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*"San Jose Koop:
Stronger Together @ 30"*

Board of Directors



*"San Jose Koop:
Stronger Together @30"*



Chairman Romeo A. De Jesus, CPA



Vice-Chair Richard E. Avena



Director Elpidio D. Abela, CPA



Director Aurelio A. Jose, Jr



Director Lydia M. Mangubat



Director Jovita V. Mateo



Director Aurora E. Castillo

Committees

Board Secretary and Treasurer



Ernan L. Palabyab



Nora R. Bernardez

Audit Committee



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

Credit Committee



Melani R. Maramag, Johnalan P. Borbon, Efen O. Española

Election Committee



Teodolfo A. Cabuhat, Jeric C. Baluyot, RMT, Gerardo L. Bautista

Ethics Committee



Mario Sarmiento, Carmelita SD. Robes, Kelvin G. Cadiz

Meditation and Conciliation Committee



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



*"San Jose Koop:
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Employees



29th General Assembly





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.

Message



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

Greetings and welcome to the 29th Annual General Assembly of the San Jose del Monte Savings and Credit Cooperative!

In recent years, cooperatives have proven to be a practical means of stimulating economic activity among its members. It is likewise a sustainable approach to eradicating poverty and uplifting our people by giving them the opportunity and the means to achieve financial freedom, as well as give back to the community that supports them.

I hope that you keep this in mind as your numerous members gather for this Assembly. May you come together with the common purpose of steering your cooperative towards further success, while contributing to the wellbeing of your community and our nation. Through your commitment and unity, I am confident that you can take advantage of new opportunities as our bullish economy continues to gain momentum.



I wish you the best of luck, and may all of us work together to build a stronger and better Philippines for all.

A stylized signature of Juan Miguel F. Zubiri.

Juan Miguel F. Zubiri

Chairperson of the Philippine Senate
Cooperatives Committee

Message



Allow me to extend my greetings to all the members of the **SAN JOSE DEL MONTE SAVINGS AND CREDIT COOPERATIVE** as you hold your **30th Anniversary and General Assembly**.

Ang inyong lingkod ay naniniwala na ang bawat indibidwal sa lipunan ay may kakayahang baguhin ang kaniyang kapalaran sa paraang maiangat ang kaniyang pamumuhay at tunguhin ang landas sa kasaganaan. Kaya naman kung may mabigat na suliranin lalo na sa pinansyal na aspeto ay laging kaagapay ang kooperatiba na siyang magpupuno ng pangangailangan ng mamamayang umaasa dito.

Kaya naman ang inyong lingkod ay nagagalak sapagkat sa mahabang panahon ay nanatiling matatag at maaasahan sa pagtataguyod ng pangkabuhayang pangangailangan ng mga mamamayan mula sa mga pinansyal na suportang handog

ng inyong samahan.

Tunay na kayo ang katuwang na suporta ng pamahalaan para mapalago ang ekonomiya at maiangat ang buhay at pamumuhay ng sambayanan. Sapagkat sa mga puhunan at mga tulong pinansyal na sumasagot sa mga pangunahing pangangailangan ay umuusbong ang pagkakataon at pag-asa para sa marami nating maralitang mamamayan.

Dahil dito, tanggapin ninyo ang aking buong pusong pagbati sa lahat ng myembro ng inyong samahan. Dalangin ko ang patuloy na pag-unlad ng inyong kooperatiba at mas lumago pa ang bilang ng inyong myembro para sa lalong ikauunlad ng bawat isa para sa pangkalahatang pagsulong ng bayan para sa kapakinabangan ng lahat.

Muli ang aking pagbati.


WILHELMINO M. SY-ALVARADO
Punong Lalawigan

Message



HOUSE OF REPRESENTATIVES CONGRESS OF THE PHILIPPINES

It is with esteemed pride that I salute all the great men and women behind San Jose del Monte Savings and Credit Cooperative. As you mark your 30th Anniversary, I am commending all for your undying commitment to bring this cooperative to what it is now. Indeed, as your theme aptly speaks, you are stronger because you are together. This can be translated in whatever we do. In order to achieve what we have embarked to accomplish in life, we must be in unison with all the forces that will push and test us to our limits. The end goal is to arrive at our destination. Expect setbacks that will dampen your spirit along the way. However, if we work together, nothing is impossible. By the nature of your organization, being a cooperative, you have shown the constituencies of our beloved city, the City of San Jose del Monte, what the word “cooperative” means. As what the famous American author and political activist, Helen Keller said, “Alone we can do little, together we can do so much.” I urge all the members to translate this unique attitude outside the zone of SJDMSCC. Let it reverberate in all the corners of our city. Together as one, we can achieve things beyond our imagination.



Again, my congratulations. Mabuhay Tayong Lahat!

Puso at Pag-asa
RIDA ROBES

my
FLORIDA "Rida" P. ROBES
Representative, Lone District
City of San Jose del Monte Bulacan



*“San Jose Koop:
Stronger Together @ 30”*

Message



The Office of the City Government of San Jose Del Monte wishes to Congratulate the San Jose Del Monte Savings and Credit Cooperative on the occasion of its 30th Anniversary on May 14, 2017 with the Theme “Stronger Together at 30.” The San Joseños are quite lucky to have benefited from the operation of this credit cooperative.

As disciplined members of the cooperative, they are enjoined to promote savings and, consequently, utilize their loans for productive investments. The socio-economic development of the City of San Jose Del Monte is hinged on good governance where social organizations like the San Jose Del Monte Savings and Credit Cooperative contribute immensely to raising the standard of living of their members.

The continuous increase in the living cost of the San Joseños has become a big burden for those in the low income group as they never earn enough to cover their daily needs. They tend to deal with their problem through the money lenders who charge them with very high rates. By doing so, their debt situation worsens and becomes increasingly serious.

Thanks for the intervention of the San Jose Del Monte Savings and Credit Cooperative in uplifting the live of the San Joseños. Their money problems lessened when many of them joined together under the cooperative principles of self-help and mutual help.

Again the City of San Jose Del Monte salutes you on the occasion of your 30th Anniversary!

ARTURO B. ROBES
City Mayor

Message



Association of Asian Confederation of Credit Unions



Best Wishes to San Jose Del Monte Savings and Credit Cooperative

On behalf of more than 39 million members of 32,000 credit unions in 22 countries in Asia, it is my pleasure to send greetings and best wishes to the leaders and members of San Jose del Monte Savings and Credit Cooperative (SJDMSCC) on its 29th Annual General Assembly, Election of Officers and 30th Year Anniversary on March 26, 2017 and 30th Year Anniversary on May 14, 2017.

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 a 'Silver ACCESS Branded' cooperative in Asia is a proof of your dedication.

We wish SJDMSCC employees will continue to consider it a privilege working in your organization where they get all facilities possible. Not only you do provide a learning platform but also offer a growing career curve for them.

I believe SJDMSCC has amplified its relevance to its members through the Life Coaches trained in 2016. It is essential that members realize that debt freedom can be a way of life for them and their family.

Finally, we take this opportunity to express our heartfelt appreciation on the success San Jose del Monte Savings and Credit Cooperative is experiencing and we wish you a very successful Annual General Assembly and 30th year anniversary celebration.

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.




ELENITA V. SAN ROQUE
Chief Executive Officer



*“San Jose Koop:
Stronger Together @ 30”*

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



It is with extreme joy that I extend my warmest felicitations to the progressive members, officers and leaders of the San Jose Del Monte Savings and Credit Cooperative (SJDMSCC) on the joyous occasion of the 29th Annual General Assembly.

This year’s theme “Stronger Together @ 30” signifies so many things. For me, it suggests singular focus and that is to be stronger. Second, the use of the sign @ suggest the high level of technology utilization in the organization and thirty of course in a strong number because it was used by the presidential campaign in du30 but in its true sense power, the rise to maximum productivity which incidentally made SJDMSCC famous.

I always associate the SJDMSCC as a highly dynamic organization that is capable of moulding divergent group of Metro Manila relocates into one powerful cohesive force into a cooperative. Not only in just one big cooperative but highly motivated organization, pursuing a noble goal of improving the lives of its members that had distinguished itself in the field. The SJDMSCC’s strict adherence of cooperative principles in the pursuit of delivering appropriate service to member is excellence in itself, that is aptly demonstrated in the daily operations that eventually catapulted the cooperative on top of the cream of the crop. In the process, the cooperative has been garnering awards one after the other, not only in Bulacan or Region but on the national and international scene.

The consecutive years of recognition of the SJDMSCC at the CDA Gawad Parangal is a testimony of your excellence.

On a personal note, the most touching accomplishment of the cooperative is not your immense operation, not the excellence you portrayed in the national competitions but in the all-out support you extend to other cooperatives, federations, cooperative councils and most of all to the CDA. Your notable participation to regional activities of cooperatives acclaimed success and primarily due to your lead. I cannot thank you enough, but please accept my gratitude.

Thank you for just being great. Your success is CDA PEO success. Mabuhay!

MARIETA P. HWANG
Regional Director

Message



**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 management, staff and members of our member- primary San Jose del Monte Savings and Credit Cooperative in its "Pearl" or 30th year Anniversary and General Assembly.

Reaching pearl anniversary with flying colors is such a hard, tedious but marvelous job. You are one in thousands of coops who have done it not only of the best but also rare of the access branded one.

You know very well also that you have contributed a great part in making PFCCO-Central Luzon for what it is now. May your coop continue to be a guiding star of striving coops who are dreaming to achieve operational excellence like yours. May you will always be willing to share your best practices and be involved always in the league's movement.

To the men and women behind San Jose del Monte Savings and Credit Cooperative, Congratulations! May this years' General Assembly and Election of officers be marked as another in the success of the cooperative movement!

"To God be the Glory Always."

Mabuhay ang San Jose del Monte SCC!

Mabuhay ang PFCCO- Central Luzon!

Mabuhay po tayong lahat!



M.C. Bondoc
- MAGDALENA C. BONDOC -

Chairperson, PFCCO- Central Luzon
Central Luzon Region League



Chairperson and Chief Executive Officer's Report

Sa Aming mga Mahal na Kasapi,

Buong kasiyahan naming ibalita sa inyo na sa taong 2016 ay naging matagumpay ang operasyon ng ating Kooperatiba sa larangang pinansyal at serbisyo sa ating mga kasapi at pamayanan.

Sa unang taon ng ating bagong Five Year Plan na sinimulan natin taong 2015, nakamit natin sa 2016 ang Surplus na P54 Milyon at ito ay mataas ng 11.45% kung ikukumpara sa Surplus noong 2015 na P48.5 Milyon. Dahil dito tayo ay nakapag bigay ng P26.48 Milyon dividend o 9.5% sa saping puhunan at P11.35 Milyon na balik tangkilik sa mga umutang sa ating kooperatiba.

Malaki din ang paglago ng ating ari-arian, dahil ito ay umabot na sa P1.34 bilyon, mataas ng 15.5% kumpara sa 2015 na P1.16 bilyon lamang. Dahil sa tiwala ng mga kasapi ang total ng deposito ay tumaas ng 13.57% buhat sa P747.2 milyon noong 2015, ito ay umabot sa P848.6 milyon nitong 2016. Ang bilang ng mga kasapi ay tumaas din ng 15.59% buhat sa 21,052 noong 2015 ito ngayon ay umabot sa 24,335 nitong 2016. Dahil dito ang saping puhunan ay umabot sa P328 milyon nitong 2016 o mataas ng 32.8% kumpara sa 2015 ng P247 milyon. Bukod dito tumaas ang total reserve na umabot na sa P61.47 milyon o 14.50% ng ating capital. Ang mga reserbang ito ay panagot natin sa anumang kalugihan na mahaharap natin sa mga darating na araw.

Sa taong 2016 tayo din ay nakapagbigay ng P882.5 milyong pantang sa mga miyembro at ito ay 22.7% mataas sa pantang na ibinigay noong 2015 na P719.3 milyon.

Sa atin ding pagtutulungan at pagdadamayan, tayo ay nakapag bigay ng abuloy na umabot sa P16 milyon sa 132 mga kasapi na namatay noong 2016. Sa mga proyektong pampamayanan naman (Community Projects) tayo ay nagkaloob ng P0.42 milyon sa iba't-ibang lugar na meron tayong kasapi.

Sa ibang larangan naman, ang ating kooperatiba (San Jose Koop) ang nagwagi bilang Most Outstanding Cooperative ng Central Luzon at No. 3 sa buong Pilipinas, kalaban ng mga mas malalaking kooperatiba. Binigyan din ng mga pagkilala ang inyong Chairman ng parangal bilang Natatanging Lingkod Kooperatiba ng Pilipinas. Sa larangang pang-International, nakamit din natin ang ACCU ACCESS Brand Silver Category matapos ang limang taon (5years) na Certification. Dalawa lamang sa Pilipinas ang nabigyan nito, isa ang Tagum sa Davao at ang San Jose Koop na kinilala sa buong Asya. Dahil sa lahat ng ito, pinagkalooban ng Gawad Pagkilala ang San Jose Koop ng lalawigan ng Bulacan at ng Lungsod ng San Jose del Monte.

Bilang pangwakas, ang lupong patnugutan at opisyal ng ating kooperatiba ay buong pusong nagpapasalamat sa mga kawani, mga kasapi, mga taga suporta at mga nagtataguyod sa samahang kooperatiba sa kanilang tulong at tiwala na siyang nagbibigay inspirasyon upang lalo nating pagsikapan na higit na umunlad ang ating samahan kasabay ng pag-unlad ng mga kasapi.

RECOGNITIONS/AWARDS RECEIVED IN 2016 ARE AS FOLLOWS:

1. SILVER brand for ACCESS Branding held at Singdo Conversia Incheon, South Korea given by ACCU.
2. 3RD Most Outstanding Primary Cooperative Large Scale Category held at Makati Shangri-La Manila given by CDA National Office
3. Plaque of Recognition as national nominee held at Royce Hotel & Casino given by CDA Pampanga Office.
4. Bigay Pugay 2016 Natatanging Lingkod ng Kooperatiba ng Pilipinas (Chairman ROMEO A. DE JESUS SR.) held at SMX Convention Center, Manila given by PCC.
5. Gawad Pagkilala to SAN JOSE KOOP given by City Cooperative Development Office
6. Gawad Pagkilala to SAN JOSE KOOP given by City of Malolos, Bulacan

OPERATIONAL IMPROVEMENTS AND FACILITIES

1. Modify salary job level and increase steps in order to achieve and excel in one’s chosen field and grow professionally to their fullest potential.
2. Implementation of flexible office hour to accommodate member’s transaction on their most convenient time and also to provide a better customer service to the members.
3. Improved organizational structure and hired additional manpower to help process the growing transaction both in the main and satellite offices.
4. Modify the usage of parking area for security purposes.
5. Provide health card to all officers and employees to keep them healthy and ensure that they are physically fit while performing their duties and responsibilities
6. Strengthen communication system via cooperative bulletin, website, Facebook and documentary with video coverage of various activities of SAN JOSE KOOP being viewed at the lobby of the cooperative offices.
7. New loans and savings products were introduced to satisfy member needs namely: Retention & Remedial Loan Program, Vendor & Food Cart Loan Assistance, Trading Loan Business Loan Assistance, Happy Retirement Savings and Auto Debit Savings.

CONCERN FOR THE COMMUNITY/ENVIRONMENT

1. Financial Assistance Delegate to 2016 HPAIR Harvard Conference
2. Dental Awareness Program
3. Feeding Program at Fr. Simpliciano Bahay Ampunan
4. Feeding Program at Partida Elementary School
5. Farmer’s day- Climate Change information Program
6. Gender Sensitivity and Women Empowerment
7. Health Care Program- Laboratory Test
8. Medical and Dental Mission
9. Financial Assistance to Veteran Teachers
10. PWD Cluster Meeting
11. Senior Citizens Cluster Meeting
12. Hair Dressing Seminar in partnership with CCDC & DAR
13. New born screening at the Ospital ng Lungsod
14. Gift Giving at the Ospital ng Lungsod
15. Gift Giving at Bahay Sibol



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

CAROLINE D. DAVE
Chief Executive Officer
San Jose Koop

RESULTS OF OPERATIONS

Comparative Figures 2012 to 2016 (in Million Pesos)

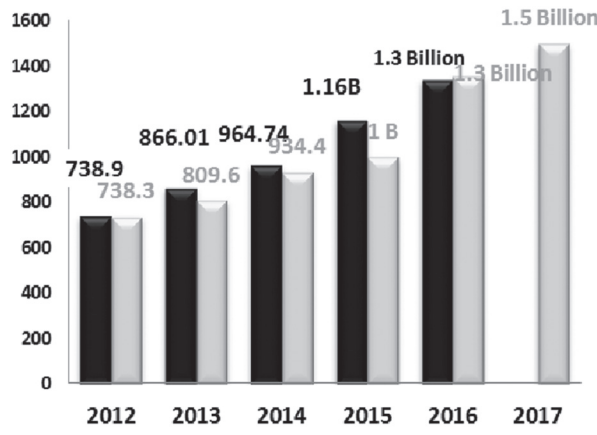
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Proposed
	2012	2012	2013	2013	2014	2014	2015	2015	2016	2016	2017
Operating Revenue	71.00	76.00	71.07	85.00	82.92	96.00	97.54	106.00	117.03	108.23	124.82
Operating Expenses	57.73	53.90	62.89	59.07	62.83	65.61	78.97	71.21	87.07	84.35	98.22
Other Income	19.50	10.10	29.98	11.10	22.98	12.20	29.97	13.42	24.09	30.13	33.96
Net Surplus	32.77	32.20	38.16	37.03	43.07	42.59	48.54	48.21	54.06	54.00	60.56
Return on Equity	15.60%	14.04%	15.70%	14.03%	15.30%	14.95%	14.83%	14.28%	13.88%	14.69%	14.9%
Return on Asset	4.43%	4.71%	4.75%	4.78%	4.70%	4.88%	4.56%	4.83%	4.32%	4.57%	4.23%

FINANCIAL CONDITIONS

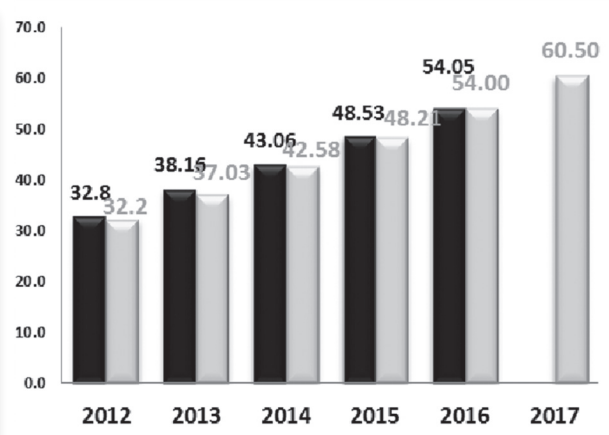
Comparative Figures 2012 to 2016 (in Million Pesos)

	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Proposed
	2012	2012	2013	2013	2014	2014	2015	2015	2016	2016	2017
Total Resources (Assets)	738.90	738.34	866.01	809.58	964.74	934.40	1,163.48	1 B	1.34B	1.36 B	1.5 B
Loan Receivable (Net)	316.30	424.08	348.37	320.37	406.22	421.81	471.76	430.02	622.03	540.76	825.0
Investment (Long Term)	20.90	29.80	111.16	20.92	205.74	124.7	339.58	260.16	328.38	474.7	450.0
Deposits	464.73	425.59	550.99	463.96	605.64	577.06	747.20	645.48	848.61	886.82	1 B
Share Capital	175.61	220.82	202.83	237.11	231.20	232.80	274.09	274.40	328.28	311.50	450.0
Book Value per Share	P 127.59	121.54	P 129.10	P123.72	P 130.12	P130.25	P129.08	P 130.05	P 129.21	P 130.09	P 131

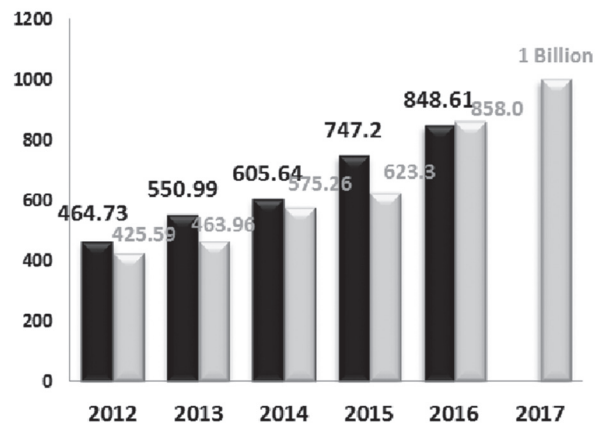
5 Years Comparative Actual Performance Against Target



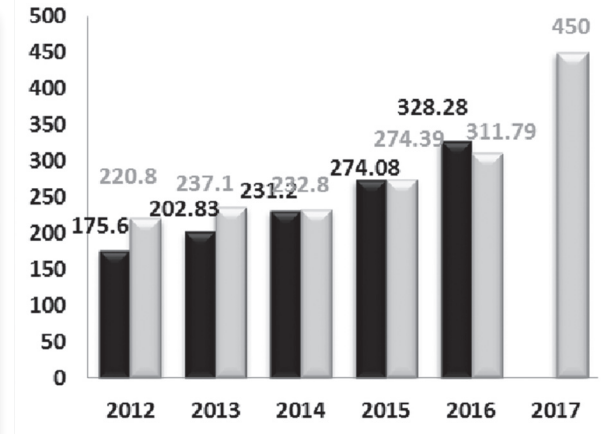
Resources (Assets) (in million pesos)



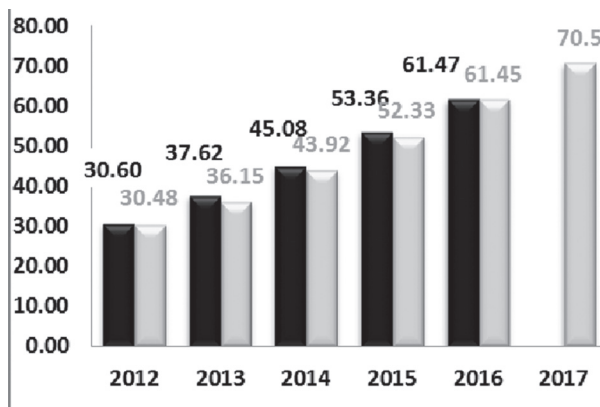
Net Surplus (in million pesos)



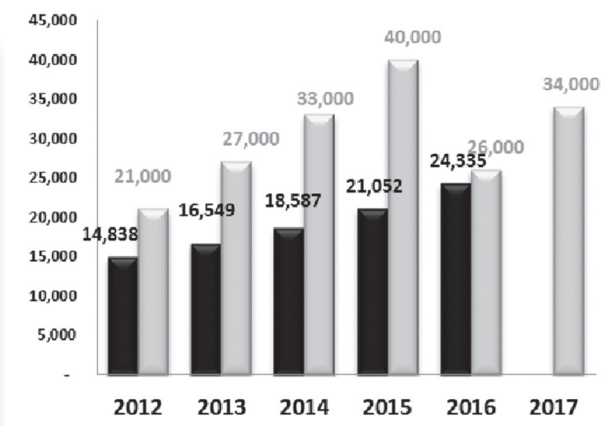
Deposits (in million pesos)



Paid-up Share Capital (in million pesos)



Reserves



Membership

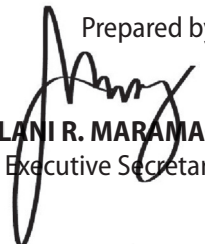
Legend: Actual  Target: 




2016 Approved Board Resolutions Affecting Policies and Procedures Relating to Members

Resolution No.	Date of Approval	Content
1895	Jan. 25	Amendment to the Policy on Commercial Business Loan Assistance
1972	May 24	Amendment to the Guidelines on Damay-Impok Program
1974	Jun. 10	Amendment to the Policy on Co-maker
1979	Jun. 10	Amendment to the Policy on term of payment of loan secured by registered mortgage
1981	Jun. 21	Amendment to the Policy on Health Care Loan Program
1987	Jun. 21	Approval of Policy on Senior Citizen and Person with Disability
1995	Jul. 12	Approval of new member's benefit: Damay-Impok Advances
1998	Jul. 26	Approval of new products: Loan Balance Transfer, Couple Savings Fund, Health Care and Wellness Savings, Happy Retirement Savings Plan
2004	Aug. 9	Addition to the Policy on Damay-Impok Advances
2015	Aug. 23	Approval of Policy on Solicitation
2039	Oct. 4	Approval of Policy on Auto Debit Payment
2061	Nov. 8	Approval of Policy on Gender and Development
2063	Nov. 23	Amendment of Visual Identity Policy Re: New Cooperative Logo
2068	Nov. 23	Approval of Policy on Partnership and Linkages Thru Programs
2069	Nov. 23	Approval of Policy on Establishment of Branches and Satellite Offices
2076	Dec. 27	Amendment by addition to the Policy on Damay-Impok Advances
2077	Dec. 27	Approval of New Loan Product: Boundary for Side Car Loan
2078	Dec. 27	Approval of New Loan Product: Eco-Friendly Loan Assistance
2079	Dec. 27	Approval of new interest rates on loans and mode of payment
2104	Dec. 27	Approval of Budget for the Year 2017

Prepared by:


MELANI R. MARAMAG
 Executive Secretary

Noted by:


ERNAN L. PALABYAB
 Board Secretary

Ulat ng Ingat-Yaman

Ang padiriwang ng Ika-tatlumpung taon anibersaryo ng ating kooperatiba ay nag-silbing inspirasyon para sa mga naglilingkod na opisyal at tagapamahala. Higit sa lahat, kayo, tayo mga minamahal naming miyembro ang dahilan kung bakit patuloy pa rin ang pagsusumikap na lalong mapalago at tumaas ang pananalapi ng ating institusyon. Marahil ay hindi na lingid sa inyo na nagdaang mga taon ay milyon milyon ang ating pananalapi, sa ngayon ay Bilyonaryo na ang ating KOOPERATIBA.

Sa loob ng limang taon kung paglilingkod ko bilang Ingat-Yaman ay aking sinubaybayan ang maturity ng ating mga investment, maari na rin i-withdraw ang iba at muling ihanap ng panibago ng mapaglagakan na garantisadong Bangko Sentral na mga Guaranteed Bonds at Retail Treasury Bills makapagbibigay ng mataas na tubo para narin makatulong sa pag-usbong ng ating pananalapi, nang sa ganoon ay mabigyan tama at sapat na tubo ang inyong share capital o puhunang sapi, bukod sa pinapautang. Kaya kayo, tayong mga kamay-ari ay aking hinihikayat na humiram o umutang o dili kaya mag-loan para makatulong sa paglago ng ating Kooperatiba.

TUNGHAYAN PO NATIN ANG KALAGAYAN NG ATING LIQUIDITY TAON 2015 at 2016.

	2016	2015
Cash& Cash Equivalent	P 172,491,118.23	P 169,949,719.68
Shortterm Term Investments	P 8,082,000.00	P 47,270,006.79
Long term Investments	P 320,295,510.01	P 339,583,366.62
Short Term Obligations	P 42,915,956.61	P 38,160,928.62
Total Deposits	P 848,610,277.36	P 746,547,254.31

Liquidity = Liquid Assets – Shortterms obligations
Total Deposits

	2016	2015
	<u>180,573,118.23 – 42,915,956.61</u>	<u>217,219,726.47 – 38,160,928.62</u>
	848,610,277.36	746,547,254.31
	= 16%	= 24%

Atin pong matunghayan sa taong 2016 ay nakapagtala po tayong 16% mas mababang 8% kumpara noong taong 2015 na 24%. Subalit mataas pa rin po kung ating susundin ang tamang pamantayan na not less than 15% of Total Deposits, over and above the maximum standards pa rin po tayo. Patunay na matatag ang ating samahan at marami pa rin pong available funds na maipahiram sa mga kasapi sa dapat bayaran sa takdang panahon.

Ang mga seminars na rekomendado ng Cooperative Development Authority (CDA), ay kabilang akosa mga kalahok bilang kualipikasyon maging opisyal ng ating kooperatiba.

Mga iba pang nagawa at muling gagawin ay ang mga sumusunod;

1. Nagsisikap makatulong na mapalago/mapaunlad ang ating pananalapi sa pamamagitan ng pagtulong sa koleksyon;
 2. Nagsaliksik at muling magsasaliksik at pagkumbinsi ng mga magiging bagong kamay-ari;
 3. Nag papa-update ng investment interest at naghahanap ng mga panibagong investment na mataas ang tubo.
 4. Pagsubaybay sa pagpapalipat ng mga titulo sa pangalan ng kooperatiba mula sa titulo ng na remata.
 5. Nahahanap ng bumili ng lupa sa mga titulong naremata upang tumaas ang ating liquidity.
- Nawa'y ipagpatuloy po natin ang pagtangkilik dahil bumaba na ang ating loan interest rate at kailangan ang inyong buong pag-suporta sa ating KOOPERATIBA.

Maraming salamat po at abisala, mabuhay tayong lahat at sana'y pagpalain tayo ng POONG MAYKAPAL sa mga darating pang taon.


NORA R. BERNARDEZ
Treasurer



*“San Jose Koop:
Stronger Together @ 30”*

Practitioner's Compilation Report

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, 2016, 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.

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. 5932285, January 3, 2017, 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, 2016 and 2015, 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 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.

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 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 15, 2017



Statement of Representation

CARLOS C. SAMSON

Certified Public Accountant
119 McArthur High Way, Lolomboy, 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, 2016, 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. 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. 1097170 January 04, 2017 - Bocaue, Bulacan

BIR 05-004364-1-2014 Valid until February 19, 2017

CDA No. 0955 Valid from December 13, 2016 to December 12, 2017

BOA No. 3308 with extended validity until April 30 2017 pursuant to Board resolution No. 37 s. of 2017
February 15, 2017

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, 2016 and 2015, 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, 2016 and 2015, 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 25 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. 1097170 January 04, 2017 - Bocaue, Bulacan

BIR 05-004364-1-2014 Valid until February 19, 2017

CDA No. 0955 Valid from December 13, 2016 to December 12, 2017

BOA No. 3308 with extended validity until April 30 2017 pursuant to Board resolution No. 37 s. of 2017

February 15, 2017

Bocaue, Bulacan



*“San Jose Koop:
Stronger Together @ 30”*

Statement of Financial Condition

As of December 31, 2016 and 2015

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		2016		2015
ASSETS					
CURRENT ASSETS					
Cash	5, 8	P	172,491,118.23	P	169,949,716.68
Loans Receivable	5, 6, 9		294,096,066.52		332,554,724.32
Financial Assets	5, 6, 10		8,082,000.00		47,270,006.79
Other Current Assets	5, 11		4,310,765.03		8,252,883.38
Total Current Assets		P	478,979,949.78	P	558,027,331.17
NON-CURRENT ASSETS					
Loans Receivable	5, 6, 9		327,937,460.52		139,212,786.08
Property and Equipment	5, 6, 12		10,637,278.23		11,862,049.46
Investment Property	5, 6, 13		17,000,000.00		17,000,000.00
Financial Asset - Long Term	5, 6, 10		320,295,510.01		339,583,366.62
Other Non-Current Assets	14		186,211,842.04		97,794,047.76
Total Non-Current Assets		P	862,082,090.80	P	605,452,249.92
TOTAL ASSETS		P	1,341,062,040.58	P	1,163,479,581.09
LIABILITIES AND MEMBERS' EQUITY					
LIABILITIES					
CURRENT LIABILITIES					
Deposit Liabilities	5, 15	P	848,610,277.36	P	746,547,254.31
Interest of Share Capital Payable	5, 16		26,488,050.84		23,782,093.86
Patronage Refund Payable	5, 17		11,352,021.79		10,192,325.94
Due to Unions and Federations (CETF)	5, 18		2,327,652.70		2,085,870.05
Other Current Liabilities	19		2,748,231.28		2,100,638.77
Total Current Liabilities		P	891,526,233.97	P	784,708,182.93
NON-CURRENT LIABILITIES					
Long Term Liabilities	5, 20		25,369,627.53		24,334,712.17
Total Non-Current Liabilities			25,369,627.53		24,334,712.17
TOTAL LIABILITIES			916,895,861.50		809,042,895.10
MEMBERS' EQUITY					
Share Capital	5, 21		328,280,700.00		274,085,150.00
Deposits for share capital subscription	5, 21		985,947.80		652,416.84
Donations and Grants	5, 22		1,234,603.14		1,234,603.14
Statutory Funds	5, 23		93,664,928.14		80,512,755.50
Unrealized Loss on Financial Assets			-		(2,048,239.49)
Total Members' Equity		P	424,166,179.08	P	354,436,685.99
TOTAL LIABILITIES AND MEMBERS' EQUITY		P	1,341,062,040.58	P	1,163,479,581.09

See Accompanying Notes to Financial Statements.

Statement of Operations

For the Year Ended December 31, 2016 and 2015

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	2 0 1 6		2 0 1 5	
REVENUES	5				
Interest on Loans Receivable	P	83,706,919.07	P	68,816,755.31	
Service Fees and Filing Fees		19,702,452.03		17,014,590.72	
Fines, Penalty & Surcharges		13,619,521.16		11,713,270.51	
TOTAL GROSS REVENUE FROM OPERATIONS	P	117,028,892.26	P	97,544,616.54	
OTHER INCOME	5, 24	21,706,983.17		19,095,160.90	
TOTAL GROSS REVENUE	P	138,735,875.43	P	116,639,777.44	
COSTS AND EXPENSES					
Financing Cost	5, 25 P	(24,998,405.86)		(20,655,666.35)	
Employees Benefit Expense	5, 26	(19,123,299.47)		(18,424,991.01)	
Provision for Probable Losses	5, 6, 27	(25,077,000.00)		(23,538,961.76)	
Other Operating Expenses	5, 28	(17,873,400.97)		(16,363,765.85)	
TOTAL	P	(87,072,106.30)	P	(78,983,384.97)	
NET SURPLUS BEFORE OTHER ITEMS		51,663,769.13		37,656,392.47	
OTHER ITEMS	29	2,393,477.49		10,878,492.96	
NET SURPLUS FOR DISTRIBUTION	P	54,057,246.62	P	48,534,885.43	
DISTRIBUTED AS FOLLOWS:					
Reserved Fund	5, 30 P	8,108,586.99	P	7,280,232.81	
Coop. Education Training Fund-Local		1,351,431.17		1,213,372.14	
Due to Union/Federation (CETF)		1,351,431.17		1,213,372.14	
Optional Fund		3,784,007.26		3,397,441.98	
Community Development Fund		1,621,717.40		1,456,046.56	
Interest on Share Capital		26,488,050.84		23,782,093.86	
Patronage Refund		11,352,021.79		10,192,325.94	
NET SURPLUS AS DISTRIBUTED	P	54,057,246.62	P	48,534,885.43	

See Accompanying Notes to Financial Statements.



Statement of Changes in Equity
As of December 31, 2016 and 2015

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

		2016		2015
SHARE CAPITAL - COMMON				
Beginning Balance	P	273,788,800.00	P	230,907,800.00
Additions for the year		57,595,849.30		42,881,000.00
Net Additions / (Deductions)		(3,113,749.30)		-
Paid up share capital - common		328,270,900.00		273,788,800.00
Paid up share capital preferred		9,800.00		296,350.00
Deposit for share capital subscription		985,947.80		652,416.84
Total Share Capital	P	329,266,647.80	P	274,737,566.84
Unrealized Loss on Financial Assets		-		(2,048,239.49)
DONATIONS AND GRANTS				
Beginning Balance	P	1,234,603.14	P	1,234,603.14
Receipts		-		-
Deductions		-		-
Ending Balance	P	1,234,603.14	P	1,234,603.14
STATUTORY FUNDS				
RESERVED FUND				
Beginning Balance	P	53,364,257.87	P	45,081,067.23
Provisions		8,108,586.99		7,280,232.81
Deductions / Adjustment		-		1,002,957.83
Ending Balance	P	61,472,844.86	P	53,364,257.87
EDUCATION AND TRAINING FUND-Local				
Beginning Balance	P	1,696,147.40	P	2,237,433.20
Provisions		1,615,855.84		1,213,372.14
Deductions		(1,558,379.21)		(1,754,657.94)
Ending Balance	P	1,753,624.03	P	1,696,147.40
OPTIONAL FUND				
Beginning Balance	P	21,219,886.40	P	17,822,444.42
Provisions		3,784,007.26		3,397,441.98
Deductions		-		-
Ending Balance	P	25,003,893.66	P	21,219,886.40
COMMUNITY DEVELOPMENT FUND				
Beginning Balance	P	4,232,463.83	P	3,263,387.47
Provisions		1,622,317.40		1,456,046.56
Deductions		(420,215.64)		(486,970.20)
Ending Balance	P	5,434,565.59	P	4,232,463.83
TOTAL STATUTORY FUNDS	P	93,664,928.14	P	80,512,755.50
TOTAL EQUITY	P	424,166,179.08	P	354,436,685.99

Statement of Cash Flows

For the Year Ended December 31, 2016 and 2015

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	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Surplus	P	54,057,246.62	P 48,534,885.43
Adjustments for:			
Depreciation and amortization	5, 6, 12	2,796,392.04	2,935,728.59
Provision for Probable Loan Losses		30,901,385.45	16,312,219.83
Distribution of Interest on Share Capital and Patronage Refund		(37,840,072.63)	(33,974,419.80)
Interest Income		(11,439,738.70)	(8,987,123.71)
Interest Expense		24,998,405.86	20,655,666.35
Operating Income before working capital change	P	63,473,618.64	P 45,476,956.69
Change in Assets and Liabilities			
(Increase) / Decrease in:			
Loans Receivable	5, 6, 9	(191,982,157.68)	(83,029,216.95)
Other Current Assets	5, 11	3,942,118.35	(5,876,821.78)
Increase / (Decrease) in:			
Deposit Liabilities	5, 15	102,063,023.05	121,682,824.98
Due to Unions and Federations (CETF)	5, 18	241,782.65	(1,302,831.76)
Other Current Liabilities	19	647,592.51	1,074,588.40
Cash Generated from Operations	P	(21,614,022.48)	P 78,025,499.58
Interest on Share Capital:	5, 16		
Received		26,488,050.84	23,782,093.86
Paid		(23,782,093.86)	(21,100,745.63)
Patronage Refund:	5, 17		
Received		11,352,021.79	10,192,325.94
Paid		(10,192,325.94)	(9,043,176.69)
Net Cash Provided By (Used In) Operating Activities	P	(17,748,369.65)	P 81,855,997.06
CASH FLOWS FROM INVESTING ACTIVITIES			
Net Addition to Financial Assets	5, 6, 10	67,867,362.61	(132,264,266.38)
Investment Property		-	-
Additions to Property and Equipment	5, 6, 12	(1,583,458.81)	(1,869,412.60)
Disposal of Property and Equipment	5, 6, 12	11,838.00	-
(Increase) / Decrease in Other Non-Current Assets	14	(88,417,794.28)	27,012,915.15
Net Cash Provided By (Used In) Investing Activities	P	(22,122,052.48)	P (107,120,763.83)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase / (Decrease) in Other Funds and Deposits			
Net Proceeds from deposit for share capital subscription	5, 21	54,529,080.96	40,832,360.51
Change in Statutory Funds		(13,152,172.64)	(1,238,670.31)
Increase / (Decrease) on Other Non-Current Liabilities	5, 20	1,034,915.36	590,023.70
Net Cash Provided By (Used In) Financing Activities	P	42,411,823.68	P 40,183,713.90
NET INCREASE (DECREASE) IN CASH		2,541,401.55	14,918,947.13
CASH AND CASH EQUIVALENT, BEGINNING		169,949,716.68	155,030,769.55
CASH AND CASH EQUIVALENT, END	P	172,491,118.23	P 169,949,716.68

See Accompanying Notes to Financial Statements.



Notes to Financial Statements As of December 31, 2016 and 2015

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.

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. 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. 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 amount 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. 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.

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.

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 that 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

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:

		2016		2015
Cash on Hand	P	11,168,974.79	P	9,562,761.40
Petty Cash Fund / Revolving Fund		14,000.00		13,000.00
Cash In Bank - Combo Savings		150,472,697.60		149,041,393.63
Cash In Bank - Savings		536,959.69		545,198.13
Cash In Bank - FCDU		1,029,992.98		1,155,029.27
Cash in Coop Bank - Savings		1,000.00		1,000.00
Cash in Coop Bank - Time Deposit		9,267,493.17		9,631,334.25
Total	P	172,491,118.23	P	169,949,716.68

Cash in Bank Savings and Combo Savings both earns minimal interest at prevailing rates of the bank. Average interest rate for 2016 is 0.025% 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 P49.55947.

9. LOANS RECEIVABLE

This account is composed of the following:

		2016		2015
Current	P	615,556,545.65	P	469,797,019.40
Restructured		10,694,706.54		3,877,877.01
Past Due		21,226,967.77		10,895,518.00
TOTAL		647,478,219.96		484,570,414.41
Allowance for Probable Losses		(25,444,692.92)		(12,802,904.01)
Net Realizable Value		622,033,527.04		471,767,510.40
Classification of Loans Receivable				
		2016		2015
CBL - Coop Buss. Credit Loan		178,435,935.05		149,077,400.64
PL-Educ/ELA/EL/House Repair/PL-B2BTD		35,536,401.86		72,619,694.52
PL-B2B/TD		54,871,666.71		
Small Enterprise Loan		75,896,166.54		69,458,552.57
Transport Service Loan		18,388,478.08		46,320,190.95
Transport - Motor Vehicle Loan		60,663,477.15		
Agri Finance Loan		33,804,244.35		32,666,255.23
Salary Loan		24,836,690.07		27,503,376.18
CBL-SPL. Coop Buss. Credit Loan		18,175,097.00		16,414,191.00
SPL CCL Institution		41,500,000.00		
PL-LALA		36,456,960.74		16,018,835.72
Service Loan		17,350,709.25		15,730,927.21
CBL-Combla		14,722,400.85		10,341,417.38
CBL-Market Stall Owners		9,013,358.85		8,988,276.93
PL-Christmas Loan		9,781,405.70		8,456,503.38
Restructured		13,158,246.16		5,981,492.52

PL-Back to School Loan		1,997,951.62		2,082,824.18
CBL-Restaurant & Catering		1,468,625.21		1,462,647.44
PL-Housing Loan		1,339,284.06		1,392,384.07
PL-Micro Share Loan		81,120.71		55,444.49
TOTAL	P	647,478,219.96	P	484,570,414.41
Reconciliation of Allowance for Probable Losses:				
		2016		2015
Balance at the beginning of the year	P	12,802,904.01	P	11,330,766.28
Provision during the year		30,901,385.45		16,312,219.83
Write-off		(18,259,596.54)		(14,840,082.10)
Balance at the end of the year	P	25,444,692.92	P	12,802,904.01
Loans Receivable as presented in the face of B/S				
		2016		2015
Short Term & Current Portion of Long term loans receivable		294,096,066.52		332,554,724.32
Non Current portion of Long term loans receivable		327,937,460.52		139,212,786.08
Balance at the end of the year	P	622,033,527.04	P	471,767,510.40

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 ____

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.

Back to Back (B2B) Loan, loanable amount is 95% of share capital for a term of up to 2 years at the rate of 1% per month diminishing balance.

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 1.33% per month, using diminishing balance.



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 1% per month, using diminishing balance.

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 1.33% per month, using diminishing balance.

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 1.33% per month using diminishing balance.

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.

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 1.33% per month using diminishing balance.

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 using diminishing balance.

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 using diminishing balance.

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 1% per month using diminishing balance.

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 using diminishing balance.



10. FINANCIAL ASSETS

This account is composed of the following:

		2016		2015
Current Investment in:				
Unit Investment Trust Fund (UITF)	P	8,082,000.00	P	-
Time Deposit (TD)		-		47,270,006.79
Total Current Investment		8,082,000.00		47,270,006.79
Non-Current Investment in:				
Share in Coop Banks and Other Coops.	P	15,842,586.76	P	14,350,350.45
Long Term Bonds		114,452,540.13		139,181,940.97
Long Term Dollar Bond		6,676,000.00		6,676,000.00
Preferred Share		30,991,897.62		27,996,987.40
Long Term Unit Investment Trust Fund (UITF)		15,000,000.00		14,884,348.42
Treasury Bill		23,013,072.31		26,000,000.00
Other Investment Funds		116,367,652.68		112,541,978.87
Total Non-Current Investment	P	322,343,749.50	P	341,631,606.11
Unrealized Gain / (Loss) on Investments		(2,048,239.49)		(2,048,239.49)
Total Non-Current Investment-Net	P	320,295,510.01	P	339,583,366.62
TOTAL FINANCIAL ASSETS	P	328,377,510.01	P	386,853,373.41

Share in Coop Banks and Other Coop.

These includes share capital, savings deposit and time deposits in cooperative banks

Unit Investment Trust Fund (UITF) 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 other that 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:

		2016		2015
Sales Contract Receivable	P	3,143,222.42	P	7,315,516.85
Account Receivable		806,092.91		529,516.23
Prepaid Expenses		229,510.00		312,115.00
Receivable from Accountable Officer		25,900.00		75,571.00
Advances to Officers and Employees		106,039.70		20,164.30
Total	P	4,310,765.03	P	8,252,883.38

12. PROPERTY AND EQUIPMENT

Schedule of Property and Equipment

		December 31, 2015	Additions	Disposal/ Write-off / Reclass	December 31, 2016
COST					
Land	P	1,568,863.39	P 432,000.00		P 2,000,863.39
Land Improvements		131,852.00			131,852.00
Building		10,201,831.70			10,201,831.70
Building Improvements		4,392,911.10	130,265.00		4,523,176.10
Furniture, Fixture and Equipment		8,913,693.26	1,012,593.81	(408,802.75)	9,517,484.32
Transportation Equipment		4,286,481.65	8,600.00	(9,200.00)	4,285,881.65
Leasehold Rights & Improvements		697,252.68			697,252.68
TOTAL COST	P	30,192,885.78	P 1,583,458.81	P (418,002.75)	P 31,358,341.84
ACCUMULATED DEPRECIATION					
Building		(5,876,989.99)	(484,404.90)	-	(6,361,394.89)
Building Improvements		(2,088,337.86)	(487,489.84)	-	(2,575,827.70)
Furniture, Fixture and Equipment		(6,717,487.89)	(1,174,175.73)	396,965.75	(7,494,697.87)
Transportation Equipment		(3,114,077.68)	(551,294.38)	9,199.00	(3,656,173.06)
Leasehold Rights & Improvements		(533,942.90)	(99,027.19)	-	(632,970.09)
Total		(18,330,836.32)	(2,796,392.04)	406,164.75	(20,721,063.61)
Carrying Value	P	11,862,049.46	P	P	P 10,637,278.23
Carrying Value per class of Property and Equipment:					
Land	P	1,568,863.39	P	P	P 2,000,863.39
Land Improvements		131,852.00			131,852.00
Building		4,324,841.71			3,840,436.81
Building Improvements		2,304,573.24			1,947,348.40
Furniture, Fixture and Equipment		2,196,205.37			2,022,786.45
Transportation Equipment		1,172,403.97			629,708.59
Leasehold Rights & Improvements		163,309.78			64,282.59
TOTAL	P	11,862,049.46			P 10,637,278.23



13. INVESTMENT PROPERTY

Schedule of Investment Property - 2016

		December 31, 2015	Additions	Deductions	December 31, 2016
COST					
Land	P	12,730,000.00			P 12,730,000.00
Building		4,270,000.00			4,270,000.00
TOTAL COST	P	17,000,000.00	P	P	P 17,000,000.00
ACCUMULATED DEPRECIATION					
Building		-			-
CARRYING VALUE	P	17,000,000.00	P	P	P 17,000,000.00

14. OTHER NON-CURRENT ASSETS

This account is composed of the following:

			2016	2015
Other Funds and Deposits				
Long Term Time Deposit		P	52,464,308.76	P 26,913,751.70
Bonds and Treasury Bills			51,196,934.66	-
Total Other Funds and Deposits			103,661,243.42	26,913,751.70
Real Property Acquired (RPA)			82,294,100.50	70,723,249.34
Computerization Cost			255,998.12	156,546.72
Miscellaneous Assets			500.00	500.00
Total Other Non-Current Asset		P	186,211,842.04	P 97,794,047.76

	December 31, 2015	Additions	Disposal/ Write-off / Reclass	December 31, 2016
Real Properties Acquired (RPA)	74,955,738.32	29,361,468.53	(22,023,106.35)	82,294,100.50
Less Allow. For Probable Losses	(4,232,488.98)	(1,589,396.47)	5,821,885.45	-
NET RPA	P 70,723,249.34	P 27,772,072.06	P (16,201,220.90)	P 82,294,100.50

Reconciliation of ROPA (Additions and Deductions):

ROPA Beginning 2016	70,723,249.34
Additions	29,361,468.53
Disposal	(22,023,106.35)
Transfers (to Property ad Equipment)	-
Impairment	(1,589,396.47)
Reversal of Allowance for Probable Losses	5,821,885.45
ROPA Ending 2016	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:

	2016	2015
Beginning Balance	227,214.50	-
Interest Earned	162,027.00	157,066.00
Net Additions/Deductions for the year	(100,368.27)	70,148.50
Member's savings deposit	P 288,873.23	P 227,214.50
Time Deposit	600,812,805.71	549,612,477.83
Savings Deposit	222,100,415.94	174,277,230.62
Savings Youthbee	13,064,104.86	11,407,335.51
Savings Smarts Savers	2,896,469.30	2,321,554.82
Damay Impok	3,753,225.80	5,319,093.12
Special Deposit	2,238,430.33	1,823,088.63
Tipid Movement	133,419.06	133,419.06
Christmas Savings	153,780.92	44,145.32
Budget Savings	2,765,845.31	1,399,297.38
Health Savers Club	85,280.47	80,955.57
Holiday Savings	102,934.32	128,656.45
Happy Retirement	462,873.94	-
Couples Savings	500.00	-
Auto Debit	40,191.40	-
TOTAL DEPOSIT LIABILITIES	P 848,610,277.36	P 746,547,254.31

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 2% to 6% 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 1.5% 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

Design to encourage employees to save money for their retirement. Requires P500.00 maintaining balance to earn interest at 8% per annum, withdrawable only upon resignation of member or retirement.

16. INTEREST ON SHARE CAPITAL PAYABLE

This account is composed of the following:

		2016		2015
Beginning	P	23,782,093.86	P	21,100,745.63
Additions		26,488,050.84		23,782,093.86
Deductions/Payment		(23,782,093.86)		(21,100,745.63)
Total	P	26,488,050.84	P	23,782,093.86

17. PATRONAGE REFUND PAYABLE

This account is composed of the following:

		2016		2015
Beginning	P	10,192,325.94	P	9,043,176.69
Additions		11,352,021.79		10,192,325.94
Deductions/Payment		(10,192,325.94)		(9,043,176.69)
Total	P	11,352,021.79	P	10,192,325.94

18. DUE TO UNIONS AND FEDERATIONS (CETF)

This account is composed of the following:

		2016		2015
Beginning	P	2,085,870.05	P	2,175,329.68
Additions		1,352,631.17		1,213,372.14
Deductions/Payment		(1,110,848.52)		(1,302,831.77)
Total	P	2,327,652.70	P	2,085,870.05

19. OTHER CURRENT LIABILITIES

This account is composed of the following:

		2016		2015
Other Payable	P	811,894.73	P	966,578.92
Accounts Payable		1,335,845.51		826,177.39
SSS/Philhealth/HDMF Contribution Payable		296,818.39		184,182.20
Withholding Tax Payable		303,672.65		123,700.26
Total	P	2,748,231.28	P	2,100,638.77

20. LONG TERM PAYABLES

This account is composed of the following:

		2016		2015
Revolving Capital Payable	P	826,900.80	P	308,472.21
Damayan Trust Fund Payable 2012		-		90,388.00
Mutual Benefit Fund Payable		570,677.11		570,677.11
Members' Benefit Welfare Fund Payable		2,909,409.41		2,163,651.08
Assets Acquired Transfer & Registration Fund Payable		1,058,784.79		1,058,784.79
System Development Fund Payable		6,551,844.63		6,551,844.63
Retirement Fund Payable		13,452,010.79		13,590,894.35
Total	P	25,369,627.53	P	24,334,712.17

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	
	2016	2015	2016	2015
Common Shares:				
Authorized 5,000,000 shares at P100 par value				
Shares Subscribed-Beginning	2,737,888	2,309,078	P 273,788,800.00	P 230,907,800.00
Subscription during the year	575,958	428,810	57,595,849.30	42,881,000.00
Treasury Shares		-	(3,113,749.30)	-
Paid-up Share Capital-Common	3,313,846.5	2,737,888	P 328,270,900.00	P 273,788,800.00
Preferred Shares:				
Authorized 20,000 shares at P100 par value				
Shares Subscribed-Beginning	2,963.5	2,963.5	P 296,350.00	P 296,350.00
Subscription during the year	102.5	-	10,250.00	-
Treasury Shares	(2,968.0)	-	(296,800.00)	-
Paid-up Share Capital-Common	98.0	2,963.5	P 9,800.00	P 296,350.00
Total Shares issued / fully paid	3,313,944.5	2,740,851.5	328,280,700.00	274,085,150.00
Deposit for Share Capital Subscription			985,947.80	652,416.84
Total Share Capital			P 329,266,647.80	P 274,737,566.84

22. DONATION AND GRANTS

This account is composed of the following:

		2016		2015
Revolving Capital Payable	P	499,700.00	P	499,700.00
Retirement Fund Payable		734,903.14		734,903.14
Total	P	1,234,603.14	P	1,234,603.14

23. STATUTORY FUNDS 23. STATUTORY FUNDS

This account is composed of the following:

		2016		2015
Reserved Fund	P	61,472,844.86	P	53,364,257.87
Education and Training Fund		1,753,624.03		1,696,147.40
Community Development Fund		5,434,565.59		4,232,463.83
Optional Fund		25,003,893.66		21,219,886.40
Total	P	93,664,928.14	P	80,512,755.50

24. OTHER INCOME

This account is composed of the following:

		2016		2015
Income / Interest on Investment	P	11,439,738.70	P	8,987,123.71
Other Income		7,173,821.70		6,958,334.89
Other Income on Insurance		2,394,477.02		2,585,222.12
Miscellaneous Income		348,645.75		294,680.18
Membership Fees		350,300.00		269,800.00
Total	P	21,706,983.17	P	19,095,160.90

25. FINANCING COSTS

This account is composed of the following:

		2016		2015
Interest Expense on Deposit Liabilities	P	24,184,078.85	P	19,880,224.64
Interest Expense on Borrowings		814,327.01		775,441.71
Total	P	24,998,405.86	P	20,655,666.35

26. EMPLOYEES BENEFIT EXPENSE

This account is composed of the following:

		2016		2015
Salaries and Wages	P	13,671,376.63	P	14,341,286.50
SSS, Philhealth and Pag-big Contribution Expenses		1,058,650.48		1,031,102.56
Employees Benefits		3,578,945.35		2,277,160.24
Retirement Benefit Expense		814,327.01		775,441.71
Total	P	19,123,299.47	P	18,424,991.01

27. PROVISION FOR PROBABLE LOSSES

This account is composed of the following:

		2016		2015
Provision for Probable Losses on Loans	P	25,077,000.00	P	16,312,219.83
Provision for Probable Losses on Investments		-		1,226,741.93
Provision for Probable Losses on ROPA		-		6,000,000.00
Total	P	25,077,000.00	P	23,538,961.76



28. OTHER OPERATING EXPENSES

This account is composed of the following:

	2016		2015	
Depreciation and Amortization	P	2,901,321.84	P	3,040,658.39
Collection Expenses		2,673,996.39		2,298,686.18
General Assembly Meeting Expenses		2,529,263.21		2,193,429.51
Miscellaneous Expenses		2,154,413.89		1,810,019.13
Power, Light and Water		1,189,628.68		1,408,569.33
Office Supplies		1,180,240.25		1,054,633.16
General Support Services		881,750.00		882,000.00
Promotional Expenses		907,424.56		479,481.81
Repairs and Maintenance		388,823.56		458,468.98
Officers' Honorarium and Allowances		381,300.00		417,600.00
Travel and Transportation		358,608.11		365,423.78
Communication Expenses		419,118.49		351,747.12
Meeting and Conferences		402,398.60		328,005.01
Gas, Oil and Lubricants		236,587.59		293,097.97
Insurance		278,895.68		289,455.57
Professional Fees		268,111.10		192,888.88
Rental		120,000.00		183,840.00
Representation		280,000.00		120,000.00
Members' Benefit Expense		138,945.95		86,517.00
Litigation Expenses		27,652.90		57,051.04
Social Services Expenses		-		34,079.00
Periodicals/Magazines and Subscriptions		19,122.86		14,397.14
Taxes and Licenses		129,192.90		3,441.90
Bank Charges		6,604.41		274.95
Total	P	17,873,400.97	P	16,363,765.85

29. OTHER ITEMS

This account is composed of the following:

	2016		2015	
Gains on Sales of Acquired Assets and Property	P	3,562,333.67	P	10,878,492.96
Gains or Losses in Financial Assets through Profit and Loss		(1,214,335.26)		
Gains or Losses of Foreign Exchange Valuation		45,479.08		-
Total	P	2,393,477.49	P	10,878,492.96

30. NET SURPLUS ALLOCATION

The Net Surplus allocation was based on the following percentages:

	54,057,246.62	48,534,885.43
	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.

32. RECLASSIFICATION

In view of the adoption of the new Philippine Financial Reporting Framework for Cooperatives (PFRF for Coop) some qualitative disclosures for year 2015 has to be reclassified/restated for the purpose of comparability. The Account that were affected are as follows; Real Property Acquired has been reclassified from part of Investment Property to part of Other Non-Current Assets. The 2015 figures was also reclassified for purpose of comparability.

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 Boart 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 14, 2017. 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, 2016 were authorized for issue by the Board of Directors on February 14, 2017. 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.

			2016	2015
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	P	602.00	-
	Real Property Tax		104,808.80	-
	Certificate of Tax Exemption		1,146.00	-
	Mayor's Permit (Regulatory fees only)		2,320.00	3,441.90
	Sub-total	P	108,876.80	3,441.90
b. National Taxes	BIR Registration		-	-
	Car Registration		-	-
		P	-	-
	Grand Total Other Taxes	P	108,876.80	3,441.90
34.4 Withholding Taxes	i. Tax on Compensation and Benefits			
	Tax withheld for the year	P	851,913.71	793,415.45
	Tax remitted in Jan. 2017		148,606.32	21,966.89
	Total		1,000,520.03	815,382.34
	Tax Due		1,000,520.03	815,382.34
	Tax to be carried over	P	-	-
	ii. Creditable Withholding Taxes	P	290,605.30	-



Proposed Statement of Position 2017

SAN JOSE DEL MONTE SAVINGS AND CREDIT COOPERATIVE

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

ASSETS	PROPOSED 2017		BUDGET 2016		ACTUAL 2016	
CURRENT ASSETS						
Cash on Hand	P	14,919,957.62	P	8,662,490.00	P	11,168,974.79
Cash in Bank		106,400,000.00		142,750,000.00		152,039,650.27
Cash in Cooperative		9,260,000.00		9,600,000.00		9,268,493.17
Petty Cash Fund		14,000.00		13,000.00		14,000.00
Cash Advances to Officers & Employees		46,039.70		30,000.00		106,039.70
Investment Short Term		8,100,000.00		46,000,000.00		8,082,000.00
Cash and Cash Equivalent	P	138,739,997.32	P	207,055,490.00	P	180,679,157.93
Loans Receivable						
Current		811,244,500.00		527,264,000.00		615,556,545.65
Restructured		14,333,500.00		8,100,000.00		10,694,706.54
Past Due-1-30days		12,653,000.00		5,800,000.00		9,440,807.47
-31-360 days		15,713,000.00		10,700,000.00		11,723,977.07
over 360 days						62,183.23
Loans Outstanding (Gross)	P	853,944,000.00	P	551,864,000.00	P	647,478,219.96
Allowance for Probable Losses on Loans		(28,944,000.00)		(11,102,904.00)		(25,444,692.92)
Net Loans Outstanding	P	825,000,000.00	P	540,761,096.00	P	622,033,527.04
Sales Contract Receivable		17,287,740.63		15,700,000.00		11,537,740.63
Less: Unrealized Gross Margin		(8,400,000.00)		(8,394,518.00)		(8,394,518.21)
Net Sales Receivable		8,887,740.63		7,305,482.00		3,143,222.42
Recble from Acctble. Officers & Employees		1,900.00		3,000.00		25,900.00
Accounts Receivable - Others		800,000.00		500,000.00		806,092.91
Prepaid Expenses		211,510.00		288,500.00		229,510.00
TOTAL CURRENT ASSETS	P	973,641,147.95	P	755,913,568.00	P	806,917,410.30
INVESTMENTS - LONG TERM						
Investments - Cooperatives		15,850,000.00		14,400,000.00		15,842,586.76
Investments - Banks		33,800,000.00		37,300,000.00		33,880,165.69
Investments- Others		269,500,000.00		423,000,000.00		270,572,757.56
TOTAL LONG-TERM INVESTMENTS	P	319,150,000.00	P	474,700,000.00	P	320,295,510.01
PROPERTY AND EQUIPMENT						
Land		2,000,900.00		1,500,000.00		2,000,863.39
Land Improvements		131,900.00		132,000.00		131,852.00
Building		13,201,831.70		10,750,000.00		10,201,831.70
Less: Accumulated Depreciation		(6,835,394.89)		(6,356,000.00)		(6,361,394.89)
Building Improvements		4,675,000.00		4,660,000.00		4,523,176.10
Less: Accumulated Depreciation		(2,930,877.70)		(2,508,400.00)		(2,575,827.70)
Furniture, Fixtures and Office Equipment		10,136,084.32		11,520,000.00		9,517,484.32

	PROPOSED 2017	BUDGET 2016	ACTUAL 2016
Less: Accumulated Depreciation	(8,821,897.87)	(7,881,000.00)	(7,494,697.87)
Transportation Equipment	4,300,000.00	4,354,000.00	4,285,881.65
Less: Accumulated Depreciation	(4,197,373.06)	(4,051,000.00)	(3,656,173.06)
Leasehold Rights and Improvements	697,000.00	810,000.00	697,252.68
Less: Accumulated Depreciation	(696,570.09)	(647,000.00)	(632,970.09)
TOTAL PROPERTY AND EQUIPMENT	P 11,660,602.41	P 12,282,600.00	P 10,637,278.23
OTHER ASSETS			
Computerization Costs	151,000.00	51,000.00	255,998.12
Other Funds and Deposits	103,660,000.00	27,000,000.00	103,661,243.42
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	89,588,000.00	71,000,000.00	82,294,100.50
Net ROPA	P 106,588,000.00	P 88,000,000.00	P 203,211,342.04
Miscellaneous Assets(Supplies Inventory)	-	-	500.00
TOTAL OTHER ASSETS	210,399,000.00	115,051,000.00	203,211,842.04
TOTAL ASSETS	P 1,514,850,750.36	P 1,357,947,168.00	P 1,341,062,040.58

LIABILITIES

CURRENT LIABILITIES

Deposits

Savings Deposits	P 222,300,000.00	P 200,000,000.00	P 222,100,415.94
Time Deposits	632,812,805.71	661,000,000.00	600,812,805.71
Special Deposit	2,676,430.33	2,036,000.00	2,238,430.33
Tipid Movement	133,400.00	122,400.00	133,419.06
Savings Youthbee	14,723,704.86	13,200,000.00	13,064,104.86
Savings Smart Savers	3,446,069.30	3,016,000.00	2,896,469.30
Holiday Savings	100,934.32	180,800.00	102,934.32
Christmas Savings	170,200.00	104,000.00	153,780.92
Budget Savings	4,065,445.31	1,940,000.00	2,765,845.31
Health Savers Club	115,400.00	55,500.00	85,280.47
Happy Retirement Savings	922,473.94	5,800,000.00	462,873.94
Couple's Savings	120,500.00		500.00
Auto Debit Savings	970,000.00		40,191.40
Damay-Impok	4,013,225.80		3,753,225.80
Accounts Payable	1,330,000.00	655,000.00	1,335,845.51
SSS/ECC/Philhealth Premium/loan Payable	295,000.00	200,000.00	296,818.39
Withholding Tax Payable	300,000.00	130,000.00	303,672.65
Interest on Share Capital Payable	29,674,400.00	26,460,000.00	26,488,050.84
Patronage Refund Payable	12,717,600.00	11,340,000.00	11,352,021.79
Due toCETF (Apex)	2,499,000.00	2,335,000.00	2,327,652.70
Other Payables	647,000.00	750,000.00	811,894.73
TOTAL CURRENT LIABILITIES	P 934,033,589.57	P 929,324,700.00	P 891,526,233.97



	PROPOSED 2017		BUDGET 2016		ACTUAL 2016	
LONG-TERM LIABILITIES						
Revolving Capital Payable			600,000.00		826,900.80	
Members Future Benefit Fund Payable	2,833,000.00		2,800,000.00		3,480,086.52	
Retirement Fund Payable	14,292,010.79		14,360,000.00			13,452,010.79
TOTAL LONG TERM LIABILITIES	P 17,125,010.79	P	17,760,000.00	P	17,758,998.11	
OTHER LIABILITIES						
331 Deposit for Share Capital						
332 Project Subsidy Fund Payable						
System Dev.Fund Payable	5,350,000.00		5,400,000.00		6,551,844.63	
Asset Acquired Transfer & Reg.Fund					1,058,784.79	
	500,000.00		550,000.00			
TOTAL OTHER LIABILITIES	5,850,000.00		5,950,000.00		7,610,629.42	
TOTAL LIABILITIES	P 957,008,600.36	P	953,034,700.00	P	916,895,861.50	
EQUITY						
Members' Equity						
Deposits for Future Subscription	985,950.00		630,000.00		985,947.80	
Common Share Capital - Authorized Share 5,000,000 shares @ P100.00 par value						
Subscribed Share Capital - Common						
Less: Subscription Receivable - Common						
Paid-Up Share Capital - Common	448,270,900.00		311,500,000.00		328,270,900.00	
Treasury Share Capital - Common						
Preferred Share Capital - Authorized Share						
Subscribed Share Capital - Preferred						
Less: Subscription Receivable - Preferred						
Paid-up Share Capital - Preferred	69,800.00		295,750.00		9,800.00	
TOTAL MEMBERS' EQUITY	P 449,326,650.00	P	312,425,750.00	P	329,266,647.80	
Donations and Grants	499,700.00		499,700.00		499,700.00	
Donated Reserve	734,900.00		734,000.00		734,903.14	
Reserve Fund	70,556,900.00		61,464,258.00		61,472,844.86	
Education and Training Fund- Local	1,864,000.00		1,940,000.00		1,753,624.03	
Community Development fund	5,616,800.00		4,897,000.00		5,434,565.59	
Optional Fund	29,243,200.00		25,000,000.00		25,003,893.66	
Unrealized Gains and Losses on investment Surplus			(2,048,240.00)		-	
TOTAL STATUTORY FUNDS	P 108,515,500.00	P	92,486,718.00	P	94,899,531.28	
TOTAL EQUITY	P 557,842,150.00	P	404,912,468.00	P	424,166,179.08	
TOTAL LIABILITIES AND EQUITY	P 1,514,850,750.36	P	1,357,947,168.00	P	1,341,062,040.58	

Proposed Statement of Operation 2017

SAN JOSE DEL MONTE SAVINGS AND CREDIT COOPERATIVE

San Pedro St., Poblacion I, City of SJDM, Bulacan

III-FF-0132/072

	PROPOSED 2017	BUDGET 2016	ACTUAL 2016
REVENUES:			
Interest Income from Loans	84,787,500.00	70,290,000.00	83,706,919.07
Service Fees, Filing Fees	22,750,000.00	20,660,000.00	19,702,452.03
Fines, Penalties and Surcharges	17,280,000.00	17,280,000.00	13,619,521.16
Other Loan Income			6,367,409.20
	7,200,000.00	7,200,000.00	
TOTAL REVENUES	P 132,017,500.00	P 115,430,000.00	P 123,396,301.46
EXPENSES:			
Financing Costs:			
Interest Expense on Deposits	27,150,000.00	22,000,000.00	24,184,078.85
Interest Expense on Borrowings	840,000.00	810,000.00	814,327.01
TOTAL FINANCING COSTS	P 27,990,000.00	P 22,810,000.00	P 24,998,405.86
GROSS INCOME	P 104,027,500.00	P 92,620,000.00	P 98,397,895.60
ADMINISTRATIVE COSTS			
Salaries and Wages	17,170,000.00	17,350,000.00	13,671,376.63
Employees' Benefits' (uniform & hospitalization)	2,750,000.00	2,500,000.00	3,578,945.35
SSS/ECC/Philhealth, Pagibig Contributions	1,320,000.00	1,200,000.00	1,058,650.48
Retirement Benefit Expense	780,000.00	840,000.00	814,327.01
Officers' Honorarium and Allowances	720,000.00	450,000.00	381,300.00
Training/Seminars/Conferences	120,000.00	170,000.00	-
Office Supplies	1,400,000.00	1,200,000.00	1,180,240.25
Power, Light and Water	1,485,000.00	1,485,000.00	1,189,628.68
Travel and Transportation	400,000.00	450,000.00	358,608.11
Insurance	345,000.00	320,000.00	278,895.68
Repairs and Maintenance	545,000.00	500,000.00	388,823.56
Rental	132,000.00	200,000.00	120,000.00
Taxes and Licenses	55,000.00	10,000.00	108,876.80
Professional Fees	300,000.00	400,000.00	268,111.10
Communication Expense	430,000.00	390,000.00	419,118.49
Representation	410,000.00	310,000.00	280,000.00
General Assembly Meeting Expenses	3,900,000.00	3,000,000.00	2,529,263.21
Meetings and Conferences	690,000.00	500,000.00	402,398.60
Bank Charges	10,000.00	10,000.00	6,604.41
Collection Expense	3,300,000.00	3,000,000.00	2,673,996.39
Litigation Expense	100,000.00	100,000.00	27,652.90
Affiliation Fees	20,000.00	20,000.00	-
Social Services Expenses	60,000.00	60,000.00	-
Promotional Expenses	1,080,000.00	600,000.00	907,424.56
Periodicals, Magazines, Subscriptions	35,000.00	30,000.00	19,122.86
General Support Services	1,248,000.00	1,000,000.00	881,750.00
Member's Benefit Expense	210,000.00	100,000.00	138,945.95
Gas, Oil and Lubricants	350,000.00	350,000.00	236,587.59
Miscellaneous Expense	3,862,500.00	2,000,000.00	2,174,729.99
Depreciation and Amortization	3,500,000.00	3,500,000.00	2,901,321.84
Provision for Probable Losses on Loans	23,500,000.00	18,300,000.00	25,077,000.00
Provision for Probable Losses on Investments		1,200,000.00	-
TOTAL ADMINISTRATIVE COSTS	P 70,227,500.00	P 61,545,000.00	P 62,073,700.44



	PROPOSED 2017	BUDGET 2016	ACTUAL 2016
OPERATING INCOME	33,800,000.00	31,075,000.00	36,324,195.16
ADD Other Income			
Membership Fees	800,000.00	600,000.00	350,300.00
Income/ Interests from Investment	13,560,000.00	10,000,000.00	11,439,738.70
Miscellaneous Income	400,000.00	325,000.00	348,845.75
Other Income on Insurance	3,900,000.00	3,900,000.00	2,394,477.02
Other Income	900,000.00	900,000.00	806,212.50
Total Other Income	P 19,560,000.00	P 15,725,000.00	P 15,339,573.97
Net Surplus Before Project Subsidy	P 53,360,000.00	P 46,800,000.00	P 51,663,769.13
Add: Project Subsidy			
Less: Subsidized Project Expenses			
Net Surplus			
Add(Deduct) Extraordinary Items			
Gain or Loss on Sale of P & E	7,200,000.00	7,200,000.00	3,562,333.67
Gain or Loss on Investment			(1,214,335.26)
Gain or Loss on Foreign Exchange Valuation			45,479.08
NET SURPLUS (FOR DISTRIBUTION)	P 60,560,000.00	P 54,000,000.00	P 54,057,246.62
<i>Reserve Fund - Minimum of 15% of Net Surplus</i>	<i>9,084,000.00</i>	<i>8,100,000.00</i>	<i>8,108,586.99</i>
<i>CETF - 5% of Net Surplus</i>	<i>1,514,000.00</i>	<i>1,350,000.00</i>	<i>1,351,431.17</i>
<i>Due to CETF- (APEX)</i>	<i>1,514,000.00</i>	<i>1,350,000.00</i>	<i>1,351,431.17</i>
<i>Optional Fund - 7% of Net Surplus</i>	<i>4,239,200.00</i>	<i>3,780,000.00</i>	<i>3,784,007.26</i>
<i>Community Development Fund (3%)</i>	<i>1,816,800.00</i>	<i>1,620,000.00</i>	<i>1,621,717.40</i>
<i>Patronage Refund Payable</i>	<i>12,717,600.00</i>	<i>11,340,000.00</i>	<i>11,352,021.79</i>
<i>Amt.Available for Int. on Share Cap.</i>	<i>29,674,400.00</i>	<i>26,460,000.00</i>	<i>26,488,050.84</i>
Net Surplus (As Distributed)	P 60,560,000.00	P 54,000,000.00	P 54,057,246.62

Audit Committee Accomplishment Report

It is our privilege having served San Jose Koop and be a part of the leadership on welcoming our members on the 29th Annual General Assembly Meeting. We would like to express our heartfelt gratitude to our Creator for continued shower of boundless blessings upon our Cooperative.

The foregoing summarizes our monthly reports to the Board of Directors covering the period from May to December 2016:

FINANCIAL

- 2015 Audited Financial Reports complied satisfactorily especially the mandatory funding of some accounts such as Reserve Fund and Allowance for Probable Losses, etc.
- During the first quarter financial reports, the total of deposit liabilities was relatively greater than loan portfolio that is why we recommended decrease on interest on loans and extensive marketing strategies with corresponding decrease on interest on deposit liabilities to lessen financing costs which may increase loan portfolio instead of resorting to investments of higher risks and not compromising target surplus.

OPERATIONAL

- Checked some loan accounts to verify if loan policies and procedures are properly implemented and equally imposed to all members.
- Reported minor administrative and procedural errors at the satellite offices for management action.
- Benchmarked at Agdao Multi-purpose Cooperative in Davao City and Tagum Multi-purpose Cooperative in Tagum City and reported to the Board of Directors their best business practices.
- Formulated policies and procedures for Records Retention and Disposal.

COMPLIANCE

- Periodic cash count at the main and satellite offices to assess compliance on both financial and administrative policies.
- Evaluated administrative and financial documents to verify compliance to relevant internal and external policies and procedures.

PERFORMANCE

- Regularly reviewed Minutes of the Meeting of the Board of Directors to verify adherence to the proposed annual budgets and targets.
- Attended mandatory and relevant trainings and seminars for proper orientation and improvement of knowledge and skills.
- Recommended plans and programs on the annual strategic planning.

Marking 30 years of success, by God's grace and the continued perseverance of the officers and employees, with the supportive members patronizing our products and services, San Jose Koop will remain strong and prosperous in the succeeding years.

THE AUDIT COMMITTEE



RUTH D. LIM
Chairperson of the Board



VIRGILIO B. BERNARDO, JR.
Vice Chairperson



ROSEMARIE D. SAYSAY
Secretary



Election Committee Report

Greetings from the heart.

It is our pleasure to serve and cooperate for the highest interest of our cooperative. In this manner, we would like to present our activities attended and performed during our term.

Trainings Required for Cooperative Officers mandated by CDA Memo Cir. # 2015-9

Fundamentals of Cooperative	June 18 & 25, 2016
Cooperative Management & Governance	July 2 & 9, 2016
Financial Management	July 15, 2016
Risk & Credit Management	July 16, 2016
Financial Literacy	December 9, 2016

Lakbay-Aral: San Martin de Tour, Bocaue, Bulacan Regarding Computer Election Simbayananni Maria Multi Purpose Cooperative and Sorosorolbaba Development Cooperative

Screened and evaluated candidates based on SJDMSCC Election Code Qualification and Disqualification

Position	Applicants	Qualified	Vacant
Board of Director	6	5	4
Audit Committee	4	3	3
Election Committee	5	3	3

Study the possibility of holding a computerization election

Steps taken;

- 1) Studied deliberately the advantages and disadvantages will it have to our cooperative.
- 2) Interviewed officers from the other cooperatives regarding their practices on it.
- 3) Tapped Cooperative Insurance Service of the Philippines (CISP) to partner us with their election computer program .
- 4) Coordinated to and deliberated with the Board of Directors
- 5) Considered to have a pilot test within Officers, management, staff and some members present at the main koop to see an actual voting process and reliable result before its implementation on selective basis of precincts.

Some accomplishments:

1. Amendments of some provisions of our election code has been taken for a better and timely policies which promote a most qualified candidates to choose. Also an additional articles on Fines, Fees, Penalties and other monetary imposition has been introduced for General Assembly approval.

2. Improvement of candidates campaign like airing at TV monitor in every braches and posting all qualified candidates with their pictures in a tarpaulin.



JERIC C. BALUYOT
Vice Chairperson



GERARDO L. BAUTISTA
Vice Chairperson



TEODORO A. CABUHAD
Secretary

Credit Committee Report

Isang mainit na pagbati sa pagdiriwang ng ika-29 na Pangkalahatang Pagpupulong para sa mga ginigiliw nating mga kasapi at tiga tangkilik mula sa Lupon ng Pagpapautang para sa taong 2016. Aming ikinagagalak na ibalita sa kasapian na muli po ang nagdaang taon na tigib ng mga pagsubok ay sa masama nating kinaharap at napagtagumpayan upang ang mga binalangkas na target ng pautang para sa nakalipas na taon ay ating makamit at bagkus ay mahigitan pa dahil sa mahusay na pamunuan at portang Lupon ng Patnugutan sa mga programang aming iminumungkahi tungkayan po natin ang buod ng ulat sa ibaba ng pahinang ito..

Maraming salamat din at mga bagong kaanib ng kilusang kooperatiba na walang sawang sumusuporta sa mga serbisyong tumutugon sa kani-kanilang indibidwal na pangangailangan. Sapagkat ang ating kilusan ay may tungkulin sa kasapian na pataasin ang antas at kalidad ng pamumuhay ng mga miyembro kaya patuloy pa nating tinutuklasa ng iba pang serbisyong tiyak natutulung sa mga kasapi upang makamit ang hangad nakaluwagan sa malapit na hinaharap.

Muli po ang aming pagbati at pasasalamat sa kasapian ng SAN JOSE KOOP, ipagpatuloy po natin ang suporta sa ating minamahal na kooperatiba dahil “TOGETHER WE ARE STRONGER”

MONTH	2016		
	ACTUAL	TARGET	OVER/(SHORT)
JANUARY	52,246,450	67,000,000	(14,753,550)
FEBRUARY	52,246,450	67,000,000	(6,771,992)
MARCH	69,325,938	70,000,000	(674,062)
APRIL	87,974,779	67,000,000	20,974,779
MAY	83,061,373	70,000,000	13,061,373
JUNE	77,808,260	70,000,000	7,808,260
JULY	66,912,358	70,000,000	(3,087,642)
AUGUST	82,421,398	67,000,000	15,421,398
SEPTEMBER	73,999,708	70,000,000	3,999,708
OCTOBER	71,687,984	70,000,000	1,687,984
NOVEMBER	79,870,288	72,000,000	7,870,288
DECEMBER	76,848,334	67,000,000	9,848,334
	882,384,878	827,000,000	55,384,878


JOHNALAN P. BORBON
Chairperson


EFREN G. ESPAÑOLA
Vice-Chairperson


MELANI R. MARAMAG
Secretary



*“San Jose Koop:
Stronger Together @ 30”*

Ulat ng Ethics Committee

Maligayang pag bati po sa ating lahat na nakikiisa sa taunang pagpulong ng ating kooperatiba. Kami po sa Lupon ng Etika ay lubos na nagagalak sa inyong pagdalo at pagbibigay halaga sa ating pagtitipon.

Mula po sa Lupon ng Etika ay nais po namin ipabatid sa inyo na kami po ay patuloy na sumusubaybay at nagsasaliksik sa mga maari pang magawa para sa ikakabubuti lalo na sa ikakaunlad ng patakaran etika.

Kami po ay patuloy sa pag- aaral kung paano pa namin mas mapabuti ang aming serbisyo sa lahat ng miyembro n gating Kooperatiba.

Ang Lupon ng Etika ay dumalo sa mga pagsasanay at pag aaral sa mga sumusunod na aktibidades:

1. COOPERATIVE MANAGEMENT & GOVERNANCE - July 2 & 9, 2016
2. FINANCIAL MANAGEMENT - July 15, 2016
3. RISK & CREDIT MANAGEMENT - July 16, 2016
4. FUNDAMENTALS OF COOPERATIVE COURSE - July 18 & 25, 2016
5. MID YEAR PLANNING - July 30 & 31, 2016
6. COOP MONTH CELEBRATION @ MALOLOS - October 1, 2016
7. ANNUAL PLANNING - November 25 - 27, 2016
8. FINANCIAL LITERACY SEMINAR - December 9, 2016

Maraming maraming salamat po. Umasa po kayo na patuloy po kami gaganap sa aming mga tungkulin para sa kapakanan upang mas mapaunlad ang ating kooperatiba.


MARIO SARMIENTO
Chairperson


CARMELITA S.D. ROBES
Vice Chairperson


KELWIN CADIZ
Secretary

Mediation and Conciliation Committee Report

Isang magandang pagbati at mapagpalang araw po sa ating lahat na narito ngayon 29th General Assembly ng ating San Jose Koop.

Mula po sa Mediation and Conciliation Committee ay nais po naming i-ulat sa inyo ang mga kaganapan na na-accomplished ng ating lupon at upang mas lumawak po ang ating kaalaman ay nabigyan po ang ating komite ng pagkakataon para makadalo sa mga pag-aaral at mga kasanayan tulad ng mga sumusunod:

Fundamental of Cooperative Seminar	– June 18 -25, 2016
Cooperative Management and Governance Seminar	– July 2-9, 2016
Risk and Credit Management	– July 15-16, 2016
Semi-Annual Planning Seminar	– July 30-31, 2016
Financial Management Seminar	– August 1, 2016
Annual Planning 2016	– November 25-27, 2016


Tulad din po ng iba nating mga komite, ang Mediation & Conciliation Committee ay nakikiisa din sa mga activities na ginagawa ng ating kooperatiba para naman sa ating mga kasapiang tulad ng blood letting, tree planting, senior citizen activities at marami pa pong iba.

Sa ilalim po ng aming komite ay wala po tayong naitala anumang di pagkaka-unawaan o maging tagapamagitan sa nakaraang taong 2016, sa halip tayo po ay naging kaakibat narin ng ating Loans, Credit and Collection Department na tumalima para ma-imbatahan natin ang ilan sa ating mga kasapi na nangakong tutugon sa kanilang mga nakaligtaang pagbabayad sa ating kooperatiba. At karamihan naman po ay nakatugon sa kanilang obligasyon na kanilang pinangako.

Umasa po kayo na patuloy po naming gagampanan at lalong pag-iibayuhin ang aming mga tungkulin para sa inyong lahat na mga kasapi at gayun din para sa ating kooperatiba. “Together We are Stronger”.

Marami pong salamat at mabuhay tayong lahat.

Pagpalain po tayo ng Panginoon.


CAROLINA B. ISRAEL
Chairperson


EUSEBIO E. GERMAN
Vice Chairperson


CHRISTOPHER B. VICENTE
Secretary



Education Committee Reports

A. PRE-MEMBERSHIP EDUCATION SEMINAR (PMES)

MONDAY TO FRIDAY : 9:00 TO 11:00 AM/ 2:00 TO 4:00 PM
SATURDAY : 9:00 TO 11:00 AM

B. MGA BILANG NG DUMALO SA PMES(2016)

SPECIAL PMES - 1,302
ONE ON ONE SEMINAR - 2,275
KABUUANG BILANG - 3,577

C. MGA BILANG NG BAGONG REGULAR/ASSOCIATE MEMBERS:

Uri ng PagigingKasapi	Para sataong 2016
Regular members	24,335
Associate Member	1,509
Youth Bee Savers	2,480
Smarteen Savers	585
KABUUANG BILANG	28,849

D. TRAININGS AT SEMINARS NANAISSAGAWA AT DINALUHAN:

- o Gender and Development Seminar March 12, 2016
- o Climate Change April 15, 2016
- o Effective Selling and Negotiation Skills June 11, 2016
- o Basic Cooperative Course June 18 and 25, 2016
- o Coop Management and Governance July 2 & 9, 2016
- o Financial Management July 15, 2016
- o Risk and Credit Management July 16, 2016
- o Corporate Governance for Rural bank Directors August 26-27, 2016
- o Techniques, Problem Solving, Creative Visualization Jan. 27, 2016
- o Marketing and Branding of Products July 21, 2016
- o Personality Development January 16, 2016
- o Financial Inclusion & network Management March 9, 2017
- o Revised Rules & Reg. Implementing Certification March 15, 2016

- | | | |
|---|---|------------------------|
| o | 2ND National Summit on GAD | March 29 to 31, 2016 |
| o | Image Enhancement for Cooperatives | April 16, 2016 |
| o | Development Educator Workshop | May 22 to 29, 2016 |
| o | Loan Officers Competency Course | June 16 to 18, 2016 |
| o | Mini MBA Course | October 6 to 8, 2016 |
| o | Auditing for External Auditing | July 21, 2016 |
| o | Credit and Background Investigation Seminar | December 17, 2016 |
| o | Basic Occupational Safety and Health (BOSH) | October 25, 2016 |
| o | Capitalization and Accounting Procedures
(Rule 10 of RA9520) | November 7, 2016 |
| o | Life Coaches Training | December 5,6,7,9, 2016 |
| o | Hairstyling and Hairdressing Training | November 7 to 11, 2016 |

Dumalo sa mga General Assembly at Educational Forum ng ating APEX Organizations kagaya ng ACCU, PFCCO-National, PFCCO-CLRL League, Metro South Coop Bank, CLIMBS, CISP, Bulacan Hall of Fame League, Kalipunan ng mga Kooperatiba sa Lunsod ng San Jose del Monte at iba pa.

At upang palakasin at palawakin ang serbisyo at paglilingkod ng San Jose Koop ay nagkaroon tayo ng mga Partnership sa ibat ibang institutions. Ilan sa mga ito ay ang Skyline General Hospital, Labro Diagnostic Center, Techmed Laboratory and/Medical Services, Abenson (Starmall Branch), JP Diagnostic Laboratory at Cut-chikka Beauty Salon and Spa.

Maraming Salamat sa inyong patuloy na pagtangkilik sa ating mga produkto! Hindi po natin maabot ang tagumpay kung hindi dahil sa ating mga miyembro. Mabuhay po tayong lahat.


VICE-CHAIRMAN RICHARD E. AVENA
Taga-Pangulo, EDCOM


MERLITA B. GONZALES
MSBDO - Manager

Plans & Programs for 2017

Month	Goals	Strategies	Budget Item	Cost	Milestone	Responsibility Center	Perspective Areas
I. MEMBERS SERVICES							
January to December 2016	A. Increase Membership to 34,000 by year 2017 As of Oct. Reg. — 23,772 Associate - 1,521 (Less than 1000 - 53)	a. Target and focus on group membership b. Intensive campaign on “member get member promo”. c. Module on PMES (include Values) d. Assessment and evaluation of staff • To encourage members to avail loans and patronize all the products & services that San Jose Koop offers. • To continue distribution of San Jose Koop signages for sari-sari store & other businesses (new design) • encourage associate members to become regular member. • House to house campaign and distribution of coop flyers with the help of KOOPDINATORS • group membership... Adapt the text blasting for follow-up • share capital contribution (P250) • To enunciate the value of savings thru SkylabKoop and savings product. i.e. Retirement savings (mandatory to employees)	> Transportation expense (gas and maintenance) > Meals/snacks	P1,000 monthly P 250/weekly	Increase on Membership	MSB00	F9/MC3 F5 F9 F9
Year round	B. Increase Deposits Jan – Feb – Schools Mar – Apr – Companies May – Jun – Business Owners July – Aug – Home Owners Sep – Oct – TODAS Nov – Dec			30,000.00			
Year round	C. To enhance LOYALTY Incentives program and benefits	• Partnership to our members with business/services • Develop a loyalty incentive program based on member classification	• transportation exp • meals/snacks • supplies/flyers • give-aways for takers				
MAY 2018	D. Welcome gifts	• To develop a program for new members	• Target no of Beneficiaries (5000 members) • SUPPLIES (PERK'S CARD) • MUGS	5000 X 6 5,000 X 120			
UP TO MAY 17, 2017	E. 30TH YEAR ANNIVERSARY	• SAN JOSE KOOP @30	• PRIZES	520,000			
II. BUSINESS DEVELOPMENT							
	A. Design and develop a wealth creating product based members needs	• To conduct survey quarterly. GA • i.e. Micro housing loan, agri • Results of survey will be included on assessment	• supplies (survey form)	10,000			
	B. SkyLabcoop	• Manual of operation					
	C. PROMOTION OF PRODUCTS AND SERVICES	• Audio visual presentations should be updated from time to time					