

September 1, 2022

**Hon. LEONARDO M. JAVIER**  
Vice-Governor & Presiding Officer  
Sangguniang Panlalawigan  
Province of Leyte

**Dear Vice-Governor Javier:**

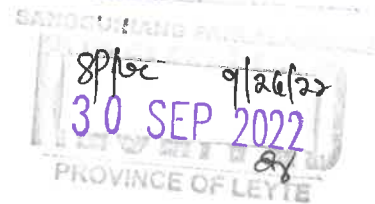
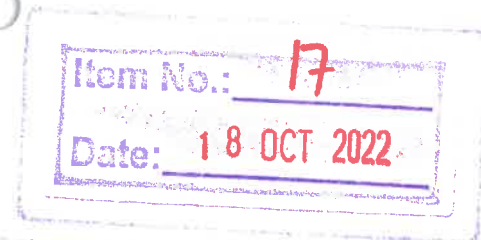
In response to your Notice of Call for Accreditation, kindly be informed that **Benabaye Primary Multipurpose Cooperative (BENAPRIMCO)** with office address at Acacia District , Poblacion, Merida, Leyte, would like to seek for accreditation by that Sanggunian.

In support of this application are the following documentary requirements:

1. Letter of Application
2. Duly Accomplished Application Form for Accreditation
3. Board Resolution
4. Certificate of Registration issued by CDA
5. List of current Officers
6. Minutes of Annual Meeting
7. CY 2021 Annual Accomplishment Report
8. CY 2021 Audited Financial Statement

Very truly yours,

  
LAMIT T. PARADES  
BCO Chairman





REPUBLIC OF THE PHILIPPINES  
OFFICE OF THE PRESIDENT  
DEPARTMENT OF FINANCE /  
COOPERATIVE DEVELOPMENT AUTHORITY

Reg.No. 9520-08000507

**CERTIFICATE OF REGISTRATION**

**TO ALL WHOM THESE PRESENTS MAY COME, GREETINGS:**

This is to certify that

**Benabaye Primary Multi-Purpose Cooperative**

**CIN-0104080305**

with address at Brgy. Benabaye, Merida, Leyte, duly registered with the Authority under Certificate of Registration/Confirmation No. TAC-343 dated Feb 24, 1993 has complied with the requirements prescribed by the Authority for the issuance of New Certificate of Registration under Article 144 of RA 9520 otherwise known as the "Philippine Cooperative Code of 2008".

By virtue of the powers and duties vested in me by law, the Benabaye Primary Multi-Purpose Cooperative is hereby registered with the Cooperative Development Authority and shall continue to enjoy the rights and privileges in accordance with RA 9520 and all other laws appurtenant thereto unless this Certificate is suspended or cancelled for cause.

Given in Quezon City, Philippines, this 13th day of October, 2009.



**LECIRA V. JUAREZ**  
Chairperson

10/13/2009

This replaces Certificate No. TAC-343 dated Feb 24, 1993

**SANGGUNIANG PANLALAWIGAN  
PROVINCE OF LEYTE**

**APPLICATION FOR ACCREDITATION**

Name of Organization: Benabaye Primary Multipurpose Cooperartive

Registered Address: Acacia District, Poblacion, Merida, Leyte

Contact No. (053) 520-7880

Date Organized: August 7, 1992

Date Registered: February 24, 1993

Registering or Accrediting Agency: (check appropriate Agency)

- Securities and Exchange Commission
- Cooperative Development Authority (CDA)
- Department of Labor and Employment
- Department of Social Welfare and Development
- Department of Health
- Department of Agrarian Reform
- Department of Education
- Department of Interior Local Development
- National Commission on Indigenous People
- National Housing Authority
- Insurance Commission
- Philippine Regulatory Commission
- Housing and Land Regulatory Board
- Others (please specify)

Organizational Level: (check appropriate level)

- Barangay Based
- Chapter
- Affiliate of larger organization (please identify larger organization)
- Others (please specify)
  - **National Confederation of Cooperative (NATCCO), Eastern Visayas Cooperative Federation (EVCF), VICTO**

Purpose/Objectives/Goals: Use additional sheets if necessary:

1. Improve financial performance
2. Human development
3. Employment generation
4. Innovative products and services at reasonable cost
5. To provide for probable Losses and General Reserve Fund
6. Members expansion
7. Increase deposit level
8. Lower external Credit

Services the Organization can provide or can participate in

D. A  
MAO

Depending on the Organization's technical area expertise and scope of activity, which local special body are you most capable to be a member of?

D.A : LOCAL DEVELOPMENT COUNCIL  
MAO: LOCAL SCHOOL BOARD  
LOCAL HEALTH BOARD  
LOCAL PEACE & ORDER COUNCIL

List of Members (please see at the Articles and By-Laws)

**WE HEREBY CERTIFY** to the correctness of the above information.

  
**LAMITZ T. PAÑARES**  
Chairman

  
**ARTEMIO AGUSTIN JR.**  
Secretary



**BENABAYE PRIMARY MULTIPURPOSE COOPERATIVE  
(BENAPRIMCO)**

ISABEL BRANCH  
Onde Bldg. Roxas Street  
Brgy. Marvel, Isabel, Leyte

CDA REG. NO. 9520-08000507  
HEAD OFFICE  
Acacia, District  
Pob. Merida, Leyte  
Tel. No.: 557-9142

BRGY. FOOD TERMINAL  
Public Market,  
Pob. Merida, Leyte  
Tel. No.: 557-9462



**EXCERPT FROM THE MINUTES OF THE REGULAR BOD MEETING HELD ON AUGUST 7, 2022, 2:04 P.M. AT MERIDA OFFICE, POBLACION, MERIDA, LEYTE.**

**Present:**

- |                      |                  |
|----------------------|------------------|
| 1. LAMITZ T. PAÑARES | - BOD Chairman   |
| 2. JERRY VAPOR       | - BOD V-Chairman |
| 3. DANISA H. ISIDRO  | - BOD Member     |
| 4. MARIETA C. OBESO  | - BOD Member     |
| 5. JOVITA D. CONALES | - Manager        |

**RESOLUTION NO. 29  
Series of 2022**

**A RESOLUTION SIGNIFYING INTENTION TO ACCREDIT WITH THE LOCAL GOVERNMENT OF LEYTE AND TO BE A MEMBER OF A LOCAL SPECIAL BODY**

**Whereas**, the Local Government Code of 1991 provides for the accreditation of non-government and peoples organizations;

**Whereas**, the Department of the Interior and Local Government, in a Memorandum, set the guidelines for the Accreditation of NGOs and POs;

**Whereas**, our organization, Benabaye Primary Multipurpose Cooperative (BENAPRIMCO) is an organization duly registered with the Cooperative Development Authority (CDA) under Registration No. 9520-08000507 with office address at *Acacia District, Poblacion, Merida, Leyte*;

**Whereas**, the Board of Trustees/Directors, in a special meeting discussed our intention to apply for accreditation and our desire to take part actively participate any government program;

**Now Therefore**, be it **RESOLVED** as it is hereby **RESOLVED** to **SIGNIFY OUR INTENTION TO ACCREDIT WITH THE SANGGUNIANG PANLUNGSOD, PURSUANT TO THE PROVISIONS OF SECTION 108 OF RA 7160, AND TO APPLY FOR MEMBERSHIP IN A LOCAL SPECIAL BODY CREATED UNDER THE AFOREMENTIONED ACT;**

**RESOLVED, FURTHER**, to forward a copy of this **RESOLUTION** to the Chair of the Sangguniang Committee on Accreditation, the Honorable Leonardo M. Javier the Vice-Governor and Presiding Officer.

**ADOPTED** unanimously by the Board of Directors of the Cooperative this 7<sup>th</sup> day of August, 2022 in Brgy. Poblacion, Merida, Leyte.


Attested by:

  
JERRY L. VAPOR  
BOD Member

  
DANISA H. ISIDRO  
BOD Member

  
MARIETA C. OBESO  
BOD Member

Prepared by:

  
ARTEMIO J. AGUSTIN JR.  
BOD Secretary

Approved by:

  
LAMITZ T. PAÑARES  
BOD Chairman



# BENABAYE PRIMARY MULTIPURPOSE COOPERATIVE (BENAPRIMCO)

NATCCO Network



ISABEL BRANCH  
Onde Bldg. Roxas Street  
Brgy. Marvel, Isabel, Leyte

HEAD OFFICE  
Acacia, District  
Pob. Merida, Leyte  
Tel. No.: 557-9142

BRGY. FOOD TERMINAL  
Public Market,  
Pob. Merida, Leyte  
Tel. No.: 557-9462

## SECRETARY'S CERTIFICATE FOR INCUMBENT OFFICERS

I, **ARTEMIO AGUSTIN JR**, Filipino and legal age residing at Barangay Poblacion, Merida, Leyte, after being sworn in accordance with law, do hereby depose and say:

That I am the Secretary of the Benabaye Primary Multipurpose Cooperative (BENAPRIMCO) with office address at Acacia District, Poblacion, Merida, Leyte;

That I do hereby certify that the following persons were duly elected and appointed to the position indicated, and said persons shall continue to act as designated except for the general manager, treasurer and secretary positions to the end of their tenure until the year 2024:

NAMES	POSITION
LAMITZ T. PAÑARES	CHAIRMAN
JERRY VAPOR	BOD V-CHAIRMAN
ANDRELON LIMOSNERO	BOD MEMBER
DANISA ISIDRO	BOD MEMBER
MARIETA C. OBESO	BOD MEMBER
JOVITA CONALES	GENERAL MANAGER
ROSEMARIE PAMA	TREASURER
ARTEMIO AGUSTIN JR	SECRETARY
VIRGILIO BITANCOR	AUDIT AND INVENTORY COMMITTEE CHAIRMAN
LEODEX DURANO	AUDIT AND INVENTORY COMMITTEE SECRETARY
LEONILO LAO	AUDIT AND INVENTORY COMMITTEE MEMBER
VIRGILIA GICAIN	ELECTION COMMITTEE CHAIRMAN
MELINDA MATUGAS	ELECTION COMMITTEE MEMBER
MARY JANE NAPALLACAN	ELECTION COMMITTEE MEMBER
IAN L. GUTIERREZ	CREDIT COMMITTEE CHAIRMAN
AIDELE JUNTILLA	CREDIT COMMITTEE SECRETARY
JERSON ARGOMIDO	CREDIT COMMITTEE MEMBER
CECILIA GENARES	EDUCATION AND TRAINING COMMITTEE CHAIRMAN
MERIDETH ECOT	EDUCATION AND TRAINING COMMITTEE SECRETARY
MARIA PAJARON	EDUCATION AND TRAINING COMMITTEE MEMBER
ARIEL ALCANTARA	GAD COMMITTEE CHAIRMAN
EMERITO FIN	GAD COMMITTEE SECRETARY
YOLANDA JORDAN	GAD COMMITTEE MEMBER
GEMMABEL MENDOLA	ETHICS COMMITTEE CHAIRMAN
ROSELYN MENDOZE	ETHICS COMMITTEE SECRETARY
DESIDERIA ROBLE	ETHICS COMMITTEE MEMBER

IN WITNESS whereof I have hereunto subscribed my name and affix my name and signature this \_\_\_\_\_ day of AUG 10 2022 2021.

  
**ARTEMIO J. AGUSTIN JR.**  
Affiant

REPUBLIC OF THE PHILIPPINES )  
MUNICIPALITY OF MERIDA -----) S.S

SUBSCRIBED AND SWORN to before me this 10 day of AUG 10 2022 at Merida,  
Leyte after affiant exhibited to me his/her TIN No. 449-041-687 issued in \_\_\_\_\_

Doc. No. 497

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Book No. LIX

Series of 2022

**ATTY. ROSELSON R. VELMONTE**

Notary Public for the City of Ormoc  
Municipalities of Kanaokan, Mataguad, Merida & Isabel  
Commission No. ORM - 22-07-006 NC until 12-31-23  
P.R. No. 6107870; 01-04-22; Isabel, Leyte  
R.P. No. 244226 issued on 06-24-2022, Leyte  
Roll No. 57743, TIN No. 241-001-999



Minutes of Monthly BOD Meeting  
 BENAPRIMCO Office  
 Merida, Leyte  
 Date: April 29, 2022

**MINUTES OF THE GENERAL ASSEMBLY HELD ON April 29, 2022; NEW CIVIC CENTER, NATIONAL HIGHWAY, MERIDA, LEYTE.**

**PRESENT:**

- |                          |                  |
|--------------------------|------------------|
| 1. LAMITZ T. PAÑARES     | - BOD Chairman   |
| 2. ANDRELON E. LIMOSNERO | - BOD V/Chairman |
| 3. MARIETA C. OBESO      | - BOD Member     |
| 4. JERRY I. VAPOR        | - BOD Member     |
| 5. DANISA H, ISIDRO      | - BOD Member     |
| 6. JOVITA D. CONALES     | - Manager        |

The meeting was called to order by Chairman Lamitz T. Pañares at 9:00 o'clock in the morning. It started with a prayer by Danisa H. Isidro-Board Secretary and followed by singing of the National Anthem led by Director Marieta C. Obeso.

**1. Matters Arising from the previous minutes.**

- 1.1 There were no matters arising from the previous minutes.  
 1.2 The approval of the previous minutes of General Assembly was first moved by AndreLon E. Limosnero-BOD V/Chairman Member and duly seconded by Jerry I. Vapor-BOD Member.

**2. Business for the day.**

The following updates were presented and discussed for approval to the General Assembly:

**2.1 Policy for Membership of Cooperative.**

Table 1.

Items	Existing	Proposed
1. Initial Paidup Capital	1000	2500
2. Open Savings (at Least)	1000	1000
3. Membership	250	250
4. Monthly Deposit	100	100
5. T-shirt (Uniform)	150	150

**Breakdown of Membership Fee; Php 250**

- 100 (For Recruiter)
- 100 (Income for Coop)
- 50 (Coop I. D.)

2.2 The new recruit is not considered a member but only called an Associate Member because they are not allowed to vote and to be voted upon.

2.3 The new recruit shall fully pay the proposed CBU amounting to Php 2,500.00

**2.4 Mortuary Policy for regular members provided by Insurance:**

Table 2.

Items	Existing	Proposed
1. Benefit	Php 1000  (Monetary)	Php 1000  (w/ flowers and goods); tarpaulin is

Minutes of Monthly BOD Meeting  
 BENAPRIMCO Office  
 Merida, Leyte  
 Date: April 29, 2022

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**2.5 Withdrawal of Membership:**

2.5.1 Ensure a zero-loan balance

2.5.2 Dis-membership will take effect after 60 days giving time for the Board and Officers a proper evaluation of unsettled and unliquidated obligations in the cooperative.

2.6 Election of new officers to fill-in the officers holding the last term of office was conducted. The following were the new set of officers:

2.6.1 Danisa H. Isidro-BOD

2.6.2 Marieta C. Obeso -BOD

2.6.3 Audit Committee:

- Leonilo Lao
- Lexdeo Durano

2.6.4 Election Committee

- Virgilia Gicain
- Marayjane Napallacan
- Melinda Matugas

**3. Chairman's Time**

3.1 Coop Chairman Lamitz T. Pañares encouraged the coop members and their relatives for voluntary blood donors as part of General Assembly activities. He was looking forward that this event will continue not only during GA annual meetings instead in any activities the Cooperative will undergo.

**4. Manager's Time**

**4.1 BENAPRIMCO Business facilities:**

Table 3.

	Facility	Location	Status
1	Feed Mill Plant	Casila	Construction of Feed Mill Plant is completed.
2	Ice Plant	Casilda	Construction of Ice Plant is completed.
3	Fish Pond	Calunangan	Backfilling of access road to fishpond has started.
4	Odong/Misua Bldg.	Casilda	Construction is on-going
5	Multipurpose Bldg	Tolingon	Construction is on-going
6	Boardwalk	Casilda	Construction of Boardwalk to access

Minutes of Monthly BOD Meeting  
BENAPRIMCO Office  
Merida, Leyte  
Date: April 29, 2022


7	Fishcage	Casilda	Purchase of new two (2) units circular fishcage for delivery by May 2022.
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83  
84 4.2 JDConales informed the General Assembly that the blood-letting for this year's annual  
85 activity is the first time big event which is sponsored by the National Confederation of  
86 Cooperatives-NATCCO.

87  
88 5. **Other Matters:** There were no other matters for discussion.

89  
90 6. **Adjournment:**  
91 There was no more business to be discussed. The meeting adjourned at 3:00PM upon the  
92 motion by Andreon E. Limosnero-BOD V/Chairman and duly seconded by Director  
93 Marieta C. Obeso-BOD Member.

94  
95 Prepared by:

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99 Daniša H. Isidro  
100 BOD Secretary

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104 Noted by:

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108 LAMITZ T. PANARES  
109 BOD Chairman

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112 cc:BOD Chairman/Manager/file



Cooperative Development Authority  
Cooperative Annual Progress Report (CAPR)  
As of December 31, 2021

**GENERAL INFORMATION**

Registration No.	9520-08000507-2
Name of Cooperative	Benabaye Primary Multipurpose Cooperative (BENAPRIMCO)
Registered Address of Cooperative	
<i>Region</i>	Region VIII (Eastern Visayas)
<i>Province</i>	Leyte
<i>Municipality/City</i>	Merida
<i>Barangay</i>	Poblacion
<i>Street</i>	Acacia District
<i>House/Lot &amp; Blk No.</i>	
Present Address of Cooperative	
<i>Region</i>	Region VIII (Eastern Visayas)
<i>Province</i>	Leyte
<i>Municipality/City</i>	Merida
<i>Barangay</i>	Poblacion
<i>Street</i>	Acacia District
<i>House/Lot &amp; Blk No.</i>	
Date Registered	
<i>Date of Registration Prior to RA9520, if any</i>	24-02-1993
<i>Date of Registration under RA 9520</i>	24-06-2016
Business Permit	
<i>Business Permit No.</i>	2021-202
<i>Date Issued</i>	12-03-2021
<i>Amount Paid</i>	P 4,310.00
Tax Identification Number	004-305-140-000
Category of Cooperative	Primary
Type of Cooperative	Agriculture, Credit, Consumers, Producers
Asset Size of Cooperative	Medium
<i>Note: Value of Land used in operation should be excluded from the Total Asset as per CDA MC 2007-07 dated June 5, 2007.</i>	
Common Bond of Membership	Residential
Date of General Assembly	29-04-2021
Area of Operation	Regional

**BUSINESS ACTIVITY****Annual Volume of Business**

Major Classification	Subclass Classification	Basis of Volume of Business	Amount
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**Products/Commodities** *(Based on Phil. Standard Commodity Classification)*

Major Products	Specific Products	PSCC Code
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**Services Rendered/Offered** *(Based on Phil. Central Product Classification)*

Major Services	PCPC Code
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Is the cooperative engaged in importation?  Yes  No

Is the cooperative engaged in export activities?  Yes  No

**INFORMATION ON MEMBERSHIP****Membership Count**

Particulars	For Primary		Other Juridical Persons
	Male	Female	
No. of Regular members	1375	1334	0
No. of Associate members	550	1077	0
Total No. of Members	1925	2411	0

**Membership Composition**

Major Composition	Subclass Composition	No
Skilled agricultural, Forestry and Fishery workers	Corn farmers	500
Skilled agricultural, Forestry and Fishery workers	Eggs producers	100
Skilled agricultural, Forestry and Fishery workers	Fishermen not elsewhere classified	600
Professionals	Teaching professionals not elsewhere classified	1090
Skilled agricultural, Forestry and Fishery workers	Vegetable, legumes and root crops farmers	300
Other Non-occupational	vendor	1746

**Number of Employees within the Cooperative**

Particulars	Male	Female	Total
Number of Employees	13	12	25

**Age Group of Members**

Age Bracket	No
18 to 35	990
36 to 59	3246
60 and Above	100
Total Members	4336

**LIST OF OFFICERS****Board of Directors**

Position	Name	Gender	Address	Indigenous People	Persons with Disability	Senior Citizen
Chairperson	Pañares, Lamtiz T.	Male	Poblacion, Merida, Leyte	No	No	Yes
Vice-Chairperson	Limosnero, Andrelone E.	Male	Tambulid, Ormoc, Leyte	No	No	No
Member, BOD	Gutierrez, Ian L.	Male	Isabel, Leyte	No	No	No
Member, BOD	Obeso, Marieta C.	Female	Siapon, Merida, Leyte	No	No	No
Member, BOD	Vapor, Jerry I.	Male	Poblacion, Merida Leyte	No	No	Yes

**Other Officers**

Position	Name	Gender	Address	Indigenous People	Persons with Disability	Senior Citizen
Secretary	Isidro, Danesa H.	Female	Libjo, Merida, Leyte	No	No	Yes
Treasurer	Pama, Rosemarie B.	Female	Libjo, Merida, Leyte	No	No	No
General Manager	Conales, Jovita D.	Female	Linao, Ormoc, Leyte	No	No	No

**Audit Committee**

Position	Name	Gender	Address	Indigenous People	Persons with Disability	Senior Citizen
Chairperson	Vapor, Jerry I.	Male	Poblacion, Merida, Leyte	No	No	Yes
Vice-Chairperson	Isidro, Danesa H.	Female	Libjo, Merida, Leyte	No	No	Yes
Member	Betancor, Virgelio I.	Male	Camp Dawns, Ormoc, Leyte	No	No	No

**Election Committee**

Position	Name	Gender	Address	Indigenous People	Persons with Disability	Senior Citizen
Chairperson	Icot, Merideth	Female	Tolingon, Isabel, Leyte	No	No	No
Vice-Chairperson	Fin, Emerito	Male	Lamanoc, Merida, Leyte	No	No	No

**Mediation and Conciliation Committee**

Position	Name	Gender	Address	Indigenous People	Persons with Disability	Senior Citizen
Chairperson	Alacantara, Ariel	Male	Tinago, Merida, Leyte	No	No	No
Vice-Chairperson	Mendola, Gemmabel	Female	Poblacion, Merida, Leyte	No	No	No
Secretary	Cubilla, Rubin	Male	Poblacion, Merida, Leyte	No	No	No

**Ethics Committee**

Position	Name	Gender	Address	Indigenous People	Persons with Disability	Senior Citizen
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Chairperson	Pañares, Lamitz T.	Male	Poblacion, Merida, Leyte	No	No	Yes
Vice-Chairperson	Awid, Teofila	Female	Poblacion, Merida, Leyte	No	No	No

**Gender and Development Committee**

Position	Name	Gender	Address	Indigenous People	Persons with Disability	Senior Citizen
Chairperson	Gutierrez, Ian	Male	Isabel, Leyte	No	No	No
Vice-Chairperson	Mendola, Rustica	Female	Poblacion, Merida, Leyte	No	No	No

**Other Committees provided in the by-laws  Yes  No**

Name of Committee	Position	Name	Gender	Address	Indigenous People	Persons with Disability	Senior Citizen
CREDIT COMMITTEE	Chairperson	Lao, Leonilo	Male	Betaug, Merida, Leyte	No	No	No
CREDIT COMMITTEE	Vice-Chairperson	Juntilla, Aidelle	Female	Mat-e, Merida, Leyte	No	No	No
EDUCATION AND TRAINING COMMITTEE	Vice-Chairperson	Genares, Cecilia	Female	Poblacion, Merida, Leyte	No	No	No
EDUCATION AND TRAINING COMMITTEE	Secretary	Fajaron, Maria Garbeñe	Female	Tinago, Merida, Leyte	No	No	No
EDUCATION AND TRAINING COMMITTEE	Chairperson	Limosnero, Andre lone	Male	Tambulid, Ormoc, Leyte	No	No	No

**TRANSACTIONS, DEPOSIT LIABILITIES AND TAXES**

**Information on Transactions to Members/Non-Members**

Members Only  Both Members and Non-Members

Gross Sales/Receipt	Members
Amount of Gross Sales/Receipt	37,621,335.00

**Information on Deposit Liabilities**

Type of Deposits	Regular Members			Associate Members		
	No. of Members w/ Deposit Account	No. of Accounts	Total Amount	No. of Members w/ Deposit Account	No. of Accounts	Total Amount
Savings Deposits	2709	2709	4,413,676.00	1627	1627	2,942,450.00

<b>Time Deposits</b>	14	14	2,927,000.00	0	0	0.00
<b>Other Types of Deposits</b>	0	0	0.00	0	0	0.00
<b>Total</b>	2723	2723	7,340,676.00	1627	1627	2,942,450.00

**Certificate of Tax Exemption/Ruling**  Yes  No

CTE No   
Date Issued   
Validity

Information of Actual Taxes Withheld and Remitted to BIR (Total for the whole year)	Total Amount
Taxes withheld and remitted for Employees Salary/Compensation (per BIR FROM 1601-CF)	1,921.00
Taxes withheld and remitted for Honorarium (per BIR FORM 1601-EF)	0.00
Expanded Withholding Taxes (per BIR FORM 1601-EF)	10,000.00
VAT Payments / Percentage Taxes	0.00
Income Taxes Paid , if any	0.00
Other Taxes Paid, e.g. Capital Gains Tax, Doc. Stamps Tax	209,525.00
<b>Total</b>	<b>221,446.00</b>

**BENABAYE PRIMARY MULTIPURPOSE  
COOPERATIVE (BENAPRIMCO)**

**Acasia District, Poblacion, Merida, Leyte**

**AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(With comparative figures of 2020)**

**Auditor's Opinion**

**Statements of Financial Condition**

**Statements of Operation**

**Statements of Cash Flows**

**Statement of Changes in Equity**

**Notes to Financial Statements**

**EDMUND L. AMPLAYO**  
Certified Public Accountant  
Blk 1, Lot 25, Lolita Village, Brgy. 96 Calanipawan, Tacloban City, Leyte  
Contact No. (053)-888-0665; CP# 09120713957/09770239167

**INDEPENDENT AUDITOR'S REPORT**

To the Members and Board of Directors  
**BENABAYE PRIMARY MULTI-PURPOSE COOPERATIVE (BENAPRIMCO)**  
Acacia District, Poblacion, Merida, Leyte

Report on the Audit of the Financial Statements  
Opinion

I have audited the accompanying financial statements of the **BENABAYE PRIMARY MULTI-PURPOSE COOPERATIVE (BENAPRIMCO)** which comprise the statement of financial position as of December 31, 2021, and the related statements of operation, statements 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 my opinion, except

- a) Deficiency in the provision for allowance on probable losses on loans as stated in Note 6.

the accompanying financial statements present fairly, in all material respects, the financial position of the **BENABAYE PRIMARY MULTI-PURPOSE COOPERATIVE (BENAPRIMCO)** as at December 31, 2021 and its financial performance and its cash flows for the year then ended in accordance with the Philippine Financial Reporting Standards (PFRSs) for cooperatives in the Philippines.

**Basis for Opinion**

*I conducted my audits in accordance with the Philippine Standards on Auditing (PSAs). My responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of my report. I am independent of the company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to my audit of the financial statements in the Philippines, and I have fulfilled other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.*

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

*Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, for SMEs and for such internal control management determined 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.*

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

*My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatement 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 decision of users taken on the basis of these financial statements.*

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### STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX

The management of **BENABAYE PRIMARY MULTIPURPOSE COOPERATIVE (BENAPRIMCO)** of Acasia district, Merida, Leyte is responsible for all information contained in the Annual Income Tax Return for the year ended, December 31, 2021. Management is likewise responsible for all information and representations contained in the financial statements accompanying Annual Income Tax 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, and any all other tax returns.

In this regard, the Management affirms that the attached financial statements for the year ended December 31, 2021 and the accompanying Annual Income Tax Return are in accordance with the books and records of **BENABAYE PRIMARY MULTI-PURPOSE COOPERATIVE**, 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.) **BENABAYE PRIMARY MULTI-PURPOSE COOPERATIVE** 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.

  
LAMITE BARRALES  
Chairman of the Board

  
JOVITA D. CONALES  
Manager

  
ROSEMARTE D. PARA  
Treasurer

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS**

The management of **BENABAYE PRIMARY MULTIPURPOSE COOPERATIVE(BENAPRIMCO)**, Acasia district, Merida, Leyte is responsible for all information and representations contained in the financial statements for the calendar year 2021 ended December 31, 2021. The financial statements have been prepared in conformity with generally accepted accounting principles and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration of materiality.


In this regard, the management maintains a system of accounting and reporting which provides for the necessary internal controls and ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized. The management likewise, discloses to its external auditor, (i) all significant deficiencies in the design and operation of internal control that would adversely affect its ability to record, process and report financial data (ii) material weaknesses in the internal controls, and (iii) any fraud that involves management of other employees who exercise significant roles in the internal control.

The Board of Directors reviews the Financial statements before such statements are approved and submitted to the members of the cooperative as well as to the different government agencies and regulatory bodies. The same was reviewed and approved on January, 2022.

Edmund L. Amplayo, CPA/Sole Private Practitioner, the independent auditor appointed by the Board of Directors and members for the year 2021, has audited the financial statements of the Cooperative in accordance with Philippine Standards on Auditing and has expressed his opinion on the fairness of presentation upon completion of such audit, in his report to the Members and the Board of Directors.

  
LAMITZ P. PINALES  
Chairman of the Board

  
JOYITA D. CONALES  
Manager

  
ROSEMARIE B. PAMA  
Treasurer

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2022.



**BENABAYE PRIMARY MULTIPURPOSE COOPERATIVE (BENAPRIMCO)**

Acasia District, Poblacion, Merida, Leyte  
 CDA CERTIFICATE OF REGISTRATION NO. 9520-08000507  
 TIN 004-305-140-000

**STATEMENT OF FINANCIAL CONDITION**

As of December 31, 2021  
 (Amounts in Philippine Pesos)  
 (With comparative figures of 2020)

APR 18 2022

	Notes	2021	2020	Variance
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	5	8,498,352.32	4,809,982.55	3,688,369.77
Loans and Receivables	6	9,984,072.20	5,551,955.14	4,432,117.06
Inventory	7	5,781,988.70	7,368,564.34	(1,586,575.64)
Other Current Assets	8	104,651.07	22,083.77	82,567.30
<b>Total Current Assets</b>		<b>24,369,064.29</b>	<b>17,752,585.80</b>	<b>6,616,478.49</b>
<b>NON-CURRENT ASSETS</b>				
Financial Assets at cost	9	1,870,178.76	1,758,928.79	111,249.97
Property and Equipment	10	30,511,945.78	11,082,927.96	19,429,017.82
Other Funds and Deposits	11	1,660,542.30	1,447,008.30	213,534.00
Other Non-Current Assets	12	3,850,341.50	3,694,592.00	155,749.50
<b>Total Non-Current Assets</b>		<b>37,893,008.34</b>	<b>17,983,457.05</b>	<b>19,909,551.29</b>
<b>TOTAL ASSETS</b>		<b>62,262,072.63</b>	<b>35,736,042.85</b>	<b>26,526,029.78</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Deposit Liabilities	13	10,283,127.18	6,390,418.79	3,892,708.39
Loans Payable	14	22,736,234.47	22,880,172.73	(143,938.26)
Due to Union/Federation	15	68,039.47	83,039.47	(15,000.00)
Trade, Non-trade and other payables	16	694,800.93	935,246.68	(240,445.75)
Interest on Share Capital Payable		590,597.79	598,972.43	(8,374.64)
Patronage Refund Payable		711,541.73	58,863.64	652,678.09
<b>Total Current Liabilities</b>		<b>35,084,341.57</b>	<b>30,946,713.74</b>	<b>4,137,627.83</b>
<b>NON-CURRENT LIABILITIES</b>				
Loans Payable-Non Current	17	250,000.00	250,000.00	-
Other Non-Current Liabilities	18	1,184,946.31	904,490.83	280,455.48
<b>Total Non-Current Liabilities</b>		<b>1,434,946.31</b>	<b>1,154,490.83</b>	<b>280,455.48</b>
<b>TOTAL LIABILITIES</b>		<b>36,519,287.88</b>	<b>32,101,204.57</b>	<b>4,418,083.31</b>
<b>EQUITY</b>				
Share Capital				
Autho. Capital, common at P100 par		37,500,000.00	37,500,000.00	-
Subscribed Capital, common		15,000,000.00	15,000,000.00	-
Less: Subscription Receivable		226,345.83	834,542.65	(608,196.82)
<b>Paid up Capital, common</b>		<b>14,773,654.17</b>	<b>14,165,457.35</b>	<b>608,196.82</b>
Autho. Capital, preferred @ P100 par		12,500,000.00	12,500,000.00	-
Donated Capital		17,664,935.71	-	17,664,935.71
Statutory Funds	19	(6,695,805.13)	(10,530,619.07)	3,834,813.94
<b>Total Equity</b>		<b>25,742,784.75</b>	<b>3,634,838.28</b>	<b>22,107,946.47</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>62,262,072.63</b>	<b>35,736,042.85</b>	<b>26,526,029.78</b>

See accompanying notes to financial statements

**BENABAYE PRIMARY MULTIPURPOSE COOPERATIVE (BENAPRIMCO)**

Acasia District, Poblacion, Merida, Leyte  
CDA CERTIFICATE OF REGISTRATION NO. 9520-08000507

APR 18 2021

**STATEMENT OF OPERATIONS**

For the year ended December 31, 2021  
(Amounts in Philippine Pesos)  
(With comparative figures of 2020)

	Notes	2021	2020
<b>REVENUES</b>			
Income from Credit Operations	20	2,389,094.38	1,420,757.69
Income from Consumer Operations	21	1,721,368.19	842,412.68
Income from Manufacturing	22	(271,069.76)	(106,467.58)
Income from Agriculture	23	6,295,189.63	(1,435,512.11)
Fishpond	24	(262,148.46)	873,282.00
Other Income	25	1,810,100.74	3,475,251.81
<b>Total Revenues</b>		<b>11,682,534.72</b>	<b>5,069,724.49</b>
<b>EXPENSES</b>			
Financing Costs	26	2,725,058.12	1,978,265.70
Administrative Costs	28	3,913,325.30	3,381,716.31
Democratic Governance Cost	29	42,222.00	122,654.00
<b>Total Expenses</b>		<b>6,680,605.42</b>	<b>5,482,636.01</b>
Net Surplus before other items		5,001,929.30	(412,911.52)
Optional Fund Subsidy		-	500,000.00
Donations and Grants Subsidy		13,689.25	455,000.00
Impairment Loss		(300,000.00)	-
<b>NET SURPLUS FOR ALLOCATION</b>		<b>4,715,618.55</b>	<b>542,088.48</b>
<b>DISTRIBUTED AS FOLLOWS:</b>			
Reserve Fund	60%	2,829,371.13	271,044.24
Education and Training Fund-local	5%	235,780.93	27,104.42
Due to Union/Federation	0%	-	27,104.42
Community Development Fund	3%	141,468.56	16,262.66
Optional Fund	7%	330,093.29	37,946.19
Interest on share capital payable	13%	589,452.32	108,417.70
Patronage Refund Payable	13%	589,452.32	54,208.85
<b>NET SURPLUS AS DISTRIBUTED</b>	<b>100%</b>	<b>4,715,618.55</b>	<b>542,088.48</b>

Note: Net loss cannot be allocated. It will be absorb in the reserve fund.

See accompanying notes to financial statements

**BENABAYE PRIMARY MULTIPURPOSE COOPERATIVE (BENAPRIMCO)**Acasia District, Poblacion, Merida, Leyte  
CDA CERTIFICATE OF REGISTRATION NO. 9520-08000507**STATEMENT OF CASH FLOWS**

For the year ended December 31, 2021

(Amounts in Philippine Pesos)

(With comparative figures of 2020)

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Surplus(Loss)	4,715,618.55	542,088.48
Adjustment to reconcile net surplus to net cash provided by operating activities		
Depreciation and amortization	2,402,766.10	1,784,544.07
Changes in assets and Liabilities		
Decrease(increase) in:		
Loans and Receivables	(4,432,117.06)	(576,026.62)
Inventory	1,586,575.64	223,612.94
Other Current Assets	(82,567.30)	15,540.69
Increase(decrease) in:		
Deposit Liabilities	3,892,708.39	42,050.11
Trade, Non-trade and other payables	(240,445.75)	(1,438,275.32)
Interest on share capital	(597,826.96)	300,000.00
Patronage refund	63,225.77	-
Due to apex organization	(15,000.00)	(8,000.00)
Other Current Liabilities		
Net cash provided by(used) in operating activities	7,292,937.38	885,534.35
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net Additions to Financial Assets	(111,249.97)	24,401.67
Acquisition of Property and Equipment	(21,831,783.92)	(3,394,346.40)
Decrease(Increase) in Other Non-Current Assets	(155,749.50)	(2,306,458.97)
Net Cash provided by(used) in investing activities	(22,098,783.39)	(5,676,403.70)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase(decrease) in borrowings	(143,938.26)	(4,082,249.63)
Net Proceeds from issuance of share capital	608,196.82	2,498,973.62
Increase(decrease) in grant	17,664,935.71	(455,000.00)
Decrease(increase) in other funds and deposits	(213,534.00)	(213,534.00)
Increase(decrease) in Non-Current Liabilities	280,455.48	15,016.25
Change in statutory funds	298,100.03	8,836,867.56
Net Cash provided by(used in) financing activities	18,494,215.78	6,600,073.80
NET INCREASE(DECREASE) IN CASH	3,688,369.77	1,809,204.45
ADD: CASH AND CASH EQUIVALENTS, JANUARY 1	4,809,982.55	3,000,778.10
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>8,498,352.32</b>	<b>4,809,982.55</b>

See Accompanying notes to financial statements

**BENABAYE PRIMARY MULTIPURPOSE COOPERATIVE (BENAPRIMCO)**Acasia District, Poblacion, Merida, Leyte  
CDA CERTIFICATE OF REGISTRATION NO. 9520-08000507**STATEMENT OF CHANGES IN EQUITY**

For the year ended December 31, 2021

(Amounts in Philippine Pesos)

(With comparative figures of 2020)

	2021	2020
<b>SHARE CAPITAL-COMMON</b>		
Beginning Balance		
Add: Additional Capital, net of withdrawal	14,165,457.35	11,666,483.73
Ending Balance	608,196.82	2,498,973.62
<b>GRANT</b>	14,773,654.17	14,165,457.35
Beginning Balance		
Add: Receipts for the year	-	455,000.00
Less: Charges	17,664,935.71	-
Ending Balance	-	(455,000.00)
<b>STATUTORY FUNDS</b>	17,664,935.71	-
<b>RESERVE FUNDS</b>		
Beginning Balance		
Add: Allocation from Net surplus	(10,910,245.39)	(20,688,992.21)
Adjustments	2,829,371.13	271,044.24
Less: Charges to reserves	300,000.00	9,507,702.58
Ending Balance	(7,780,874.26)	(10,910,245.39)
<b>EDUCATION AND TRAINING FUND</b>		
Beginning Balance		
Add: Allocation from Net surplus	233,819.85	206,715.46
Less: Charges	235,780.93	27,104.42
Ending Balance	0.03	(0.03)
<b>COMMUNITY DEVELOPMENT FUND</b>	469,600.81	233,819.85
Beginning Balance		
Add: Allocation from Net surplus	77,697.75	132,270.08
Less: Charges	141,468.56	16,262.66
Ending Balance	(1,900.00)	(70,834.99)
<b>OPTIONAL FUND</b>	217,266.31	77,697.75
Beginning Balance		
Add: Allocation from Net surplus	68,108.72	630,162.53
Less: Charges	330,093.29	37,946.19
Ending Balance	-	(600,000.00)
<b>TOTAL STATUTORY FUNDS</b>	398,202.01	68,108.72
<b>TOTAL EQUITY</b>	(6,695,805.13)	(10,530,619.07)
	25,742,784.75	3,634,838.28

See accompanying notes to financial statements

**BENABAYE PRIMARY MULTIPURPOSE COOPERATIVE (BENAPRIMCO)**  
Acasia District, Poblacion, Merida, Leyte

NOTES TO FINANCIAL STATEMENTS  
As of December 31, 2021  
(Amounts in Philippine Pesos)

**1. GENERAL INFORMATION**

THE **BENABAYE PRIMARY MULTIPURPOSE COOPERATIVE (BENAPRIMCO)** (referred hereinafter as "Cooperative") was registered as a cooperative pursuant to RA 9520 for the purpose of encouraging thrift and granting loans to members for productive, educational and providential purpose, operates western union money transfer, Accepting LEYECO V payment, procurement and distribution of consumer goods, supply of agricultural and production inputs, providing goods and services and other requirements of the members and non-members, among others.

The cooperative's new name was granted the CDA Registration No. 9520-08000507 last October 13, 2009. Under RA 9520, the cooperative is exempt from payment of income and sales taxes, provided that a substantial portion of its net income is returned to members in the form of interest and/or patronage refunds.

The cooperative operates a branch in Isabel Leyte for its lending services. The Cooperative Identification Number is CIN-0104080305.

The area of operation of this cooperative is within the Visayas Islands and its principal office is located at Acasia district, Poblacion, Merida, Leyte.

Amendments to Articles of Cooperation and by-laws was approved by the general assembly last December 12, 2015 and was registered by the Cooperative Development Authority last June 24, 2019. Among others are the following:

- 1.) Increase in capitalization from P20,000,000.00 to P50,000,000.00
- 2.) Allocation of Authorized capital of P50,000,000.00. P37,500,000.00 shares for common and 12,500,000.00 for preferred.
- 3.) Change of name from Benabaye Primary Multi-Purpose Cooperative (BPMPC) to Benabaye Primary Multipurpose Cooperative (BENAPRIMCO)

These financial statements of the cooperative for the year ended December 31, 2021 were authorized for issue by the Board of Directors on January 2022.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF PREPARATION**

**Basis of Measurements.** The financial statements have been prepared on the historical cost basis.

**Used of Estimates and Judgments.** The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ for these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates is revised and in any future periods affected.

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

**Basis of Preparation/Initial Adoption of New Philippine Accounting Standards for Cooperatives**

The financial statements have been prepared in conformity with Financial Reporting Standards applicable to the Philippine Cooperatives

- PAS 1 - Presentation of Financial Statements
- PAS 8 - Accounting Policies, Change in Accounting Estimates and Errors
- PAS 10 - Events after Balance Sheet Date
- PAS 16 - Property, Plant and Equipment

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PAS 19 - Employee Benefits  
PAS 24 - Related Party Transactions  
PAS 36 - Impairment of Assets  
PAS 2 - Inventories  
PAS 7 - Cash Flow Statements  
PAS 18 - Revenue  
PAS 32, 39 - Financial Instruments

PAS 1 - Presentation of Financial Statements

The financial statements are presented comparative with previous year in accordance with the Philippine Financial Reporting Standards and as required by the Cooperative Development Authority. Notes and disclosures are presented in a separate sheet. Cash Flow Statement is presented under indirect method.

PAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

Accounting policies are applied consistently. There were no changes in accounting policies, changes in accounting estimates and correction of prior period errors.

PAS 10 - Events After Balance Sheet Date

The standard is applied in the accounting for, and disclosure of events after balance sheet date. Accounting policies are applied consistently. There were no changes in accounting policies, changes in accounting estimates and correction of prior period errors.

PAS 16 - Property, Plant and Equipment

PAS 16 (a) provides additional guidance and clarification on recognition and measurement of property, plant and equipment; requires capitalization of the costs of asset dismantling, removal or restoration; and requires measurement of an item of property and equipment acquired in exchange for a non-monetary asset or a combination of monetary and non-monetary assets at fair value, unless the exchange transaction lacks commercial substance. The standard also provides guidelines for derecognition (e.g. disposal).

Properties and Equipments are valued at cost. Major repairs are capitalized and lost, obsolete, non-functional properties and equipments are derecognized. Appraisal increment of land not recognized.

PAS 19/IAS 19 - Employee Benefits

The standard prescribes the accounting and disclosure for employee benefits.

PAS 36 - Impairment of Assets

This standard applies in accounting for the impairment of assets other than those covered by separate standards.

PAS 2 - Inventories

It prescribes the accounting treatment of inventories. Inventories are valued at cost or net realizable value based on the actual inventory conducted at year end.

PAS 7 - Cash Flow Statements

It prescribes the provisions of information about the historical changes in cash and cash equivalents of an entity by means of a cash flow statement which classifies cash flow during the period from operating, investing and financing activities.

Changes in cash and cash equivalents of the cooperative are presented in the attached cash flow statement which classifies cash flow during the period from operating, investing and financing activities. This is presented under direct method of accounting.

PAS 18 - Revenue

Revenues are recognized on cash basis, like interest income on loans, service and filing fee which are recognized upon receipt of cash. Sales are recognized upon perfection of transaction.

PAS 32, 39 - Financial Instruments

It prescribes the accounting treatment, presentation and disclosure requirement for credit cooperatives' financial instruments. Financial instruments issued by the cooperative are passbooks instead of share certificates. This reflects the shareholdings of the members.

Management's Use of Judgments and Estimates

The financial statements are prepared in conformity with the above-mentioned accounting principles accepted in the Philippines which requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Those estimates and assumptions used in the financial

statements are based on management's evaluation of relevant facts and circumstances as of date of the financial statements. Actual results could differ from such estimates.

The key estimates/assumptions concerning the future that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimated Useful Lives

The useful life of each of the Cooperative's property or equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and 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 assets. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above.

Asset Impairment

PFRS requires that an impairment review be performed when certain impairment indicators are present. Determining the value of property and equipment, which require the determination of future cash flows expected to be generated from the continued use of ultimate disposition of such assets, requires the Cooperative to make estimate and assumptions that can materially affect its statement of assets, liabilities and stockholders' equity. Future events could cause the Cooperative to conclude that the property and equipment are impaired. Any resulting impairment loss shall be charged to operations.

Functional and Presentation Currency

Items included in the Cooperative's financial statement are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Philippine Peso, which is the Cooperative's functional and presentation currency.

Revenue Recognition

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.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amount of cash and with original maturities of three months or less and that are subject to an insignificant risk of change in value.

Financial Assets

Receivables

Receivables are valued at face value, net of allowance for doubtful accounts and any anticipated adjustments that will reduce the amount to its estimated realizable value. The allowance for doubtful accounts is determined after a study of the estimated collectibility of the receivable balances and evaluation of such factors as aging of the accounts, collection expense of the Cooperative in relation to the particular receivable, past and expected loss experiences and identified doubtful accounts.

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services. Inventories are valued at the lower of cost and net realizable value.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation and impairment in value. Depreciation is computed using the straight-line method over the estimated useful lives of the properties.

- Land Improvements
- Building
- Building Improvements
- Office Equipments
- Office Furniture and Fixtures
- Transportation Equipment

Financial Liabilities

Financial liabilities include bank loans, trade and other payables, as well as Interest on Share Capital and Patronage Refund Payable to the cooperative's members. These are recognized when the cooperative becomes a

party to the contractual agreements of the instruments. All interest related charges are recognized as an expense in the Statement of Operation under the caption Finance Costs.

Trade payables are recognized at their nominal value. Interest on Share Capital and Patronage Refund payable are recognized as financial liabilities based on the Cooperative's By-laws as Cooperative laws and regulations.

Financial liabilities are derecognized from the balance sheet only when the obligations are extinguished either through discharge, cancellation or expiration.

#### Impairment of Assets

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

The impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

#### Cost and Expenses

Costs and expenses, not directly attributable to capitalizable assets or projects, are recognized and charged to operations as incurred.

#### Accounting estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the Philippines requires the Cooperative to make estimates and assumptions that affect the reported amounts on income, expenses, resources, liabilities, and disclosure of contingent resources and liabilities. Actual results could differ from those estimates.

#### ACCOUNTS PECULIAR TO COOPERATIVES

The following accounts are peculiar to a Cooperative due to its nature as well as adherence to Cooperative laws, issued policies, rules and regulations, as well as cooperative principles and practices.

#### ASSETS:

Cash in Cooperative Federation – refers to money deposited in federations which are unrestricted and readily available when needed. These are treated as cash and other cash equivalents.

Due from Accountable Officers and Employees – refers to total collectibles from shortages and other losses due from accountable officers and employees that are subject to immediate settlement/sanction. There are recognized at cost less, allowance for impairment, if any.

Cooperative Development Cost – refers to expenses incurred prior to the actual operations of the cooperative. These are recognized at cost, subject to amortization for a period not exceeding 3 years.

Other funds and deposits – refers to funds set aside for funding of reserves(Statutory and other reserves) established by the cooperative such as retirement, mutual benefit and other funds. This is recorded at cost.

#### LIABILITIES:

Interest on share Capital Payable – refers to liability of the cooperative to its members for interest on share capital which can be determined at the end of every fiscal year.

Patronage Refund Payable – is the liability of the cooperative to its members and patrons for patronage refund which can be determined only at the end of every fiscal year.

Due to Union/Federation(CETF) – is an amount set aside for the education and training fund of an apex organization, which is 50% of the amount allocated, by the cooperative in accordance with the provision of the cooperative's by-laws and the cooperative code. The apex organization may either be a federation or union of which the cooperative is a member.

Revolving Capital Payable – is the deferred payment of interest on share capital and patronage refunds whose payment has been withheld, which should be agreed upon in the General Assembly.

Project Subsidy Fund Payable – Unused Portion of the donation/grant for training, salaries and wages, etc.



Mutual benefit and other fund payable – are funds for special purpose such as members welfare & benefits, i. e. loan protection, hospitalization, death, scholarships assistance, etc. including KBGF/CGF, provision for accidents not taken from net surplus.

**EQUITY:**

Donation/grants – are amounts received by the cooperative as award, subsidies, grants, aids and others. This shall not be available for distribution as interest on share capital and patronage refund, and shall form part of the member's equity of the Statement of Financial Condition.

Statutory Funds – are mandatory funds established/set up in accordance with Articles 86 and 87 of the Cooperative Code. They are as follows:

Reserve Fund – Amounts set aside annually for the stability of the cooperative and to meet net losses in its operations. It is equivalent to at least 10% of the net surplus. A corresponding fund should be set up either in the form of time deposit with local banks or government securities. Only the amount in excess of the paid up share capital may be used for the expansion and authorized investment of the cooperative as provided in its by-laws.

Education and Training Fund – an amount retained by the cooperative out of the mandatory allocation as stipulated in the cooperative's by laws.

Community Development Fund – This is computed at 3% of cooperative's net surplus. This is used for projects or activities that will benefit the community where the cooperative operates.

Optional Fund – set aside from the net surplus for future use such as land and building, community developments, etc.

**EXPENSES:**

General Assembly Meeting – expenses incurred in the conduct of regular/special general assembly.

Member's Benefit – all expenses incurred for the benefit of the members.

Affiliation Fee – Amount incurred to cover membership or registration fees and annual dues to a federation or union.

Social and Community Service – expenses incurred by the cooperative in its social community involvement including solicitations and donations to the charitable institutions.

Provision for CGF(KBGF) – amount set up for the provisions of CGF(KBGF).

Provision for Members' Future Benefits – amount set up for future benefit of members, such as pension of members, etc. not taken from Net Surplus.

**OTHER ITEMS:**

Project Subsidy – refers to the amount deducted from Project subsidy fund to subsidize project expenses. This shall appear in the statement of operation as contra account to Subsidized Project Expenses.

Donation and Grant Subsidy – refers to an amount deducted from Donations and grants account to subsidize depreciation funded by donations and grants.

Optional Fund Subsidy – refers to an amount deducted from Optional Fund to Subsidize depreciation funded by Optional Fund and/or community development expense.

**INCOME TAXES:**

The cooperative code transacting business only with its members is exempt from all government taxes, and therefore cannot apply the PAS for income taxes because of its tax-exempt nature. However, should the cooperative exceed the limits as set forth in the cooperative code, it will adopt the accounting standards for income taxes as stated in PAS 12.

**INCOME RECOGNITION:**

As a rule, cooperatives adopt the accrual basis of accounting. However, for credit and other cooperatives, recognition of revenues is on a modified accrual basis; i.e., interest income, fines, penalties and surcharges shall be recognized when earned and actually collected. This is so because only interest income, fines, penalties and surcharges on loans receivable that has been realized (i.e., earned and

collected) shall be the basis of the income available for distribution to its members through interest on share capital and patronage refund.

Also due to the cash-based income distribution scheme of a cooperative as well as the inherent limitations of small scale countryside credit cooperative, it cannot adopt the effective interest method in recognizing interest income on loans receivable.

### 3. MANAGEMENT'S SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

#### 3.1 *Judgments*

The preparation of the Cooperative's financial statements in conformity with Financial Reporting Framework (in reference to the Generally Accepted Accounting Principles of the Philippines) requires management to make estimates and assumptions that effect the amounts reported 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.

#### 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.

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.

##### a.) *Allowance for doubtful accounts*

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.

There are no allowances for doubtful accounts because they are potentially collectible based on their historical collections.

##### b.) *Impairment of Available-for sale Financial Assets*

The Cooperative follows the guidance of PAS 39 in determining when an asset is other than temporarily impaired. This determination requires significant judgment, the Cooperative evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; the financial health of and near-term business outlook of the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

If the assumption made regarding the duration, that, and extent to which the fair value is less than cost, the Cooperative would suffer an additional loss in its financial statements, representing the write down of cost at its fair value.

##### c.) *Estimated Useful Lives of Property, Plant and Equipment*

The Cooperative estimates the useful lives of property, plant and equipment based on the period over which the property, plant and equipment are expected to be available for use. The estimated useful lives of the property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimated due to physical wear and tear, technical and material obsolescence and legal or other limits on the use of the property, plant and equipment. In addition, the estimation of the useful lives of property, plant 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 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, plant and equipment would increase the recorded expenses and decrease the non-current assets.

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

Building	20-25 years
Leasehold improvements	5-10 years
Furniture and Fixtures	3-5 years
Office Equipment	3-5 years

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

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

#### *Revenue Recognition*

The company's revenue recognition policies require the use of estimates and assumptions that may affect the reported 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.

#### **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 affects on he Company's financial performance due to unpredictability of financial markets that drives the risks.

##### CREDIT RISK

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the statement of financial condition.

The Cooperative continuously monitors defaults of customers and other counterparties, and incorporate this information into its credit risk controls. The Cooperative's policy is to deal only with creditworthy counterparties.

The Cooperative's management considers that all the above financial asses that are not impaired or past due for each balance sheet dates are good credit quality.

With respect to trade and other receivables, the Cooperative is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents, money market funds, debentures and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

##### LIQUIDITY RISK

Liquidity or funding risk is the risk that an entity will incur difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or counterparty failing on repayment of contractual obligation; or inability to generate cash flows as anticipated.

In order to minimize liquidity risk, the Cooperative maintains sufficient cash and has the availability of funding through an adequate amount of committed credit facilities.

*Other Price Risk Sensitivity*

The Cooperative's market price risk arises from its investments carried at fair value (financial assets classified as financial assets at fair value through profit or loss and available-for-sale financial assets). It manages its risk arising from changes in market price by monitoring the changes in the market price of the investments.

5 **CASH AND CASH EQUIVALENTS**

This accounts consists of the following:

	2021	2020
Cash on Hand	67,308.50	271,254.72
Petty Cash Fund	28,000.00	28,000.00
Cash in Bank	8,045,298.19	4,152,982.20
Cash in Federation	4,745.63	4,745.63
Change Fund	3,000.00	3,000.00
Revolving Fund	350,000.00	350,000.00
<b>Total Cash and cash equivalents</b>	<b>8,498,352.32</b>	<b>4,809,982.55</b>

Note: Cash equivalents are valued at its face amount. Cash in Bank is unrestricted. Cash and cash equivalents are the total of the 3 lending operations financial assets and a consumer store.

5.1 **CASH IN BANKS-This consists of:**

	2021	2020
LBP Ormoc Branch-Savings 2147	404,341.12	1,866,452.92
LBP Ormoc Branch- SA: 0951-1449-08	15,009.87	-
LBP-SWIPE 35870954	13,230.00	-
Metrobank-Current(Merida)	7,190,706.42	2,002,155.72
Metrobank-Current(Isabel)	318,875.67	88,825.77
Palompon MPC	17,904.40	17,517.45
Asian United Bank	14,699.57	38,199.57
Bank of Philippine Islands-Savings	27,954.04	23,337.42
Banco de Oro -Savings	42,577.10	116,493.35
<b>Total Cash in Bank</b>	<b>8,045,298.19</b>	<b>4,152,982.20</b>

5.2 **CASH IN FEDERATION-This consists of:**

	2021	2020
NATCCO Savings	4,745.63	4,745.63
<b>Total</b>	<b>4,745.63</b>	<b>4,745.63</b>

6 **LOANS AND RECEIVABLES**

	2021	2020
Loans Receivable		
Current	3,280,961.37	-
Past Due	20,721,032.98	20,459,319.30
<b>Total</b>	<b>24,001,994.35</b>	<b>20,459,319.30</b>
Less: Allow. for probable losses	(15,489,212.94)	(15,800,186.63)
<b>Loans Receivable, net</b>	<b>8,512,781.41</b>	<b>4,659,132.67</b>

Note: Past due amount is computed using Portfolio At Risk Technology

**AGING**

	2021	2020
1-12 MONTHS PAR	3,739,794.41	1,831,760.24
OVER 12 MONTHS PAR	16,981,238.57	16,831,784.46
<b>Total</b>	<b>20,721,032.98</b>	<b>18,663,544.70</b>
Required Allow. for prob. loan loss		
1-12 months PAR X 35%	1,308,928.04	641,116.08
Over 12 months PAR X 100%	16,981,238.57	16,831,784.46
<b>Total</b>	<b>18,290,166.61</b>	<b>17,472,900.54</b>
<b>Available Allow. for prob. loan loss</b>	<b>(15,489,212.94)</b>	<b>(15,800,186.63)</b>
<b>(Excess)Deficiency</b>	<b>2,800,953.67</b>	<b>1,672,713.91</b>

**6.1 LOANS RECEIVABLE, NET DISCLOSURE NEEDED**

**MOVEMENTS OF ALLOWANCE**

Beginning Balance	15,800,186.63	16,325,939.75
Collection of written off accounts	-	-
Add: Provisions for the year	-	-
<b>Total</b>	<b>15,800,186.63</b>	<b>16,325,939.75</b>
Less: write off	(310,973.69)	(525,753.12)
<b>Ending Balance</b>	<b>15,489,212.94</b>	<b>15,800,186.63</b>

**6.2 TRADE AND OTHER RECEIVABLES**

This accounts consists of the following:

	2021	2020
Accounts Receivable-Trade	892,389.89	787,466.84
Less: Allowance for probable loss	-	(45,545.47)
Advances to officers/employees	148,951.07	146,260.77
Less: Allowance for probable loss	(3,640.00)	(3,640.00)
Other Current receivable-current	2,280.33	8,280.33
Other Non-Trade Receivable	431,309.50	-
<b>Total</b>	<b>1,471,290.79</b>	<b>892,822.47</b>

The fair values of trade and other receivables have not been disclosed as, due to their short duration, management

considers the carrying amounts recognized in the balance sheet to be a reasonable approximation of their fair values.

**7 INVENTORY**

This account consists of the following:

	2021	2020
Merchandise inventory	1,768,445.44	1,619,386.82
Biological Assets inventory	4,013,543.26	5,749,177.52
<b>Total</b>	<b>5,781,988.70</b>	<b>7,368,564.34</b>

Note: This was valued at cost or net realizable value whichever is lower

**8 OTHER CURRENT ASSETS**

This account consists of the following:

	2021	2020
Unused Supplies	104,651.07	1,742.27
Prepaid Expenses	-	20,341.50
<b>Total</b>	<b>104,651.07</b>	<b>22,083.77</b>

Note: This was valued at cost.

**9 FINANCIAL ASSETS AT COST**

This account consists of the following:

	2021	2020
NATCCO	1,677,432.75	1,566,182.78
CLIMBS	62,479.65	62,479.65
Eastern Visayas Cooperative Fed.	130,266.36	130,266.36
<b>Total Financial Assets</b>	<b>1,870,178.76</b>	<b>1,758,928.79</b>

**10 PROPERTY AND EQUIPMENT(See attached schedule)**

**11 OTHER FUNDS AND DEPOSITS**

This account consists of the following:

	2021	2020
For retirement benefits	1,060,542.30	847,008.30
LEYECO	600,000.00	600,000.00
<b>Total other funds and deposits</b>	<b>1,660,542.30</b>	<b>1,447,008.30</b>

The carrying valued of these assets are believed to be a reasonable approximation of their fair values.

12 **OTHER NON-CURRENT ASSETS**

This account consists of the following:

	2021	2020
Computerization Cost	-	14,592.00
NATCCO Partylist	3,830,000.00	3,380,000.00
Deposit for returnable containers	20,341.50	-
Due from Allied Services	-	300,000.00
<b>Total other non-current assets</b>	<b>3,850,341.50</b>	<b>3,694,592.00</b>

The carrying valued of these assets are believed to be a reasonable approximation of their fair values.

13 **DEPOSIT LIABILITIES**

This account consists of the following:

	2021	2020
Savings Deposits	7,356,127.18	5,470,418.79
Time Deposits	2,927,000.00	920,000.00
<b>Total Deposit Liabilities</b>	<b>10,283,127.18</b>	<b>6,390,418.79</b>

Interest rate of the following deposits are:

Regular Savings deposit

4% Per annum

Time deposit

5%-10%Per annum

Note: These are the deposits of the members

14 **LOANS PAYABLE-CURRENT**

This account consists of the following:

	2021	2020
Landbank of the Philippines	2,500,000.00	3,750,000.00
AFCCO	9,000,000.00	6,000,000.00
NATCCO	8,236,234.47	10,130,172.73
Saint Bernard Multi-Purpose Cooperative	1,000,000.00	1,000,000.00
Saint Peter and Paul Multi-Purpose Cooperative	2,000,000.00	2,000,000.00
<b>Total Loans Payable</b>	<b>22,736,234.47</b>	<b>22,880,172.73</b>

These are interest bearing loans payable under current and active status. The above loans are collectible within the

year 2021. Interest on borrowings of the above accounts are paid on time as of December 31, 2020.

15 **DUE TO UNION/FEDERATION**

This account consists of the following:

	2021	2020
Due to Apex Organization	83,039.47	63,935.05
Add: Allocation for the year	-	27,104.42
Less: Remittances	(15,000.00)	(8,000.00)
<b>Total Due to Union/Federation</b>	<b>68,039.47</b>	<b>83,039.47</b>

The cooperative is a member of NATTCO and VICTO an apex organization.

**16 TRADE AND OTHER PAYABLES**

This account consists of the following:

	2021	2020
SSS/ECC/PhilHealth premiums payable	45,032.27	72,490.60
Withholding tax payable	8,351.90	9,251.78
SSS/PAG-IBIG loans payable	12,159.23	5,120.74
Accounts Payable-trade	431,737.14	660,320.50
Notarial Fee/loan insurance	197,217.56	100,229.48
Accounts Payable - POS Transaction		2,700.00
Output tax	302.83	229.58
Toyota Philippines		84,904.00
<b>Total other Current Liabilities</b>	<b>694,800.93</b>	<b>935,246.68</b>

The fair values of their current liabilities have not been disclosed as, due to their short duration, management considers

the carrying amounts recognized in the balance sheet to be a reasonable approximation of their fair values.

**17 LOANS PAYABLE-NON CURRENT**

This account consists of the following:

	2021	2020
National Confederation of Cooperatives	-	-
Palompon Multi-Purpose Cooperatives	250,000.00	250,000.00
<b>Total</b>	<b>250,000.00</b>	<b>250,000.00</b>

Note: This is a long term interest bearing loans.

**18 OTHER NON-CURRENT LIABILITIES**

This account consists of the following:

	2021	2020
Retirement Fund payable	1,060,542.30	847,008.30
Social Fund	13,523.00	13,523.00
Life Insurance	42,608.98	-
Members benefits and Other Funds payable	68,272.03	43,959.53
<b>Total Other Non-Current Liabilities</b>	<b>1,184,946.31</b>	<b>904,490.83</b>

**19 STATUTORY FUNDS**

This account consists of the following:

	2021	2020
Reserve Fund	(7,780,874.26)	(10,910,245.39)
Education and Training Fund-local	469,600.81	233,819.85
Community Development Fund	217,266.31	77,697.75
Optional Fund	398,202.01	68,108.72
<b>Total Statutory Funds</b>	<b>(6,695,805.13)</b>	<b>(10,530,619.07)</b>

**20 INCOME FROM CREDIT OPERATIONS**

	2021	2020
Interest income from loans	1,862,126.97	802,036.56
Service Fees	139,690.00	93,608.00
Fines, penalties and surcharges	387,277.41	525,113.13
<b>Total income from credit operations</b>	<b>2,389,094.38</b>	<b>1,420,757.69</b>



21 **INCOME FROM CONSUMER STORE OPERATION**

	2021	2020
Sales	37,624,335.38	24,283,131.22
Less: Cost of Sales		
Beginning Inventory, Merchandise	1,473,892.24	1,063,420.74
Add: Purchases	33,590,862.45	22,524,663.56
Purchase returns and allowances	(31,013.41)	(41,422.21)
Purchase discounts	(39,546.08)	(29,712.68)
Total Goods Available for Sale	34,994,195.20	23,516,949.41
Less: Ending inventory	(1,470,188.89)	(1,473,892.24)
Cost of Sales	33,524,006.31	22,043,057.17
Gross Income	4,100,329.07	2,240,074.05
Add: Other income	231,436.31	117,176.91
Less: Selling Expenses(see schedule attached)	(2,610,397.19)	(1,514,838.28)
Income from Consumer Operation	1,721,368.19	842,412.68

22 **INCOME FROM MANUFACTURING OPERATION(ODONG)**

	2021	2020
Sales	1,444,705.50	674,073.00
Less: Cost of Goods Manufactured and sold		
<u>RAW MATERIALS</u>		
Beginning Inventory	145,494.58	148,096.09
Add: Raw Materials Purchases	772,194.66	390,275.02
Add: Freight		600.00
Total Goods Available for Sale	917,689.24	538,971.11
Less: Ending inventory	(298,256.55)	(145,494.58)
Raw materials used	619,432.69	393,476.53
<u>DIRECT LABOR</u>		
Salaries	484,188.28	249,407.46
Employees benefits	36,507.50	20,872.50
SSS/Phhealth contribution	37,178.50	8,520.00
<u>OVERHEAD COST</u>		
Light and water	16,547.63	7,803.43
Total Manufacturing cost	1,193,854.60	680,079.92
Less: Finished goods inventory,end.	-	-
Cost of Goods Manufactured and sold	1,193,854.60	680,079.92
Gross Income	250,850.90	(6,006.92)
Less: Selling expenses		
Supplies	3,808.10	5,893.00
Communication	2,776.17	-
Gas, oil and lubricants	55,512.00	28,700.00
Repairs	7,688.00	4,004.00
Representation	181,928.16	480.00
Meeting and conferences	31,250.00	19,500.00
Taxes	5,880.40	4,360.00
Travel	5,796.65	3,350.00
Depreciation	38,556.01	31,187.60
Interest Expense on Borrowings	144,175.32	-
Miscellaneous exp	47,310.25	6,919.95
Total expenses	524,681.06	104,394.55
Income from manufacturing operation	(273,830.16)	(110,401.47)
Add: Other income	2,760.40	3,933.89
Income from manufacturing operation	(271,069.76)	(106,467.58)

23 **INCOME FROM AGRICULTURE(FISHCAGE)**

	<b>2021</b>	<b>2020</b>
Sales		
Less: Cost of Production	36,138,602.40	31,083,144.63
Biological assets, beg. inventory	4,186,788.52	5,641,932.58
Add: Purchases	21,815,358.35	25,799,573.96
Freight and handling	1,127,857.00	137,795.46
Total biological assets	27,130,003.87	31,579,302.00
Less: Biological Assets Inv. End	(2,733,096.06)	(4,186,788.52)
Cost of Production	24,396,907.81	27,392,513.48
Gross Income	11,741,694.59	3,690,631.15
Less: Expenses		
Salaries and Wages	1,602,921.65	1,418,152.42
SSS/Phhealth contribution	48,688.50	15,000.00
Employees Benefits	151,013.86	196,214.25
Trainings and seminars	-	7,262.50
Travel	17,606.65	77,555.00
Supplies	102,431.60	90,082.00
Light and water	42,686.36	10,792.77
Repairs	355,116.00	69,878.22
Insurance exp.	-	1,900.00
Communication	3,976.17	1,500.00
Gas, oil and lubricants	386,919.15	465,685.19
Representation	114,784.66	2,232.00
Meetings and conferences	18,250.00	6,750.00
Taxes	149,445.85	44,619.06
Miscellaneous	1,104,760.80	2,047,513.95
Depreciation	1,423,409.24	660,355.69
Amortization	4,400.00	-
Interest expense on borrowings	274,129.10	199,933.33
Total	5,800,539.59	5,315,426.38
Net income before other items	5,941,155.00	(1,624,795.23)
Miscellaneous income	354,034.63	189,283.12
Income from Fish cage	6,295,189.63	(1,435,512.11)

24 **INCOME FROM FISHPOND**

	2021	2020
Sales	4,280,404.75	3,610,292.50
Less: Cost of Production		
Biological assets, beg. inventory	1,562,389.00	738,728.95
Add: Purchases	2,507,170.00	2,255,409.00
Freight and handling	-	-
Total biological assets	4,069,559.00	2,994,137.95
Less: Biological Assets Inv. End	(1,280,447.20)	(1,562,389.00)
Cost of Production	2,789,111.80	1,431,748.95
Gross Income	1,491,292.95	2,178,543.55
Less: Expenses		
Salaries and Wages	827,652.51	664,776.27
SSS/Phhealth contribution	30,001.00	12,720.00
Employees Benefits	9,000.00	11,755.40
Travel	382.65	4,681.00
Supplies	9,674.60	11,123.00
Light and water	19,404.03	17,707.30
Repairs	30,064.00	90,724.00
Communication	2,896.17	530.00
Gas, oil and lubricants	140,940.14	170,927.49
Representation	101,928.16	2,557.00
Meetings and conferences	26,000.00	17,250.00
Taxes	5,472.40	3,035.00
Miscellaneous	126,188.86	183,496.50
Other Charges on Borrowings	181,292.22	-
Amortization	20,529.72	-
Depreciation	240,878.47	126,792.68
Total	1,772,304.93	1,318,075.64
Net income before other items	(281,011.98)	860,467.91
Miscellaneous income	18,863.52	12,814.09
Income(loss) from Fish cage	(262,148.46)	873,282.00

25 **OTHER INCOME**

This account consists of the following

	2021	2020
Membership Fees	50,900.00	13,000.00
Miscellaneous Income	1,759,200.74	3,462,251.81
Total Other Income	1,810,100.74	3,475,251.81

26 **EXPENSES**

**FINANCING COST**

This account consists of the following

	2021	2020
Interest Expense on Borrowings	1,644,790.85	1,327,098.23
Interest Expense on Deposit	933,517.27	469,917.47
Other Financing Charges	146,750.00	181,250.00
Total Financing Cost	2,725,058.12	1,978,265.70

27 **SELLING COST - GROCERY**

This account consists of the following

	2021	2020
Salaries and Wages	779,541.27	613,786.44
SSS/Phhealth	94,413.50	62,722.50
Employee Benefits	155,326.91	53,672.50
Collection	122.25	-
Office Supplies	175,597.55	160,873.40
Power, light and water	191,090.70	168,329.92
Travel and transportation	156,801.40	11,933.00
Insurance	41,643.25	6,350.00
Repairs and Maintenance	162,240.00	48,404.00
Meetings and conferences	36,000.00	26,750.00
Taxes, Fees and charges	38,319.42	24,691.68
Communication	32,474.63	22,236.14
Depreciation exp	45,603.71	67,548.00
Representation	33,843.96	4,975.80
Gas, Oil and Lubricants	143,341.00	12,453.00
Miscellaneous expenses	213,470.26	145,318.80
Amortization of leasehold rights and impr.	84,793.10	84,793.10
Interest Expense on Borrowings	181,203.03	-
Members Benefits	44,571.25	-
<b>Total</b>	<b>2,610,397.19</b>	<b>1,514,838.28</b>

28 **ADMINISTRATIVE COST**

This account consists of the following

	2021	2020
Salaries and Wages	1,341,665.04	1,253,632.53
Employee Benefits	233,061.35	195,119.00
SSS, PhilHealth, ECC, Pag-ibig contr.	107,311.89	155,072.50
Retirement benefits expense	415,004.00	213,534.00
Training and Seminars	76,984.00	7,615.01
Office Supplies	125,644.78	86,197.74
Power, light and water	131,891.56	115,649.58
Travel and transportation	20,810.43	58,211.00
Insurance	57,858.25	43,625.83
Repairs and Maintenance	212,917.40	40,187.00
Rentals	132,000.00	132,000.00
Taxes, Fees and charges	10,407.90	63,806.16
Professional Fees	18,000.00	18,300.00
Communications	71,983.78	66,827.60
Representations	98,670.76	111,030.75
Meetings and Conferences	49,220.00	36,850.00
Collections Expense	30,019.90	46,012.76
Gas, Oil and Lubricants	186,404.99	156,653.00
Miscellaneous Expense	71,181.42	36,728.97
Depreciation	522,287.85	471,121.85
Amortization expense	-	73,541.03
<b>Total Administrative Cost</b>	<b>3,913,325.30</b>	<b>3,381,716.31</b>

29 **DEMOCRATIC GOVERNANCE COST**

This account consists of the following

	2021	2020
General Assembly Expenses	32,722.00	-
Member's Benefit Expense	9,500.00	122,654.00
<b>Total Democratic Governance Cost</b>	<b>42,222.00</b>	<b>122,654.00</b>

27

30 **ALLOCATION AND DISTRIBUTION OF NET SURPLUS**

The cooperative 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 - Ten percent (10%) shall be set aside for reserve fund. The reserve fund shall be used for the stability of the cooperative and to meet net losses in its operations.
- b.) Education and Training Fund - Ten percent (10%) 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.) Community Development Fund - This is computed at three percent (3%) of the cooperative's net surplus. This is used for projects or activities that will benefit the community where the cooperative operates.
- d.) Optional Fund - This is computed at seven percent (7%) of the cooperative's net surplus.
- e.) Interest on share capital & patronage refunds - After deduction of the statutory accounts, any remaining net surplus shall be distributed to the cooperative's member's in the form of interest not to exceed the normal rate of return on investments and patronage refunds. Interest on Fixed Deposits 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.

10 **PROPERTY AND EQUIPMENT**

	Land	Land Improvement	Building	Construction in Progress	Leasehold Impr'ments	Transport Equipment	Office Fur & Fixtures	Machineries & Equipment	Total
<i>At December 31, 2021</i>									
Opening net Book Value	2,080,533.37	-	330,488.85	692,525.52	1,085,727.59	1,347,309.15	4,545,067.59	1,001,275.89	11,082,927.96
Additions	120,000.00	646,900.00	15,141,198.00	-	194,800.00	3,898,262.00	1,830,623.92	-	21,831,783.92
Depreciation for the year	-	(45,982.20)	(91,750.39)	-	(109,722.82)	(441,283.64)	(1,662,062.71)	(51,964.34)	(2,402,766.10)
Closing net book Value	2,200,533.37	600,917.80	15,379,936.46	692,525.52	1,170,804.77	4,804,287.51	4,713,628.80	949,311.55	30,511,945.78

	Land	Land Improvement	Building	Construction in Progress	Leasehold Impr'ments	Transport Equipment	Office Fur & Fixtures	Machineries & Equipment	Total
<i>Year ended December 31, 2021</i>									
Cost	2,200,533.37	646,900.00	15,723,693.13	692,525.52	1,816,925.08	8,074,096.65	11,910,033.43	1,092,229.00	42,156,936.18
Accumulated Depreciation	-	(45,982.20)	(343,756.67)	-	(646,120.31)	(3,269,809.14)	(7,196,404.63)	(142,917.45)	(11,644,990.40)
Net Book Value	2,200,533.37	600,917.80	15,379,936.46	692,525.52	1,170,804.77	4,804,287.51	4,713,628.80	949,311.55	30,511,945.78

	Land	Land Improvement	Building	Construction in Progress	Leasehold Impr'ments	Transport Equipment	Office Fur & Fixtures	Machineries & Equipment	Total
<i>At December 31, 2020</i>									
Opening net Book Value	2,030,533.37	-	285,262.24	672,725.52	876,156.83	1,483,514.62	4,124,933.05	-	9,473,125.63
Additions	50,000.00	-	165,928.75	19,800.00	660,995.15	163,505.00	1,294,117.50	1,040,000.00	3,394,346.40
Depreciation for the year	-	-	(120,702.14)	-	(451,424.39)	(299,710.47)	(873,982.96)	(38,724.11)	(1,784,544.07)
Closing net Book Value	2,080,533.37	-	330,488.85	692,525.52	1,085,727.59	1,347,309.15	4,545,067.59	1,001,275.89	11,082,927.96

	Land	Land Improvement	Building	Construction in Progress	Leasehold Impr'ments	Transport Equipment	Office Fur & Fixtures	Machineries & Equipment	Total
<i>Year ended December 31, 2020</i>									
Cost	2,080,533.37	-	582,495.13	692,525.52	1,622,125.08	4,175,834.65	10,079,409.51	1,092,229.00	20,325,152.26
Accumulated Depreciation	-	-	(252,006.28)	-	(536,397.49)	(2,828,525.50)	(5,534,341.92)	(90,953.11)	(9,242,224.30)
Net Book Value	2,080,533.37	-	330,488.85	692,525.52	1,085,727.59	1,347,309.15	4,545,067.59	1,001,275.89	11,082,927.96