



3RD ANNUAL REPRESENTATIVE ASSEMBLY

2019
ANNUAL REPORT

Mensahe mula sa Chairman of the Board



Isang mapagpalang araw sa buong kasapian ng K-COOP,

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

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

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

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

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

"Nawa'y magsilbing larawan ng pagtutulungan, pagkakaisa, at pag-asa ang ating kooperatiba sa bawat indibidwal at pamilya".

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



K-COOP 2019 Board of Directors and General Manager


Martiniana G. Mancio
CHAIRMAN OF THE BOARD

TALAN NG NILALAMAN

Mensahe mula sa Chairman of the Board at General Manager.....	Pahina 2-3
Katitikan ng Pangkalahatang Pagpupulong para sa 2019.....	Pahina 4
Buod ng mga naaprubahang Board Resolutions para sa 2019.....	Pahina 5
Ulat ng Kasagana-ka Credit and Savings Cooperative (K-Coop).....	Pahina 6
Ulat ng Kasagana-ka Development Center, Inc. (KDCI).....	Pahina 7
Ulat ng Kasagana-ka Mutual Benefit Association, Inc. (KMBA).....	Pahina 8
Audited Financial Statement.....	Pahina 10-15
Balik Tanaw 2019.....	Pahina 16



Sa aming mga Kasapi,

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

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

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

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

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

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

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

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

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

Mabuhay po tayong lahat at mabuhay ang ating kooperatiba!


Maria Anna de-Rosas Ignacio
GENERAL MANAGER

Katitikan ng Ikalawang Asembleya ng mga Kinatawan

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

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

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

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

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

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

Dalawang taong termino:

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

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


Atty. Ferdinand M. Casis
Cooperative Secretary


Martiniana G. Mancio
Chairperson

2019-1 Approval of the Revised 2019 Budget Projections

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

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

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

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

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

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

2019-7 Acceptance of Transfer of KDCI employee Maricel Sual

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2019-21 Authorizing the Release of the Employee Bonds

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

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

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

2019-25 Approving the Educational Subsidy for D. Flores

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

2019-27 Approving the purchase of Additional Vehicles

2019-28 Partnership with Asian Community Center 21

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

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

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

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

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

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

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

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

Buod ng mga Resolution para sa taong 2019

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2019-50 Approving the policy on Categorization of Members

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

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

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

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

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

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

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

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

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

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

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

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

2019-63 Approving the Noche Buena Loan

2019-64 Approving the Adjustment in Salary Rates

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

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

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

OUTREACH

41,820

TOTAL NUMBER OF MEMBER



40,338

FAMILIES HAD ACCESS TO FINANCIAL SERVICES

+ 1,482

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



161,352*

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

PEOPLE REACHED BY KASAGANA-KA

1,762

 CENTERS IN NCR, REGION III & 4A

PROGRAMS



LIVELIHOOD AND ENTERPRISE DEVELOPMENT

75,479

LIVELIHOOD ASSISTANCE

Php 900M

 LIVELIHOOD LOANS DISBURSED

EDUCATION, TRAINING AND FORMATION

18,518

EDUCATIONAL ASSISTANCE

Php 183M

 EDUCATIONAL LOANS DISBURSED

SECURITY, SHELTER AND SAFETY

15,469

HOUSING, SECURITY OF TENURE AND CALAMITY ASSISTANCE

Php 117.1M

 HOUSING LOANS DISBURSED

HEALTH AND WELLNESS

11,450

HEALTH ASSISTANCE

Php 32.2M

 HEALTH CARE LOANS DISBURSED

SOCIAL PROTECTION

161,352*

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

INDIVIDUALS COVERED BY KMBA & PARTNER MICROINSURANCE PROVIDERS

Php 4.2M

 SOCIAL PROTECTION LOANS DISBURSED

Total Loan Disbursed as of 31 DECEMBER 2019

1.24B

Outstanding Loans as of 31 DECEMBER 2019

340.4M

BENEFICIARIES

41,820
CLIENT-BENEFICIARIES

8 SCHOOLS
ADOPT-A-SCHOOL PROGRAM
Php 227,945
FINANCIAL ASSISTANCE
WERE EXTENDED TO **85** CLIENT BENEFICIARIES

PROGRAMS

LIVELIHOOD AND ENTERPRISE DEVELOPMENT

1,685

ENTREPRENEURS TRAINED

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

EDUCATION, TRAINING AND FORMATION

1,285

OFFICERS AND STAFF CAPACITATED



SECURITY, SHELTER AND SAFETY

2,759

CLIENT-BENEFICIARIES INFORMED ON DISASTER PREPAREDNESS

13

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



SOCIAL PROTECTION



3,526

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



2,612

Were linked to SSS through the SSS Service on Wheels project



HEALTH AND WELLNESS



3,464

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



6,773

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



984

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



154

K-Kalusugan Kadets trained and capacitated



687

Women underwent papsmear

MEMBERSHIP

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

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

BLIP 
Basic Life Insurance Product


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


CLIP 
Credit Life Insurance Product

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

HIIP 
Hospital Income Insurance Plan

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

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

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

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

PhilHealth
1,650
Enrolled in PhilHealth

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

AWARD



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

**KABUHAYAN SA GANAP NA KASARINLAN
CREDIT AND SAVINGS COOPERATIVE
(KASAGANA- KA OR K-COOP)
No. 5 Don Francisco St., Don Enrique Heights, Brgy. Holy Spirit,
Commonwealth, Quezon City-II, MM**

**AUDITED FINANCIAL STATEMENTS
*December 31, 2019 and 2018***

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, 2019. Management is likewise responsible for all information and representations contained in the financial statements accompanying the (Annual Income Tax Return or Annual Information Return) covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited to, the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the yearended December 31, 2019 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

JAIIME E. VARELA
Treasurer

MARIA ANNA D.R. IGNACIO
General Manager

Signed on April 20, 2020.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE (Kasagana-Ka or K-Coop)** is responsible for all information and representations contained in the financial statements for the year ended December 31, 2019 and 2018. The financial statements have been prepared in conformity with Philippine Financial Reporting Framework for Cooperatives in the Philippines and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

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

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

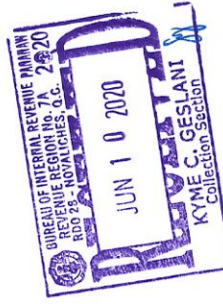
Ma. Elma Ilagan-Ame, the independent auditor appointed by the board of Directors for the years 2019 and 2018, has examined the financial statements of the cooperative in accordance with the Philippines Standards on Auditing and the Standard Audit Systems for Cooperatives and has expressed her opinion on the fairness of presentation upon completion of such examination, in her report to the members of the cooperative.

MARTINIANA G. MANCIO
Chairperson

JAIIME E. VARELA
Treasurer

MARIA ANNA D.R. IGNACIO
General Manager

Signed on April 20, 2020.



M. I. AME ACCOUNTING OFFICE

STATEMENT OF REPRESENTATION

TO THE COOPERATIVE DEVELOPMENT AUTHORITY:

In connection with my examination of the financial statements of the **KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE (Kasagana-Ka or K-Coop)** covering the period ended December 31, 2019 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 conformity with the Philippine Financial Reporting Framework for Cooperatives;
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.

Ma. Elma L. Ilagan-AME

MA. ELMA L. ILAGAN-AME
 CPA No. 79047
 TIN No. 134-550-503-000
 PTR No. CAV3034043 , January 6, 2020, Trece Martires City, Cavite
 BOA Reg. No. 0195 (Valid until November 10, 2022)
 SEC Accreditation No. 0448-AR-4 (Group C) (May 16, 2019 to May 15, 2022)
 BIR Accreditation No. 09-002142-001-2017 (November 28, 2017 to November 27, 2020)
 CDA Accreditation No. 0001 (November 18, 2019 to November 17, 2022)

20 April 2020

No. 6 Madlansacay St., Silang, Cavite 4118 Telefax No. (046) 865-0553

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 NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE
 (Kasagana-Ka or K-Coop)
 No. 5 Don Francisco St., Don Enrique Heights, Brgy. Holy Spirit,
 Commonwealth, Quezon City-II, MM**

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

1. That the taxes paid or accrued by the above taxpayer for the year ended December 31, 2019 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 M. I. Ame Accounting Office, or my staff, have no financial interest to the Cooperative or any family relationships with its management.

Ma. Elma L. Ilagan-AME

MA. ELMA L. ILAGAN-AME
 CPA No. 79047
 TIN No. 134-550-503-000
 PTR No. CAV3034043 , January 6, 2020, Trece Martires City, Cavite
 BOA Reg. No. 0195 (Valid until November 10, 2022)
 SEC Accreditation No. 0448-AR-4 (Group C) (May 16, 2019 to May 15, 2022)
 BIR Accreditation No. 09-002142-001-2017 (November 28, 2017 to November 27, 2020)
 CDA Accreditation No. 0001 (November 18, 2019 to November 17, 2022)

20 April 2020

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

M. I. AME ACCOUNTING OFFICE

INDEPENDENT AUDITOR'S REPORT

TO THE GENERAL ASSEMBLY
THRU THE BOARD OF DIRECTORS
KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE
(Kasagana-Ka or K-Coop)

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE (Kasagana-Ka or K-Coop), which comprise the statements of financial condition as at December 31, 2019 and 2018, and the statements of operations, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE (Kasagana-Ka or K-Coop) as at December 31, 2019 and 2018, and of its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Framework for Cooperatives.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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. CAV3034043, January 6, 2020, Trece Martires City, Cavite

BOA Reg. No. 0195 (Valid until November 10, 2022)

SEC Accreditation No. 0448-AR-4 (Group C) (May 16, 2019 to May 15, 2022)

BIR Accreditation No. 09-002142-001-2017 (November 28, 2017 to November 27, 2020)

CDA Accreditation No. 0001 (November 18, 2019 to November 17, 2022)

20 April 2020



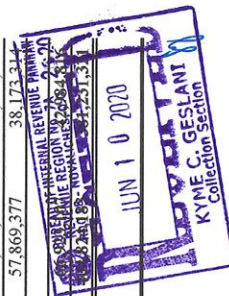
KABUHAYAN SA GANAP NA KASARINLAN CREDIT AND SAVINGS COOPERATIVE
No. 5 Don Francisco St., Don Enrique Heights, Brgy. Holy Spirit, Commonwealth, Quezon City-II, MM

STATEMENTS OF FINANCIAL CONDITION
As of December 31, 2019 and 2018

(Amounts in Philippine Pesos)

	Notes	2019	2018
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	63,181,712	47,534,170
Loans and Receivables	6	330,336,325	326,317,737
Other Current Assets	7	3,565,005	2,362,662
Total Current Assets		397,283,041	376,214,569
Non-current Assets			
Property, Plant and Equipment (net)	8	7,032,808	4,998,235
Investments at cost	9	30,000	-
Intangible asset - net	10	478,333	18,517
Total Non-Current Assets		7,541,141	5,016,752
TOTAL ASSETS		404,824,183	381,231,321
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Deposit Liabilities	11	149,680,979	126,583,288
Accrued expenses		4,058,444	5,099,434.06
Interest on Share Capital Payable	23	4,140,336	4,482,164
Patronage Refund Payable	23	7,752,133	8,388,672
Due to Unions/Federations	23	2,150,744	1,556,030
Loans Payable - current	22	22,241,570	29,562,119
Other Current Liabilities	13	33,000,566	39,373,119
Total Current Liabilities		223,024,771	215,044,826
Non-Current Liabilities			
Retirement fund payable	21	6,040,050	6,040,050
Accounts payable - non trade	14	99,756,745	99,823,426
Loans Payable - non-current	22	9,079,510	17,338,203
Total Non-Current Liabilities		114,876,305	123,201,678
TOTAL LIABILITIES		337,901,076	338,246,505
EQUITY			
Share Capital	15	8,113,950	3,927,100
Deposits on Share Capital Subscriptions	15	939,780	884,402
Statutory Funds		9,053,730	4,811,502
Reserve Fund	16	48,016,449	31,120,601
Cooperative Education and Training Fund	16	844,792	1,126,541
Community Development Fund	16	2,285,832	1,569,288
Optional Fund	16	6,722,303	4,356,884
Total Statutory Funds		57,869,377	38,173,314
TOTAL EQUITY		66,883,107	42,986,816
TOTAL LIABILITIES AND EQUITY		404,824,183	381,231,321

See Accompanying Notes to Financial Statements



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

STATEMENTS OF OPERATIONS
For the years ended December 31, 2019 and 2018

(Amounts in Philippine Pesos)

	Notes	2019	2018
REVENUES FROM CREDIT OPERATIONS			
Interest Income	17	169,502,621	146,783,130
Service Fees		28,841,957	28,692,028
Total Revenues from Credit Operations		198,344,578	175,475,158
OTHER INCOME			
	18	4,725,869	5,146,000
DIRECT COST			
COST OF SERVICES	19	135,926,599	113,702,744
FINANCING COST			
Interest Expense on Loans Payable		2,401,744	639,821
Interest Expense on Member's Savings	11	3,847,249	5,804,037
TOTAL DIRECT COST		142,175,592	120,146,602
ADMINISTRATIVE COST			
	20	27,043,930	23,889,538
TOTAL DIRECT AND ADMINISTRATIVE COST		169,219,521	144,036,140
NET SURPLUS FROM OPERATIONS		33,850,925	36,585,018
PROVISION FOR INCOME TAX ON INCOME FROM NON-MEMBERS			
	30	59,229.26	-
NET SURPLUS		33,791,696	36,585,018

DISTRIBUTED AS FOLLOWS:

Reserve Fund	16,895,848	18,292,509
Optional Fund	2,365,419	2,560,951
Cooperative Education and Training Fund	844,792	914,625
Due to Unions/ Federations	844,792	914,625
Community Development Fund	1,013,751	1,097,551
Interest on Share Capital	4,139,483	4,481,665
Patronage Refund	7,687,611	8,323,092
NET SURPLUS AS DISTRIBUTED	33,791,696	36,585,018

See Accompanying Notes to Financial Statements.



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

STATEMENTS OF CHANGES IN EQUITY
 For the years ended December 31, 2019 and 2018

(Amounts in Philippine Pesos)

	Notes	2019	2018
SHARE CAPITAL			
Balance at beginning of year		3,927,100	2,500,000
Add: Receipts from Collection of Subscriptions		4,186,850	1,427,100
Total		8,113,950	3,927,100
Less: Adjustments			
Balance at end of year	15	8,113,950	3,927,100
DEPOSITS ON SHARE CAPITAL SUBSCRIPTION			
	15	939,780	884,402
STATUTORY FUNDS			
Reserve Fund			
Balance at beginning of year		31,120,601	12,828,092
Add: Allocation from Net Surplus		16,895,848	18,292,509
Total		48,016,449	31,120,601
Adjustments			
Balance at end of year	16	48,016,449	31,120,601
Cooperative Education and Training Fund			
Balance at beginning of year		1,126,541	641,405
Add: Allocation from Net Surplus		844,792	914,625
Total		1,971,333	1,556,030
Less: Expenditures/adjustments		(1,126,541)	(429,489)
Balance at end of year	16	844,792	1,126,541
Community Development Fund			
Balance at beginning of year		1,569,288	769,686
Add: Allocation from Net Surplus		1,013,751	1,097,551
Total		2,583,039	1,867,236
Less: Expenditures		(297,206)	(297,948)
Balance at end of year	16	2,285,832	1,569,288
Optional Fund			
Balance at beginning of year		4,356,884	1,795,933
Add: Allocation from Net Surplus		2,365,419	2,560,951
Total		6,722,303	4,356,884
Adjustments			
Balance at end of year	16	6,722,303	4,356,884
TOTAL STATUTORY FUNDS		57,869,377	38,173,314
TOTAL EQUITY		66,923,107	42,984,816

See Accompanying Notes to Financial Statements.

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

STATEMENTS OF CASH FLOWS
 For the years ended December 31, 2019 and 2018

(Amounts in Philippine Pesos)

	Notes	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Surplus before income tax		33,850,925	36,585,018
Adjustments to reconcile net surplus to net cash provided by operating activities			
Depreciation		2,374,250	1,866,137
Amortization of Intangibles		70,183	41,817
Provision for probable losses on loans		6,830,798	4,576,947
Operating Income before Working Capital Changes		43,126,157	43,069,919
Changes in Assets and Liabilities			
Decrease (Increase) in:			
Loans and Receivables		(11,049,386)	(82,286,501)
Other Current Assets		(1,202,342)	(1,065,395)
Increase (Decrease) in:			
Accrued expenses		(1,040,990)	1,931,060
Due to Unions/Federations		(250,078)	-
Interest on Share Capital Payable		(4,481,311)	(3,142,384)
Patronage Refund Payable		(8,324,150)	(5,771,201)
Retirement payable		-	2,289,306
Other Current Liabilities		(6,372,553)	10,853,230
Income taxes paid		(59,229)	-
Net cash generated from operations		10,346,117	(34,121,966)
Net cash provided by (used in) operating activities		10,346,117	(34,121,966)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of Property and Equipment		(4,408,823)	(3,593,882)
Decrease (Increase) in Investments		(30,000)	-
Intangibles		(530,000)	(14,000)
Net cash provided by (used in) investing activities		(4,968,823)	(3,607,882)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (Decrease) in Deposit Liabilities		23,097,690	26,556,102
Increase (Decrease) in Program Subsidy Payable		(66,681)	(19,465,842)
Increase (Decrease) in Loans Payable		(15,579,242)	46,900,322
Movements in Statutory Funds		(1,423,747)	(727,438)
Net Changes in Share Capital		4,186,850	1,427,100
Net Changes in Deposits on Share Capital Subscriptions		55,378	(76,098)
Net cash provided by (used in) financing activities		10,270,248	54,614,146
NET INCREASE IN CASH AND CASH EQUIVALENTS		15,647,542	16,884,297
ADD: CASH AND CASH EQUIVALENTS, JANUARY 1		47,534,169	30,649,872
CASH AND CASH EQUIVALENTS, DECEMBER 31		63,181,712	47,534,169

See Accompanying Notes to Financial Statements.

