagtataas ng Capitalization (Article X) | Forty Million Pesos (Php40,000,000.00), divided into Four Hundred Thousand (400,000) shares |
| Pagtataas ng Subscribed and Paid-Up Share Capital (Article X) | Ten Million Pesos (Php10,000,000.00) has been subscribed, and Three Million Pesos (Php3,000,000.00) of the total subscription has been paid |

- Pagbabago sa By-Laws:

| | |
|--|---|
| Alokasyon at Distribusyon ng Net Surplus -Community Development Fund (Article IX, Section 1c) | Ten percent (10%) shall be set aside for projects and activities that will benefit the community where the Cooperative operates. |
|--|---|

- Pagkuha ng External Auditor
- Pamamahagi ng Patronage Refund para sa taong 2016 at 2017
- Pagpapaliban ng pamamahagi ng interest on share capital sa loob ng limang taon, at paglalagak nito bilang revolving capital
- Ratipikasyon ng Kapulungan sa lahat ng mga aksyon at desisyon na napagkasunduan ng Lupon at ng Pamunuan ng K-Coop sa taong 2017
- Pagkakahalal ng mga bagong miyembro ng Lupon (Board of Directors):
Dalawang taong termino:
Jocelyn Bernal (Bagong Silang)
Ana Maria Garrido (Dasmaringas)
Fe Regalado (Batasan)
Gina Dacanay (Tungko)
Isang taong termino:
Mary Grace Calayag (Norzagaray)
Jenny Navarro (Masinag)
- Pagkakahalal ng mga sumusunod bilang mga miyembro ng Election Committee:
Mirasol Navarro (Camarin)
Prescilla Padilla (San Pedro)
Marife Narvaez (Meycauayan)
- Pagkakahalal ng mga miyembro ng Audit Committee:
Julita Pogenio (Sapangpalay)
Angela Mallilin (Paranaque)
Josefina Borabo (Bagong Silang)

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



Atty. Ferdinand M. Casis
Cooperative Secretary



Martiniana G. Mancio
Chairperson



Buod ng mga Board Resolution para sa taong 2018

2018-40 Additional Budget for 2018 to cover (i) increase in the employer's share for Philhealth contributions; (ii) production of K-Coop Annual Report for distribution to all members; and (iii) purchase of a new service vehicle

2018-41 Policy on the Grant of Christmas Gift

2018-42 Amending list of authorized signatories for the Cooperative's corporate bank account with Asia United Bank Camarin Branch

2018-43 Amending list of authorized signatories for the Cooperative's corporate bank account with Asia United Bank Zabarte Branch

2018-44 Amending list of authorized signatories for the Cooperative's corporate bank account with Asia United Bank Sapang Palay Branch

2018-45 Authorizing the opening of a corporate bank account in Security Bank-Pasig branch and naming managers and officers authorized to sign for purposes of withdrawal and insurance of check

2018-46 Amending list of authorized signatories for the Cooperative's corporate bank account with Bank of the Philippine Islands-Marilao Branch

2018-47 Authorizing engagement with BPI for cash management services for K-Coop's Head Office, and naming authorized signatories for the purposes

2018-48 Authorizing the General Manager Maria Anna Ignacio to sign BIR Certificate of Donation relative to its grant of donation in favour of KDCI

2018-49 Authorizing the opening of the Cooperative's eVIP account with RCBC Savings Bank Binangonan Branch and naming managers and officers authorized to sign for purposes of withdrawal and issuance of check

2018-50 Amending list of authorized signatories for the Cooperative's corporate bank account with RCBC Savings Bank-Montalban Branch

2018-51 Amending list of authorized signatories for the Cooperative's corporate bank account with BPI-SM South Mall Branch

2018-52 Adopting the new policy on executive reimbursements, whereby allowable representation expenses and the maximum reimbursable amount for each are listed

2018-53 Grant of performance bonus for the 2nd half of 2017

2018-54 Amending the existing policy restricting the use of the KMBA management fee to fund K-Kabataan and TAP

2018-55 Allocation of Unilever Income for K-Coop HAP

2018-56 Authority to obtain credit line from Small Business Corporation

2018-57 Authority to obtain credit line from Bank of the Philippine Islands

2018-58 Accounting Treatment of the Closing Fee

2018-59 Creation of the Gender and Development Committee and Reconstitution of the Human Resources Committee

2018-60 Appointment of Committee Members and Coordinators

2018-61 Allowances of Directors, Committee Members and Coordinators

2018-62 Calendar of Activities of the Board of Directors

2018-63 Amending Board Resolution 2018-56, granting authority to the new Board Chair, along with the General Manager to sign documents pertinent to the credit line from the Small Business Corporation

2018-64 Approval of the 2017 Audited Financial Statements

2018-65 Adoption of the Omnibus Policy on the Duties and Responsibilities of K-Coop Officers, and the Implementing Guidelines Thereon

2018-66 Additional Budget to Cover Support for K-Coop Officers, Including Expenses for Compliance Seminars and Contingency Fund

2018-67 Policy on Disqualification from Membership in HR Committee to Avoid Any Conflict of Interest

2018-68 Fixing the capital build-up (CBU) at 10% of every member's annual interest on share capital and patronage refund

2018-69 Approving the policy on subscription agreement

2018-70 Approving the transfer of place of business of the Batasan Satellite Office

2018-71 Amending list of authorized signatories for the Cooperative's corporate bank accounts following the election of a new Board Chairperson

2018-72 Authorizing the closing of the corporate bank account with PNB-Antipolo Branch

2018-73 Policy on Member's Multiple Leadership Functions

2018-74 Board Representative to the GAD Committee

2018-75 Granting authority to the Operations Manager to attend a professional development program in AIT, Thailand

2018-76 Amending Board Resolution No. 2017-33 on the authorized signatories for the credit line with Land Bank of the Philippines



Buod ng mga Board Resolution para sa taong 2018

2018-77 Amending list of authorized signatories for the Cooperative's corporate bank account with AUB Camarin Branch

2018-78 Authorizing certain officers to represent the Cooperative in obtaining a loan from KMBA

2018-79 Support to Officers in the Form of Php200 Per Diem for Attendance to Out-of-Office Conferences and Seminars

2018-80 Qualifications of and Support for the K-Coop Secretary

2018-81 Qualifications of and Support for the K-Coop Treasurer

2018-82 Amending list of authorized signatories for the Cooperative's corporate bank account with RCBC Masinag

2018-83 Authority to Sign for the Purchase of Toyota Avanza for Operations Manager

2018-84 Authorizing the closing of bank account with PNB Savings Bank-Binangonan Corporate Account

2018-85 Recognizing Closing Fee as Income

2018-86 BLIP Support for the Board of Directors

2018-87 Alternative to barangay clearance as a requirement for membership application

2018-88 Intent to be accredited by the Meycauayan Cooperative Development Council

2018-89 Creation and Constitution of the K-Coop Board of Advisers

2018-90 Granting Authority to Sector Managers to Attend the AOA Seminar in Hong Kong

2018-91 Distribution of the 2016 Patronage Refund and Interest on Share Capital

2018-92 Succession in case of Vacancy in the SatO Coordinator Position

2018-93 Authorized signatories for CIC Submissions

2018-94 Signing Authority of the Board Chair

2018-95 Authorizing the Release of Performance Bonus for January to June 2018

2018-96 Opening of head office corporate account with Land Bank of the Philippines Commonwealth Branch

2018-97 Transfer of K-Coop Employees Jason Belga and Mary Jane Buntalidad to KDCI

2018-98 Membership for Spouse and Children of Members

2018-99 Authorizing Management to Study Options for Capital Sourcing

2018-100 Authorizing the closing of corporate bank account with Philippine National Bank Antipolo Branch

2018-101 Opening of Corporate Account with Bank of Makati-Montalban Branch

2018-102 Opening of Corporate Account with RCBC Savings Bank-Montalban Branch

2018-103 Call for Payment of Unpaid Share Capital Subscription

2018-104 Increasing the Credit Line from Small Business Corporation

2018-105 Authority to obtain a credit line from CARD SME Bank, Inc.

2018-106 Authority to obtain a credit line from IADB

2018-107 Authority to obtain a credit line from Lux Fidelis Lending Investor Corp.

2018-108 Employees' Rice Subsidy Increase

2018-109 Approval of the Five Percent (5%) Across-the-Board Salary Adjustment Effective January 1, 2019

2018-110 Approval of Adjustment in Certain Employee Benefits

2018-111 Approval of the 2019 Projections

2018-112 Recognition of K-Coop Members' Service Fee for KMBA as Income

2018-113 Granting authority to Satellite Office, Cluster, Sector Managers, Operations Manager and General

Manager to sign individually checks for approved loan releases of Php7,000 and below

2018-114 Authority to Borrow from CARD SME Bank, Inc.

2018-115 New Savings Products: (i) Regular Savings Account; (ii) Personal Savings Account; and (iii) Time Deposit

2018-116 Specific Mechanics for the Payment of Unpaid Share Capital Subscription

2018-117 Term of Office of Coordinators

2018-118 Authorizing the closing of the RHS Satellite Office's corporate bank account with Philippine National Bank

2018-119 Increase in K-Coop Members' Service Fee for KMBA

2018-120 K-Tatay Policy

2018-121 Authority to Join the National Capital Region League of Philippine Federation of Credit Cooperatives (NCRL-PFCCO)

2018-122 Authorizing the opening of a corporate savings account with CARD-SME Bank

2018-123 Approval of the Release of Christmas Gift for 2018

2018-124 Authorizing the Opening of a corporate eVIP bank account with RCBC Savings Bank-SJDM, Bulacan



MEMBERSHIP GROWTH

39,265

(ADDT'L 4,626;
13.35% INCREASE)

35,682

(ADDT'L 4,091;
13% INCREASE)

3,583

(ADDT'L 535;
18% INCREASE)

NUMBER OF LOANS PER PROGRAM

LIVELIHOOD AND ENTERPRISE DEVELOPMENT

35,032 

(98% of the total borrowers)

74,421 Livelihood Assistance Disbursed


EDUCATION, TRAINING, AND FORMATION

8,022 

(22% of the total borrowers)

17,007 Educational Assistance Disbursed

HEALTH AND WELLNESS

3,004 

(8% of the total borrowers)

1,310 K-KalW5,
3,559 K-KalW1,
8,781 Health Assistance Disbursed

SECURITY, SHELTER, AND SAFETY

7,989 

(22.8% of the total borrowers)

12,274 Security, Shelter & Safety Assistance Disbursed

SOCIAL PROTECTION

358 members Enrolled in SSS



1,741 Enrolled in PhilHealth



17,022 Units of K-Kalinga



3,732 Enrolled in KoK



HIIP enrollment started last Nov. 2018 in Batasan Satellite Office



Ulat ng Kasagana-Ka Development Center, Inc. (KDCI)

1. ORGANIZATIONAL DEVELOPMENT

- a. Nagkaroon ng BIR Certificate of Donee status
- b. Nag-organisa ng KSO-wide Gender and Development (GAD) seminar at GAD Assessment bilang parte ng K-Coop GAD Committee

2. PROGRAM DEVELOPMENT

- a. Nagsagawa ng Social Security System " Service on Wheels" sa Batasan Satellite Office
- b. Nakabuo ng partneship sa TESDA, Polytechnic University of the Philippines, Executive Optical, Build Change at Quezon City-LGU (Bistekville Project)
- c. Naabot ang 84% Accomplishment Rate ng buong programa

3. KDCI PROGRAM ACCOMPLISHMENTS

a. Livelihood and Enterprise Development

- **1,501** client-beneficiaries ang nabigyan ng Livelihood at Entrepreneurial training, Kabisig Summit at Basic Cosmetology training

b. Education, Training and Formation

- **56** K-Coop Board of Directors, Officers at staff ang dumaan sa Cooperative Compliance Seminars.
- **441** Center chiefs mula sa 10 Clusters ang nabigyan ng Leadership Training Session
- **2,030** Center Officers ang sumailalim sa capability-building seminars
- **10** Schools ang nabigyan ng assistance sa pamamagitan ng Adopt-a-School Project

c. Health and Wellness

- **3,559** na client-beneficiaries at kanyang kapamilya ang nabigyan ng access sa mura at de-kalidad na pangangalagang pangkalusugan (labtest)
- **2,203** client-beneficiaries ang nabigyan ng kaalamang pangkalusugan sa pamamagitan ng isinagawang health education sessions ng mga health coordinators at K-Kalusugan Kadet (KKK)
- **1,274** client-beneficiaries ang sumailalim sa eye check-up kung saan 592 ang nagkaroon ng salamin
- **934** na kababaihan ang nasuri ang kanilang cervix sa pamamagitan ng papsmear
- **160** na health cadets ang dumaan sa Refreshers training at 41 na bagong KKK ang na-train mula sa South Sector

d. Security, Shelter and Safety

- **5,102** client-beneficiaries ang nabahaginan ng kaalaman patungkol sa disaster sa pamamagitan ng mga info-campaigns at orientations na kung saan 1,480 na flyers ang naipamahagi
- **161** na staff ang nabigyan ng pagsasanay sa Incremental-build at kaalaman patungkol sa disaster awareness at family-based disaster preparedness

e. Social Protection

- **3,732** client-beneficiaries at kanyang kapamilya ang nagkaroon ng Kwarta o Kahon at nakapagbigay ng claims sa 11 na claimants na nagkakahalaga ng Php 420,000.00
- **1,025** client-beneficiaries ang na-enroll sa RMSI Care at 17 client-beneficiaries nagkaroon ng Daily Hospital Benefit.
- **358** na client-beneficiaries at kanyang kapamilya ang nai-ugnay sa Social Security System (SSS)
- **1,698** client-beneficiaries ang naabutan ng tulong na nagkakahalaga ng Php 481,422.35



1. MEMBERSHIP

- Total membership of 53,741 or 214,964
- Associate members constitute 31% of the total membership or 16,660
- P 8.5M have been disbursed for 438 BLIP claims
- P 1.8M have been disbursed 182 claims for CLIP

2. BASIC LIFE INSURANCE PRODUCT (BLIP)

- 483 total number of claims
- P8.5M amount of claims

3. CREDIT LIFE INSURANCE PRODUCT (CLIP)

- CAPS-R- 100% CLIP cover of all loans
- K-Coop: except K-Kalusugan and K-Benepisyo
- JVOFI has ongoing partnership with a commercial insurance company for its loan products

4. K-KALINGA

- 17,022 enrolled in K-Kalinga
- 82 claims of accidental death and fire assistance
- Total of P 450,000 claims released

5. K-20

- 72,341 enrolled.
- Due to high claims ratio of previous policy contract, KMBA agreed to a decreased benefit from P10,000 to P5,000

6. SCHOLARSHIP

- 41 College and 60 High school
- Total of P590,000 financial assistance

7. CALAMITY ASSISTANCE

- 85 claims
- Total of P 501,391.57 calamity assistance released

8. PHILHEALTH

- 1,741 enrolled in PhilHealth

9. TRAININGS ATTENDED

- Annual Recollection of Board, Area Coordinators and Staff – February 9-10, 2018
- MICROINSURANCE FORUM hosted by MiMAP- January 25, 2018
- Seminar on TRAIN Law – February 27, 2018
- LEARNING SESSION ON PRODUCT BUNDLING AND CORPORATE GOVERNANCE hosted by MiMAP– March 28, 2018
- Risk Management Training – May 21-25, 2018
- Gender Sensitivity Training– September 25, 2018
- Briefing on Philippine and Global economic situation – October 4, 2018
- Micro Insurance Technology NCII – November 19, 2018
 - Microinsurance Distribution Training Through
 - Insurance, Savings and Loan Association – December 10-11, 2018

AWARD

- KMBA was awarded 9th place in 2017 corporate governance



STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN

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

The Management of KABUHAYAN SA GANAP NG 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, 2017. 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, 2017 and the accompanying Annual Income Tax Return are in accordance with the books and records of KABUHAYAN SA GANAP NG 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 NG 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.

AUDITED FINANCIAL STATEMENTS

December 31, 2017

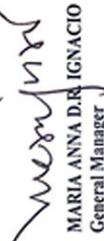
(With Comparative Figures for December 31, 2016)



GARTH NOEL P.E. TOLENTINO
Chairman



JAIME E. VARELA
Treasurer



MARIA ANNA D.R. IGNACIO
General Manager



Signed on April 2, 2018.

Amounts in Philippine Pesos

JOHN RICK R. GATDULA, CPA

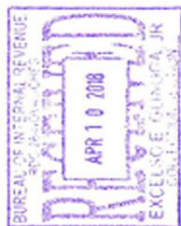
STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of KABUHAYAN SA GANAP NG 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, 2017. 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-Anne and Dennis I. Ilan, the independent auditors and appointed by the board of Directors for the years 2017 and 2016, respectively, have 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 their opinion on the fairness of presentation upon completion of such examination, in her report to the members of the cooperative.




GARTI NOEL P.E. TOLENTINO
Chairman

JAIMIE E. VARELA
Treasurer


MARIA ANNA D.R. IGNACIO
General Manager

Signed on April 2, 2018.

CERTIFICATE ON THE COMPILATION SERVICES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS

I hereby certify that I am the Certified Public Accountant who performed the compilation services related to the preparation and presentation of financial information of an entity in accordance with an applicable financial reporting framework and reports as required by accounting and auditing standards for the period ended December 31, 2017.

In discharging this responsibility, I hereby declare that I am an Individual CPA Practitioner and was contracted to perform this service by the **Kabuhayan Sa Ganap na Kasarinlan Credit And Savings Cooperative**.

Furthermore, in my compilation services for preparation of the Financial Statements and notes to the Financial Statements, I was not assisted by or did not avail of the service of M.I. Anne Accounting Office, which is the external auditor who rendered the audit opinion for the said Financial Statements and notes to the Financial Statements.

I hereby declare, under penalties of perjury and violation of the Revised Accountancy Law, that my statements are true and correct.


JOHN RICK R. GATDULA
CPA No. 151153

TIN No. 257-302-631-000
PTR No. CAV9843600, February 02, 2018, 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)

03 April 2018



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 NG KASARINLAN CREDIT AND SAVINGS COOPERATIVE (Kasagana-Ka or K-Coop)** covering the period ended December 31, 2017 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.

M. Elma L. Ilagan-Ame

MA. ELMA L. ILAGAN-AME

CPA No. 79047

TIN No. 134-550-503-000

PTR No. CAV9948180, January 3, 2018, Trece Martires 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 (valid until November 27, 2020)

CDA Accreditation No. 0001 (November 18, 2016 to November 17, 2019)

03 April 2018



M. I. AME ACCOUNTING OFFICE

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

**THE GENERAL ASSEMBLY AND 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

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, 2017 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.

M. Elma L. Ilagan-Ame

MA. ELMA L. ILAGAN-AME

CPA No. 79047

TIN No. 134-550-503-000

PTR No. CAV9948180, January 3, 2018, Trece Martires 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 2018



M. I. AME ACCOUNTING OFFICE

INDEPENDENT AUDITOR'S 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



Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of KABUHAYAN SA GANAP NG KASARINLAN CREDIT AND SAVINGS COOPERATIVE (Kasagana-Ka or K-Coop), which comprise the statement of financial condition as at December 31, 2017, and the statement of operations, statement of changes in equity and statements 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 NG KASARINLAN CREDIT AND SAVINGS COOPERATIVE (Kasagana-Ka or K-Coop) as at December 31, 2017, 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 NG KASARINLAN CREDIT AND SAVINGS COOPERATIVE (Kasagana-Ka or K-Coop) for the year 2016 were audited by Dennis I. Ilan, partner of R.G. Manabat & Co., whose report dated April 29, 2017 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.

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.

M. I. Ame

MA. ELMA L. ILAGAN-AME

CPA No. 79047

TIN No. 134-550-503-000

PTR No. CAV9948180, January 3, 2018, Three Martires City, Cavite

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BIR Accreditation No. 09-002142-001-2017 (valid until November 27, 2020)

CDA Accreditation No. 0001 (November 18, 2016 to November 17, 2019)

03 April 2018



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

STATEMENT OF FINANCIAL CONDITION

As of December 31, 2017
(With comparative figures for 2016)
(Amounts in Philippine Pesos)

| | Notes | 2017 | 2016 |
|-------------------------------------|-------|--------------------|--------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | 5 | 30,649,872 | 23,940,394 |
| Loans and Receivables | 6 | 248,608,183 | 208,521,338 |
| Other Current Assets | 7 | 1,297,268 | 825,264 |
| Total Current Assets | | 280,555,323 | 233,286,996 |
| Non-current Assets | | | |
| Property, Plant and Equipment (net) | 8 | 3,270,490 | 2,911,918 |
| Intangible asset - net | 9 | 46,333 | 62,833 |
| Total Non-Current Assets | | 3,316,823 | 2,974,751 |
| TOTAL ASSETS | | 283,872,146 | 236,261,747 |

LIABILITIES AND EQUITY

| | | | |
|--------------------------------------|----|--------------------|--------------------|
| LIABILITIES | | | |
| Current Liabilities | | | |
| Deposit Liabilities | 10 | 100,027,187 | 84,654,724 |
| Accrued expenses | 11 | 3,168,375 | 1,877,429 |
| Accounts payable - non trade | 18 | 5,820,217 | 15,000,000 |
| Interest on Share Capital Payable | 18 | 3,142,883 | 590,914 |
| Patronage Refund Payable | 18 | 5,836,782 | 1,097,412 |
| Due to Unions/Federations | 18 | 641,405 | 120,595 |
| Other Current Liabilities | 12 | 28,519,889 | 12,780,440 |
| Total Current Liabilities | | 147,156,736 | 116,121,514 |
| Non-Current Liabilities | | | |
| Retirement fund payable | 20 | 3,750,744 | 649,437 |
| Accounts payable - non trade | 13 | 113,469,051 | 113,469,051 |
| Total Non-Current Liabilities | | 117,219,795 | 114,118,488 |
| TOTAL LIABILITIES | | 264,376,531 | 230,240,002 |

| | | | |
|---|----|--------------------|--------------------|
| EQUITY | | | |
| Share Capital | 14 | 2,500,000 | 300,000 |
| Deposits on Share Capital Subscriptions | 14 | 960,500 | 2,706,875 |
| | | 3,460,500 | 3,006,875 |
| Statutory Funds | | | |
| Reserve Fund | 15 | 12,828,092 | 2,411,895 |
| Cooperative Education and Training Fund | 15 | 641,405 | 120,595 |
| Community Development Fund | 15 | 769,686 | 144,714 |
| Optional Fund | 15 | 1,795,933 | 337,665 |
| Total Statutory Funds | | 16,035,115 | 3,014,869 |
| TOTAL EQUITY | | 19,495,615 | 6,021,744 |
| TOTAL LIABILITIES AND EQUITY | | 283,872,146 | 236,261,747 |

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, MN

STATEMENT OF OPERATIONS

For the year ended December 31, 2017
(With comparative figures for 2016)
(Amounts in Philippine Pesos)

| | Notes | 2017 | 2016 |
|--|-------|--------------------|-------------------|
| REVENUES FROM CREDIT OPERATIONS | | | |
| Interest Income | 16 | 122,027,490 | 10,878,701 |
| Service Fees | | 20,379,559 | 1,545,858 |
| Total Revenues from Credit Operations | | 142,407,049 | 12,424,559 |
| OTHER INCOME | | | |
| | 17 | 1,820,801 | 1,799,273 |
| DIRECT COST | | | |
| COST OF SERVICES | | | |
| FINANCING COST | 18 | 97,861,495 | 7,442,371 |
| Interest Expense on Member's Savings | 10 | 4,884,359 | 295,395 |
| TOTAL DIRECT COST | | 102,745,854 | 7,737,765 |
| ADMINISTRATIVE COST | | | |
| | 19 | 20,649,602 | 1,662,276 |
| NET SURPLUS FROM OPERATIONS | | 20,832,393 | 4,823,791 |
| NET SURPLUS | | 20,832,393 | 4,823,791 |
| DISTRIBUTED AS FOLLOWS: | | | |
| Reserve Fund | | 10,416,197 | 2,411,895 |
| Optional Fund | | 1,458,268 | 337,665 |
| Cooperative Education and Training Fund | | 520,810 | 120,595 |
| Due to Unions/ Federations | | 520,810 | 120,595 |
| Community Development Fund | | 624,972 | 144,714 |
| Interest on Share Capital | | 2,551,968 | 590,914 |
| Patronage Refund | | 4,739,370 | 1,097,412 |
| NET SURPLUS AS DISTRIBUTED | | 20,832,393 | 4,823,791 |

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

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2017

(With comparative figures for 2016)

(Amounts in Philippine Pesos)

| | Notes | 2017 | 2016 |
|--|-----------|-------------------|------------------|
| | | | (as restated) |
| SHARE CAPITAL | | | |
| Balance at beginning of year | | 300,000 | - |
| Add: Receipts from Collection of Subscriptions | | 2,200,000 | 300,000 |
| Total | | 2,500,000 | 300,000 |
| Less: Adjustments | | - | - |
| Balance at end of year | 14 | 2,500,000 | 300,000 |
| DEPOSITS ON SHARE CAPITAL SUBSCRIPTION | | | |
| | 14 | 960,500 | 2,706,875 |
| STATUTORY FUNDS | | | |
| Reserve Fund | | | |
| Balance at beginning of year | | 2,411,895 | - |
| Add: Allocation from Net Surplus | | 10,416,197 | 2,411,895 |
| Total | | 12,828,092 | 2,411,895 |
| Adjustments | | - | - |
| Balance at end of year | 15 | 12,828,092 | 2,411,895 |
| Cooperative Education and Training Fund | | | |
| Balance at beginning of year | | 120,595 | - |
| Add: Allocation from Net Surplus | | 520,810 | 120,595 |
| Total | | 641,405 | 120,595 |
| Less: Expenditures/adjustments | | - | - |
| Balance at end of year | 15 | 641,405 | 120,595 |
| Community Development Fund | | | |
| Balance at beginning of year | | 144,714 | - |
| Add: Allocation from Net Surplus | | 624,972 | 144,714 |
| Total | | 769,686 | 144,714 |
| Less: Expenditures | | - | - |
| Balance at end of year | 15 | 769,686 | 144,714 |
| Optional Fund | | | |
| Balance at beginning of year | | 337,665 | - |
| Add: Allocation from Net Surplus | | 1,458,268 | 337,665 |
| Total | | 1,795,933 | 337,665 |
| Adjustments | | - | - |
| Balance at end of year | 15 | 1,795,933 | 337,665 |
| TOTAL STATUTORY FUNDS | | 16,035,115 | 3,014,869 |
| TOTAL EQUITY | | 19,495,615 | 6,021,744 |

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.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2017

(With comparative figures for 2016)

(Amounts in Philippine Pesos)

| | Notes | 2017 | 2016 |
|---|-------|-------------------|-------------------|
| | | | (as restated) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net Surplus | | 20,832,393 | 4,823,791 |
| Adjustments to reconcile net surplus to net cash provided by operating activities | | | |
| Depreciation | | 1,339,888 | 805,609 |
| Amortization of Intangibles | | 28,500 | 2,167 |
| Provision for probable losses on loans | | 476,280 | 23,775 |
| Operating Income before Working Capital Changes | | 22,677,061 | 5,655,341 |
| Changes in Assets and Liabilities | | | |
| Decrease (Increase) in: | | | |
| Loans and Receivables | | (40,563,125) | (208,545,113) |
| Other Current Assets | | (472,004) | (825,264) |
| Intangibles | | (12,000) | (65,000) |
| Increase (Decrease) in: | | | |
| Accrued expenses | | 1,290,946 | 1,877,429 |
| Due to Unions/Federations | | - | - |
| Interest on Share Capital Payable | | - | - |
| Patronage Refund Payable | | 3,101,307 | 649,437 |
| Retirement payable | | 15,739,449 | 12,780,440 |
| Other Current Liabilities | | 1,761,634 | (188,472,729) |
| Net cash generated from operations | | 1,761,634 | (188,472,729) |
| Net cash provided by (used in) operating activities | | 1,761,634 | (188,472,729) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisitions of Property and Equipment | | (1,698,460) | (3,717,527) |
| Net cash provided by (used in) investing activities | | (1,698,460) | (3,717,527) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Increase (Decrease) in Deposit Liabilities | | 15,372,463 | 84,654,724 |
| Increase (Decrease) in Program Subsidy Payable | | (9,179,783) | 128,469,051 |
| Net Changes in Share Capital | | 2,200,000 | 300,000 |
| Net Changes in Deposits on Share Capital Subscriptions | | (1,746,375) | 2,706,875 |
| Net cash provided by (used in) financing activities | | 6,646,304 | 216,130,650 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 6,709,478 | 23,940,394 |
| ADD: CASH AND CASH EQUIVALENTS, JANUARY 1 | | 23,940,394 | - |
| CASH AND CASH EQUIVALENTS, DECEMBER 31 | | 30,649,872 | 23,940,394 |

See Accompanying Notes to Financial Statements.



1st Annual Representative Assembly

March 24, 2018



SIPAT-LANDAS

April 2018



Livelihood Training

August 2018



BALIK TANAW 2018

Ang K-Coop 2018 Annual Report ay pag-uulat ng pamunuan ng Kasagana-Ka Credit and Savings Cooperative sa mga miyembro nito ng katayuan ng kooperatiba sa aspeto ng pinansyal, bilang ng miyembro, mga naabot ng mga programa nito, at iba pa.

Editorial Committee at Contributors

Martiniana G. Mancio, Maria Anna de Rosas-Ignacio, Silvida Reyes-Antiquera, Ma. Christina R. Valte, Dexter V. Flores, Princess Fatima T. Parahiman at Maria Elizabeth B. Sillano



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