

SAN JOSE KOOP:
Putting people at the center of development



Principle-centered business
Putting people before profit

Member-owned and democratically run
Empowering people

30th

GENERAL ASSEMBLY
ANNUAL REPORT
03 | 25 | 18

Our Vision

A world-class financial institution committed to serve.

Our Mission

To empower our members by providing them access to competitive and quality financial services.

Our Values

S - Solidarity

E - Equality

R - Responsiveness

V - Values-Oriented

E - Excellence

Our Goals

To be financially viable through sustained profitability and growth.

To provide our members with quality products and services.

To promote strategic partnership with the LGU and NGO of the community.

To provide our community with social welfare and livelihood programs.

To have an effective interrelation and coordination with our APEX organization (secondary and tertiary coops).

Table of Contents

Board of Directors	2
Committees and other Officers	3
Management Staff	4
Statement on the Cooperative Identity	8
Solidarity Messages	9
Joint Chairperson and Chief Executive Officer's Report	16
5-Year Cooperative Financial Highlights	19
5-Year Comparative Actual Performance Against Target	20
2017 Approved Board Resolutions Affecting Policies and Procedures Relating Members	21
Treasurer's Report	22
Practitioner's Compilation Report	23
Statement of Management's Responsibility For Financial Statements	24
Statement of Representation	25
Independent Auditor's Report	26
Statements of Financial Condition	29
Statements of Operations	30
Statements of Changes in Equity	31
Statements of Cash Flows	32
Notes to Financial Statements	33
Proposed Statements of Financial Condition 2018	46
Proposed Statements of Operations 2018	49
Audit Committee Report	51
Election Committee Report	52
Credit Committee Report	53
Ethics Committee Report	54
Mediation and Conciliation Committee Report	55
Education Committee Report	56
Plans & Programs for 2018	59
Calendar of Activities 2018	68

Board of Directors



Chairperson Romeo A. De Jesus, CPA



Vice-Chair Richard E. Avena



Director Aurora E. Castillo



Director Aurelio A. Jose, Jr



Director Lydia M. Mangubat



Director Jovita V. Mateo



Director John Paul G. Villar

Committees & Other Officers

Treasurer and Board Secretary



Nora R. Bernardez Ernan L. Palabyab

Audit Committee



Ruth D. Lim, Virgilio B. Bernardo Jr., Rosemarie D. Saysay

Credit Committee



Marissa C. Pantaleon, Efren O. Española, Wilma D. De Vera

Election Committee



Enrique G. Elfa, Ma. Felisa C. Camino, Jose V. Tan Jr.

Ethics Committee



Nancy P. Magno, Teodolfo A. Cabuhat, Carmelita S.D. Robes

Meditation and Conciliation Committee



Christopher B. Vicente, Carolina B. Israel, Eusebio E. German

Management Staff

Office of the CEO



Caroline D. Dave • Melani R. Maramag

Internal Audit Department



Marissa C. Pantaleon • Mary Grace B. Ale

Human Resource / Administrative and Accounting Department



**Mylyn H. Tamani • Mary Grace B. Valerio • Ryan E. Angeles • Dante A. Villanueva • Alona B. Borcena
Orlando C. Brusas • Michelle M. Fabro • Zeny Rose P. Lucio • Glenda M. Lorenzo • Nyrallyn N. Dela Torre
Elisa M. Lorenzo • Elvira S. Del Rosario • Morris Daniel Brodith**

Finance and Investment Operation Department



Kristine Ann V. Pastoral • Sally S. Dote • Edna B. Guilalas • Irene L. Reusora • Rodalyn A. Bautista
Allyssa L. Nolasco • Eugene D. T. Cabuhat • **Wilma D.M. De Vera** • Mary Ann Angel P. Domingo • Nathalie Pearl B. Nazar

MIS Department



Joel B. Emiterio • **Dennis P. Miranda** • Cedric C. Bande

Management Staff

Credit and Collection Department



Hershe May S. Magana • Mikas L. Manuel • Beverly N. Miranda • Barry James C. Cruz • Gerald G. Bolaños
Timothy D. Quinto • Marco Polo W. Cabrera • Christopher L. Karganilla • Alfredo Jr G. Cruz • Florence B. Española
Maria Cecilia G. Sto.Domingo • Nimfa G. Hernandez • Michelle C. Maningas • Jhona Mae E. De Jesus

Member Services and Business Development Operations Department



Jeremiah H. Tanaka • Rowell D.M. Alarcon • **Rodolfo Z. Gado** • Rustom N. Manuel • Rasel B. Sta. Maria

Sapang Palay Satellite Office



Joselito C. Trinidad • Marites R. Diaz • Johnalan P. Borbon • Mary Ann A. Francisco • Marissa S. Benavides

Tungkong Mangga Satellite Office



Rovilynn A. Española • Arlene A. Toledo • Efren O. Española • Clarito G. Mones, Jr. • Charmaine H. Nieto • Eliza D.C. Dela Peña

Caypombo Sta. Maria Satellite Office



Mark Ramil D.T. Francisco • Rhiza R. Dolorito • Merlita B. Gonzales • Jimmy H. Luis

Statement on the Cooperative Identity

Definition

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise.

Values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Principles

The cooperative principles are guidelines by which cooperatives put their values into practice.

1. Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2. Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and cooperatives at other levels are also organized in a democratic manner.

3. Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

4. Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

5. Education, Training and Information

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of cooperation.

6. Cooperation among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

7. Concern for Community

Cooperatives work for the sustainable development of their communities through policies approved by their members.



**Senate of the Philippines
Office of Senator Juan Miguel F. Zubiri**



Greetings and welcome to the 30th Annual General Assembly of the San Jose del Monte Savings and Credit Cooperative!

With the theme, "San Jose Koop: Putting People at the Center of Development", you celebrate three decades of unity and hard work to achieve the common purpose of economic success and social justice for your members. This year's celebration highlights the importance of the people who have made all your triumphs possible throughout the years. As you gather together to celebrate your achievements in the past year, may you find more fulfillment in helping your individual members and your community achieve sustainable growth that will uplift their quality of life.

The cooperative movement has soared in recent years, especially following the revamp of the industry prompted by the enactment of the Philippine Cooperative Code of 2008. Through this law, we institutionalized the role of cooperatives as an indispensable means of eliminating poverty and stimulating growth and development in communities throughout the country. This has been our lofty goal: to promote economic development by nurturing self-reliance among our people – in short, to help Filipinos help themselves. As you work for economic success, may you also remain steadfast in the noble pursuit of social justice, so that we may contribute to a nation that helps and protects those who work hard to uplift their lives. Rest assured that you always have in me a staunch supporter and ally of the cooperative industry.

I wish you the best of luck in all your endeavors. May we all work together to build a stronger and better Philippines for all!



JUAN MIGUEL F. ZUBIRI



Republika ng Pilipinas
Pamahalaang Panlalawigan ng Bulacan
Lungsod ng Malolos



Pagbati!

Sa paglipas ng mga panahon, nasaksihan ng ating lalawigan ang pagbubukas ng maraming pagkakataon at katuparan ng maraming pangarap sa pamamagitan ng kilusang kooperatiba. Ganap ding pinasigla ng mga kooperatiba ang ekonomiya ng Bulacan sa pamamagitan ng pagpapalawig sa malayang kalakalan at komersyo sa lalawigan at pagbibigay ng pagkakataon sa maraming maliit na namumuhunan na kalauna'y naging integral na bahagi na rin ng malayang kumpetisyon sa mga merkado.

Ang prosesong ito ay lumikha, ng maraming pagkakataong pangkabuhayn sa ating mga manggawa, magsasaka at iba pang karaniwang mamamayan, na kung susuriin ay walang kakayahang makipagsabayan sa mga institusyong may sapat na puhunan, sa kanilang indibidwal na kalagayan.

Sa pangkalahatan, ang mga kooperatiba ay hindi tulay na nag-uugnay sa mga karaniwang mamamayan at sa isang matiwasay na kinabukasan, bagkus ay maituturing ding isang mabaisang kasangkapang panlipunan upang ganap na tugunan ang kamangmangan, kakukalangan sa trabaho at higit sa lahat kahirapan. Sa pamamagitan din nito, ganap na nagiging kasangkot ng mga gawing panlipunan ang mga karaniwang mamamayan at nabibigyan ng malinaw na kamalayan at tinig sa larangan ng pamamahala, na sa pangkalahatan ay isang kanais-nais na katangiang lubos na kinakailangan upang higit na mapatatag ang nagpupunyaging republika. Sa salita nga ng dating Pangkalahatang Kalihim ng Nagkakaisang Bansa (United Nations) na si G. Kofi Annan, *"Founded on the principles of private initiative, entrepreneurship and self-employment, underpinned by the values of democracy, equality and solidarity, the co-operative movement can help pave the way to more just and inclusive economic order."*

Sa diwang ito, ay dalisay pong binabati ng inyong lingkod ang pamunuan at lahat ng kasapi ng *San Jose del Monte Savings and Credit Cooperative* sa pagdaos ng inyong ika-30 na Taunang Pangkalahatang Pagtitipon at nawa'y patuloy pang yumabong ang inyong kooperatiba sa mga darating pang panahon.

Maraming salamat po!

Mabuhay ang *San Jose del Monte Savings and Credit Cooperative!*


WILHELMINO M. SY-ALVARADO
Punong Lalawigan



HOUSE OF REPRESENTATIVES
CONGRESS OF THE PHILIPPINES

"SAN JOSE COOP: PUTTING PEOPLE AT THE CENTER OF DEVELOPMENT"

I extend my sincerest congratulations to the entire San Jose del Monte Savings and Credit Cooperative on the occasion off its 30th Annual GA & Election of Officers.

To start off, I honor the men and women of the San Jose Koop for the relentless efforts for having reached a milestone in providing financial services to its members. You are our indispensable partners in overcoming poverty, inequality and promoting social inclusion.

The past administration may not have considered the promotion of cooperatives as a top priority, but when President Rodrigo Duterte assumed office, he issued his first Executive Order No. 1 which places 12 agencies, including Cooperative Development Authority under the Office of the President to enhance programs aimed at reducing poverty in the country. We have laws that provide financial and technical assistance to cooperatives, tax exemptions and other privileges, as our government are meant to make cooperatives succeed and prosper. The substantial contribution of cooperatives in the achievement of Sustainable Development Agenda, cannot be ignored. They support and empower the most vulnerable sectors of society such as women, youth and persons-with-disabilities to participate in economic activities. I am proud to mention that they serve as catalysts for local and national development for people empowerment.

We already have the powers to make that dream of financial freedom come true and more. It greatly depends on us how we maximize our potential, a matter of guts, imagination and political will, so to speak. We highly regard Cooperatives as our partner in poverty alleviation and I would actively participate in this thrust of the government.

Makakaasa po kayo sa aking suporta sa mga minamahal nating kooperatiba.

Mabuhay ang San Jose del Monte Savings and Credit Cooperative!

Maraming salamat po!




Hon. FLORIDA "ATE RIDA" P. ROBES
Congresswoman, Lone District
City of San Jose del Monte, Bulacan

Solidarity Message



Republic of the Philippines
Province of Bulacan
City of San Jose del Monte
OFFICE OF THE CITY MAYOR



It is my pleasure to greet the San Jose del Monte savings and Credit Cooperative or more popularly known as the San Jose Koop on the occasion of its **30th General Assembly and Election of Officers** to be held on March 25, 2018 with the theme "San Jose Koop: Putting People at the Center of Development."

I take this opportunity to commend your officers and members for working unselfishly in creating and managing a saving and credit cooperative, such as the San Jose Koop. Your undertaking that will unfold on March 25, 2018 reflects your all-out desire to comply with the requirements of the law by using the democratic process in the election of your officers. Further, the event will provide the opportunity to assess and review the past year performance and lay the groundwork for the eventual formulation of the plans and programs of San Jose Koop next year.

The San Jose Koop's motto of "**Together We Are Stronger**" resonates well with my advocacy of harnessing of agents of change in our community by promoting the virtues of excellence, commitment and integrity in the way you view your organization. It is therefore no surprise that the San Jose Koop had managed to survive and thrive for three (3) decades now. Your cooperative had certainly made a big difference in the lives of the San Joseño by encouraging saving and extending loans to people who do not have access to banks or are intimidated in dealing with them. The unique role that you play in the economy of our beloved city certainly deserves my unequivocal support and the entire local government machinery.

Continue serving the people of San Jose Del Monte.

ARya, San Joseño!



ARTURO B. ROBES
City Mayor



Association of Asian Confederation of Credit Unions



The entire Asian Credit Union Movement sends our warm greetings to the members of San Jose del Monte Savings and Credit Cooperative on its 30th Annual General Assembly on March 25, 2018.

We are happy that SJDMSCC has chosen a member-centered theme: "San Jose Koop: Putting People at the Center of Development".

As you are aware, ACCU is working with your national federation to integrate the cooperative network in the Philippines. ACCU believes that the integrated model allows cooperative networks to perform better than a less integrated model, in terms of market penetration stability, financial efficiency, service extension and member outreach.



At the heart of the strategies on integration is our ambition to grow as influencing financial cooperative institutions, a thought leader on financial inclusion whose most valued successes are our impact in helping people reach their dreams and aspirations, the relationships we cultivate with the communities we serve, and the knowledge we continue to accumulate. In integration, we have committed to put our members at the center of the work we do.

As one of the largest cooperative in the Philippines, we are counting on your leadership to be the first to embrace integration. We need and have to work with our federation and other cooperatives to fulfill our collective dream on integration.

With your commitment and sincerity, you have time to time proved your worth and have gained the much-deserved recognition and fame. With your services, the community has gained a lot. Being an ACCESS accredited cooperative in Asia is a proof of your dedication.

Once again, thank you very much for your continuous support and involvement in the international credit union development as supporter member of ACCU. We wish you all the success for many more years to come.

Sincerely yours,


ELENITA V. SAN ROQUE
Chief Executive Officer

Solidarity Message



Office of the President of the Philippines
COOPERATIVE DEVELOPMENT AUTHORITY

<http://3.cda.gov.ph> cdapampanga@gmail.com CDA Region 3 | Pampanga [@cdapampanga](#)

Pampanga Extension Office

Diosdado Macapagal Government Center, Maimpis, City of San Fernando, Pampanga



My warmest felicitations to all officers, staffs and members of the San Jose Del Monte Savings and Credit Cooperative (SJDMSCC), as you celebrate your 30th Annual General Assembly. We salute all of you for the strong support and unwavering services you have rendered for the past 30 years of existence on cooperative.

Once quality of life is the first objective, the standard of living of each individual will almost and always improve. With your theme "San Jose Koop: Putting People at the Center of Development" is inclusive, just, socially, economically and environmentally sustainable for the development of all. These will put poverty and sustainable development at its core and emphasizes a people-centered, unified and

coherent move towards.

Excellence is not only being the best; but it is doing your best. This means recognizing that development is as much about the quality of human life as it is about the quantity of economic growth. Development is more than excellence. Thus, SJDMSCC build a leading and dynamic cooperative that conveys higher quality of life to members and to the communities.

For all newly elected officers may you always continue sustaining your passion, commitment, sharing experiences, best practices and promoting the ideals of the cooperative towards progress and development. Keep it up and more power. God Bless.


MARIETA P. HWANG
Regional Director



**CENTRAL LUZON REGION LEAGUE
OF THE PHILIPPINE FEDERATION OF CREDIT COOPERATIVES
(PFCCO-CENTRAL LUZON)**
CDA Accredited Training Provider



Greetings of LOVE and PEACE!

I wish to convey my warmest greetings to the officers, management, staff and members of San Jose Coop on its 30th Annual General Assembly.



With the theme "San Jose Koop: Putting People at the center of Development", meant that really well-developed people are the very best assets of our Cooperatives. With the diversified transactions that can be done by our coops, we really have to develop not only the officers and staff but the members as well as we really have to cope up with the fast changing technology and needs of the times.

To the men and women behind San Jose Koop, Congratulations for reaching the 30th year with flying colors, tagged as "access branded one". May this years' General Assembly be another mark for the Continues success of your Cooperative with God's guidance and blessings.


MAGDALENA C. BONDOC
Chairperson, PFCCO- Central Luzon

Joint Chairperson and Chief Executive Officer's Report

Report to Member Shareholders

The year 2017 is a very significant year for the San Jose del Monte Savings and Credit Cooperative (San Jose Koop) as this is our 30th Founding Anniversary. Besides, this is also the year where we broke all our records on profitability, growth and awards and recognitions that were bestowed to our organization.

Presented below are some of the Most Significant Highlights of our 2017 operation. Our net Surplus increased from Php 54.06 million in 2016 to Php 60.97 million in 2017 or an increase of 13%, total assets went up to Php 1.66 billion or 24% higher than in 2016 of Php 1.34 billion.

General reserves and optional fund also increase from Php 86.47 million to Php 116.84 million or 35% higher. Total membership grew 16% from 24,355 Regular Members in 2016 to 28,266 in 2017.

Share capital in 2017 stood at Php390.73 million or an increase of 19% compared in 2016 of Php 328.28 million. Savings and time deposit reached an all time high of Php 1.08 billion, compared to 2016 of only Php 848.61 million or an increase of 27%.

Not to be outdone, our loan releases surged to Php 1.056 billion or 19.7% higher than Php 882.5 million in 2016.

Our return to asset for the year stood at 4.06% or higher than 2017 inflation rate of 3.7%, while return to equity went up to 12.4%.

Total interest on share capital declared for the year amounted to Php29.88 million. This is 9% of our share capital. On the other hand, patronage refund went up to Php 12.8 million, thereby giving 11% refund on the interest paid by our borrowers.

During the year we have also reduced some of our interest rates and charges to be more competitive with the market. Besides, the various program on members benefit, we undertook various community projects and social services where we spent the amount of Php 0.74 million for the year 2017.

When we prepare our 5-year plan in 2015, we envision that we will achieve total resources of P2 Billion by 2020. Based on our past 2 years performance, we hope to attain our target earlier than 2020.

Due to the above financial performances, we were awarded by the ACCESS Silver Medal by the Association of Confederation of Credit Union in ASIA. Only 2 Cooperatives in the Philippines got this award. We were also recognized by the Cooperative Development Authority (CDA) as the 3rd Outstanding Cooperative in the Philippines. This is the 3rd time we were bestowed by this award being the Central Luzon yearly nominee.

We will not achieved those awards and accomplishments if not for the support and trust of our members/ shareholders as well as our officers and employees. We are also thankful for the support of our benefactors, our LGU leaders and the community we are operating.

RECOGNITIONS/AWARDS RECEIVED IN 2017 ARE AS FOLLOWS:

1. Silver Brand for ACCESS Branding held at Colombo, Sri Lanka given by ACCU.
2. 3rd Most Outstanding Primary Cooperative Large Scale Category held at EDSA- Shangri-La, Manila given by CDA.
3. Special Citation for Excellence in Providing Financial Products and Services to Members held at EDSA-Shangri-La, Manila given by CDA.
4. Plaque of Recognition as national nominee held at Royce Hotel and Casino, Clark Freeport Zone, Pampanga given by CDA.
5. Plaque of Recognition- GAWAD Pagkilala to SAN JOSE KOOP given at the City of Malolos, by the Provincial Government of Bulacan.
6. Plaque of Recognition- GAWAD Pagkilala to SAN JOSE KOOP given by the City Cooperative Development Office, City of San Jose del Monte, Bulacan.
7. Most Outstanding Cooperative Leader –BOD Category awarded to the Vice Chairperson of San Jose Koop- RICHARD E. AVENA given by City Coop Development Office, City of San Jose del Monte, Bulacan
8. Gawad Galing Cooperative Leader to the Vice Chairperson of San Jose Koop –RICHARD E. AVENA given at the City of Malolos, by the Provincial Government of Bulacan.

OPERATIONAL IMPROVEMENTS AND FACILITIES

1. Reduced interest rates on all kinds of loans and other loan charges to continue growing members business and to reach at least 50% of the cooperative's loan portfolio.
2. Reduced interest rates on savings and time deposits in order to manage the expenses and monitor the inflation rates in the market.
3. Signed agreement with Nationlink for the E- Banking System to provide 24 hours banking convenience to the members.
4. Signed agreement to KAYA payment Platform(KOOPERATIBANG MAY ASENSO, YAMAN AT ABILIDAD) to lead the cooperative's initiative on digital and new technology innovations on mobile banking and provide innovative savings products that are relevant and useful to the members we serve.
5. Approved registration of By-laws and Articles of Cooperation of SKYLAB Cooperative to give a chance to the youth to be involved in the cooperative movement.
6. Organizational and Salary Structure is reviewed regularly to maintain its relevance and competitiveness internally and externally.
7. Provide sports and teambuilding activities to promote physical fitness participated by officers and employees of the cooperative.

8. Maintained its partnership with CARITAS provider in giving health and medical services in accordance to the benefits being enjoyed by the officers and employees.
9. New loans and savings products were introduced in order to satisfy members needs namely: Emergency Fund Savings, College Education Tuition Fund, Loyalty Loan Assistance for MIGS.

CONCERN FOR THE COMMUNITY AND ENVIRONMENT

1. Health Care Laboratory Test in Partnership with LABPRO clinic
2. Feeding Program at Fr. Simpliciano Children's Home at Grotto Shrine
3. Dental Care Awareness Program
4. Acetic Acid Wash in Partnership with City Health Office
5. Medical and Dental Mission Program in Partnership with Vice Governor Daniel Fernando
6. Distribution of School bags and supply at Sitio San Isidro, Brgy. Tungkong Mangga
7. Gender Sensitivity Program
8. Consumer Awareness and Responsive Education Program
9. TODA Sectoral Forum
10. Kasalang Bayan Program for Cooperative Members
11. Tree Planting Activities in Partnership with the Hall of Fame of Bulacan
12. Senior Citizen Cluster Meeting
13. Gender Awareness Seminar to different Barangays
14. New Born Screening in Partnership with Ospital ng Lungsod ng San Jose del Monte
15. Financial Assistance with the Victim of explosion of San Jose Water tank
16. Gift Giving to Religious Missionaries of the Divine Savior
17. Gift Giving and Free Haircut to BJMP City of San Jose del Monte
18. Inauguration of Drinking Faucet at Science High School in Muzon
19. Urban Gardening Contest for UPAO beneficiaries



ROMEO A. DE JESUS, SR., CPA
Chairperson of the Board

CAROLINE D. DAVE
Chief Executive Officer

5-Year Comparative Financial Highlights

RESULTS OF OPERATIONS

Comparative Figures 2013 to 2017 (in Million Pesos)

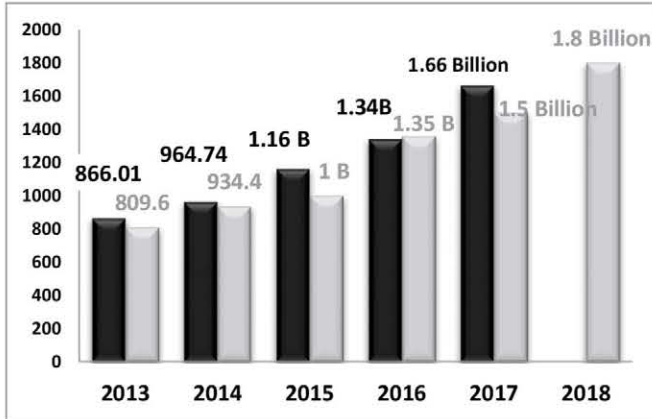
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Proposed
	2013	2013	2014	2014	2015	2015	2016	2016	2017	2017	2018
Operating Revenue	71.07	85.00	82.92	96.00	97.54	106.00	117.03	108.23	139.95	124.82	156.16
Operating Expenses	62.89	59.07	62.83	65.61	78.97	71.21	87.07	84.35	107.07	98.21	116.04
Other Income	29.98	11.10	22.98	12.20	29.97	13.42	24.09	30.13	28.04	26.76	24.68
Net Surplus	38.16	37.03	43.07	42.59	48.54	48.21	54.06	54.00	60.97	60.56	72.00
Return on Equity	15.70%	14.03%	15.30%	14.95%	14.83%	14.28%	13.88%	14.69%	12.90%	11.59%	11.5%
Return on Asset	4.75%	4.78%	4.70%	4.88%	4.56%	4.83%	4.32%	4.57%	4.06%	4.23%	4.36%

FINANCIAL CONDITIONS

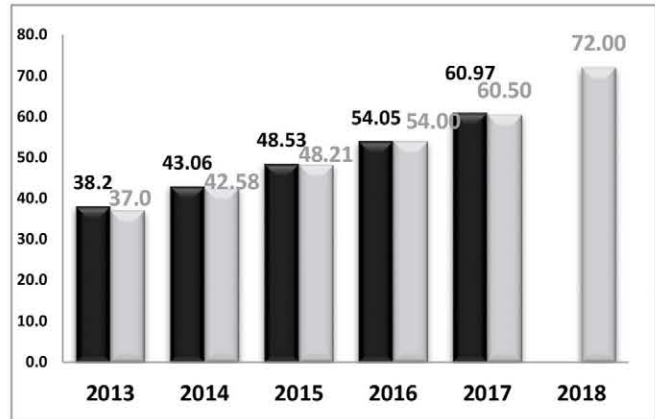
Comparative Figures 2013 to 2017 (in Million Pesos)

	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Proposed
	2013	2013	2014	2014	2015	2015	2016	2016	2017	2017	2018
Total Resources (Assets)	866.01	809.58	964.74	934.40	1163.48	1 B	1.34B	1.36 B	₱ 1.66 B	₱ 1.5 B	₱ 1.8 B
Loan Receivable (Net)	348.37	320.37	406.22	421.81	471.76	430.02	622.03	540.76	₱ 774.91	₱ 825.00	₱ 1 B
Investment (Long Term)	111.16	20.92	205.74	124.70	339.58	260.16	328.38	474.70	₱ 450.00	₱ 450.00	₱ 270.00
Deposits	550.99	463.96	605.64	577.06	747.20	645.48	848.61	886.82	₱ 1.08B	₱ 1 B	₱ 1.22 B
Share Capital	202.83	237.11	231.20	232.80	274.09	274.40	328.28	311.50	₱ 389.62	₱ 450.00	₱ 469.00
Book Value per Share	P 129.10	P123.72	P 130.12	P130.25	P129.08	P 130.05	P 129.21	P 130.09	₱ 132.67	₱ P 131	₱ 129.63

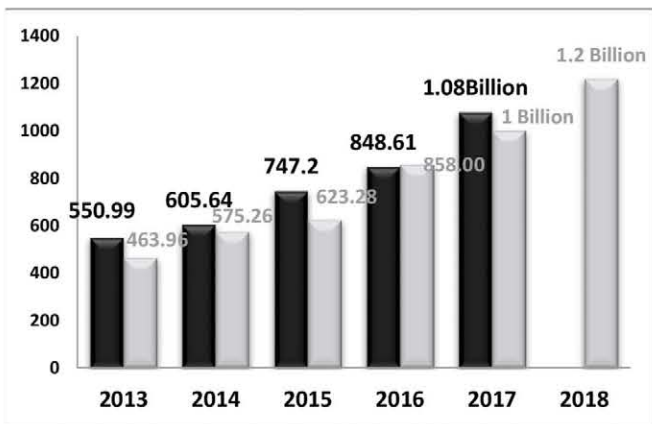
5-Year Comparative Actual Performance Against Target



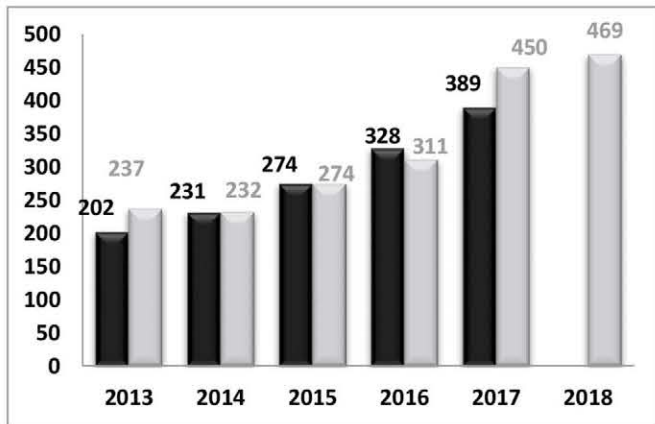
Resources (Assets) (in million pesos)



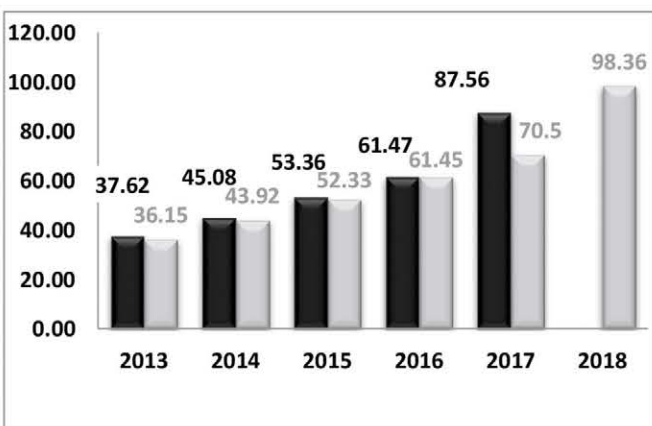
Net Surplus (in million pesos)



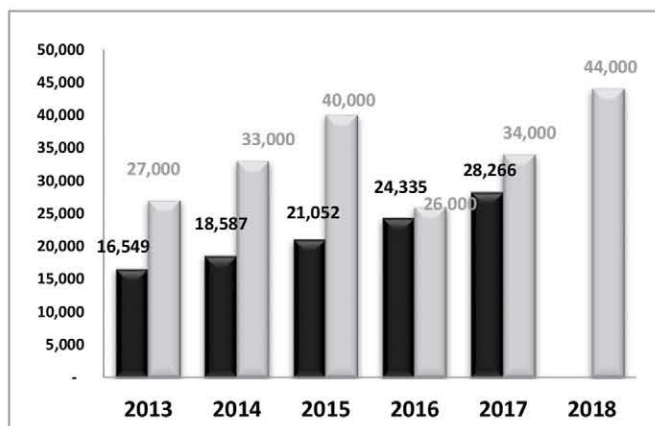
Deposits (in million pesos)



Paid-up Share Capital (in million pesos)



Reserves



Membership

Legend: Actual Target

2017 Approved Board Resolutions Affecting Policies and Procedures Relating Members

Resolution No.	Date of Approval	Content
2085	10-Jan	Amendment to the policy on penalty
2085A	10-Jan	Amendment by deletion of the policy on interest discount due to reduction of loans charges
2092	24-Jan	Amendment to the policy on members networking program and loyalty awards
2092	24-Jan	Amendment to the policy on disposal of ROPA
2096	14-Feb	Declaration of interest on share capital and patronage refund
2102	14-Feb	Amendment to the Policy on 2nd Hand Motor Vehicle Loan
2103	14-Feb	Amendment to the guidelines of Happy Retirement Savings Product
2106	24-Feb	Approval of Policy on Members Entitled to Vote
2108A	14-Mar	Approval of two (2) new savings products: Emergency Fund and Future Education Fund
2111	14-Mar	Amendment to the Policy on Motorvehicle Loan
2111A	14-Mar	Amendment by addition to Membership Policy
2166	27-Jun	Approval of Special Community Projects
2184	22-Aug	Amendment by addition to the guidelines of Auto Debit Payment Facility
2185	22-Aug	Resolution amending interest rates on savings and time deposit and service charges on loans
2196	26-Sep	Amendment to the guidelines on Christmas Loan Product
2201	10-Oct	Resolution to enter into a contract agreement with Nationlink Network for the E-Banking System
2201A	10-Oct	Resolution to enter into an agreement with PFCCO-Visayas and NATCCO for the KAYA Payment Platform.
2212	17-Nov	Approval of new savings product called College Tuition Savings Fund
2216	17-Nov	Amendment to the guidelines on Member-get-Member Program
2217	29-Nov	Amendment to the policy on maximum loan exposure
2223	29-Nov	Amendment to the guidelines on Damay-Impok Savings Fund
2224	29-Nov	Approval of Youth Membership Program
2225	12-Dec	Approval of 2018 Operational Plans and Budget
2226	12-Dec	Approval of new loan product called Loyalty Loan Assistance for MIGS
2230	27-Dec	Amendment by addition to the Credit Policy Re: minimum loanable amount
2235	27-Dec	Approval of registration of By-Laws and Articles of Cooperation of SKYLab Coop

Prepared by:


MELAN R. MARAMAG
Executive Secretary

Noted by:


ERNANI L. PALABYAB
Board Secretary

Treasurer's Report

Ang nagdaang tatlung taon ng San Jose Koop ay naging patunay sa pagiging institusyon natin pagdating sa pagtulong na umangat ang pamumuhay ng bawat miyembro ng kooperatiba. Nagsilbing haligi ng aming pasisilbi ang inyong patuloy na pagsuporta sa mga serbisyo na hinahatid ng ating mga butihing opisyal at empleyado. Salamat, dahil sa inyo aming mga kapwa miyembro, patuloy pa ang pananatili ng San Jose Koop bilang Billionaire Cooperative.

(COMPARATIVE STATUS REPORT OF CASH POSITION YEAR 2017 AND 2016)

YEAR	2017	2016
Cash and Cash Equivalent	303,859,869.97	172,491,118.23
Short term investments	18,082,000.00	8,082,000.00
Long Term Investments	382,187,332.44	320,295,510.01
Short Term Obligations	50,487,806.70	42,915,956.61
Total Deposits	1,078,196,235.81	848,610,277.36

Liquidity = Liquid Asset – Short Term Obligations
Total Deposits

2017		2016	
P	321,941,869.97	P	180,573,118.23
-	50,487,806.70	-	42,915,956.61
	<u>271,454,063.27</u>		<u>137,657,161.62</u>
	271,454,063.27		137,657,161.62
	<u>1,078,196,235.81</u>		<u>848,610,277.36</u>
	= 25%		= 16%

Atin pong mapapansin na taong 2016 ay nakapagtala po tayo ng 16% mababa kumpara sa taong nakaraan, ngayong 2017 ay 25% ang liquidity tumaas ng 9%. Ito ay nagpapatunay lamang na patuloy ang paglago at pag-unlad ng ating Kooperatiba.

Bilang Ingat –Yaman ay patuloy ang aking pagsubaybay sa ating mga investments upang bigyang proteksyon ang ating pananalapi at patuloy na makapagbigay ng serbisyong tapat.

Ang pag-unlad ay hindi lamang natatapos sa usapang pananalapi. Mas nanging ibabaw pa rin ang pagiging buhay ng kulturang bayanihan sa ating pamayanan. Nawa'y maipagpatuloy pa natin ang gawing ito nang maging tunay tayong modelong matatag at nagkakaisang Kooperatiba.

Mabuhay ang ating Kooperatiba!

Muli, Salamat at pagpalain tayo ng Poong Maykapal.



NORA R. BERNARDEZ
Treasurer

The Board of Directors
San Jose Del Monte Savings & Credit Cooperative
San Pedro St., Poblacion, City of San Jose Del Monte, Bulacan

We have compiled the accompanying financial statements of **San Jose Del Monte Savings & Credit Cooperative** based on information you have provided. These financial statements comprise the statement of financial condition of **San Jose Del Monte Savings & Credit Cooperative** as at December 31, 2017, the statement of operations, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with Philippine Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with **Philippine Financial Reporting Framework for Cooperatives (CDA Memorandum Circular 2015-06)**. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

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

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



DANTE R. TORRES

CPA Certificate No. 78620

BOA Accreditation No. 3225, Dated Nov. 02, 2015; Valid until Dec. 31, 2018

BIR Accreditation No. 05-003549-001-2015, Nov. 16, 2015 to Nov. 15, 2018

CDA CEA No. 0140, December 20, 2016 to December 19, 2019

PTR No. 9249157, January 3, 2018, Hagonoy, Bulacan

TIN 137-205-441

Statement of Management's Responsibility For Financial Statements

SAN JOSE DEL MONTE SAVINGS AND CREDIT COOPERATIVE

San Pedro St., Poblacion, City of San Jose Del Monte, Bulacan
CDA Registration No. 9520-03002875 / CIN - 0106030222

The management of the **SAN JOSE DEL MONTE SAVINGS AND CREDIT COOPERATIVE**, is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein for the years ended December 31, 2017 and 2016, in accordance with the Philippine Financial Reporting Framework for Cooperatives in the Philippines 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 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.

The Board of Directors is responsible for overseeing the financial reporting process of **SAN JOSE DEL MONTE SAVINGS AND CREDIT COOPERATIVE**.

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

CARLOS C. SAMSON, the independent auditor appointed by the general assembly, has audited the financial statements of **SAN JOSE DEL MONTE SAVINGS AND CREDIT COOPERATIVE** in accordance with Philippine Standards on Auditing, and in his report to the members, has expressed his opinion on the fairness of presentation upon completion of such audit.

ROMEO A. DE JESUS
Chairperson



CAROLINE D. DAVE
General Manager



NORA R. BERNARDEZ
Treasurer



February 12, 2018

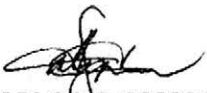
CARLOS C. SAMSON
Certified Public Accountant
Bocaue, Bulacan

HON. ORLANDO R. RAVANERA
Chairman
Cooperative Development Authority

In connection with my examination of the financial statements of the **SAN JOSE DEL MONTE SAVINGS AND CREDIT COOPERATIVE** covering the year ended December 31, 2017, which are herewith submitted to the Cooperative Development Authority, I hereby represent the following:

1. That said financial statements herewith presented are in accordance with the Philippines, which include all applicable Philippine Financial Reporting Framework (PFRF) for Cooperatives, and other accounting requirements under the laws, rules, regulations and principles promulgated by the Cooperative Development Authority (CDA);
2. That in the conduct of my audit, I adhere to the Philippine Standards on Auditing (PSA) and the Standard Audit System for Cooperatives (SASC) as required by the CDA;
3. That I am qualified as provided for in Section 14 of the Code of Professional Ethics for Certified Public Accountants and Articles 81 of R.A. 9520 (Philippine Cooperative Code of 2008);
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 any misrepresentations that I may have willingly or unwillingly committed;
5. That I nor any member of 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 the cooperative is a member;
7. That I am not an employee of the CDA nor have I engaged an employee of the CDA in the course of audit; and
8. That I make representation as member of the Philippine Institute of Certified Public Accountants (PICPA) as an independent auditor.
9. That I am a member of PICPA - Bulacan Chapter.

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.



CARLOS C. SAMSON
CPA Certificate No. 51267
TIN No. 116-752-601-000
PTR No. 1123243 January 04, 2018 - Bocaue, Bulacan
BIR 05-004364-001-2017 Valid until march 3, 2020
CDA No. 0955 Valid from December 13, 2016 to December 12, 2019
BOA No. 3308 valid until October 13, 2020

February 12, 2018
Bocaue, Bulacan

Independent Auditor's Report

The General Assembly
Thru: The Board of Directors
SAN JOSE DEL MONTE SAVINGS AND CREDIT COOPERATIVE
San Pedro St., Poblacion, City of San Jose Del Monte, Bulacan

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of **SAN JOSE DEL MONTE SAVINGS AND CREDIT COOPERATIVE**, which comprise the statements of financial condition as at December 31, 2017 and 2016, and the statements of operations, statements of changes in equity and statements cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of **SAN JOSE DEL MONTE SAVINGS AND CREDIT COOPERATIVE** as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Framework for Cooperatives.

Basis for opinion

I conducted my audits in accordance with Philippine Standards on Auditing (PSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Cooperative 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 my 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 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

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 PSAs will always detect a material misstatement when it exist. 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.

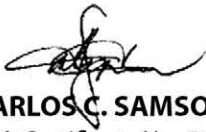
As part of an audit in accordance with PSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- 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 my 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 emissions, 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 the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to date of my auditor's report. However, future events or conditions may cause the Cooperative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

Report on the Supplementary Information Required Under Revenue Regulations 15-2010

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees in Note 33 & 34 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in my audit of the basic financial statements. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



CARLOS C. SAMSON

CPA Certificate No. 51267

TIN No. 116-752-601-000

PTR No. 1123243 January 04, 2018 - Bocaue, Bulacan

BIR 05-004364-001-2017 Valid until March 3, 2020

CDA No. 0955 Valid from December 13, 2016 to December 12, 2019

BOA No. 3308 valid until October 13, 2020

February 12, 2018

Bocaue, Bulacan

Statements of Financial Condition

As of December 31, 2017 and 2016

SAN JOSE DEL MONTE SAVINGS AND CREDIT COOPERATIVE

San Pedro St. Poblacion, City of San Jose Del Monte, Bulacan

CDA Registration No. 9520-03002875 / CIN 0106030222

	NOTES	2017	2016
ASSETS			
CURRENT ASSETS			
Cash	5, 8	₱ 303,859,869.97	₱ 172,491,118.23
Loans Receivable	5, 6, 9	573,665,728.13	294,096,066.52
Financial Assets	5, 6, 10	18,082,000.00	8,082,000.00
Other Current Assets	5, 11	5,684,955.93	4,310,765.03
Total Current Assets		901,292,554.03	478,979,949.78
NON-CURRENT ASSETS			
Loans Receivable	5, 6, 9	201,242,951.57	327,937,460.52
Property and Equipment	5, 6, 12	8,972,508.72	10,637,278.23
Investment Property	5, 6, 13	17,000,000.00	17,000,000.00
Financial Asset - Long Term	5, 6, 10	382,187,332.44	320,295,510.01
Other Non-Current Assets	14	153,012,313.74	186,211,842.04
Total Non-Current Assets		762,415,106.47	862,082,090.80
TOTAL ASSETS		₱ 1,663,707,660.50	₱ 1,341,062,040.58
LIABILITIES AND MEMBERS' EQUITY			
LIABILITIES			
CURRENT LIABILITIES			
Deposit Liabilities	5, 15	₱ 1,078,196,235.81	₱ 848,610,277.36
Interest of Share Capital Payable	5, 16	29,875,007.92	26,488,050.84
Patronage Refund Payable	5, 17	12,803,574.82	11,352,021.79
Due to Unions and Federations (CETF)	5, 18	1,524,296.75	2,327,652.70
Other Current Liabilities	19	6,284,927.21	2,748,231.28
Total Current Liabilities		1,128,684,042.51	891,526,233.97
NON-CURRENT LIABILITIES			
Long Term Liabilities	5, 20	17,506,820.47	25,369,627.53
Total Non-Current Liabilities		17,506,820.47	25,369,627.53
TOTAL LIABILITIES		₱ 1,146,190,862.98	₱ 916,895,861.50
MEMBERS' EQUITY			
Share Capital	5, 21	389,620,800.00	328,280,700.00
Deposits for share capital subscription	5, 21	1,110,490.67	985,947.80
Donations and Grants	5, 22	1,234,603.14	1,234,603.14
Statutory Funds	5, 23	125,550,903.71	93,664,928.14
Unrealized Loss on Financial Assets		-	-
Total Members' Equity		517,516,797.52	424,166,179.08
TOTAL LIABILITIES AND MEMBERS' EQUITY		₱ 1,663,707,660.50	₱ 1,341,062,040.58

See Accompanying Notes to Financial Statements.

Statements of Operations

For the Year Ended December 31, 2017 and 2016

SAN JOSE DEL MONTE SAVINGS AND CREDIT COOPERATIVE

San Pedro St. Poblacion, City of San Jose Del Monte, Bulacan

CDA Registration No. 9520-03002875 / CIN 0106030222

	NOTES	2017	2016
REVENUES	5		
Interest on Loans Receivable		₱ 97,884,594.34	₱ 83,706,919.07
Service Fees and Filing Fees		23,205,532.07	19,702,452.03
Fines, Penalty & Surcharges		18,863,267.28	13,619,521.16
TOTAL GROSS REVENUE FROM OPERATIONS		139,953,393.69	117,028,892.26
OTHER INCOME	5, 24	21,957,658.40	21,706,983.17
TOTAL GROSS REVENUE		161,911,052.09	138,735,875.43
COSTS AND EXPENSES			
Financing Cost	5,25	(30,886,179.35)	(24,998,405.86)
Employees Benefit Expense	5, 26	(20,305,580.69)	(19,123,299.47)
Provision for Probable Losses	5, 6, 27	(28,461,896.58)	(25,077,000.00)
Other Operating Expenses	5, 28	(27,372,973.33)	(17,873,400.97)
TOTAL		(107,026,629.95)	(87,072,106.30)
NET SURPLUS BEFORE OTHER ITEMS		₱ 54,884,422.14	₱ 51,663,769.13
OTHER ITEMS	29	6,084,981.79	2,393,477.49
NET SURPLUS FOR DISTRIBUTION		₱ 60,969,403.93	₱ 54,057,246.62
DISTRIBUTED AS FOLLOWS:	5, 30		
Reserved Fund		₱ 9,145,410.59	₱ 8,108,586.99
Coop. Education Training Fund-Local		1,524,235.10	1,351,431.17
Due to Union/Federation (CETF)		1,524,235.10	1,351,431.17
Optional Fund		4,267,858.28	3,784,007.26
Community Development Fund		1,829,082.12	1,621,717.40
Interest on Share Capital		29,875,007.92	26,488,050.84
Patronage Refund		12,803,574.82	11,352,021.79
NET SURPLUS AS DISTRIBUTED		₱ 60,969,403.93	₱ 54,057,246.62

See Accompanying Notes to Financial Statements.

Statements of Changes in Equity

For the Year Ended December 31, 2017 and 2016

SAN JOSE DEL MONTE SAVINGS AND CREDIT COOPERATIVE

San Pedro St. Poblacion, City of San Jose Del Monte, Bulacan

CDA Registration No. 9520-03002875 / CIN 0106030222

	2017	2016
SHARE CAPITAL - COMMON		
Beginning Balance	₱ 328,270,900.00	₱ 273,788,800.00
Additions for the year	68,460,067.28	57,595,849.30
Net Additions / (Deductions)	(6,651,267.28)	(3,113,749.30)
Paid up share capital - common	390,079,700.00	328,270,900.00
Subscribed Share Capital - Common	5,699,500.00	
Treasury Shares - Common	(6,169,600.00)	
Deposit for share capital subscription	1,110,490.67	985,947.80
Total Share Capital - Common	390,720,090.67	329,256,847.80
Paid up share capital preferred	9,800.00	9,800.00
Additions for the year	1,500.00	
Deductions	(100.00)	
Total Share Capital - Preferred	11,200.00	9,800.00
Total Share Capital	₱ 390,731,290.67	₱ 329,266,647.80
Unrealized Loss on Financial Assets	-	-
DONATIONS AND GRANTS		
Beginning Balance	₱ 1,234,603.14	₱ 1,234,603.14
Receipts	-	-
Deductions	-	-
Ending Balance	₱ 1,234,603.14	₱ 1,234,603.14
STATUTORY FUNDS		
RESERVED FUND		
Beginning Balance	₱ 61,472,844.86	₱ 53,364,257.87
Provisions	9,145,410.59	8,108,586.99
Deductions / Adjustment	16,948,155.70	-
Ending Balance	₱ 87,566,411.15	₱ 61,472,844.86
EDUCATION AND TRAINING FUND-Local		
Beginning Balance	₱ 1,753,624.03	₱ 1,696,147.40
Provisions	1,524,235.10	1,615,855.84
Deductions / Adjustment	(1,090,608.69)	(1,558,379.21)
Ending Balance	₱ 2,187,250.44	₱ 1,753,624.03
OPTIONAL FUND		
Beginning Balance	₱ 25,003,893.66	₱ 21,219,886.40
Provisions	4,267,858.28	3,784,007.26
Deductions	-	-
Ending Balance	₱ 29,271,751.94	₱ 25,003,893.66
COMMUNITY DEVELOPMENT FUND		
Beginning Balance	₱ 5,434,565.59	₱ 4,232,463.83
Provisions	1,829,082.12	1,622,317.40
Deductions / Adjustment	(738,157.53)	(420,215.64)
Ending Balance	₱ 6,525,490.18	₱ 5,434,565.59
TOTAL STATUTORY FUNDS	₱ 125,550,903.71	₱ 93,664,928.14
TOTAL EQUITY	₱ 517,516,797.52	₱ 424,166,179.08

Statements of Cash Flows

For the Year Ended December 31, 2017 and 2016

SAN JOSE DEL MONTE SAVINGS AND CREDIT COOPERATIVE

San Pedro St. Poblacion, City of San Jose Del Monte, Bulacan
CDA Registration No. 9520-03002875 / CIN 0106030222

	NOTES	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Surplus		₱ 60,969,403.93	₱ 54,057,246.62
Adjustments for:			
Depreciation and amortization	5, 6, 12	2,355,713.02	2,796,392.04
Provision for Probable Loan Losses		29,999,896.58	30,901,385.45
Distribution of Interest on Share Capital and Patronage Refund		(42,678,582.74)	(37,840,072.63)
Interest Income		(15,856,346.89)	(11,439,738.70)
Interest Expense		30,886,179.35	24,998,405.86
Operating Income before working capital change		65,676,263.25	63,473,618.64
Change in Assets and Liabilities			
(Increase) / Decrease in:			
Financial Assets		-	-
Loans Receivable	5, 6, 9	(152,423,751.75)	(191,982,157.68)
Other Current Assets	5, 11	(1,374,190.90)	3,942,118.35
Increase / (Decrease) in:			
Deposit Liabilities	5, 15	229,585,958.45	102,063,023.05
Due to Unions and Federations (CETF)	5, 18	(803,355.95)	241,782.65
Other Current Liabilities	19	3,536,695.93	647,592.51
Cash Generated from Operations		144,197,619.03	(21,614,022.48)
Interest on Share Capital:	5, 16		
Received		29,875,007.92	26,488,050.84
Paid		(26,488,050.84)	(23,782,093.86)
Patronage Refund:	5, 17		
Received		12,803,574.82	11,352,021.79
Paid		(11,352,021.79)	(10,192,325.94)
Net Cash Provided By (Used In) Operating Activities		149,036,129.14	(17,748,369.65)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net Addition to Financial Assets	5, 6, 10	(71,891,822.43)	67,867,362.61
Investment Property		-	-
Additions to Property and Equipment	5, 6, 12	(690,943.51)	(1,583,458.81)
Disposal of Property and Equipment	5, 6, 12	-	11,838.00
(Increase) / Decrease in Other Non-Current Assets	14	33,199,528.30	(88,417,794.28)
Net Cash Provided By (Used In) Investing Activities		(39,383,237.64)	(22,122,052.48)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase / (Decrease) in Other Funds and Deposits			
Net Proceeds from deposit for share capital subscription	5, 21	61,464,642.87	54,529,080.96
Change in Statutory Funds		(31,885,975.57)	(13,152,172.64)
Increase / (Decrease) on Other Non-Current Liabilities	5, 20	(7,862,807.06)	1,034,915.36
Net Cash Provided By (Used In) Financing Activities		21,715,860.24	42,411,823.68
NET INCREASE (DECREASE) IN CASH		131,368,751.74	2,541,401.55
CASH AND CASH EQUIVALENT, BEGINNING		172,491,118.23	169,949,716.68
CASH AND CASH EQUIVALENT, END		₱ 303,859,869.97	₱ 172,491,118.23

See Accompanying Notes to Financial Statements.

SAN JOSE DEL MONTE SAVINGS AND CREDIT COOPERATIVE

San Pedro St. Poblacion, City of San Jose Del Monte, Bulacan
CDA Registration No. 9520-03002875 / CIN 0106030222

1. GENERAL INFORMATION

SAN JOSE DEL MONTE SAVINGS AND CREDIT COOPERATIVE (formerly: San Jose Del Monte Kooperatiba ng Bayan sa Kaunlaran) was formed as a cooperative pursuant to Republic Act (RA) 6938 and 6939 and under the new Cooperative Code of the Philippines of 2008 also known as Republic Act 9520 for the purpose of encouraging thrift and granting loans to members for productive, educational and providential purpose, providing goods and services and other requirements of the members. The name of the cooperative was amended and approved by CDA last March 2011.

The Cooperative was duly registered with the Cooperative Development Authority (CDA) under the RA 6938 and 6939 and has complied with the requirements prescribed by the Authority for the issuance of new Certificate of Registration No. 9520-03002875 with Cooperative Identification Number CIN-0106030222 under Article 144 of Republic Act (RA) 9520 otherwise known as the "Philippine Cooperative Code of 2008" issued on November 19, 2009.

The Cooperative's registered business address is San Pedro St., Poblacion, City of San Jose Del Monte, Bulacan.

The Cooperative is registered with the Bureau of Internal Revenue (BIR) Revenue District 025B, with Certificate of Registration (COR), OCN 4RC0000580543, dated June 18, 1999, Tax Identification Number (TIN) 002-308-926.

The Cooperative's latest and valid Certificate of Tax Exemption has been issued by the BIR on September, 13, 2016, with validity until September 13, 2021, subject to the conditions of the joint implementing rules of CDA and BIR, as promulgated by the Department of Finance (DOF), implementing Article 60, 61 and 144 of RA 9520. One of the conditions is the continued compliance with CDA's requirements.

The latest and valid Certificate of Compliance was issued by CDA on April 22, 2016 with validity until April 30, 2017.

Among the tax exemptions being enjoyed by the cooperative, with respect to national taxes are: (i) Exemption from income tax from CDA-registered operations; (ii) Exemption from Value-Added Tax on CDA-registered sales or transactions; (iii) Exemption from other Percentage Tax; (iv) Exemption from Donors Tax on donations to duly accredited charitable, research and educational institutions, reinvestments to socio economic projects within the area of operations of the cooperative; (v) Exemption from Excise Tax for which it is directly liable; (vi) Exemption from Documentary Stamp Tax (DST)...; (vii) Exemption from payment of Annual Registration Fee of Five Hundred Pesos (P500.00); and (viii) Exemption from all taxes on transactions with insurance companies and banks, including but not limited to 20% final tax on interest deposit and 7.5% final tax on interest income derived from a depository bank under the expanded foreign currency deposit system.

The Cooperative's primary Purposes are: (i) Savings and credit operations; (ii) Undertakings which are necessary and incidental to the specific business/service of the cooperative, such as, but not limited to: cash investment, sale of real and other acquired properties including its development, incidental rental of coop properties and facilities, coop assurance center, remittance and bills payment subject for BSP regulations; (iii) Guardianship of Laboratory Cooperative and accept responsibilities of supervising and monitoring the activities of the Laboratory Cooperative and act in its behalf in dealings with third parties when capacity to contract is required. (iv) To develop and maintain different types of savings according to the needs and desires of members; (v) To develop and maintain different loan products according to the needs of members.

2. NATURE / STATUS OF OPERATION

The cooperative is engage in Savings and Credit operations, transacting business exclusively for members only. The cooperative's composition of membership are as follows: (i) Regular Member, (ii) Associate Member; and (iii) Youthbee.

The cooperative's area of operation is the entire Island of Luzon.

The cooperative continue to enjoy a positive growth in terms of revenue increase, increase in total assets and membership growth.

The accompanying financial statements have been prepared on a going concern basis, which contemplate the realization of assets and settlement of liabilities in the normal course of business.

3. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

3.1 Basis of Preparation

The accompanying financial statements have been prepared on historical cost convention and in Philippine Peso, which is the Cooperative's functional currency. All values are stated in absolute amounts unless otherwise indicated.

Accrual Basis / Modified Accrual Basis

The cooperative prepares its financial statements, except for cash flow information, using the accrual basis of accounting. On the accrual basis, items are recognized as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items. However, recognition of revenues is on a modified accrual basis; i.e., interest income, fines, penalties and surcharges is recognized when earned and collected. This is so because only interest income, fines, penalties and surcharges on loans receivable that has been realized (earned and collected) shall be the basis of the income available for distribution to its members through interest on share capital and patronage refund.

3.2 Statement of Compliance

The financial statements have been prepared in conformity with Philippine Financial Reporting Framework for Cooperatives (Memorandum Circular 2015-06).

This Financial Reporting Framework for Cooperatives was developed from the Philippine Financial Reporting Standards (PFRS) for Small and Medium-Sized Enterprises (SMEs). Modifications were made on several provisions of the standards taking into considerations cooperative laws, rules, regulations and principles.

4. CHANGES

Adopted for Financial Report Period Ending December 31, 2016, the Cooperative Development Authority's Memorandum Circular 2015-06, which defines the Financial Reporting Framework for Cooperatives to be used in the Philippine. Furthermore, there is an administrative sanction for non compliance, ranging from written-warning to revocation of certificate or registration.

The follow Accounts were affected as a result of the adoption of the new Financial Reporting Standard for Cooperatives:

(1) Real and Other Property Acquired has been split into two categories namely; (i) Assets Acquired in Settlement of Loan (presented under other current assets); and (ii) Real Property Acquired (RPA) present under Other non-current assets.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Measurement at Initial Recognition

At initial recognition, the cooperative measure assets and liabilities at historical cost unless the Philippine Financial Reporting Framework for cooperatives requires initial measurement on another basis such as fair value.

The cooperative recognizes a financial asset or a financial liability only when the cooperative becomes a party to the contractual provisions of the instrument.

When a **Financial Asset** or **Financial Liability** is recognized initially, the cooperative measure it at the transaction price unless the arrangement constitutes, in effect, a financing transaction. A financing transaction may take place in connection with the sale of goods or services. If the arrangement constitutes a financing transaction, the cooperative shall measure the financial asset or financial liability at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The cooperative measures **Investment Property** at its cost at initial recognition. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure such as legal and brokerage fees, property transfer taxes and other transaction costs. If payment is deferred beyond normal credit terms, the cost is the present value of all future payments.

The cooperative measures an item of **Property and Equipment** at initial recognition at its cost. The cost of an item of property, plant and equipment comprises all of the following:

- (a) its purchase price, including legal and non-refundable purchase taxes, after deducting trade discounts and rebates.
- (b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. These can include the costs of site preparation, initial delivery and handling, installation and assembly, and testing of functionality.
- (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which a cooperative incurs either when the item is acquired or as a consequence of having used the item during

a particular period for purposes other than to produce inventories during that period.
(d) Interest and other financing cost of funds borrowed intended for the construction or development of an asset.

5.2 Subsequent Measurement

At the end of each reporting period, the cooperative measures financial instruments as follows, without any deduction for transaction costs the cooperative may incur on sale or other disposal:

(a) Debt instruments shall be measured at amortized cost using the effective interest method or straight line interest amortization method.

Debt instruments that are classified as current assets or current liabilities shall be measured at the undiscounted amount of the cash or other consideration expected to be paid or received (i.e. net of impairment unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the cooperative shall measure the debt instrument at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

(b) **Investments in publicly-traded securities** are measured at fair value with changes in fair value recognized in profit or loss.

(c) **Investments in non-publicly traded securities, mutual fund and other externally-managed funds** shall be measured at cost less impairment.

Most assets that a cooperative initially recognized at historical cost are subsequently measured on other measurement bases.

(a) The cooperative measures **Property and Equipment** at the lower of depreciated cost and recoverable amount.

(b) A cooperative measures **investment in listed securities** at fair value.

Investment Property

Investment property shall be measured at cost less accumulated depreciation and accumulated impairment losses.

5.3 Derecognition

The cooperative derecognizes a **Financial Asset** only when:

- (a) the contractual rights to the cash flows from the financial asset expire or are settled, or
- (b) the cooperative transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or
- (c) the cooperative, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the cooperative:

- i. Derecognize the asset; and
- ii. Recognize separately any rights and obligations retained or created in the transfer.

The cooperative derecognizes a **Financial Liability** only when:

The cooperative derecognize a financial liability (or a part of a financial liability) only when it is extinguished—i.e. when the obligation specified in the contract is discharged, is cancelled or expires.

If an existing borrower and lender exchange financial instruments with substantially different terms, the cooperatives account for the transaction as an extinguishment

of the original financial liability and the recognition of a new financial liability. Similarly, the cooperative account for a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) as an extinguishment of the original financial liability and the recognition of a new financial liability.

The cooperative shall recognize in profit or loss any difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed.

The cooperative derecognize an item of **Property and Equipment**:

- (a) on disposal, or
- (b) when no future economic benefits are expected from its use or disposal.

The cooperative recognize the gain or loss on the derecognition of an item of **property equipment** in profit or loss when the item is derecognized. The cooperative does not classify such gains as revenue.

In determining the date of disposal of an item, the cooperative apply the criteria for recognizing revenue from the sale of goods.

The cooperative determine the gain or loss arising from the derecognition of an item of property and equipment as the difference between the net disposal proceeds, if any, and the carrying amount of the item. Any gain from disposal is included in the statement of operations for the period.

5.4 Impairment

Impairment of Assets:

An impairment loss occurs when the carrying amount of an asset exceeds its recoverable amount.

Impairment of Asset other than Inventory:

The cooperative assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the cooperative estimate the recoverable amount of the asset. If there is no indication of impairment, it is not necessary to estimate the recoverable amount.

At each reporting date, the cooperative determine whether an item **Property Equipment** is impaired and, if so, how to recognize and measure the impairment loss.

At each reporting date, the cooperative determine whether an item Property Equipment is impaired and, if so, how to recognize and measure the impairment loss.

Reversal of Impairment Loss:

The Cooperative assess at each reporting date whether there is any indication that an impairment loss recognized in prior periods may no longer exist or may have decreased. If any such indication exists, the cooperative determine whether all or part of the prior impairment loss should be reversed.

5.5 Cash and Cash Equivalent

Cash includes cash on hand and cash in bank that are unrestricted and available for current operations. This is stated in the statement of financial condition at face amount. Cash denominated in foreign currency is translated in the functional currency use in preparing the financial statement using the closing rate as of the reporting period.

Cash Equivalents are short-term, highly liquid investments held to meet short-term cash commitments rather than for investment or other purposes. An investment normally qualifies as a cash equivalent only when it has a short maturity of three months or less from the date of acquisition.

5.6 Loans Receivable

Loans Receivable are non-derivative financial asset with fixed or determinable payments that are not quoted in an active market. Loans Receivable is recognized for the difference between the gross receivable and the related unearned interest income.

Loans receivable are classified as current and non-current or past due account. These are further sub-classified according to the nature of loans as defined by cooperative management. Interest income on these loans are recognized only upon collections.

Loans receivable are presented in the financial statement at its realizable value. Allowance for probable losses on receivables is based on the past due amount using portfolio at risk, for purposes of prudence in financial reporting.

Portfolio At Risk (PAR) is a guidance computation set by regulator Cooperative Development Authority in determining allowance for probable losses, to wit: (i) One (1) month to Twelve (12) months past due would require 35% provisioning, and (ii) the more than Twelve (12) months past due will have 100% provisioning.

Allowance for Probable Losses

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

5.7 Financial Assets

These are financial instruments excluding cash and cash equivalents, loans and receivables, investment in associates, investment in joint ventures, and investments in subsidiaries.

Financial Assets are classified into current and long term.

5.8 Property and Equipment

These are tangible assets that: (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and (b) are expected to be used during more than one period.

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets. Fully depreciated assets are retained in the accounts until there is a disposal. No further depreciation charges is made in respect to those assets. Write-off and disposal must be authorized by the board.

5.9 Investment Property

"Investment property is property (land or a building, or part of a building, or both) held by the cooperative to earn rentals or for capital appreciation or both, rather than for: (a) use in the production or supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of business."

5.10 Deposit Liabilities

Deposit Liabilities are deposit made by members that can be withdrawn at any given time. This includes Time Deposit, Savings Deposit, Savings Youthbee, Savings Smart Savers, Damayan Impok, Special Deposits, Tipid Movement, Christmas Savings,

Budget, Savings, Health Saver Club, Holiday Savings, Happy Retirement, Couples Savings and Auto Debit.

5.11 Interest on Share Capital Payable

Interest on Share Capital Payable is the liability of the cooperative to its members for interest on Share Capital, which is determined at the end of every reporting period. The cooperative distributes and credits the interest on share capital to the member's savings account every year upon completion of the audited financial statements.

5.12 Patronage Refund Payable

Patronage Refund Payable is the liability of the cooperative to its members-patron for patronage refund, which is determined at the end of every reporting period. The cooperative distributes and credits the amount of patronage refund to the members' savings account every year upon completion of the audited financial statements.

5.13 Due to Unions and Federations (CETF)

This account refers to the accumulated amount of the 50% share on Cooperative Education and Training Fund (CETF) set aside for the Union/Federation that the cooperative had chosen or of which it is a member.

5.15 Long Term Liabilities

This account includes; Revolving Capital Payable, Damayan Trust Fund Payable 2012, Mutual Benefit Fund Payable, Members Benefit Fund Payable, Assets Acquired Transfer and Registration Fund Payable, System Development Fund Payable and Retirement Fund Payable.

Revolving Capital Payable

The account refers to deferred payment of interest on share capital and patronage refund, which should be agreed upon in the General Assembly.

Members' Benefit Fund Payable

This account refers to funds for special purposes and is not part of the distribution of net surplus.

Retirement Fund Payable

This account refers to the accumulated retirement benefit costs charged against the income of the cooperative over the expected remaining working lives of participating qualified employees.

5.16 Share Capital

This account refers to ownership Interest of members in the cooperative. The cooperative has two class of shares, namely: Common Share and Preferred Share.

Deposit for Share Capital Subscription

Deposit for share capital subscription happen on three (3) instances, namely: (i) amount paid by the members for capital subscription equivalent to the value of less than one share; (ii) additional subscriptions in excess of authorized capital pending approval of the amendments to increase Authorized Share Capital; and (iii) amount of share capital paid but not yet covered by subscription contract.

5.17 Donation and Grant

A **Donation and Grant** is assistance by another entity in the form of a transfer of resources to a cooperative in return for past or future compliance with specified conditions relating to the operating activities of the cooperative.

These are amounts received by the cooperative as awards, 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 members' equity of the Statement of Financial Condition.

5.18 Statutory Funds (as per Cooperative Code)

Statutory Funds - are Mandatory funds established/set up in accordance with Articles 86 and 87 of the Cooperative Code (RA 9520). These are: (i) General Fund; (ii) Cooperative Education and Training Fund (CETF); (iii) Community Development Fund; and (iv) Optional Fund.

Reserve Fund

An 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 for in its by-laws.

Reserve Fund account is intended, among others, to meet operational losses, all accumulated losses incurred by the cooperatives in their business operations shall therefore be charged against this Fund which shall be decided upon by the Board of Directors.

Cooperative Education and Training Fund (CETF)

This account refers to the amount retained by the cooperative which shall not be more than ten percent (10%) of the net surplus for the training, development and other similar cooperative activities geared towards the growth of the cooperative movement. Half of the amount allocated for the fund annually shall be spent by the cooperative for their own education and training purposes, while the other half may be remitted to a union or federation chosen by the cooperative.

Community Development Fund

An amount for the community development fund, which shall not be less than three per centum (3%) of the net surplus. The community development fund shall be used for projects or activities that will benefit the community where the cooperative operates.

Optional Fund

This account refers to fund set aside from the net surplus not exceeding 7%. It shall be used for acquisition of land and/or building, machinery and equipment, replacement fund for Property and Equipment, Members' Benefits, and other necessary funds.

In the event the cooperative has an accumulated losses from prior periods, the following modified allocation and distribution of Net Surplus for the current and future periods shall be observed, until such time that the debit balance of reserved fund has been fully offset:

- a. Twenty five per centum (25%) shall be declared as interest on share capital and patronage refund;
- b. Cooperative Education and Training Fund – one half of the per centum as provided in the by-laws.
- c. Community Development Fund – one half of the per centum as provided in the by-laws.
- d. Optional Fund – one half of the per centum as provided in the by-laws.
- e. Reserve Fund – remaining amount of net surplus.

The cooperative allocates its net surplus from operation in accordance with its' by-laws, with reference to the limitations set by cooperative code, and is presented in Note 30.

5.19 Revenue

Revenue is income that arises in the course of the ordinary activities of a cooperative and is referred to by a variety of names including sales, service income, commission, interest, dividends, royalties and rent.

Gains are other items that meet the definition of income but are not revenue. When gains are recognized in the statement of operation, they are displayed separately.

Other Income

This are Income received by the cooperatives other than its main operations.

5.19 Expenses

Expenses encompasses losses as well as those expenses that arise in the course of the ordinary activities of the cooperative.

(a) Expenses that arise in the course of the ordinary activities of the cooperative include; cost of collection of loans receivable, finance cost on deposit liabilities, wages and benefits, depreciation and amortization, and other operating expenses. They usually take the form of an outflow or depletion of assets such as cash and cash equivalents, financial assets, or property and equipment.

(b) Losses are other items that meet the definition of expenses and may arise in the course of the ordinary activities of the cooperative. When losses are recognized in the statement of operations, they are presented separately.

5.20 Employee Benefits

Employee benefits are all forms of consideration given by the cooperative in exchange for service rendered by employees.

Short Term Employee Benefits:

The cooperative recognizes the cost of short term employee benefits to which its employees have become entitled as a result of service rendered to the cooperative during the reporting period as an expense, unless required to be capitalized under the framework of property and equipment.

“Short term employee benefits includes: (i) wages, salaries and social security contributions; (ii) short-term compensated absences; (iii) 13th month pay as mandated by labor code; (iv) de minimis benefits and other benefits (i.e. Hospitalization, rice subsidy, monetized leave, cash gift, special leave benefits, medical allowance for dependents, laundry allowance, length of service and uniform allowance)”

Post Employment Benefits:

Define Benefits Plan / Retirement Plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the cooperative's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the cooperative. If actuarial or investment experience is worse than expected, the cooperative's obligation may be increased, and vice versa if actuarial or investment experience is better than expected.

The cooperative allocated to **Retirement Fund Payable** every year, base on actuarial study, an amount for employees retirement. Current service cost is charge to expense. The Retirement Fund Payable is funded internally, where the cooperative maintains other funds and deposit account that is restricted to meet this obligation.

The cooperative retirement plan is superior than what is being provided for under Republic Act No. 7641, Retirement Pay Law, where the cooperative pays 125% of the basic salary of employee for every year of service base on graduated formula for length of service. Vesting period start on year Ten (10) of employment, equivalent to 50% of 125% and increments 5% every year, for a maximum of 100% of 125% for Twenty years in service and beyond.

In the event that a certain employee retires after continuous service of five (5) years and had reached the age of 60 years old, the cooperative will apply the provisions of RA 7641.

RA No. 7641, States that: “In the absence of a retirement plan or agreement providing for retirement benefits of employees in the establishment, an employee upon reaching the age of sixty (60) years or more, but not beyond sixty-five (65) years which is hereby declared the compulsory retirement age, who has served at least five (5) years in the said establishment, may retire and shall be entitled to retirement pay equivalent to at least one-half (1/2) month salary for every year of service, a fraction of at least six (6) months being considered as one whole year.

5.21 Other Items

Other Items includes accounts peculiar to cooperatives and is required by the framework to be disclosed as separate line item in the statement of operations. These includes:

Project Subsidy - refers to the amount deducted from Project Subsidy Fund to subsidize project expenses. This shall appear in the statement of operation as a 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 amount deducted from Optional Fund to subsidize depreciation funded by Optional Fund and/or community development expense.

Subsidized Project Expenses - refers to a portion of the Project Subsidy Fund expended for training, salaries and wages and other activities subsidized by donations and grants.

5.22 Income Taxes

The Cooperative is exempt from income tax so long as it complies with the requirements of the Cooperative code as implemented by the Joint Implementing rules and Regulation of CDA and BIR, as discuss in note 1.

6. MANAGEMENT'S SIGNIFICANT JUDGEMENT AND ESTIMATES

6.1 Judgments

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

6.2 Estimates

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

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

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

Allowance for Probable Losses (on Loans Receivable)

The Cooperative estimation on allowance for probable losses are base on Portfolio At Risk as discuss in note 5.6.

Estimated Useful Lives of Property and Equipment

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

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

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

Building	10-15 years
Building Improvements	5-7 years
Furniture, Fixture and Equipment	3-5 years
Transportation Equipment	5-7 years
Leasehold Rights and Improvements	5-7 years

The Cooperative assesses the value of property 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 Cooperative to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Cooperative to conclude that property and equipment and other long-lived assets are impaired. Any resulting impairment loss could have a material adverse impact on the Cooperative's financial condition and results of operations.

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

Impairment of Non Financial Assets

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

Determining the fair market values of property and equipment, and investment property, which requires the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Cooperative to make estimates and assumptions that can materially affect the financial statements. Future events, could cause the Cooperative to conclude that

property and equipment and other long-lived assets are impaired. Any resulting impairment loss could have a material adverse impact on the Cooperative's financial condition and results of operations.

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

Revenue Recognition

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

7. Financial Risk Management Objectives and Policies

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

Credit risks

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

Liquidity risks

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.

8. CASH

This account is composed of the following:

	2017	2016
Cash on Hand	₱ 12,976,016.02	₱ 11,168,974.79
Petty Cash Fund / Revolving Fund	15,000.00	14,000.00
Cash In Bank - Combo Savings	199,265,319.45	150,472,697.60
Cash In Bank - Savings	581,641.21	536,959.69
Cash In Bank - FCDO	431,358.23	1,029,992.98
Cash in Coop Bank - Savings	1,000.00	1,000.00
Cash in Coop Bank - Time Deposit	90,589,535.06	9,267,493.17
Total	₱ 303,859,869.97	₱ 172,491,118.23

Cash in Bank Savings and Combo Savings both earns minimal interest at prevailing rates of the bank. Average interest rate for 2017 is 0.75% per annum. The Foreign Currency Deposit Unit (FCDU) is a dollar denominated savings account that earns interest at Banks prevailing rate. Foreign exchange rate at the end of the reporting period is P51.8110

9. LOANS RECEIVABLE

This account is composed of the following:

	2017	2016
Current	₱ 785,457,138.52	₱ 615,556,545.65
Restructured	16,086,938.94	10,694,706.54
Past Due	9,404,651.60	21,226,967.77
TOTAL	810,948,729.06	647,478,219.96
Allowance for Probable Losses	(36,040,049.36)	(25,444,692.92)
Net Realizable Value	₱ 774,908,679.70	₱ 622,033,527.04

Classification of Loans Receivable

	2017	2016
CBL - Coop Buss. Credit Loan	₱ 210,784,737.66	₱ 178,435,935.05
PL-Educ/ELA/EL/House Repair/PL-B2BTD	124,886,100.47	90,408,068.57
Small Enterprise Loan	83,075,478.67	75,896,166.54
Transport Service Loan	86,993,710.58	79,051,955.23
Special Car Privelege for Manager	2,747,269.35	
Special LALA	2,400,000.00	
Agri Finance Loan	34,443,135.97	33,804,244.35
Salary Loan	23,271,028.05	24,836,690.07
CBL-SPL. Coop Buss. Credit Loan	31,277,806.00	18,175,097.00
SPL CCL Institution	66,500,000.00	41,500,000.00
PL-LALA	58,664,110.53	36,456,960.74
Service Loan	19,837,782.36	17,350,709.25
CBL-Combla	19,249,614.15	14,722,400.85
CBL-Market Stall Owners	9,195,199.56	9,013,358.85
PL-Christmas Loan	14,844,096.62	9,781,405.70
Restructured	16,086,938.94	13,158,246.16
PL-Back to School Loan	1,530,103.69	1,997,951.62
CBL-Restaurant & Catering	1,706,607.57	1,468,625.21
PL-Housing Loan	3,279,925.42	1,339,284.06
PL-Micro Share Loan	175,083.47	81,120.71
TOTAL	₱ 810,948,729.06	₱ 647,478,219.96

Reconciliation of Allowance for Probable Losses:

	2017	2016
Balance at the beginning of the year	₱ 25,444,692.92	₱ 12,802,904.01
Provision during the year	29,999,896.58	30,901,385.45
Write-off	(19,404,540.14)	(18,259,596.54)
Balance at the end of the year	₱ 36,040,049.36	₱ 25,444,692.92

Loans Receivable as presented in the face of B/S

	2017	2016
Short Term & Current Portion of Long term loans receivable	₱ 573,665,728.13	₱ 294,096,066.52
Non Current portion of Long term loans receivable	201,242,951.57	327,937,460.52
Balance at the end of the year	₱ 774,908,679.70	₱ 622,033,527.04

CBL - Cooperative Business Credit Loan

Available to qualified member for a credit line of 20 times the share capital, maximum amount of P20M for a term of 1 to 5 year and with collateral requirements. Rate of Interest is 1.33% per month using diminishing balance plus graduated surcharge ranging from 2% to 6% for the term range of 1 year to 5 years payment.

PL-Educ/ELA/EL/House Repair/PL-B2B TD

Providential Loan (PL) to qualified member as follows:

Educational Loan - requiring 2 co-makers, with maximum loanable amount of P20,000 for a term of 6 month and interest rate of 14% per annum

Employees Loan Assistance (ELA) available to qualified members who are employees of government or private institution for a maximum loan exposure of P150,000 using a loan merit system. Term is up to 2 years and payable monthly. Requires 2 co-makers. Interest rate is 14% per annum

Back to Back (B2B) Loan, loanable amount is 95% of share capital for a term of up to 2 years at the rate of 10% per annum

Small Enterprise Loan

Small Enterprise Loan (SEL) consist of; (i) Trading Loan Assistance, (ii) Retailer Loan Assistance, (iii) Vendors Loan Assistance, (iv) Direct Selling Loan Assistance, (v) Food Cart Loan Assistance, and (vi) Beauty Wellness Service Loan Assistance. Borrower member must have existing business that needs additional capital. Requires 2 co makers and or post dated checks. Term of loan is up to 2 years payable monthly for an interest rate of 14% per annum.

Transport Service Loan

Transport Service Loan consist of; (i) Motor Service Vehicle Loan, (ii) Motorcycle Loan for TODA member, (iii) PUJ Operators Loan Assistance, (iv) TODA Operator Loan Assistance, (v) TAXI Operator Loan Assistance, and (vi) Bus Operator Loan Assistance. Borrower must be a regular member with at least P20,000 share capital. Requires 20% Down Payment for the loan and issuance of post dated checks. Term of loan is up to 5 years payable monthly for an interest rate of 14% per annum.

Agri Finance Loan

Agri-Finance Loan consist of; (i) Farmers Loan Assistance, (ii) Poultry Raising Loan Assistance, (iii) Backyard Piggery Loan Assistance, (iv) Duck Raising Loan Assistance, (v) Fruit and Vegetable Farmers Loan Assistance, (vi) Livestock Raising Loan Assistance, (vii) Fish Farming Loan Assistance, and (viii) Flora and Fauna Farming Loan Assistance. Borrower member must have 2 co-makers of issue post dated check . Term of loan is up to 2 years payable monthly, quarterly or every 4 months for an interest rate of 14% per annum.

Salary Loan

Member borrower must be a regular employee of private or government institution, and the institution is willing to enter into Memorandum of Agreement with the Cooperative for the automatic salary deduction. Term of the loan is up to 2 years payable monthly and requires 1 co-maker. Interest rate is 14% per annum.

Notes to Financial Statements

PL-LALA	Providential Loan - Lot Acquisition Loan Assistance. Must be a regular member with at least P20,000 share capital, not over 55 years old and with competitive source of income can loan a maximum amount of P20M with a term of 5, 10, 15 or 20 years payable monthly. Interest rate is 12% per annum.
Service Loan	Member who are engage in any service business can avail of Service Loan. The loan is required to be secured by 2 co-makers, with a term of up to 2 years, payable monthly, with an interest rate of 14% per annum.
CBL-Combla	Commercial Business Loan Assistance (COMBLA) - A Member must have at least P20,000 share capital, must have a commercial business. Maximum loanable amount is P500,000. The loan is required to be secured by 2 co-makers or post dated checks with a term of up to 1 year, payable monthly or daily (except Saturday and Sunday), with an interest rate of 1.33% per month using diminishing balance plus surcharge of 1% and 2% for loan term of 1-6 months and 7-12 months respectively.
CBL-Market Stall Owners	Commercial Business Loan (CBL)-Market Stall Owners Assistance - Maximum loanable amount is P150,000. The loan is required to be secured by 2 co-makers or post dated checks with a term of up to 2 year, payable daily (except Saturday and Sunday), with an interest rate of 1.33% per month using diminishing balance plus surcharge of 1% and 2% for loan term of 1-6 months and 7-12 months respectively.
PL-Christmas Loan	Providential Loan (PL)-Christmas Loan - Minimum Loanable amount of P5,000 Maximum of P10,000. The loan is required to be secured by 1 co-makers, must have no penalty for 1 year for other existing loans, Payable in 3 months or Cash on due Date (CDD), with an interest rate of 1% per month.
Restructured Loans	For reasons allowed under Board Resolution 1127, Series of 2010, a Loan Receivable account maybe meritoriously restructured. Restructuring may include the following example: (1) Extension of grace period; (2) Reduction of interest, penalty and surcharges; (3) Reduction of payment amortization, etc. All these are intended to unburden a member borrower who is currently having financial difficulties for causes beyond his control, such as; typhoon, fire, earthquake.
PL-Back to School Loan	Providential Loan (PL)-back to School Loan - Minimum Loanable amount is 80% of Assessed Tuition Fee but not exceeding P50,000. secured by 2 co-makers or PDC. Term of payment is up to 6 months and can be availed on top of other existing loan. Payable monthly, with an interest rate of 1% per month.
CBL-Restaurant & Catering	Commercial Business Loan (CBL)-Restaurant and Catering Owners Loan Assistance (RCOL) - Member borrower must have a restaurant or catering business. Maximum loanable amount is P200,000. The loan is required to be secured by 2 co-makers, with a term of up to 2 year, payable daily (except Saturday, Sunday and Holidays), with an interest rate of 1.33% per month using diminishing balance plus surcharge of 1% and 2% for loan term of 1-6 months and 7-12 months respectively.

PL-Housing Loan	Providential Loan (PL) - Housing Loan. Must be a regular member with at least P20,000 share capital, not over 55 years old and with competitive source of income can loan a maximum amount of P20M with a term of 5, 10, 15 or 20 years payable monthly. Interest rate is 9.5% per annum.
PL-Micro Share Loan	Providential Loan (PL) - Micro Share Loan. Allows member with share capital of P1,000.00 to complete the minimum share capital required. Term of payment is up to 2 years, with interest rate of 1% per month.

10. FINANCIAL ASSETS

This account is composed of the following:

	2017	2016
Current Investment in:		
Unit Investment Trust Fund (UITF)	₱ 18,082,000.00	₱ 8,082,000.00
Time Deposit (TD)	-	-
Total Current Investment	18,082,000.00	8,082,000.00
Non-Current Investment in:		
Share in Coop Banks and Other Coops.	₱ 28,350,455.87	₱ 15,842,586.76
Long Term Bonds	125,092,411.08	114,452,540.13
Long Term Dollar Bond	6,676,000.00	6,676,000.00
Preferred Share	45,991,897.62	30,991,897.62
Long Term Unit Investment Trust Fund (UITF)	15,000,000.00	15,000,000.00
Treasury Bill	23,013,072.31	23,013,072.31
Other Investment Funds	138,063,495.56	116,367,652.68
Total Non-Current Investment	₱ 382,187,332.44	₱ 322,343,749.50
Unrealized Gain / (Loss) on Investments	-	(2,048,239.49)
Total Non-Current Investment-Net	₱ 382,187,332.44	₱ 320,295,510.01
TOTAL FINANCIAL ASSETS	₱ 400,269,332.44	₱ 328,377,510.01

Share in Coop Banks and Other Coop.	These includes share capital, savings deposit and time deposits in cooperative banks
Unit Investment Trust Fund (UITF)	UITF are marked to market marketable securities, where the price per unit of the securities are available on a daily basis. This investment fund has the risk of decline in value of the original investment, but on the other hand can have higher yields.
Long Term Bonds	Long term bonds are placements in some universal banks.
Other Investment Funds	These are combinations of marketable securities thay other Bond, Treasury Bills, and Preferred Shares on various banks and non banks financial intermediaries.

11. OTHER CURRENT ASSETS

This account is composed of the following:

	2017	2016
Sales Contract Receivable	₱ 3,078,890.98	₱ 3,143,222.42
Account Receivable - Others	1,990,393.85	806,092.91
Prepaid Expenses	610,550.00	229,510.00
Receivable from Accountable Officer	1,000.00	25,900.00
Advances to Officers and Employees	4,121.10	106,039.70
Total	₱ 5,684,955.93	₱ 4,310,765.03

Sales Contract Receivable This account refers to amortized cost of the receivables arising from installment sale of assets acquired in settlement of loans/obligations.

Account Receivable - Others This includes: Claims receivable; A/R CIS; Western Union; SC Insurance; Insurance (Caritas); A/R Other/Members; and Damay Impok advances.

12. PROPERTY AND EQUIPMENT**Schedule of Property and Equipment - 2017**

	December 31, 2016	Additions	Disposal/ Write-off / Reclass	December 31, 2017
COST				
Land	₱ 2,000,863.39			₱ 2,000,863.39
Land Improvements	131,852.00			131,852.00
Building	10,201,831.70			10,201,831.70
Building Improvements	4,523,176.10			4,523,176.10
Furniture, Fixture and Equipment	9,517,484.32	690,943.51	-	10,208,427.83
Transportation Equipment	4,285,881.65			4,285,881.65
Leasehold Rights & Improvements	697,252.68			697,252.68
TOTAL COST	₱ 31,358,341.84	₱ 690,943.51	₱ -	₱ 32,049,285.35

ACCUMULATED DEPRECIATION

Building	(6,361,394.89)	-	(466,785.18)	(6,828,180.07)
Building Improvements	(2,575,827.70)	-	(391,147.83)	(2,966,975.53)
Furniture, Fixture and Equipment	(7,494,697.87)	-	(1,124,642.39)	(8,619,340.26)
Transportation Equipment	(3,656,173.06)	-	(308,864.03)	(3,965,037.09)
Leasehold Rights & Improvements	(632,970.09)	-	(64,273.59)	(697,243.68)
Total	₱ (20,721,063.61)	₱ -	₱ (2,355,713.02)	₱ (23,076,776.63)
Carrying Value	₱ 10,637,278.23			₱ 8,972,508.72

Carrying Value per class of Property and Equipment:

	December 31, 2016	December 31, 2017
Land	₱ 2,000,863.39	₱ 2,000,863.39
Land Improvements	131,852.00	131,852.00
Building	3,840,436.81	3,373,651.63
Building Improvements	1,947,348.40	1,556,200.57
Furniture, Fixture and Equipment	2,022,786.45	1,589,087.57
Transportation Equipment	629,708.59	320,844.56
Leasehold Rights & Improvements	64,282.59	9.00
TOTAL	₱ 10,637,278.23	₱ 8,972,508.72

13. INVESTMENT PROPERTY**Schedule of Investment Property - 2017**

	December 31, 2016	Additions	Deductions	December 31, 2017
COST				
Land	₱ 12,730,000.00			₱ 12,730,000.00
Building	4,270,000.00			4,270,000.00
TOTAL COST	₱ 17,000,000.00	-	-	₱ 17,000,000.00
ACCUMULATED DEPRECIATION				
Building	-			-
CARRYING VALUE	₱ 17,000,000.00	-	-	₱ 17,000,000.00

14. OTHER NON-CURRENT ASSETS

This account is composed of the following:

	2017	2016
Other Funds and Deposits		
Long Term Time Deposit	₱ 11,582,547.25	₱ 52,464,308.76
Bonds and Treasury Bills	51,196,934.66	51,196,934.66
Total Other Funds and Deposits	62,779,481.91	103,661,243.42
Real Property Acquired (RPA)	83,626,500.51	82,294,100.50
Computerization Cost	6,606,331.32	255,998.12
Miscellaneous Assets	-	500.00
Total Other Non-Current Asset	₱ 153,012,313.74	₱ 186,211,842.04

Notes to Financial Statements

	December 31,		Disposal/	December 31,	
	2016	Additions	Write-off / Reclass	2017	
Other Properties Acquired	₱ 82,294,100.50	45,975,947.68	(44,643,547.67)	₱ 83,626,500.51	
Less Allow. For Probable Losses	-	-	-	-	
NET RPA	₱ 82,294,100.50	₱ 45,975,947.68	₱ (44,643,547.67)	₱ 83,626,500.51	

Reconciliation of ROPA (Additions and Deductions):	2017	2016
ROPA Beginning	₱ 82,294,100.50	₱ 70,723,249.34
Additions	45,975,947.68	29,361,468.53
Disposal	(44,643,547.67)	(22,023,106.35)
Transfers (to Property and Equipment)	-	-
Impairment	-	(1,589,396.47)
Reversal of Allowance for Probable Losses	-	5,821,885.45
ROPA Ending	₱ 83,626,500.51	₱ 82,294,100.50

Other funds and deposits are restricted funds set aside for funding statutory funds and other reserves such as retirement, members benefit and other funds.

15. DEPOSIT LIABILITIES

This account is composed of the following:

	2017	2016
Time Deposit - Regular	₱ 440,477,103.08	₱ 330,738,051.83
Time Deposit - Associate	329,979,781.18	270,074,753.88
Savings Deposit - Regular	208,395,751.51	163,278,818.39
Savings Deposit - Associate	66,941,965.37	58,821,597.55
Savings Youthbee	15,477,187.66	13,064,104.86
Savings Smarts Savers	4,012,940.71	2,896,469.30
Damay Impok	4,435,199.51	3,753,225.80
Special Deposit	2,632,885.47	2,238,430.33
Tipid Movement	133,419.06	133,419.06
Christmas Savings	206,983.78	153,780.92
Budget Savings	2,594,028.39	2,765,845.31
Health Savers Club	100,636.22	85,280.47
Wellness Savings	502.95	

Holiday Savings	275,673.87	102,934.32
Happy Retirement	1,592,246.00	462,873.94
Couples Savings	134,673.77	500.00
Auto Debit	754,535.12	40,191.40
Emergency Savings Fund	2,011.81	
Future Education Fund	48,710.35	
TOTAL DEPOSIT LIABILITIES	₱ 1,078,196,235.81	₱ 848,610,277.36

Time Deposit

Time deposit is available to regular members for a P10,000.00, which is also the maintaining balance to earn interest at the range of 1.5% to 5.5% per annum, depending on the amount and number of days of placement and withdrawable on maturity. In the event of pre-termination, the savings deposit rate shall apply.

Savings Deposit

Regular savings deposit is available to regular members for a P500.00. Requires P200.00 maintaining balance to earn interest at 1% per annum, withdrawable anytime.

Savings Youthbee

Design for kids below 12 years old of the parents who are member of the cooperative. Initial Deposit required is P30.00 and the maintaining balance to earn interest is P200.00. Interest rate is 1.5% per annum. Withdrawable anytime.

Savings Smarts Savers

Design for teenagers age 13-17 years old of the parents who are member of the cooperative. Initial Deposit required is P50.00 and the maintaining balance to earn interest is P200.00. Interest rate is 1.5% per annum. Withdrawable anytime.

Damay Impok

Damay Impok is available to regular members for a P600.00. Requires P600.00 maintaining balance to earn interest at 1.5% per annum, withdrawable only upon resignation of member or death.

Christmas Savings

Design for member of the cooperative to save for Christmas Season. Initial Deposit required is P500.00 and the maintaining balance to earn interest is P200.00. Interest rate is 1.5% per annum. Withdrawable only on the months of November, December and January.

Budget Savings

Design for payment of regular bills of members of the cooperative. Initial Deposit required is P500.00 and the maintaining balance to earn interest is P500.00. Interest rate is 1.5% per annum. Withdrawable anytime.

Health Savers Club

Design to help members save for money for medical needs. Initial Deposit required is P500.00 and the maintaining balance to earn interest is P500.00. Interest rate is 1.5% per annum. Withdrawable anytime or as the medical needs arises.

Holiday Savings

Design to help members save for money for vacation, travel and leisure. Initial Deposit required is P500.00 and the maintaining balance to earn interest is P500.00. Interest rate is 1.5% per annum. Withdrawable anytime.

Happy Retirement

Damay Impok is available to regular members for a P500.00. Requires P500.00 maintaining balance to earn interest at 6% per annum, withdrawable only upon resignation of member or retirement.

16. INTEREST ON SHARE CAPITAL PAYABLE

This account is composed of the following:

	2017		2016	
Beginning	₱	26,488,050.84	₱	23,782,093.86
Additions		29,875,007.92		26,488,050.84
Deductions/Payment		(26,488,050.84)		(23,782,093.86)
Total	₱	29,875,007.92	₱	26,488,050.84

17. PATRONAGE REFUND PAYABLE

This account is composed of the following:

	2017		2016	
Beginning	₱	11,352,021.79	₱	10,192,325.94
Additions		12,803,574.82		11,352,021.79
Deductions/Payment		(11,352,021.79)		(10,192,325.94)
Total	₱	12,803,574.82	₱	11,352,021.79

18. DUE TO UNIONS AND FEDERATIONS (CETF)

This account is composed of the following:

	2017		2016	
Beginning	₱	2,327,652.70	₱	2,085,870.05
Additions		1,524,235.10		1,352,631.17
Deductions/Payment		(2,327,591.05)		(1,110,848.52)
Total	₱	1,524,296.75	₱	2,327,652.70

19. OTHER CURRENT LIABILITIES

This account is composed of the following:

	2017		2016	
Other Payable	₱	-	₱	811,894.73
Accounts Payable		5,882,421.72		1,335,845.51
SSS/Philhealth/HDMF Contribution Payable		153,607.38		296,818.39
SSS / HDMF Loans Payable		57,021.91		
Withholding Tax Payable		191,876.20		303,672.65
Total	₱	6,284,927.21	₱	2,748,231.28

20. LONG TERM PAYABLES

This account is composed of the following:

	2017		2016	
Revolving Capital Payable	₱	244,924.76	₱	826,900.80
Damayan Trust Fund Payable 2012		-		-
Mutual Benefit Fund Payable		799,968.50		570,677.11
Members' Benefit Welfare Fund Payable		1,411,083.39		2,909,409.41
Assets Acquired Transfer & Registration Fund Payable				1,058,784.79
System Development Fund Payable				6,551,844.63
Retirement Fund Payable		15,050,843.82		13,452,010.79
Total	₱	17,506,820.47	₱	25,369,627.53

Revolving Capital Payable

The account refers to deferred payment of interest on share capital and patronage refund, which should be agreed upon in the General Assembly.

Retirement Fund Payable

Internally Funded Retirement Benefit Fund.

21. SHARE CAPITAL

Share Capital is composed of the following:

	Number of Shares		AMOUNT	
	2017	2016	2017	2016
Common Shares:				
Authorized 5,000,000 shares at P100 par value				
Shares Subscribed-Beginning	3,282,709.0	2,737,888.0	₱ 328,270,900.00	₱ 273,788,800.00
Subscription during the year	675,083.0	575,958.5	67,508,300.00	57,595,849.30
Treasury Shares	(61,696.00)	(31,137)	(6,169,600.00)	(3,113,749.30)
Paid-up Share Capital	3,896,096.0	3,282,709.0	₱ 389,609,600.00	₱ 328,270,900.00
Preferred Shares:				
Authorized 20,000 shares at P100 par value				
Shares Subscribed-Beginning	98.0	2,963.5	₱ 9,800.00	₱ 296,350.00
Subscription during the year	14.0	102.5	1,400.00	10,250.00
Treasury Shares	-	(2,968)	-	(296,800.00)
Paid-up Share Capital	112.0	98.0	₱ 11,200.00	₱ 9,800.00
Total Shares issued / fully paid	3,896,208.0	3,282,807.0	₱ 389,620,800.00	₱ 328,280,700.00
Deposit for Share Capital Subscription			1,110,490.67	985,947.80
Total Share Capital			390,731,290.67	329,266,647.80

22. DONATION AND GRANTS

This account is composed of the following:

	2017		2016	
Donation and Grants		₱ 499,700.00		₱ 499,700.00
Donated Reserved		734,903.14		734,903.14
Total		₱ 1,234,603.14		₱ 1,234,603.14

Notes to Financial Statements

23. STATUTORY FUNDS

This account is composed of the following:

	2017	2016
Reserved Fund	₱ 87,566,411.15	₱ 61,472,844.86
Education and Training Fund	2,187,250.44	1,753,624.03
Community Development Fund	6,525,490.18	5,434,565.59
Optional Fund	29,271,751.94	25,003,893.66
Total	₱ 125,550,903.71	₱ 93,664,928.14

24. OTHER INCOME

This account is composed of the following:

	2017	2016
Income / Interest on Investment	₱ 16,751,565.82	₱ 11,439,738.70
Other Income	428,079.00	7,173,821.70
Other Income on Insurance	3,848,360.85	2,394,477.02
Miscellaneous Income	507,252.73	348,645.75
Membership Fees	422,400.00	350,300.00
Total	₱ 21,957,658.40	₱ 21,706,983.17

25. FINANCING COSTS

This account is composed of the following:

	2017	2016
Interest Expense on Deposit Liabilities	₱ 29,793,628.47	₱ 24,184,078.85
Interest Expense on Borrowings	1,092,550.88	814,327.01
Total	₱ 30,886,179.35	₱ 24,998,405.86

26. EMPLOYEES BENEFIT EXPENSE

This account is composed of the following:

	2017	2016
Salaries and Wages	₱ 14,708,349.38	₱ 13,671,376.63
SSS, Philhealth and Pag-big Contribution Expenses	1,081,762.86	1,058,650.48
Employees Benefits	26.1 3,670,802.07	3,578,945.35
Retirement Benefit Expense	844,666.38	814,327.01
Total	₱ 20,305,580.69	₱ 19,123,299.47

26.1

	2017	2016
Employees Benefits, Sub-schedule		
Hospitalization	₱ 493,001.74	₱ 498,715.17
Rice Subsidy	1,244,150.00	1,125,750.00
Vacation Leave	329,927.33	421,222.06
Cash Gift	325,000.00	313,750.00
Special Leave Benefits	32,500.00	6,609.12
Medical Allowance-Dependent	234,000.00	31,000.00
Laundry	628,450.00	223,200.00
Length of Service	383,773.00	587,200.00
Uniform Allowance	844,666.38	371,499.00
Total	₱ 3,670,802.07	₱ 3,578,945.35

27. PROVISION FOR PROBABLE LOSSES

This account is composed of the following:

	2017	2016
Provision for Probable Losses on Loans	₱ 28,461,896.58	₱ 25,077,000.00
Provision for Probable Losses on Investments	-	-
Provision for Probable Losses on ROPA	-	-
Total	₱ 28,461,896.58	₱ 25,077,000.00

28. OTHER OPERATING EXPENSES

This account is composed of the following:

	2017	2016
Depreciation and Amortization	₱ 2,525,308.49	₱ 2,901,321.84
Collection Expenses	5,873,353.32	2,673,996.39
General Assembly Meeting Expenses	1,101,413.17	2,529,263.21
Miscellaneous Expenses	4,778,786.56	2,154,413.89
Power, Light and Water	1,211,647.07	1,189,628.68
Office Supplies	1,833,753.05	1,180,240.25
General Support Services	962,833.33	881,750.00
Promotional Expenses	1,539,158.22	907,424.56
Repairs and Maintenance	669,524.70	388,823.56
Officers' Honorarium and Allowances	553,950.00	381,300.00
Travel and Transportation	382,397.84	358,608.11
Communication Expenses	581,930.32	419,118.49
Meeting and Conferences	442,131.99	402,398.60
Gas, Oil and Lubricants	216,775.93	236,587.59
Insurance	365,171.92	278,895.68
Professional Fees	364,522.86	268,111.10
Rental	120,000.00	120,000.00
Representation	312,000.00	280,000.00

Members' Benefit Expense	3,387,720.70	138,945.95
Litigation Expenses	36,746.79	27,652.90
Periodicals/Magazines and Subscriptions	10,596.00	19,122.86
Taxes and Licenses	96,533.83	129,192.90
Bank Charges	6,717.24	6,604.41
Total	₱ 27,372,973.33	₱ 17,873,400.97

29. OTHER ITEMS

This account is composed of the following:

	2017	2016
Gains on Sales of Acquired Assets and Property	₱ 5,715,187.97	₱ 3,562,333.67
Gains or Losses in Financial Assets through Profit and Loss	369,793.82	(1,214,335.26)
Gains or Losses of Foreign Exchange Valuation	-	45,479.08
Total	₱ 6,084,981.79	₱ 2,393,477.49

30. NET SURPLUS ALLOCATION

The Net Surplus allocation was based on the following percentages:

	2016	2015
Reserved Fund	15.0%	15.0%
Coop. Education Training Fund-Local	2.5%	2.5%
Due to Union/Federation (CETF)	2.5%	2.5%
Optional Fund	7.0%	7.0%
Community Development Fund	3.0%	3.0%
Interest on Share Capital	49.0%	49.0%
Patronage Refund	21.0%	21.0%

Interest on Share Capital is computed from the net Surplus after deducting the statutory funds totaling 30%. The remaining balance then will be multiplied by 70% for Interest on share capital (70% x 70% = 49%) and the other 30% goes to Patronage Refund (70% x 30% = 21%).

31. RELATED PARTY

A related party is a person or entity that is related to the cooperative that is preparing its financial statements. A disclosure is necessary to draw attention to the possibility that the cooperative's financial condition and operation have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

Key Management Compensation

	2017	2016
Key management compensation for the year	₱	₱

Employees Benefits**32. RECLASSIFICATION**

None

33. EVENTS AFTER THE END OF THE REPORTING PERIOD

Events after the end of the reporting period are those events, favorable and

unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

There are no events after the end of reporting period that would require disclosure or adjustment on the financial statement of the cooperative other than the Board of Directors Authorization for Issue the current years interest on share capital and patronage refund and the Approval for issue of cooperative Audited Financial Statement.

The Board of Director has approved for distribution to individual member the interest on share capital and patronage refund for the current year's reporting period on February 13, 2018. The manner of distribution is presented in the summary of significant accounting policy for Interest on share capital and patronage refund.

The financial statements of the Cooperative for the year ended December 31, 2017 were authorized for issue by the Board of Directors on February 13, 2018. The Board of Directors are still empowered to revise or amend the financial statements whenever necessary.

34. Supplemental Notes to Financial Statements

Under Revenue Regulation (RR) No. 15-2010, dated November 25, 2010, as further emphasized as to its reporting format under Revenue Memorandum Circular (RMC) No. 17-2011, dated March 17, 2011, the following tax information are hereby disclosed.

	2017
34.1 VAT	Exempt
34.2 Documentary Stamp Tax	Exempt, the other party to the contract if not exempt shall be liable.
34.3 All Other Taxes	Taxes & Licenses paid for the year are:
a. Local Taxes	Barangay Clearance ₱ 800.00
	Community Tax 500.00
	Real Property Tax 5,409.44
	By-Laws amendments 58,450.22
	Mayor's Permit (Regulatory fees only) 2,618.00
	Sub-total ₱ 67,777.66
b. National Taxes	BIR Registration -
	Car Registration -
	₱ -
Grand Total Other Taxes	₱ 67,777.66
34.4 Withholding Taxes	i. Tax on Compensation and Benefits
	Tax withheld for the year ₱ 873,581.60
	Tax remitted in Jan. 2018 48,152.30
	Total 921,733.90
	Tax Due 896,849.63
	Over-remittance ₱ 24,884.27
	ii. Creditable Withholding Taxes ₱ 427,366.50

Proposed Statements of Financial Condition 2018

SAN JOSE DEL MONTE SAVINGS AND CREDIT COOPERATIVE

San Pedro St., Poblacion I, City of SJDM, Bulacan
III-FF-0132/072

	PROPOSED 2018	BUDGET 2017	ACTUAL 2017
ASSETS:			
CURRENT ASSETS			
Cash on Hand	15,963,900.00	14,919,957.62	10,052,877.80
Cash and Other Cash Items	3,000,000.00		2,923,138.22
Cash in Bank	191,000,000.00	106,400,000.00	200,278,318.89
Cash in Cooperative	90,600,000.00	9,260,000.00	90,590,535.06
Petty Cash Fund	18,000.00	14,000.00	15,000.00
Cash Advances to Officers & Employees	10,000.00	46,039.70	4,121.10
Investment Short Term	18,080,000.00	8,100,000.00	18,082,000.00
Cash and Cash Equivalent	318,671,900.00	138,739,997.32	321,945,991.07
Loans Receivable			
Current	991,730,750.00	811,244,500.00	774,085,337.34
Restructured	20,881,700.00	14,333,500.00	15,719,101.82
Past Due-1-30days	6,264,510.00	12,653,000.00	5,233,709.63
-31-360 days	25,058,040.00	15,713,000.00	15,903,689.31
over 360 days			6,890.96
Loans Outstanding (Gross)	1,043,935,000.00	853,944,000.00	810,948,729.06
Allowance for Probable Losses on Loans	(40,923,000.00)	(28,944,000.00)	(36,040,049.36)
Net Loans Outstanding	1,003,012,000.00	825,000,000.00	774,908,679.70
Sales Contract Receivable	12,000,000.00	17,287,740.63	8,997,130.23
Less: Unrealized Gross Margin	(5,920,000.00)	(8,400,000.00)	(5,918,239.25)
Net Sales Receivable	6,080,000.00	8,887,740.63	3,078,890.98
Recble from Acctble. Officers & Employees	310,000.00	1,900.00	1,000.00
Accounts Receivable - Others	558,000.00	800,000.00	1,990,393.85
Prepaid Expenses	592,550.00	211,510.00	610,550.00
TOTAL CURRENT ASSETS	1,329,224,450.00	973,641,147.95	1,102,535,505.60
INVESTMENTS - LONG TERM			
Investments - Cooperatives	28,350,000.00	15,850,000.00	28,350,455.87
Investments - Banks	39,130,000.00	33,800,000.00	39,130,165.69
Investments- Others	315,000,000.00	269,500,000.00	314,706,710.88
TOTAL LONG-TERM INVESTMENTS	382,480,000.00	319,150,000.00	382,187,332.44

PROPERTY AND EQUIPMENT

Land	2,000,900.00	2,000,900.00	2,000,863.39
Land Improvements	131,900.00	131,900.00	131,852.00
Building	15,600,000.00	13,201,831.70	10,201,831.70
Less: Accumulated Depreciation	(8,306,000.00)	(6,835,394.89)	(6,828,180.07)
Building Improvements	5,119,000.00	4,675,000.00	4,523,176.10
Less: Accumulated Depreciation	(3,710,000.00)	(2,930,877.70)	(2,966,975.53)
Furniture, Fixtures and Office Equipment	11,216,400.00	10,136,084.32	10,208,427.83
Less: Accumulated Depreciation	(11,098,000.00)	(8,821,897.87)	(8,619,340.26)
Transportation Equipment	7,900,000.00	4,300,000.00	4,285,881.65
Less: Accumulated Depreciation	(5,267,600.00)	(4,197,373.06)	(3,965,037.09)
Leasehold Rights and Improvements	697,000.00	697,000.00	697,252.68
Less: Accumulated Depreciation	(697,000.00)	(696,570.09)	(697,243.68)
TOTAL PROPERTY AND EQUIPMENT	13,586,600.00	11,660,602.41	8,972,508.72

Computerization Costs	5,403,750.00	151,000.00	6,606,331.32
Other Funds and Deposits	63,000,000.00	103,660,000.00	62,779,481.91
Investment Property - Land	12,730,000.00	12,730,000.00	12,730,000.00
Investment Property - Building	4,270,000.00	4,270,000.00	4,270,000.00
Real & other Property Acquired	71,900,000.00	89,588,000.00	83,626,500.51
TOTAL OTHER ASSETS	157,303,750.00	210,399,000.00	170,012,313.74
TOTAL ASSETS	1,882,594,800.00	1,514,850,750.36	1,663,707,660.50

LIABILITIES**CURRENT LIABILITIES****Deposits**

Savings Deposits	357,670,000.00	222,300,000.00	275,337,716.88
Time Deposits	796,900,000.00	632,812,805.71	770,456,884.26
Special Deposit	3,038,000.00	2,676,430.33	2,632,885.47
Tipid Movement	133,400.00	133,400.00	133,419.06
Savings Youthbee	15,500,000.00	14,723,704.86	15,477,187.66
Savings Smart Savers	5,116,000.00	3,446,069.30	4,012,940.71
Holiday Savings	443,000.00	100,934.32	275,673.87
Christmas Savings	166,400.00	170,200.00	206,983.78
Budget Savings	3,700,000.00	4,065,445.31	2,594,028.39
Health Savers Club	114,400.00	115,400.00	101,139.17
Happy Retirement Savings	3,200,000.00	922,473.94	1,592,246.00
Couple's Savings	266,600.00	120,500.00	134,673.77
Auto Debit Savings	1,470,000.00	970,000.00	754,535.12
Emergency Savings Fund	14,000.00		2,011.81
College Education Tuition Fund	108,000.00		48,710.35
Damay-Impok	12,162,000.00	4,013,225.80	4,435,199.51
Accounts Payable	3,550,000.00	1,330,000.00	4,639,994.01
SSS/ECC/Philhealth Premium/loan Payable	295,000.00	295,000.00	210,629.29
Withholding Tax Payable	200,000.00	300,000.00	191,876.20
Interest on Share Capital Payable	35,280,000.00	29,674,400.00	29,875,007.92

Proposed Statements of Financial Condition 2018

Patronage Refund Payable	15,120,000.00	12,717,600.00	12,803,574.82
Due toCETF (Apex)	1,985,000.00	2,499,000.00	1,524,296.75
Other Payables	1,085,000.00	647,000.00	1,242,427.71
TOTAL CURRENT LIABILITIES	1,257,516,800.00	934,033,589.57	1,128,684,042.51
LONG-TERM LIABILITIES			
Revolving Capital Payable			244,924.76
Members Future Benefit Fund Payable	200,000.00	2,833,000.00	2,211,051.89
Retirement Fund Payable	16,730,000.00	14,292,010.79	15,050,843.82
TOTAL LONG TERM LIABILITIES	16,930,000.00	17,125,010.79	17,506,820.47
OTHER LIABILITIES			
System Dev.Fund Payable		5,350,000.00	
Asset Acquired Transfer & Reg.Fund		500,000.00	
TOTAL OTHER LIABILITIES	-	5,850,000.00	-
TOTAL LIABILITIES	1,274,446,800.00	957,008,600.36	1,146,190,862.98

EQUITY

Members' Equity

Deposits for Future Subscription	1,000,000.00	985,950.00	1,110,490.67
Common Share Capital - Authorized Share 5,000,000 shares @ P100.00 par value			
Subscribed Share Capital - Common			5,699,500.00
Less: Subscription Receivable - Common			
Paid-Up Share Capital - Common	468,079,700.00	448,270,900.00	390,079,700.00
Treasury Share Capital - Common			(6,169,600.00)
Preferred Share Capital - Authorized Share			
Subscribed Share Capital - Preferred			
Less: Subscription Receivable - Preferred			
Paid-up Share Capital - Preferred	71,200.00	69,800.00	11,200.00
TOTAL MEMBERS' EQUITY	469,150,900.00	449,326,650.00	390,731,290.67
Donations and Grants	499,700.00	499,700.00	499,700.00
Donated Reserve	734,900.00	734,900.00	734,903.14
TOTAL DONATION AND GRANTS	1,234,600.00	1,234,600.00	1,234,603.14
Reserve Fund	98,366,000.00	70,556,900.00	87,566,411.15
Education and Training Fund- Local	2,401,000.00	1,864,000.00	2,187,250.44
Community Development fund	2,685,500.00	5,616,800.00	6,525,490.18
Optional Fund	34,310,000.00	29,243,200.00	29,271,751.94
TOTAL STATUTORY FUNDS	137,762,500.00	107,280,900.00	125,550,903.72
TOTAL EQUITY	608,148,000.00	557,842,150.00	517,516,797.53
TOTAL LIABILITIES AND EQUITY	1,882,594,800.00	1,514,850,750.36	1,663,707,660.50

Proposed Statements of Operations 2018

SAN JOSE DEL MONTE SAVINGS AND CREDIT COOPERATIVE

San Pedro St., Poblacion I, City of SJDM, Bulacan
III-FF-0132/072

	PROPOSED 2018	BUDGET 2017	Actual 2017
REVENUES:			
Interest Income from Loans	110,270,000.00	84,787,500.00	97,884,594.34
Service Fees, Filing Fees	24,000,000.00	22,750,000.00	23,205,532.07
Fines, Penalties and Surcharges	16,380,000.00	17,280,000.00	18,863,267.28
Other Loan Income		7,200,000.00	
TOTAL REVENUES	150,650,000.00	132,017,500.00	139,953,393.69
EXPENSES:			
Financing Costs:			
Interest Expense on Deposits	32,000,000.00	27,150,000.00	29,793,628.47
Interest Expense on Borrowings	1,200,000.00	840,000.00	1,092,550.88
TOTAL FINANCING COSTS	33,200,000.00	27,990,000.00	30,886,179.35
GROSS INCOME	117,450,000.00	104,027,500.00	109,067,214.34
ADMINISTRATIVE COSTS			
Salaries and Wages	17,850,000.00	17,170,000.00	14,708,349.38
Employees' Benefits' (uniform & hospitalization)	3,500,000.00	2,750,000.00	3,670,802.07
SSS/ECC/Philhealth, Pagibig Contributions	1,300,000.00	1,320,000.00	1,081,762.86
Retirement Benefit Expense	936,000.00	780,000.00	844,666.38
Officers' Honorarium and Allowances	700,000.00	720,000.00	553,950.00
Training/Seminars/Conferences	120,000.00	120,000.00	
Office Supplies	1,800,000.00	1,400,000.00	1,833,753.05
Power, Light and Water	1,500,000.00	1,485,000.00	1,211,647.07
Travel and Transportation	550,000.00	400,000.00	382,397.84
Insurance	450,000.00	345,000.00	365,171.92
Repairs and Maintenance	750,000.00	545,000.00	669,524.70
Rental	132,000.00	132,000.00	120,000.00
Taxes and Licenses	120,000.00	55,000.00	96,533.83
Professional Fees	320,000.00	300,000.00	364,522.86
Communication Expense	650,000.00	430,000.00	581,930.32
Representation	432,000.00	410,000.00	312,000.00
General Assembly Meeting Expenses	1,250,000.00	3,900,000.00	1,101,413.17
Meetings and Conferences	1,130,000.00	690,000.00	442,131.99
Bank Charges	10,000.00	10,000.00	6,717.24

Proposed Statements of Operations 2018

Collection Expense	6,315,000.00	3,300,000.00	5,873,353.32
Litigation Expense	100,000.00	100,000.00	36,746.79
Affiliation Fees	20,000.00	20,000.00	
Social Services Expenses	60,000.00	60,000.00	
Promotional Expenses	1,600,000.00	1,080,000.00	1,539,158.22
Periodicals, Magazines, Subscriptions	35,000.00	35,000.00	10,596.00
General Support Services	1,100,000.00	1,248,000.00	962,833.33
Member's Benefit Expense	4,850,000.00	210,000.00	3,387,720.70
Gas, Oil and Lubricants	350,000.00	350,000.00	216,775.93
Miscellaneous Expense	2,350,000.00	3,862,500.00	4,778,786.56
Depreciation and Amortization	3,500,000.00	3,500,000.00	2,525,308.49
Provision for Probable Losses on Loans	25,850,000.00	23,500,000.00	28,461,896.58
TOTAL ADMINISTRATIVE COSTS	79,630,000.00	70,227,500.00	76,140,450.60
OPERATING INCOME	37,820,000.00	33,800,000.00	32,926,763.74
ADD: Other Income			
Membership Fees	1,280,000.00	800,000.00	422,400.00
Income/ Interests from Investment	19,000,000.00	13,560,000.00	16,751,565.82
Miscellaneous Income	600,000.00	400,000.00	507,252.73
Other Income on Insurance	4,400,000.00	3,900,000.00	3,848,360.85
Other Income	900,000.00	900,000.00	428,079.00
Total Other Income	26,180,000.00	19,560,000.00	21,957,658.40
Net Surplus Before Project Subsidy	64,000,000.00	53,360,000.00	54,884,422.14
Add: Project Subsidy			
Less: Subsidized Project Expenses			
Net Surplus			
Add(Deduct) Extraordinary Items			
Gain or Loss on Sale of P & E	8,000,000.00	7,200,000.00	5,715,187.97
Gain or Loss on Investment			369,793.82
Gain or Loss on Foreign Exchange Valuation			
NET SURPLUS (FOR DISTRIBUTION)	72,000,000.00	60,560,000.00	60,969,403.93
Reserve Fund - Minimum of 15% of Net Surplus	10,800,000.00	9,084,000.00	9,145,410.59
CETF - 5% of Net Surplus	1,800,000.00	1,514,000.00	1,524,235.10
Due to CETF- (APEX)	1,800,000.00	1,514,000.00	1,524,235.10
Optional Fund - 7% of Net Surplus	5,040,000.00	4,239,200.00	4,267,858.28
Community Development Fund (3%)	2,160,000.00	1,816,800.00	1,829,082.12
Patronage Refund Payable	15,120,000.00	12,717,600.00	12,803,574.83
Amt. Available for Int. on Share Cap.	35,280,000.00	29,674,400.00	29,875,007.93
Net Surplus (As Distributed)	72,000,000.00	60,560,000.00	60,969,403.93

The Audit Committee has applied relevant auditing procedures to ensure that existing internal control systems are sufficient and amenable on all four aspects: FINANCIAL, OPERATIONAL, COMPLIANCE and PERFORMANCE.

The succeeding recommendations based on audit findings have been presented to the Board of Directors for the year 2017.

RECOMMENDATIONS	ACTION TAKEN
1.) Presented data to justify decrease of interest on loans to: <ul style="list-style-type: none"> • To be consistent with local market condition • For possible decrease in delinquency • For possible increase in loan portfolio 	Decreased interest rates on loans by 2% effective January 2017.
2.) Presented data to justify decrease of interest on deposit liabilities to decrease financing cost and to be consistent with local market condition.	Decreased interest rates on deposits by 0.5% effective October 2017.
3.) For a systematic handling of cooperative assets: <ul style="list-style-type: none"> • Hiring of Property Custodian • Proposed Policy on: Records Retention and Disposal; Disposition of Unserviceable Property; and Procurement of Property, Plant, and Equipment. • Orderly record keeping of Real Properties Acquired. 	<ul style="list-style-type: none"> • For preparation of job description • For adoption Reconciled data for checking
4.) Recommended minor adjustments on various accounts especially Cash and Cash Equivalents; Investments; Property, Plant, and Equipment; Receivables; Payables; and Real Properties Acquired.	Complied
5.) Proposed programs for members' welfare and community development.	Noted
6.) Recommended review of the collection policy re: accounts to be turned over to HVS (Collection Agency).	On-going policy review
7.) Recommendation regarding main office parking area.	Incorporated on the 2018 Annual Budget
8.) Proposed revision on Audit Committee Policy Manual	For evaluation by Board of Directors
9.) Enhanced continuing education of committee members.	Attended relevant trainings, seminars, and conferences. Benchmarking in various very large cooperatives.
10.) Proposed Policy on Loyalty Service Award for Officers.	Further study for presentation on the 2018 GA.
11.) Proposed guidelines on officers' benefits.	For adoption

We strongly believe that, preserving our status of being a billionaire cooperative, the general assembly has fully patronized our products and services, the Board of Directors hand-in-hand with all the officers have resolved significant policies, and the management has effectively performed their duties. Continuing the integrated mission, vision, and values in our minds and in our hearts and with the Divine guidance, we will achieve the goals set for the year 2018 and the future as well.

AUDIT COMMITTEE (April 2017 – March 2018)


VIRGILIO V. BERNARDO, JR.
 Chairperson


RUTH D. LIM
 Vice Chairperson


ROSEMARIE D. SAYSAY
 Secretary

Election Committee Report

This is to report the activities undertaken by the Election Committee from April 2017 to March 2018:

- Decision on election related case(ElpidioAbela Vs. Lydia Mangubat)
- Implement election rules and guidelines duly approved in the 2017 General Assembly.
- Study and consider the findings and recommendations of Audit Committee on the previous GA and election.
- Attend and participate to the Cooperative's major activities and undertakings.
- Screening and selection of new ELECOM officer vice Ms. Cora Bristol who died during her term.
- LAKBAY ARAL (Bench marking) :
 - Manatal Cooperative
 - Barangka Cooperative
- Recommend amendments to the election Rules and Guidelines and in consultation with the Board of Directors, for the approval of the General Assembly.
- Reporting to the Board of Directors.
- Since we are all new to the committee, the election on March 25, 2018 will be our first time to supervise the conduct, the manner, and the procedure of election.

With the grace of the Lord, we wish to give the best service to our Cooperative. We encourage everyone to participate not only in the selection of our leaders but also to be the future leaders of our cooperative. GOD BLESS US ALL!



ENRIQUE G. ELFA
Chairperson



MA. FELISA C. CAMINO
Vice-Chairperson



JOSE V. TAN JR.
Secretary

Isang taos-pusong pagbati po sa ating mga kasapi para sa ating ika-30 taong General Assembly. Ikinagagalak pong iulat sa inyo ng Credit committee ang mga bagong polisiya na patungkol sa ating loans at ang mga naipautang natin sa taong 2017. Sana po ay patuloy nating tangkilikin ang sariling atin.

Mga Pagbabago sa Polisiyang Pagpapautang:

- Pagpapababa ng interest ng loan

TYPES OF LOAN	FROM	TO
Collateralized loan	16 % (diminishing)	12 % (diminishing periodic)
Non-Collateralized loan	16% (diminishing)	14 % (diminishing periodic)
Back to Back, TDL	12% (diminishing)	10 % (diminishing periodic)
Christmas Loan	3% (diminishing)	1 % per month
Back to School	6% (diminishing)	1 % per month
Salary Loan	16 % (periodic)	14 % (diminishing periodic)
COMBLA, RCOL,MSOLA	28.33% (periodic)	16% (diminishing periodic)

- Pagbaba ng service charges sa pagpapautang.
- Paglulunsad ng mga bagong produktong pautang.
- Pagbabago ng basehan ng penalty para sa mga naaantala sa pagbabayad ng utang.
- Pagdadagdag sa pamantayan ng pagiging Member in Good Standing (MIGS) ang pagtangkilik ng produktong pautang ng kooperatiba.

MGA NAIPAUTANG SA TAONG 2017

TYPES OF LOAN	NO.	AMOUNT
Cooperative Credit Line (Collateralized Loan)	510	320,490,800
House and Lot Acquisition Loan	21	35,746,000
Commercial Business Loan	662	75,344,500
Agri Finance Loan	1,356	62,738,000
Service Loan	823	37,352,900
Small Enterprise Loan	4,352	166,312,200
Providential Loan	13,988	239,180,433
Health Care Loan Assistance	26	90,600
Back to School / Christmas Loan (Special Loans for MIGS)	1698	21,337,400
Salary Loan	410	28,513,000
Transport Service Loan	873	33,678,500
Motor Vehicle / Motorcycle Loan	103	35,485,600
Total	24,822	1,056,269,933



EFREN O. ESPANOLA
Chairperson



WILMA D. DE VERA
Vice-Chairperson



MARISSA C. PANTALEON
Secretary

Ethics Committee Report

Isang mapagpalang araw po at maligayang bati sa ating lahat na dumalo at nagbigay halaga sa ating ika-30 TAUNANG PANGKALAHATANG PULONG ng SAN JOSE KOOP.

Ang ETHICS COMMITTEE po ay isa sa mga tagapagtaguyod ng epektibong pamamahala at pagpapatupad (cooperative governance) sa mga usaping pang kooperatiba. Para po sa kaalaman ng lahat, kami po ay patuloy na sumusubaybay at nagsasaliksik sa mga maari pang karagdagang patakaran upang maitaguyod nang maayos ang ating adhikain para sa patuloy na pag-unlad ng ating samahan.

Lubos po naming ipinarating sa lahat ang taos pusong pakikiisa ng komite sa mga programa ng ating kooperatiba.

Sa ikakadali po ng mga nais magbigay ng puna o anomang reklamo na may kinalaman sa usaping etikal, kami po ay gumawa ng "draft" ng "complaint form" na maaaring magamit para dito, kasunod po nito ay ang pagbuo ng takdang paraan sa paggamit nito.

Marami pong salamat at makaaasa po kayong patuloy naming gagampanan ang aming tungkulin at muli naming hangad ang inyong suporta at pakikipagkapit-bisig sa patuloy na pagpapaunlad at pagtugon na naaangkop sa "MISSION" at "VISION" ng ating kooperatiba.


TEODOLFO A. CABUHAT
Chairperson


CARMELITA S.D. ROBES
Vice-Chairperson


NANCY P. MAGNO
Secretary

Mediation and Conciliation Committee Report

Isang mapagpalang araw at punong-puno pong biyaya sa atin pong lahat na naririto ngayong ika-30th General Assembly ng ating San Jose Koop.

Nais po naming ipabatid sa lahat ng kasapi ng ating kooperatiba na ang Mediation and Conciliation Committee (MEDCOM) ay hindi lamang tagapamagitan ng anumang di pagkakaunawaan sa loob at labas ng ating kooperatiba, bagkus ang MEDCOM ay lumalabas narin upang kaakibat ng ating Loans, Credit and Collection Department ay tumatalima narin upang ang ating ilang kasapi na nakakaligtaang makatugon sa kanilang pagbabayad ay amin din pinupuntahan at narito po ang aming ulat sa taong 2017:

Summary Report – MEDCOM 2017
Amount of Collection to be collected from 45 members under MEDCOM Total Amount – 979,917.20 Amount Collected – 209,259.61 (18 out of 45 members)
Number of members visited with MEDCOM - 44 out of 45 members endorsed to MEDCOM
Number of members invited who reported to MEDCOM -12 out of 45 members endorsed to MEDCOM

Sa amin pong itinalang ulat na ito ay may mga kasapi nagkaroon ng promisory note, ang iba naman ay kusang nagpupunta na sa ating kooperatiba upang sila ay makatugon na sa kanilang nakaligtaan pagbabayad. Kaya ang naunang ulat ay nadagdagan pa ang halaga na dapat ay makolekta.

At nagagalak din po naming ipabatid na sa ilalim po ng aming committee (MEDCOM) ay wala po tayong naitala na anumang reklamong hindi pagkakaunawaan sa nakaraang taong 2017.

Gayundin po ang ating committee (MEDCOM) ay patuloy na umaattend ng mga ibat-ibang trainings at seminars upang patuloy pang mapalawak ang aming kaalaman upang mas lalo pa naming kayong mapaglingkuran at mapag-ibayo ang aming tungkulin sa inyong mga kasapi at sa ating kooperatiba.

“Together We Are Stronger”

Mabuhay po tayong lahat at marami pong salamat.

Sumaatin nawa po ang pagpapala ng ating Panginoon.



EUSEBIO E. GERMAN
Chairperson



CAROLINA B. ISRAEL
Vice-Chairperson



CHRISTOPHER B. VICENTE
Secretary

Education Committee Report

I. PRE-MEMBERSHIP EDUCATION SEMINAR (PMES):

Schedule of PMES at main office and other satellite offices:

From Mondays to Fridays : : 8:00 to 5:00 PM
Saturdays : 8:00 to 12:00 PM

Total PMES Attendees 2017 - 1,036

II. MGA BILANG NG KASAPIAN:

Uri ng Pagiging Kasapi	Para sa Taong 2017
Regular Member	28,266
Associate Member	1,425
Youth Bee Savers	2,562
Smarteens Savers	665
KABUUANG BILANG	<u>32,918</u>

III. TRAININGS AND SEMINARS CONDUCTED/ATTENDED - 2017:

Dumalo sa mga General Assembly at Educational Forum ng aming kasamahang APEX Organizations kagaya ng ACCU, PFCCO-National, PFCCO-Central Luzon, Metro South Coop Bank, CLIMBS, CISP, Bulacan Hall of Fame League at iba pa.

At upang palakasin at palawakin ang kakayahan ng ating mga kasapiang San Jose Koop ay patuloy sa pagbibigay ng mga pag-aaral, at ito ay ang mga sumusunod:

Date	Title of Seminar/Workshop Attended
January 17-20, 2017	GERC Training for Trainors on Gender Coop (Level 1)
January 13, 2017	PICPA Introduction to Compilation Services and Selected PSA Updates
January 19, 2017	BIR Seminar – Public Hearing on Zonal Valuation of Real Properties
February 15-16, 2017	Phil. Center for Creative Imaging, Inc. - Training for Corporate Digital Photography
February 17, 2017	Training on Fraud Detection and Mitigation, Document Review and ID Analysis
February 21-22, 2017	CDA Training of Trainors
February 24, 2017	iBayad System Training
April 7, 2017	Seminar on Energy Audit
April 25, 2017	Credit Management and Small Claims Court Seminar
May 24, 2017	Phil. Center for Creative Imaging, Inc. – Introduction to Graphic Design
June 9, 16 and 23, 2017	In-House Gender Sensitivity Seminar (3 Batches)
June 16, 2017	Seminar on Basic on Cooperatives, Amendments, Gender and Development and Laboratory Cooperatives

June 21-23, 2017	CLIMBS Coop Institute - General Manager's Training
June 23, 2017	Data Migration Launch Event
June 26, 2017	Phil. Center for Creative Imaging, Inc. – Designing Flyers and Brochures
June 27-28, 2017	Seminar on PFRF and Revised Standard Chart of Accounts
June 29, 2017	In-House Business Forum for Members
July 6-7, 2017	Seminar on Capitalization and Accounting Procedures
July 27, 2017	DTI Negosyo Center Financing Forum
August 7-9, 2017	GERC Training on Information Technology for Cooperatives
August 24-25, 2017	Human Resources Development Training for General Managers, Management Staff and Other Officers/Members
August 8-9, 2017	In-House Seminar on Product Knowledge and Cross-Selling Techniques
August 12 and 19, 2017	In-House Mandatory Training: Fundamentals of Cooperatives
August 17, 2017	Digital Marketing Seminar
August 17-19, 2017	CLIMBS Coop Institute – Learn from Them
August 25, 2017	Managing the Cooperatives in the Age of Disruptions
	Benchmarking at SACDECO and Nueva Segovia Consortium of Cooperatives
September 02 and 09, 2017	In-House Seminar on Governance and Management of Cooperatives
September 20-23, 2017	CLIMBS Coop Institute - Upgrading of the Board of Directors
September 23, 2017	Lawyering Credit Transactions and Documentation
September 26, 2017	Seminar on Simple Record Keeping
October 3-6, 2017	GERC Training for Trainers on Gender Coop (Level 2)
October 5, 2017	AgriLink 2017 Exposure Program
November 7-8, 2017	GERC Training on Gender Analysis and Planning for the Gender and Development Committee of Coops
November 9-11, 2017	CLIMBS Coop Institute – Seminar-Workshop on Succession Planning
November 16-17, 2017	Human Resource Management and Effective Communication Skills
December 8-9, 2017	Strategic Workshop for Digital Transformation of Cooperatives

IV. At dahil sa maayos na pamamahala at matagumpay na paglago ng San Jose Koop at bilang isa sa mga ACCESS BRAND Silver Cooperative dito sa ating bansa at sa buong Asya, mapalad tayo sapagkat patuloy tayong kinikilala ng ibang kooperatiba at mga unibersidad at kolehiyo sa buong kapuluan ng ating bansa at kanilang pinipili ang ating Kooperatiba upang magdaos ng Lakbay-Aral o “Benchmarking”. Ang mga sumusunod ay ang mga kooperatiba, Unibersidad at Kolehiyo na bumisita at pinag-aralan ang takbo at pamamalakad ng San Jose Koop:

- Bulacan State University
- ACCESS Computer College
- Birhenng Lourdes Parish Development Cooperative
- Polytechnic University of the Philippines
- Baliuag MCDC
- Gumaca MSK Multi-Purpose Cooperative
- ANADECO MPC
- BAGUMBAYAN MDC
- Olongapo Multi-Purpose Cooperative

- Holy Cross Savings and Credit Cooperative
- Ebenezer Christian Academy, Inc.
- VIGAN CCDC
- PAG-ASA Multi-Purpose Cooperative
- MANATAL MPC
- Simbayanan ni Maria MPC
- Colegio De San Gabriel
- TAGUM Cooperative

V. IBA PANG NAISAGAWA:

- o Monitoring of “Member Get Member Program”
- o Quarterly Issue of MASIKAP
- o Facilitate Bayad Mong Sakto May Panalo Promo and Raffle
- o Facilitate & Monitor “Share Capital Build-Up Program”
- o Facilitate the bench marking activity in San Jose Koop
- o Distribution of Promotional Materials
- o Installation of Business Signage
- o Conducted the Gender Awareness Seminar in different Barangays
- o Conducted the Product Knowledge Seminar (Coop employees)
- o Facilitate the Urban Gardening Contest
- o Facilitated the organization and registration of our SJDM Kiddie and Youth Laboratory Cooperative (SKYLabCoop)

Patuloy po tayong magtulong-tulong upang palakasin at palaguin ang San Jose del Monte Savings and Credit Cooperative (SJDMSCC) sapagkat wala pong imposible na ating maabot ang lahat ng ating minimithi at ninanais kung tayo ay patuloy na magsasama-sama at patuloy na magtulungan para sa ating samahan. Together We Are Stronger!

Mabuhay ang ating samahang San Jose Koop at hangad namin ang tagumpay ng bawat kasapian at ng ating pamayanan!


Vice Chair, RICHARD E. AVENA
Chairperson, EDCOM


Director JOHN PAUL G. VILLAR
Member


Director AURORA E. CASTILLO
Member

Plans and Programs for 2018

BSC Code	Key Area (Based on Suggestions/ Recommendation)	Actions/Steps	Responsible Person/s	Time Table	Performance Target
LG1	Succession Plan and Leadership Development Program	To formulate and adapt Succession Plan and Leadership Development Program	<ul style="list-style-type: none"> Board of Directors –Governance Com. Admin. 	January 2018	Approved Succession Plan and Leadership Development Program for Implementation
LG2	Terms of Reference	To implement the use of Terms of Reference as one of the tools in governance manual.	All Officers (BODs, Com., Treas. and Sec.) Exec. Sec.	April 2018	Approved Terms of Reference integrated in the tool kit and governance manual
LG3	Risk Register	To periodically conduct risk assessment and prepare risk register with risk mitigating actions	Board of Directors CEO Audit Com. Internal Audit Dept.	January 2018	Result of risk analysis and mitigation program
LG4	CI/ Collector	To separate job description between CI and Collector including competency training course	HR Credit and Collection	March 2018	Clear job description between CI and Collector including competency training course Expedite CI
LG5	Governance Policy Code of Ethics	<ul style="list-style-type: none"> Monitoring on the implementation of Governance Policy Dissemination of Governance Policy to all officers Joint Meeting of Governance Com. and Ethics Com. 	Ethics Com. Board of Directors – Gov. Com. CEO Compliance Officer HR	February 2018	Governance Policy properly implemented and monitored
LG6	Performance Evaluation of CEO Performance Evaluation of BoDs	To include in the board calendar performance evaluation	Board of Directors	January 2018	Performance Evaluation of CEO and BoDs conducted
LG7	Job Descriptions	To review and improve job descriptions. Competency based job description.	HR	January 2018	Competency Job Descriptions put in place
LG8	Performance Management System	To institutionalize PMS and link it with compensation and rewards system	HR	January 2018	Performance Management System is institutionalized integrating compensation and rewards system
LG9	Human Resource and Management	Review Policy on Hiring Process, Employment Administration, Terms and Conditions, Benefits, Code of Discipline Outsource Psychometrician	HR	February 2018	includes Aptitude examination or Psychological Test implement what is on the policy (example forms and letters Guidelines Performance Evaluation link to incentives and bonuses. must be understood and accepted by staff includes short courses with corresponding year of service.
LG10		Review policy on emergency leave	Admin. Dept.	January 2018	the employee is entitled to 3 times emergency leave with pay per year.
		Develop Policy on Social Media	Admin. Dept.	January 2018	Quarterly Employees Feedback to avoid Social Media shout out.

Plans and Programs for 2018

BSC Code	Key Area (Based on Suggestions/ Recommendation)	Actions/Steps	Responsible Person/s	Time Table	Performance Target
		Develop Policy on CCTV		January 2018	To place in isolated area
		HR Program		January 2018	Payroll system on attendance and late
LG11	Staff Training	<ul style="list-style-type: none"> • General <ul style="list-style-type: none"> o Fundamentals o Leadership o Values Re-orientation – o Financial Literacy o Customers Care o Disaster Preparedness/ Awareness o First Aid o 5 S of Good Housekeeping • Technical Training <ul style="list-style-type: none"> o Basic Accounting Course o Bit Coin (Digital Currency) o Property Appraisal o CI / BI o Joy at Work (Stress Management) o Auto CAD o Business Correspondence o Strategic Marketing o Technical Reporting o Social Media o Digital Marketing o Risk Based o Counterfeit Detection o Stock market o Training for Meralco Tellers 	HR	All Year Round February 2018 March 2018 Jan /April/ July/ Oct	
LG12	Employees/Officers Benefits	Link bonuses and cash gift to performance of the employees especially on leave without pay	HR		
LG13	Uniform Allowance of Officers Per diem of Officers Meals	<ul style="list-style-type: none"> • Policy and guidelines for review 	Board of Directors CEO		To develop guidelines on uniform allowance. - Polo Jacket and one Polo Shirt – all officers
LG14	MIS Staff	<ul style="list-style-type: none"> • Increase salary of IT related positions. For reference http://www.thesummitexpress.com/2017/02/top-10-highest-paying-jobs-in-the-philippines-2017.html • Trainings and seminars pertaining our work • Additional staff – Network Administrator 	HR		Salary - Refer to performance evaluation
LG15	Developed Trainers	Front liners seminar on cross selling and upselling of products <ul style="list-style-type: none"> • Customer Care 	EDCOM BDO HR	Quarterly	
		Look for seminar on product packaging, effective selling, negotiating skills and product development.		April to November	

BSC Code	Key Area (Based on Suggestions/ Recommendation)	Actions/Steps	Responsible Person/s	Time Table	Performance Target
		Life Coaching Develop "new" life coaches;		After the assessment of 1st batch graduates	
LG16	Internal Audit	Coordination between Audit Committee and Internal Audit before reporting to the board	Audit Com. Internal Audit		To harmonize findings and reports
		Daily audit of transactions			
MC1	Develop a members benefit Program	<ol style="list-style-type: none"> Review Policy on Abuluyan Program – tie up with funeral services and memorial (Funeral Wreath, Contribution) Loyalty Pension Benefit for 20 yrs membership and 70 yrs old & above Tie-up with business establishment/ transportation for discount using coop ID Birthday gift for all members – discount on tie-up restaurants Develop practical members benefit program. <ul style="list-style-type: none"> For millennial – approved last BoD Meeting 29 Nov. 2017 Yearly Free insurance for all members – P 10 accident insurance Bayad Mong Sakto – mechanics for review 	<ul style="list-style-type: none"> Membership, Bus. Dev't and Member's Benefit Com. MSBDO CEO 	<p>January to March</p> <p>Insurance - January 2018</p>	<p>Increase of minimum deposit from P 600 to P 800 funeral flower</p> <p>Reserved fund for loyalty benefit. From excess income</p> <p>Minimum of 10 partners per year. (Davids Salon Nuat Thai, Tito Renz, Kubo sa Bayan, Sioto, Gringneth, Cuts and Slice, santrans, G Spa, Mersan, Jayross, BBTSC, Gas Station, Schools – Smart Starters, Colegio, TGP, dental and medical clinics, Grotto Vista Resort, Simplicity, Rich Mart, flower box, Faith, Travel and Tours – Macarvic, catering services, Hardwares, Memorial – Holy Haven, Sarmiento, Santuario de Paz, Providence, OLEP)</p>
MC2	Members Directory	<p>List of members and their products</p> <p>Coordinates with MIS for demographics and members data</p> <ul style="list-style-type: none"> Prioritize Officers and Mngt. and Staff 	<ul style="list-style-type: none"> MSO/BDO MIS 	May to July	
MC3	Skylab	<p>Activities for the Year 2018</p> <p>Monthly Board and Committee meeting (food and per diem)</p> <p>January – February - Oathtaking April – Summer Camp May – Brigada Eskwela June-August – School to School promotion of Skylab November – Trick or Treat December – Christmas Party</p>	Skylab Specialist Business Dev. Officer BOD CEO HR	All Year Round	<p>To experience the true duties and responsibilities of being a board member/discuss new ideas and problems</p> <ul style="list-style-type: none"> To accept responsibilities and to introduce the coop to guardians Promoting and to learn new skills Promoting and community program Intense promoting of SKYLAB To learn how to organize an event Bonding and camaraderie among members and would be members of Skylab gift for the members for their hard work

Plans and Programs for 2018

BSC Code	Key Area (Based on Suggestions/ Recommendation)	Actions/Steps	Responsible Person/s	Time Table	Performance Target
MC4	Insurance	One Staff for Insurance Product Intensify marketing promotion of Insurance product Increase income for Insurance 2017- 1.2M as of Oct. 2017 2018- 2 M	HR CEO MSBDO		
MC5	Gender and Development	<ul style="list-style-type: none"> Conduct quarterly Gender Awareness Seminar on Barangay Provide reading materials or informative leaflets to VAWC Promote Gender awareness in schools thru the help of SKYLAB koop and all Class Officers Introduce Gender and Development(GAD program to CMP beneficiaries) GAD Project like breastfeeding section 	GAD Committee	Quarterly	To increase awareness on GAD and how to deal with it. - To equipped all barangay officials and employees regarding VAWC and create other programs and activities to resolve the issues. -To be aware and to be sensitive on the gender issues at the very young age to prevent issues for the future. -To familiarize with the community issues and will result a good working relationship among men and women.
MC6	Product and service Objective – members patronizing product and services (38%) ➤ IBP – 3.21 ➤ CMP – 2.1	Consider microfinance Fishbone Diagram – for analysing problems Survey during group membership	<ul style="list-style-type: none"> BOD- Membership Com. MSBDO 		Increase number of members patronizing product and services (38%)
		Member get Member Data – massive information			Updated policy on Member get member incentives program
		Launching of new product being developed – Well advertise Coop Mobile Van		two weeks before launching January 2018	Regular / periodic Launching of new product developed
		Continuous Text Blasts on members with half paid and half term loan and with no loans	<ul style="list-style-type: none"> Credit and Collection 	Upon approval of half term policy	Increase of Loan takers
MC7	Marketing and Promotion	Ads on How to Become a coop member Focus on SJDM Residents	<ul style="list-style-type: none"> BOD (Partnership and Linkages Com.) MSBDO 	Aug 1 onwards	Increase in Market penetration
		Review policy on Partnership and Linkages as a tool on recruitment of members		April 2018	Updated policy on Partnership and Linkages
		Use statistics of members per barangay against non-members	<ul style="list-style-type: none"> MIS MSBDO (Research Com.) 	April 2018	Updated database

BSC Code	Key Area (Based on Suggestions/ Recommendation)	Actions/Steps	Responsible Person/s	Time Table	Performance Target
MC8	Physical Infrastructure- Building and office space	Outsourcing of Building Maintenance Cleanliness Repainting of Building(Main) Blinds CR Renovation(Main) 4th Floor Training Water Proofing of building Extension of 2nd flr. Solar Panel at 2ndflr extension Covered Parking area and Expansion (1stqtr)	<ul style="list-style-type: none"> Admin Dept. BOD (Building Com.) CEO 	Completion May 2018	Excellent Physical infrastructure
MC9	Members Satisfaction Evaluation	<ul style="list-style-type: none"> Application of Members Classification Tool Review incentives of members classification (co-maker requirement) Telephone System- members verification 	Credit and Collection MSBDO Membership Com.	For approval January 31, 2018	Members satisfaction
MC10	Process Flow for Termination of membership	To prepare process flow of termination of membership in accordance with by-laws and monitor its implementation.	<ul style="list-style-type: none"> BOD 	March 2018	Flow for Termination integrated in the by- laws
IBP1	Service Delivery to Members	<ul style="list-style-type: none"> Additional 3 CIs (1 for main, 2 SOO) Special Training for CIs align the Job Description rotation of tellers to Meralco Office in preparation for no breaktime 	<ul style="list-style-type: none"> Credit and Collection HR 	January 2018	improvement on delivery of service
IBP2	Loan Profitability	<ul style="list-style-type: none"> Loan target based on Total Assets - P 100M/month Financial Inclusion Increase loan exposure up to P 300K on reg. loans with PDC, P 200K with co-maker Increase max. exposure for new members up to P 50K 	<ul style="list-style-type: none"> BOD, CEO Credit and Collection CreCom 	With Board Resolution	To meet the standard on Loan Portfolio

Plans and Programs for 2018

BSC Code	Key Area (Based on Suggestions/ Recommendation)	Actions/Steps	Responsible Person/s	Time Table	Performance Target
		<ul style="list-style-type: none"> • Product Promotion <ul style="list-style-type: none"> o Outsource Credit Agent o Finder's fee for agents o Signages/stickers – consider sizes o Member's House Plate o Coop Booth o Public address o Frequent borrowers' card o Launching of coop mascot and coop jingle o Attendance during exhibit o Sticker for new member o Coop Kit for new member o Tarpaulin and announcement of activities – at least one month before the activity o On call promodiser 	<ul style="list-style-type: none"> • EDCOM • Social Services Com. • Members Services 	Whole Year Round Signages/stickers -Set monthly target Launching - GA 2018	
IBP3	Flow Chart per Department Simplify loan forms and loan process	To develop comprehensive process flow procedures Review existing system program Checklist form for member's info	All Departments Credit and Collection	January 2018	To have a comprehensive flow chart procedures To minimize time and motion
IBP4	Product segmentation based on needs	Product re-branding	<ul style="list-style-type: none"> • MSBDO • MIS 	March 2018	To meet the needs of our members
IBP5	Branching Out/Satellite Offices	<ul style="list-style-type: none"> • Assess and Evaluate the performance of every satellite office • set monthly target • Develop Halang Office into a full branch somewhere in Sta. Maria – PulongBuhangin • To open account and include SOO as signatories to address withdrawals of members and Satellite Transaction • New service vehicle for 2 SOOs • Continue operation of two satellite offices as satellite offices 	<ul style="list-style-type: none"> • BOD • SOO • CEO • MIS 	April 2018 Pick-up	

BSC Code	Key Area (Based on Suggestions/ Recommendation)	Actions/Steps	Responsible Person/s	Time Table	Performance Target
IBP6	Tungko Office	<ul style="list-style-type: none"> Determine the area of coverage of Tungkong Mangga Office Recruitment of new members Information dissemination Tarpaulin on every sition on all barangays, barangay hall Flyering Recruitment of relatives Member-get-member Signages for business (member or not) Meetings with the barangay residents Budget for marketing and promotion Renovation and improvement of building 			
IBP7	Assign 4 days on a week as marketing day at Sapang Palay Office	<p>Prepare Communication letter to Brgy.</p> <ul style="list-style-type: none"> Utilize Brgy. Resources such as records submitted to population, Assistance of LLN/BHW/ML Seek help of members/Staff to point relatives possible to become members House to House Campaign Flyering/dissemination <p>P50.00 discount coupon as outright discount on seminar fee with P 5,000 share cap.. if Recruiter is Officers and Employees</p>	<ul style="list-style-type: none"> Office of the CEO All Staff/ Officers/ Members Brgy. Personnel 	<p>All Year Round</p> <p>January 2018</p>	Attain set target on membership 209/month or 2,500/year
IBP8	Improve Loan Portfolio Loan Release Target for 2018 P140,000,000.00 or P11.6 M /month	<p>Seminar of Frontliners to cross-sell and upselling of Cooperative Products</p> <ul style="list-style-type: none"> Maintain in Satellite Office Comprehensive Copies of Products/Services Release in Branch Office Collateralized Loan/MVL/ML etc. Same day release for MIGS 	<p>Admin/HR Executive Secretary Credit and Collection SOO Internal Audit Cash and Investment MSBDO</p> <ul style="list-style-type: none"> Accounting 	January 2018 onwards	Help to contribute in attaining set loan releases for the year
IBP9	Reduce Delinquency	<p>Conduct BOS prior to Loan Release</p> <ul style="list-style-type: none"> Orient members applying for renewal to pay on time And explain their benefits for prompt payment of Loans Implement Members Classification Tool in appraisal of loan exposure Update of members profile / contact # for text blast upon visiting the Office Aging Report for Satellite Office 	<ul style="list-style-type: none"> SOO Credit and Collection MIS Accounting Dept 	January 2018	Help maintain delinquency level at standard rate of 5%

Plans and Programs for 2018

BSC Code	Key Area (Based on Suggestions/ Recommendation)	Actions/Steps	Responsible Person/s	Time Table	Performance Target
IBP10	Additional Staff (Teller)	devolvement of office staff in Satellite Office to accommodate transaction of members - Multi tasking of duties in Satellite Office - Releaver in other Office -Weekly/Monthly Reshuffle of Staff - Assistant Satellite Officer -Additional Computer/Printer -Designate Personnel for bringing and getting of supplies and document to S.O.	<ul style="list-style-type: none"> • HR/Admin • Cash and Investment • Credit and Collection • MIS 	January 2018	To address growing numbers of members transacting in Satellite Office
IBP11	Office Improvement	Construction of Parking Area(Roofing) -Repainting of Office -Replacement of Blinds -Repair of Window -Construction of Fire Exit		June-July 2018	To establish Image Building in the Area of Operation
IBP12	Deposit Target for 2018 P130,000,000.00 or 10,750,000.00	Campaign members to build savings and inculcate the habit of savings Promotion of savings product that is non withdraw able for a certain period -help members attain financial freedom		January 2018	To be Financially viable in serving the required Loan Releases monthly
IBP13	Issuance of share certificate to members	for distribution	<ul style="list-style-type: none"> • Accounting • MIS • Board Sec. 	January 2018	To comply with the regulatory requirements
IBP14	Office hour	No work on Saturday but no leave on Monday. Extended working hours. Saturday transactions report - data			To maximize the use of ATM machine To promote KAYA payment platform To minimize energy consumption To motivate employees Learning Session
IBP15	Internet Connections	Refer to comparative report Free wifi – at least 30 mins. Per day	<ul style="list-style-type: none"> • MIS 		

BSC Code	Key Area (Based on Suggestions/ Recommendation)	Actions/Steps	Responsible Person/s	Time Table	Performance Target
F1	Membership Growth Increase on membership Target-43,000 Actual 2017 -28,345 Variance -14,365	<ul style="list-style-type: none"> • Group PMES -rigid follow up after PMES • Target Mall establishments • Partnership and linkages Business owners – min. of 10 per yr • Increase Incentives to “member get member program” • Develop incentives program for employees recruitment (ex. All members of the family will be a member) • Target San Jose del Monte residents first • Focus on marketing of products and services as well as recruitment. • Daily schedule of visitation to those members previously given a PMES. • continuing member education program • develop raffle promo for new member • maintain membership forms at schools and barangays and partner establishments • once a week marketing activities in Halang Office to encourage new members 	Members services Officer	January to December	
F2	Delinquency	<ul style="list-style-type: none"> • Target collection 95% of the total loan releases 	<ul style="list-style-type: none"> • Credit and Collection 	P 95 M Monthly	Improve loan portfolio
F3	Net Institutional Capital	<ul style="list-style-type: none"> • Excess dividend (10%) standard to attain 102 • identify possible sources of funds that can be credited to reserve fund • identify gaps in terms of amount 	<ul style="list-style-type: none"> • BOD • Finance • Accounting • Audit 	February 2018	Increase Net Institution
F4	ROPA - non earning asset	<ul style="list-style-type: none"> • analysis of ROPA accounts • target sale (50% of the total no. available for sale and 50% of total amount) 	<ul style="list-style-type: none"> • Finance • Accounting • Audit • BOD 	All Year Round	Decrease ROPA

Calendar of Activities 2018

JANUARY Health and Wellness Month	<ul style="list-style-type: none"> • Zumba Festival • Urban Gardening Contest for CMP HOAs • Discounted Laboratory Check-Up for Members
FEBRUARY Oral Health Month	<ul style="list-style-type: none"> • Dental Awareness Program – Distribution of Oral Health Kit for Kids • Feeding Program
MARCH Gender and Development (GAD) and Women's Month	<ul style="list-style-type: none"> • Breast and Cervical Cancer Awareness • Gender Sensitivity and GAD Seminar • Annual General Assembly and Election of Officers
APRIL Earth Day and Farmers' Month	<ul style="list-style-type: none"> • Disaster and Risk Reduction Management Awareness (Earthquake and Fire Drill) • Community Clean-Up Drive (Earth Day) • Seeds Dispersal • Farmers' Forum
MAY San Jose Koop Anniversary Month	<ul style="list-style-type: none"> • San Jose Koop Anniversary Celebration • Medical and Dental Mission • Feeding Program • Officers' Orientation • CDA Mandatory Trainings (open to all prospective coop leaders) • SKYLab Coop Leadership Youth Camp
JUNE Financial Literacy Month	<ul style="list-style-type: none"> • Business Forum • Livelihood Training Seminar • Scholarship Program
JULY PWD Month	<ul style="list-style-type: none"> • Cluster Meeting for PWD • Discounted Laboratory Check-Up for PWDs and Senior Citizens • Special Privileges for PWDs on Loans
AUGUST Senior Citizens' Month	<ul style="list-style-type: none"> • Cluster Meeting for Senior Citizens • Special Privileges for Senior Citizens on Loans
SEPTEMBER Civil Servants' and Teachers' Month	<ul style="list-style-type: none"> • SJDM Citihood Anniversary Celebration (Tanglawan Festival) • Special Privileges for Civil Servants and Teachers on Loans
OCTOBER Cooperative Month	<ul style="list-style-type: none"> • Cooperative Month Celebration • Tree Planting Activity • Blood Letting Drive • Ownership Meetings (3 Clusters) • Trick or Treat for Kids (SKYLab Coop Program)
NOVEMBER Kiddie and Youth Month	<ul style="list-style-type: none"> • Complete New Born Screening with Hearing Test (31 Babies) • SKYLab Coop Kiddie and Youth Assembly • Feeding Program
DECEMBER Gift-Giving Month	<ul style="list-style-type: none"> • Give-a-Gift for Indigents • Year-End Assessment and Celebration

Panalangin ng Koop

Panginoong Makapangyarihan sa Sanlibutan,

Nagpapasalamat kami sa lahat ng pagpapalang inyong iginawad sa amin;

Sa pagliligtas sa amin sa kasiphayuan dulot ng poot ng kalikasan;

Sa katiwasayang dulot ng katatagan ng loob na humarap sa mga balakid sa pag-unlad;

Sa kasaganaang bunga ng sariling pagsisikap sa pamamagitan ng kooperatiba.

Panginoon, nandito po kami sa inyong harapan upang muling magsumamo na iligtas mo ang Kooperatiba.

Ilayo mo ito sa:

Mga mapahamak na nagnanais itong lansangin

Mga taong naniniwala na walang magagawa ang karaniwang mamamayan;

Mga tagapayo na hindi napapagal sa pagharap sa mga bagong suliranin ngunit hindi nagkakaroon ng panahong makalutas ng kahit ano;

Mga tagapamahala na nagnanais na ang kooperatiba ay maglingkod sa kanila sa halip na sila ang maglingkod sa kooperatiba;

Mga namumuno na nagnanais na gamitin ang kooperatiba bilang tuntungan tungo sa kapangyarihan;

Ang pamahalaan na ibabaon ang kooperatiba sa mas masalimuot na pamamaraan;

Mga nagpapaliwanag na may kaisipang nananatiling gapos sa kanilang daigdig at ayaw tanggapin ang kooperatiba bilang hakbanging pangkabuhayan;

At mga namumuhunang aagaw at magsasamantala sa ari-arian nito.

Tulongan mo ang aming Kooperatiba ay:

Makapaghatid ng kabutihan;

Maglingkod ukol sa kapakinabangan ng kanilang mga kasapi na hindi na mantatampalasan sa karapatan ng mga taong wala sa kooperatiba.

Patnubayan mo ang aming mga namumuno sa aming kooperatiba at sa pamahalaan sa kanilang tungkuling ginagampanan.

Patnubayan mo ang sambayanang Pilipino.

Ang lahat pong ito ay samo't dalangin namin sa iyo, Panginoon,

AMEN.

Cooperative Pledge

As a Filipino,

I am and I believe

In the cooperative.

Alone I am weak,

But with others I am strong.

So I commit myself

To work, to cooperate,

For all to be prosperous.

Harmony, industry I will value.

Cooperative affairs I will attend.

Responsibilities I will assume.

The cooperative philosophy I will live.

One vision,

One belief,

One feeling.

In cooperativism,

My life I pledge,

So help me God.



SAN JOSE KOOP

SAN JOSE DEL MONTE SAVINGS AND CREDIT COOPERATIVE

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Empowering women
Caring for the community