
AUDITED FINANCIAL STATEMENTS

As of December 31, 2024

**Sta. Cruz Savings and
Development
Cooperative**



**STATEMENT OF MANAGEMENT RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN**

The management of **Sta. Cruz Savings and Development Cooperative (SCADECO)** is responsible for all information and representations contained in the Annual Income Tax Return for the year-ended December 31, 2024. The management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the management is responsible for all information and representations contained in all other tax returns filed for the reporting period, including but not limited, to the value-added and/or tax returns, withholding tax return and any and all other tax returns.

In this regard, the management affirms that the attached Audited Financial Statements for the year then ended December 31, 2024, and the accompanying Annual Income Tax Return are in accordance with the books and records of the Cooperative and are complete and correct in all material respects.

The management likewise affirms that:

- a. The Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended and pertinent tax regulations and other issuances of the Department of Finance and Bureau of Internal Revenue.
- b. Any disparity in figure in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Cooperative's books and records in accordance with the requirements of Revenue Regulations No 8-2007 and other relevant issuances.
- c. The Management has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.


Judy A. Tolentino
Accounting Manager


Dianne Kathrina Sibulburo
Treasurer


Eva Garnace-Borja
Chief Executive Officer


Fidel C. Gines
BOD Chairperson



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of STA CRUZ SAVINGS AND DEVELOPMENT COOPERATIVE is responsible for all information and representations contained in the Financial Statements for the years ended December 31, 2024 and 2023.

The Financial Statements have been prepared in conformity with Financial Reporting Standards applicable to Cooperatives in the Philippines and reflect amounts that are based on the best estimates and informed judgment of the management with an appropriate consideration to materiality.

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

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

ASUNCION C. BENCILA, the independent auditor and appointed by the Board of Directors, has examined the Financial Statements of the cooperative in accordance with the Philippines Standards on Auditing and the Standard Audit Systems for Cooperatives and has expressed her opinion on the fairness of presentation upon completion of such examination, in her report to the members of the cooperative.


Fidel C. Gines
Chairperson


Eva Garnace-Borja
Chief Executive Officer


Dianne Kathrina Sibulboro
Treasurer

STATEMENT OF REPRESENTATION

TO THE COOPERATIVE DEVELOPMENT AUTHORITY:

In connection with my examination of the Financial Statements of the **STA. CRUZ SAVINGS AND DEVELOPMENT COOPERATIVE**, covering the period ended December 31, 2024 that are herewith submitted to the Cooperative Development Authority, I hereby represent the following:

1. That said financial statements herewith attached are prepared and presented in conformity with the Financial Reporting Standards applicable to cooperatives in the Philippines;
2. That in the conduct of my audit, I adhered to the Philippine Standards on Auditing and the Standard Audit System for Cooperatives (SASC) as required by the Cooperative Development Authority;
3. That I am qualified as provided for in Section 8 of the Code of Professional Ethics for Certified Public Accountants and Article 81 of R.A. No. 9520 (Cooperative Code of the Philippines);
4. That I am fully aware of my responsibility as an independent auditor for the audit report issued and attached to the Financial Statements and the sanctions to be bestowed on me for my misrepresentations that I may have willingly or unwillingly committed;
5. That I nor any member of my immediate family do not have any direct or indirect financial interest with the cooperative;
6. That I am not an employee nor an officer of a secondary cooperative or tertiary cooperative of which this cooperative is a member;
7. That I am not an employee of the Cooperative Development Authority nor have I engaged an employee of the CDA in the course of audit;
8. That I make representation in my individual capacity;
9. That I am a member of the Baguio-Benguet Chapter of the PICPA.

It is however, understood that my accountability is based on matter within the normal coverage of an audit conducted in accordance with Philippine Standards on Auditing and the Standard Audit Systems for Cooperatives.



Asuncion C. Bencila

CPA Certificate No. 105693

BOA Accreditation No. 4166 dated November 17, 2023,

Valid until November 30, 2026

Tax Identification No. 926-871-912

BIR Accreditation No. 02-005191-001-2025

Date: February 12, 2025, valid until Feb 11, 2028

CDA Accreditation No. CDA CEA 188

Date: January 15, 2025, valid until January 15, 2030

PTR No. 7607422, January 6, 2025, Baguio City

April 5, 2024

ASUNCION C. BENCILA
CERTIFIED PUBLIC ACCOUNTANT
Kias, Baguio City
Contact Nos 09267491933/ 09182262954

INDEPENDENT AUDITOR'S REPORT

THE BOARD OF DIRECTORS
STA. CRUZ SAVINGS AND DEVELOPMENT COOPERATIVE
Poblacion Este, Sta. Cruz, Ilocos Sur

Opinion

I have audited the Financial Statements of **STA. CRUZ SAVINGS AND DEVELOPMENT COOPERATIVE** (the Cooperative), which comprise the Statement of Financial Position as of December 31, 2024, and the Statement of Financial Operation, Statement of Changes in Equity and Statement of Cashflow for the year 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 **STA. CRUZ SAVINGS AND DEVELOPMENT COOPERATIVE** as of December 31, 2024, its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRSs) for cooperatives.

Basis for Opinion

I conducted my audit 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 our report. I am independent of the Cooperative in accordance with the ethical requirements that are relevant to my audit of the financial statements in the Philippines, the Code of Ethics for Professional Accountants in the Philippines (Philippine Code of Ethics), and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have further determined that there are no key audit matters to communicate in my report.

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 PFRSs, 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 exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

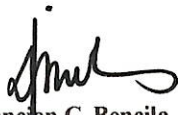


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my 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 the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

I communicated 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 will identify during my audit.

Report on Other Legal and Regulatory Requirements

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 the Notes to Financial Statements is presented for purpose 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.



Asuncion C. Bencila

CPA Certificate No. 105693

BOA Accreditation No. 4166 dated November 17, 2023,

Valid until November 30, 2026

Tax Identification No. 926-871-912

BIR Accreditation No. 02-005191-001-2025

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Date: January 15, 2025, valid until January 15, 2030

PTR No. 7607422, January 6, 2025, Baguio City

April 5, 2024

STA CRUZ SAVINGS AND DEVELOPMENT COOPERATIVE

Poblacion Este, Sta Cruz, Ilocos Sur

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

As of December 31, 2024

(With Comparative Figures for the year 2023)

	Notes	2024	2023
CURRENT ASSETS			
Cash and Cash Equivalents	3,6	122,840,534	113,972,941
Loans Receivable	3,7	2,132,062,320	2,190,579,347
Trade and Other Receivables	3,8	145,333,773	136,909,274
Inventories	3	800,040	1,792,995
Other Current Assets	3,9	18,392,668	16,250,467
Total Current Assets		2,419,429,335	2,459,505,024
NONCURRENT ASSETS			
Financial Asset at Fair Market Value thru Equity	3,10	2,589,998	7,589,998
Financial Asset at Cost	3,11	114,659,331	107,026,478
Property and Equipment	3,12	125,968,762	120,433,766
Other Funds and Deposits	3,13	76,977,022	68,655,934
Other Noncurrent Assets	3,14	82,799,868	72,134,662
Total Noncurrent Assets		402,994,981	375,840,838
TOTAL ASSETS		2,822,424,316	2,835,345,862
LIABILITIES AND EQUITY			
Current Liabilities			
Deposit Liabilities	3,15	1,776,553,713	1,846,750,462
Trade and Other Payables	3,16	235,179,313	232,059,639
Loans Payable-Short term	3,17	181,522,749	190,272,239
Interest on Share Capital	3	10,324,120	7,877,856
Patronage Refund Payable	3	4,424,623	3,376,224
Due to Union/Federation	3	1,081,682	831,200
Total Current Liabilities		2,209,086,200	2,281,167,620
Noncurrent Liabilities			
Loans Payable	3	59,791,217	-
Retirement Fund Payable	3	3,423,979	2,100,578
Total Noncurrent Liabilities		63,215,196	2,100,578
TOTAL LIABILITIES		2,272,301,396	2,283,268,198
EQUITY			
Share Capital	3,18	490,168,710	494,954,295
Statutory Funds	3,19	59,954,210	57,123,369
TOTAL EQUITY		550,122,920	552,077,664
TOTAL LIABILITIES AND EQUITY		2,822,424,316	2,835,345,862

See Notes to Financial Statements

STA CRUZ SAVINGS AND DEVELOPMENT COOPERATIVE

Poblacion Este, Sta. Cruz, Ilocos Sur

CONSOLIDATED STATEMENT OF OPERATION

For the Period ended December 31, 2024

(With Comparative Figures for the year 2023)

	NOTES	2024	2023
REVENUES			
Interest Income from Loans	3	201,208,933	175,323,082
Service Fees	3	51,388,883	58,915,167
Filing Fees	3	6,430,233	7,711,156
Fines, Penalties and Surcharges	3	15,636,450	11,508,882
GROSS REVENUES		274,664,499	253,458,287
LESS: EXPENSES			
Financing Costs	3,20	115,893,410	123,658,723
Administrative Expenses	3,21	160,376,815	160,428,985
Total Expenses		276,270,225	284,087,708
INCOME FROM OPERATIONS		(1,605,726)	(30,629,421)
ADD/DEDUCT: OTHER ITEMS			
Membership Fee	3	770,846	996,228
Miscellaneous Income	3	14,287,466	37,066,021
Income/Interest from Investment	3	6,373,933	6,339,621
Net Profit From Mart	3,22	(167,306)	(613,728)
Net Profit from Gas	3,23	189,032	-
Total Other Income		21,453,972	43,788,142
Net Surplus Before Other Items		19,848,246	13,158,721
Less: Prior Period Adjustment		(410,330)	(19,165)
Optional Fund Subsidy		1,632,704	3,353,933
Unrealized Loss on Investment		-	(410,002)
Loss from Foreign Exchange Valuation		(986)	(6,230)
NET SURPLUS FOR ALLOCATION		21,069,634	16,077,257
ALLOCATED AS FOLLOWS			
General Reserve Fund		2,106,963	1,607,725
Cooperative Education and Training Fund		1,053,482	803,863
Due to Union/Federation		1,053,482	803,863
Optional Fund		1,474,875	1,125,408
Community Development Fund		632,089	482,318
Interest on Share Capital		10,324,120	7,877,856
Patronage Refund Payable		4,424,623	3,376,224
NET SURPLUS AS ALLOCATED		21,069,634	16,077,257

See Notes to Financial Statements

STA CRUZ SAVINGS AND DEVELOPMENT COOPERATIVE
Poblacion Este, Sta. Cruz, Ilocos Sur

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Period ended December 31, 2024

(With Comparative Figures for the year 2023)

	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Surplus		21,069,634	16,077,257
Adjustments to reconcile Net Surplus to Net Cash provided by operating activities			
Depreciation		11,118,019	13,843,108
Provision for Probable Losses		403,000	4,293,500
Change in assets and liabilities			
Decrease (Increase) in:			
Loans Receivable		58,114,027	22,219,386
Trade and other Receivables		(8,424,499)	(16,818,818)
Inventories		992,954	1,376,707
Other Current Assets		(2,142,202)	(6,443,210)
Increase (Decrease) in:			
Deposit Liabilities		(70,196,749)	30,621,354
Trade and Other Payables		3,119,674	(7,719,376)
Due to Union/Federation		(803,000)	(773,000)
Net Cash provided (used) by Operating Activities		13,250,858	56,676,908
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) Decrease in:			
Financial Asset at Fair Market Value thru Equity		5,000,000	410,002
Financial Asset at Cost		(7,632,853)	(10,009,269)
Property and Equipment		(16,653,015)	(15,326,309)
Other Funds and Deposits		(8,321,087)	(2,505,520)
Other Non-Current Assets		(10,665,206)	4,327,450
Net Cash used in Investing Activities		(38,272,161)	(23,103,646)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Increase) Decrease in:			
Retirement Fund Payable		1,323,403	840,740
Share Capital		(4,785,586)	(9,982,794)
Loans Payable		51,041,727	(41,949,472)
Statutory Funds		(2,436,568)	(4,126,948)
Payment of Interest on Share Capital an Patronage		(11,254,080)	(10,822,235)
Net Cash provided (used) by Financing Activities		33,888,895	(66,040,709)
NET INCREASE (DECREASE) IN CASH		8,867,593	(32,467,447)
ADD: CASH, JANUARY 1		113,972,941	146,440,388
CASH, DECEMBER 31	3,6	122,840,534	113,972,941

See Notes to Financial Statements

STA CRUZ SAVINGS AND DEVELOPMENT COOPERATIVE
Poblacion Este, Sta. Cruz, Ilocos Sur

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Period ended December 31, 2024

(With Comparative Figures for the year 2023)

	Notes	2024	2023
SHARE CAPITAL - COMMON	3,18		
Authorized 10,000,000 shares at Php 100.00 par value			
Beginning Balance		493,544,593	503,584,246
Add: Additional Capital Build-up		(4,689,431)	(10,039,653)
Total Share Capital		488,855,162	493,544,593
SHARE CAPITAL - PREFERRED	3,18		
Authorized 150,000 shares at Php 100.00 par value			
Beginning Balance		1,409,702	1,352,844
Add Additional Capital Build-up		(96,154)	56,858
Total Share Capital		1,313,548	1,409,702
STATUTORY FUNDS			
RESERVE FUND	3,19		
Beginning Balance		54,686,802	53,079,076
Add: Provisions/Adjustments		2,106,963	1,607,726
Ending Balance		56,793,765	54,686,802
EDUCATION AND TRAINING FUND	3,19		
Beginning Balance		803,863	773,017
Add: Provisions/Adjustments		1,053,482	803,863
Less: Utilization/adjustment		(803,863)	(773,017)
Ending Balance		1,053,482	803,863
COMMUNITY DEVELOPMENT FUND	3,19		
Beginning Balance		482,318	463,810
Add: Provisions/Adjustments		632,089	482,318
Less: Utilization/adjustment		(482,318)	(463,810)
Ending Balance		632,089	482,318
OPTIONAL FUND	3,19		
Beginning Balance		1,150,386	2,915,101
Add: Provisions/Adjustments		1,474,875	1,125,408
Less: Utilization/adjustment		(1,150,387)	(2,890,123)
Ending Balance		1,474,874	1,150,386
TOTAL STATUTORY FUNDS		59,954,210	57,123,369
TOTAL EQUITY		550,122,920	552,077,664
DUE TO UNION/FEDERATION	3		
Beginning balance		831,200	800,337
Add: Provisions/Adjustments		1,053,482	803,863
Less: Utilization/adjustment		(803,000)	(773,000)
Ending Balance		1,081,682	831,200

See Notes to Financial Statements

STA. CRUZ SAVINGS AND DEVELOPMENT COOPERATIVE

Poblacion Este, Sta. Cruz, Ilocos Sur

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2024

(Amounts in Philippine Pesos)

NOTE 1 GENERAL INFORMATION

The **STA. CRUZ SAVINGS AND DEVELOPMENT COOPERATIVE** (referred hereinafter as "Cooperative") opened its doors to its members last December 18, 1984. It was formed as a cooperative pursuant to RA 6938. It was granted the Cooperative Development Authority registration number RI-FF-109 Confirmation No 362. Through the years, it has expanded its operation to twenty-four (26) branches and three (3) Satellite Offices. This includes the head office at Sta. Cruz and branches in Ilocos Sur, Ilocos Norte, Pangasinan, Nueva Ecija, Tarlac, Abra and Baguio City.

The head-office of the cooperative is located at Poblacion Este, Sta Cruz, Ilocos Sur with contact numbers (077) 674-7134 / 09499938593 / 09178800434 / 09189187805 and email address: headoffice@sacdeco.com.ph.

With the passage of Republic Act 9520, the cooperative renewed its registration last October 14, 2009 and now carries the Registration Number 9520-01000602 and Cooperative Identification Number 0102010224. Its article of cooperation now defines its primary area of operation as covering the island of Luzon. Under the RA 6938 and 6939, and as amended by RA 9520, the cooperative is exempt from payment of income and sales taxes, provided that a substantial portion of its net income is returned to members in the form of interest and or patronage refunds.

The Financial Statements have been approved and authorized for issue in accordance with a resolution of the Board of Directors (BOD). The Board of Directors (BOD) has the power to amend the Financial Statements after issue.

NOTE 2 FINANCIAL REPORTING FRAMEWORK

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

Basis of Preparation of Financial Statements

The Cooperative's financial statements have been prepared on a modified cash basis in accordance with the Philippine Financial Reporting Framework for Cooperatives.

Functional Currency

Items included in the financial statements of the cooperative are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Cooperative. The financial statements are presented in Philippine Peso which is the Cooperative's functional and presentation currency, and all values are rounded to the nearest peso except when otherwise indicated.

Statement of Compliance

The financial statements were prepared in accordance with the Philippine Financial Reporting Framework for Cooperatives, which became effective for annual reporting periods beginning on or before January 1, 2016, and in adherence to the cooperative laws, issued policies, rules and regulations and cooperative principles and practices whenever applicable.

Going Concern Assumption

The Cooperative is not aware of any significant uncertainties that may cast doubts upon the Cooperative's ability to continue as a going concern.

NOTE 3 SUMMARY OF ACCOUNTING POLICIES

Financial Assets

Financial assets are recognized in the Cooperative's financial statements when the Cooperative becomes a party to the contractual provisions of the instrument. Transaction costs are included in the initial measurement of all financial assets.

Subsequently at the end of each reporting period and without any deduction for transaction costs that the Cooperative may incur on the sale or other means of disposing such assets, the Cooperative measures financial instruments as follows:

- a. Debt Instruments are measured at amortized cost using the effective 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 a financing transaction in which case 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.

The Financial Assets under this category includes Cash, Loans and Receivables, Financial Asset at Cost, and Other Funds and Deposits.

- b. Investments in publicly traded securities shall be measured at fair market value with the changes in value recognized in the Statement of Financial Operation. Financial Assets on this category includes Financial Assets at Fair Market Value through Equity.
- c. Investments in non-publicly traded securities, mutual funds, other cooperatives and other externally managed funds shall be measured at cost less impairment. This category includes Financial Assets at Cost.

At the end of each reporting date, the Cooperative shall assess whether there is objective evidence of impairment of any financial assets that are measured at cost or amortized cost. As such, the Cooperative shall recognize the impairment in the Statement of Financial Operation immediately.

For Financial Assets measured at amortized cost, impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

The Cooperative derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Cooperative neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Cooperative recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. The Cooperative's financial assets include cash, trade and other receivables, financial assets at fair value through profit or loss and financial assets at cost.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and with original maturities of three months or less and that are subject to an insignificant risk of change in value. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and is subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term commitments rather than for investments or any other purpose. Therefore, an investment normally qualifies as a cash equivalent only when it has short maturity of three months or less from the date of acquisition. Equity and investments are excluded from cash equivalents unless they are, in substance, cash equivalents. For example, preferred shares acquired within a short period of their maturity and with a specified redemption date.

Cash on hand includes deposited cash collections and other cash items for deposit such as customers checks, cashier's or manager's checks, traveler's checks, and/or bank drafts withdrawal. Cash in bank includes demand deposits which are unrestricted as to withdrawal. Cash funds are cash set aside for current purpose such as petty cash fund, payroll fund and dividend fund.

Cash is valued at face value. Cash in foreign currency is valued at the current exchange rate. If a bank holding the funds of the Cooperative is in bankruptcy or financial difficulty and the amount recoverable is estimated to be lower than the face value, cash should be written down to its estimated realizable value.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognized in profit or loss.

Loans receivable are classified as current, non-current or past due accounts, restructured and in litigation. Interest incomes on these loans are recognized only upon collections.

Loans receivable are presented in the Financial Statement at its net realizable value. Provision for probable losses is estimated based on historical loss experience, current economic conditions and other risk factors obtained during the collection process. Credit review is made periodically by an officer duly delegated with such responsibility. The basis of the rates used in estimating the allowance for probable losses are as follows:

35% for 1 month to 12 months past due accounts
100% for more than 12 months past due accounts

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, and the required allowance by the Cooperative Development Authority based on its Portfolio-at-risk

Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the specific identification method. The cost of finished goods and work in progress comprises packaging costs, raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity). At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price costs to complete and sell; the impairment loss is recognized immediately in profit or loss.

If it is impracticable to determine the selling price less costs to complete and sell for product inventories item by item, the Cooperative groups items of inventory relating to the same product line that have similar purpose or end uses and are produced and marketed in the same geographical area for the purpose of assessing impairment.

When the circumstances that previously caused inventories to be impaired no longer exist or when there is clear evidence of an increase in selling price less costs to complete and sell because of changed economic circumstances, a reversal of impairment is recognized so that the new carrying amount is the lower of the cost and the revised selling price less costs to complete and sell. Any impairment reversal is recognized in profit or loss but is limited to the amount of the original impairment loss recognized.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the revenue is recognized.

Prepayments

Prepayments are payments made in advance, to be amortized within the one (1) year. Prepayments represent disbursements not yet included as expense but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in the operations or expired with the passage of time.

Other Current Assets

Other Current assets consist of prepaid expenses, advances to officers and employees, unused supplies and prepaid expenses. Prepaid expenses are payments made in advance. Advances to officers and employees are duly approved cash advances for official business to officers, employees and members subject to liquidation in accordance with the policy of the cooperative. Unused supplies refer to cost of supplies on hand.

Investment Property

A cooperative shall measure 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.

After initial recognition, investment property shall be measured at cost less accumulated depreciation and accumulated impairment losses.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation, amortization and impairment in value.

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to income in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation, amortization and impairment loss, if any, are removed from the accounts and any resulting gain or loss is credited or charged to current operations.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets which range from 1-40 years.

Fully depreciated assets are retained in the accounts until they are disposed, and no further charge for depreciation is made in respect to those assets. Any gain resulting from their disposal is included in the statement of operations for the period.

An item in the Property and Equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Financial Operation in the year that the asset is derecognized.

Real and Other Properties Owned and Acquired

Assets acquired in settlement of loans are stated at outstanding balance at the time of the acquisition. Upon disposal of the property, the difference between the sale or recovered amount and the outstanding loan balance will be taken up as income or loss in the income statement.

Other Noncurrent Assets

Other non-current assets consist of cooperative development cost, other funds and deposits, computerization cost and miscellaneous assets. Cooperative development cost refers to expenses incurred prior to the actual operation of the cooperative, subject to amortization not exceeding three years. Other funds and deposits are restricted funds set aside for funding statutory and other reserves, such as retirement, member's benefits and other funds. This may be in the form of time deposits and other securities which may be convertible into cash when needed. Computerization cost refers to cost of acquisition or development of computer programs and other software excluding upgrading of system.

Financial Liabilities

Financial liabilities are recognized in the Cooperative's financial statements when the Cooperative becomes a party to the contractual provisions of the instrument. Transaction costs are included in the initial measurement of all financial liabilities.

Financial liabilities are derecognized by the Cooperative when the obligation under the liability is discharged, cancelled, or expired.

Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees and cooperative members.

Deposit Liabilities

Deposit Liabilities are the liabilities of the cooperative to its members, these are interest-bearing deposits made by the members that can be withdrawn anytime at the option of the depositors.

Due to Union/Federation

Due to Union/Federation is the liability of the cooperative to a federation or union to which the cooperative is a member. In compliance with Section 87 of the Cooperative Code of the Philippines, the cooperative has set aside six percent (6%) of net surplus for Education and Training Fund. One half of this amount shall be utilized by the Cooperative for its own education and training activities while the other half shall be credited to the Cooperative education and training fund of the apex organization of which the cooperative is a member.

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 can be determined only at the end of every reporting period.

Patronage Refund Payable

Patronage Refund Payable is the liability of the cooperative to its members-patrons for patronage refund, which can be determined only at the end of every accounting period.

Unearned Interest Income

Unearned Interest Income is interest income from loans already received but not yet earned.

Statutory Funds and Allocation of Net Surplus

In accordance with Article 86 and 87 of RA 9520, the Cooperative allocates and distributes its Net Surplus as follows:

a. Reserve Fund

At least ten percent (10%) of the Net Surplus shall be allocated for Reserve Fund to be used for the stability of the Cooperative and to meet net losses in its operations. Net Loss incurred for the period shall be charged against the reserved fund. The General assembly may decrease the amount allocated to the Reserve Fund when such already exceeds the Share Capital.

The Reserve Fund shall not be utilized for Investment and a corresponding fund should be set up in the form of time deposit in a bank or of government security. Such sum of the Reserve Fund in excess of the Share Capital may be used at any time for any project that would expand the operations of the Cooperative upon the approval of the General Assembly.

b. Cooperative Education and Training Fund (CETF)

As discussed in Due to Union/Federation, at least ten percent (10%) of the Net Surplus is allocated for Cooperative Education and Training Fund. This fund shall be used for the training, development and other similar cooperative activities geared towards the growth of the cooperative movement. Half of this amount allocated 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.

c. Optional Fund

Not more than seven percent (7%) of the Net Surplus shall be allocated for Optional Fund for the future use of the Cooperative which may be used for acquisition of land and/or building, machineries and equipment or as replacement fund for property and equipment.

d. Community Development Fund

Not less than three percent (3%) of the Net Surplus shall be allocated for Community Development Fund which shall be used for projects and activities that will benefit the community where the Cooperative operates

e. Interest on Share Capital and Patronage Refund

The remaining Net Surplus shall be made available to the members in the form of Interest on Share Capital and Patronage Refund.

The basis for the computation of the interest on share capital is the average share capital while the Total interest income is used in determining the patronage refund.

Revenue Recognition

Revenue is recognized only to the extent that it is probable that the economic benefit will flow to the Cooperative and the Revenue can be measured reliably

Interest income, penalties and income from other sources - It is recognized as the income is earned and collected.

Service and membership fees - It is recognized when the loans are granted and corresponding charges were deducted from loan proceeds and when members are accepted as such in the Cooperative and paid such fees.

Sales - It is recognized as the income is earned. Accounts Receivable is set up for collection.

Expenses**Employee Benefits****Short-term Benefits**

The Cooperative recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Cooperative to its employees include salaries and wages, social security contributions, short-term compensated absences and non-monetary benefits.

Retirement Benefits

The Cooperative has a defined contribution plan wherein the cooperative contributes a fixed amount to the fund. The fund is utilized in settlement of the separation pay of separated employee/s. The contributions are recognized as expense whenever a contribution is made.

Retirement Funds Payable represents the accumulated benefit costs charged against income of the Cooperative which is determined using the accrued benefit actuarial cost method. The method reflects the length of service of the participating employee as of the date of valuation.

General Assembly Expense

General Assembly Expense refer to expenses incurred in the conduct of regular/special General Assembly meeting.

Members Benefit

Members benefit refers to all expenses incurred in providing for additional member's benefits and social services.

Social and community services

Social and community services are expenses incurred by the Cooperative in its social community involvement including solicitation and donations to charitable institutions.

Events after Balance Sheet Date

The Cooperative identifies subsequent events as events that occurred after the balance sheet date but before the date when the financial statements were authorized for issue. Any subsequent events that provide additional information about the Cooperative's financial position at the Balance Sheet date are reflected in the financial statements. Non-adjusting subsequent events are disclosed in the Notes to the financial statements when material.

NOTE 4 MANAGEMENT'S SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**3.1 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.

3.2 Estimates

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

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 Doubtful Accounts

The Cooperative assesses whether objective evidence of impairment exist for receivables and due from related parties that are individually significant and collectively for receivables that are not individually significant.

Allowance for doubtful accounts is maintained at a level considered adequate to provide for potentially uncollectible receivables.

Estimated Useful Lives of Property, Plant and Equipment

The Cooperative estimates the useful lives of property, plant and equipment based on the period over which the property, plant and equipment are expected to be available for use. The estimated useful lives of the property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the property, plant and equipment. In addition, the estimation of the useful lives of property, plant and equipment is based on the collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future 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, plant and equipment would increase the recorded expenses and decrease the noncurrent assets.

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

Building	20-40 years
Leasehold Improvements	5-10 years
Furniture and Fixtures	1-12 years
Office and Other Equipment	1-5 years
Transportation Equipment	3-5 years

The foregoing estimated useful lives and depreciation method are reviewed from time to time to ensure that these are consistent with the expected economic benefits of the property and equipment.

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 value of property, plant and equipment, investments and intangible assets, which require 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, plant 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.

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Cooperative and the amount of revenue can be measured reliably. Revenues from transactions of the Cooperative are recognized on a modified accrual basis.

NOTE 5 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 include a focus on minimizing negative effects on the Cooperative's financial performance due to unpredictability of financial markets that drives the risks.

Credit Risk

Credit risk refers to the risk of inability to service a debt and the potential loss arising from default of a borrower. The Cooperative has no significant concentration of credit risk. It has policies and procedures regarding its loan portfolio. Status of receivables are being monitored and reviewed regularly.

Liquidity Risk

Liquidity risk is the risk that the Cooperative will not be able to meet its financial obligations as they fall due. The Cooperative is not exposed to liquidity risk even if it has deposit liabilities because it has been maintaining sufficient cash to address obligations and payables. Liquidity position is being monitored and evaluated regularly by the Board through continuously monitoring forecasts and actual cash flows.

Interest Rate Risk

The primary source of the Cooperative's interest risk relates to cash and cash equivalents. The Cooperative's management believes that any 10% change in interest rate risk will not have any material impact on the financial statements.

NOTE 6 CASH

This account includes the following:

	2024	2023
Cash On Hand	3,000	-
ATM Fund	1,623,700	1,229,600
Revolving Fund	15,600,000	15,700,000
Petty Cash Fund	280,000	290,000
Cash In Banks	82,130,170	46,338,998
Cash In Cooperatives	23,203,664	50,414,343
	122,840,534	113,972,941

Cash in Banks include:

	2024	2023
Landbank	35,697,670	14,591,039
Metrobank	1,391,837	414,329
Allied Bank	-	339,909
Rizal Commercial Banking Corporation	252,556	252,556
Bank of Commerce	-	602,190
Philippine National Bank	357,870	833,394
Ilocos Consolidated Cooperative Bank	163,854	661,873
Rang-ay Bank	32,557	32,557
Banco De Oro	739,265	2,454,551
Bank of the Philippine Islands	1,742,606	630,567
Landbank (ATM)	198,280	62,445
Bank of the Philippine Islands (FA)	154,839	119,212
Philippine National Bank (FA)	76,844	73,571
PS Bank	747,301	746,702
East west Bank	203,733	203,974
Asia United Bank Corporation	1,126,233	702,029
Security Bank	717,786	1,283,252
East west Agoo	329,967	2,529,278
Union Bank	105,077	1,457,396
Landbank (Foundation)	-	1,202,717
Landbank ANYO	29,135	29,135
Producers Bank	524,875	24,794
One Cooperative Bank (SD/TD)	843,410	696,810
Development Bank of the Philippines (Settlement)	19,348,054	968,247

Landbank of the Philippines (Branches)	17,346,419	15,426,471
	82,130,170	46,338,998

Cash in Cooperatives include:

	2024	2023
Nueva Segovia Consortium of Cooperatives	4,855,190	28,532,052
National Confederation of Cooperatives	6,215,947	6,094,014
National Confederation of Cooperatives (TD LF)	6,252,969	6,038,680
One Cooperative Bank	-	4,149,448
Northern Luzon Federation of Cooperatives	1,340,096	1,276,282
National Confederation of Cooperatives (TD)	1,161,607	1,138,404
National Confederation of Cooperatives (GLOBAL FIL)	1,205,197	1,147,655
Bokod Multipurpose Cooperative	1,000,000	1,000,000
Sacred Heart Multipurpose Cooperative	756,295	712,880
Bokod Multipurpose Cooperative (Savings)	344,933	264,800
National Confederation of Cooperatives CFASA	71,430	60,128
	23,203,664	50,414,343

NOTE 7 LOANS RECEIVABLE

This account represents the summation of various types of loans granted by the cooperative to its members. It includes productive, provident and special loans from which the cooperative generates interest income that ranges from 1.5%/month to 22%/year depending on the type of loan availed of by the member. Aside from which, service fee of 3.5% is deducted from the proceeds of the loan.

	2024	2023
Loans Receivable - Current	1,165,843,081	1,390,167,379
Loans Receivable- Restructured	471,530,648	381,893,897
Loans Receivable- Past Due	569,275,478	492,645,551
Total	2,206,649,208	2,264,706,828
Less: Allowance for Probable Losses	(73,971,920)	(73,618,920)
Unearned Interests and Discounts	(614,968)	(508,561)
	2,132,062,320	2,190,579,347

Past due Loans presented is based on maturity.

NOTE 8 TRADE AND OTHER RECEIVABLES

This account includes the following:

	2024	2023
Advances to Officers and Staff	2,148,538	2,221,090
Other Current Receivables	142,358,667	97,782,988
Accounts Receivables	826,568	36,905,196
	145,333,773	136,909,274

NOTE 9 OTHER CURRENT ASSETS

This account includes the following:

	2024	2023
Unused Office Supplies	3,707,022	3,870,802
Prepaid Expenses	14,685,646	12,379,665
	18,392,668	16,250,467

NOTE 10 FINANCIAL ASSETS AT FAIR MARKET VALUE THRU EQUITY

This account includes the following:

	2024	2023
Philippine Life Insurance Company	-	5,000,000
Prulife UK	1,720,132	1,720,132
Prulife UK- CFF	869,866	869,866
	2,589,998	7,589,998

NOTE 11 FINANCIAL ASSETS AT COST

This account includes the following:

	2024	2023
National Confederation of Cooperatives	21,057,124	20,150,000
One Cooperative Bank	13,547,000	13,547,000
Nueva Segovia Consortium of Cooperatives	29,842,471	27,472,562
Ilocos Consolidated Cooperative Bank	19,822,315	17,310,615
Coop Life Insurance Mutual Benefit Services	8,074,235	5,162,574
Cooperative Insurance System of the Philippines	2,217,990	2,217,990
Northern Luzon Federation of Cooperatives	1,895,557	1,811,072
CLIMBS-CIFL	-	1,400,000
Cooperative Health Management Federation	252,618	252,618
ALBACOPA Federation of Cooperatives	7,245,199	8,261,131
Ilocos Sur Federation of Cooperatives	30,000	30,000
MC Maxell	5,000,000	5,000,000
MIST Innovative Solutions	4,100,000	4,100,000
Victo National Confederation of Cooperatives	353,837	310,916
National Federation of Cooperatives	1,120,985	-
Network Consolidated Cooperative Bank	100,000	-
	114,659,331	107,026,478

NOTE 13 OTHER FUNDS AND DEPOSITS

This account includes the following:

	2024	2023
SSS Bond	300,000	300,000
Bayad Center	200,000	200,000
EFLY Security Bond and Joining Fee	20,452	20,452
Nationlink	10,526,607	2,265,519
Retirement Fund	65,929,963	65,869,963
	76,977,022	68,655,934

NOTE 14 OTHER NON-CURRENT ASSETS

This account includes the following:

	2024	2023
Computerization Cost	17,729,125	16,684,191
Real and Other Properties Acquired	62,078,295	50,985,674
Construction in Progress	2,954,858	4,430,541
Deposit for Returnable Containers	35,590	32,256
Miscellaneous Assets	2,000	2,000
	82,799,868	72,134,662

NOTE 15 DEPOSIT LIABILITIES

This account includes the following breakdown from branches:

	2024	2023
Savings Deposit	595,158,430	673,977,792
Time Deposit	1,181,395,283	1,172,772,670
	1,776,553,713	1,846,750,462

Savings Deposit includes the following breakdown from branches:

	2024	2023
Head Office	8,702,867	7,654,938
Main Branch	307,290,336	325,750,764
Baguio City	7,118,263	8,251,471
Agoo	18,962,922	20,046,183
Alaminos	7,284,326	7,245,587
Asingan	5,510,215	9,364,351
Bacnotan	45,170,032	54,586,765
Bangar	33,234,408	42,075,666
Bangued	10,236,517	14,019,821
Bantay	9,465,721	10,907,801
Bauang	13,527,913	14,648,702
Bayambang	2,268,765	5,805,247
Cuyapo	5,429,493	6,388,680
Infanta	3,443,279	4,261,297
Mangaldan	7,270,907	7,729,798
Mangatarem	2,754,616	3,979,593
Narvacan	6,528,242	8,303,806
Paniqui	2,169,354	6,990,180
Pinili	9,533,972	12,774,525
Pozorrubio	2,389,382	4,641,608
San Jose	5,644,527	5,368,325
San Juan	2,836,379	5,550,479
San Nicolas	5,013,784	6,485,702
Santiago	46,435,200	54,249,345
Talavera	3,092,692	4,635,772
Umingan	6,999,881	7,195,746
Victoria	6,157,652	4,738,692
Villasis	10,686,787	10,326,948
	595,158,430	673,977,792

Time Deposit includes the following breakdown from branches:

	2024	2023
Main Branch	709,993,378	725,411,905
Baguio City	10,360,770	3,570,470
Agoo	28,090,399	30,741,224
Alaminos	10,194,723	11,256,589
Asingan	17,384,748	19,538,881
Bacnotan	68,579,873	80,382,619
Bangar	61,396,275	56,025,024
Bangued	26,533,100	9,823,595
Bantay	21,572,375	25,228,028
Bauang	16,756,970	15,440,705
Bayambang	9,047,964	8,715,128

Cuyapo	1,391,773	331,713
Infanta	6,304,689	10,522,689
Mangaldan	5,033,188	5,427,591
Mangatarem	950,000	1,550,000
Narvacan	6,078,319	7,052,453
Paniqui	10,155,825	11,346,900
Pinili	17,454,651	14,585,676
Pozorrubio	3,421,164	1,452,119
San Jose	10,535,485	7,613,451
San Juan	1,865,725	2,675,000
San Nicolas	3,766,009	3,412,603
Santiago	73,675,661	67,958,450
Talavera	2,533,406	2,133,019
Umingan	49,461,464	38,525,443
Victoria	4,808,927	5,069,747
Villasis	4,048,420	6,981,648
	1,181,395,283	1,172,772,670

NOTE 16 TRADE AND OTHER PAYABLES

This account includes the following:

	2024	2023
Accounts Payable	204,228	43,846
SSS, Philhealth & Pag-ibig Payable	3,410,949	2,683,825
Withholding Tax Payable	264,210	248,217
Accrued Expenses	10,990,772	24,425,126
Other Current Liabilities	220,309,155	204,658,625
	235,179,313	232,059,639

NOTE 17 LOANS PAYABLE- SHORT TERM

This account includes the following:

	2024	2023
Land Bank of the Philippines	127,661,563	104,117,983
NSCC BUYANIHAN	32,828,534	11,041,667
National Confederation of Cooperatives	21,032,652	19,794,049
SBC	-	9,652,525
ACPC ANYO	-	45,666,015
	181,522,749	190,272,239

NOTE 18 SHARE CAPITAL

The cooperative is authorized to issue One billion pesos (Php1,000,000,000.00) worth of common shares and Fifteen Million pesos (Php 15,000,000.00) preferred shares. Both shares carry a par value of P100.00 per share. As of balance sheet, the following are the total subscribed and paid-up amount of capital:

	2024	2023
Share Capital- Common	494,902,735	501,072,508
Less: Treasury Shares	(6,047,573)	(7,527,915)
Net Share Capital-Common	488,855,162	493,544,593
Share Capital-Preferred	1,313,547	1,409,702
	490,168,710	494,954,295

The capital contribution of each branch follows:

BRANCH	Share Capital-Preferred	Share Capital-Common	Treasury Shares	2024
Main Branch	1,163,426	128,234,632	(135,839)	129,262,219
Baguio City	-	14,925,540	(2,044,191)	12,881,349
Agoo	-	17,030,440	(12,329)	17,018,111
Alaminos	-	16,066,319	-	16,066,319
Asingan	-	16,892,566	-	16,892,566
Bacnotan	61,346	35,587,142	-	35,648,488
Bangar	4,490	24,691,172	(190,987)	24,504,675
Bangued	-	14,303,822	(195,028)	14,108,794
Bantay	1,803	7,663,687	(33,378)	7,632,112
Bauang	4,505	13,815,236	-	13,819,741
Bayambang	-	14,212,669	(210,241)	14,002,428
Cuyapo	-	21,931,187	(938,002)	20,993,184
Infanta	-	7,509,176	-	7,509,176
Mangaldan	-	14,959,863	-	14,959,863
Mangatarem	-	9,316,755	-	9,316,755
Narvacan	17,643	8,647,335	(351,016)	8,313,961
Paniqui	-	16,470,810	(962)	16,469,847
Pinili	-	10,691,823	(165,506)	10,526,316
Pozorrubio	-	6,586,329	(1,600)	6,584,729
San Jose	-	11,718,494	(562,133)	11,156,361
San Juan	-	5,798,557	(157,566)	5,640,991
San Nicolas	-	9,898,677	-	9,898,677
Santiago	60,334	16,406,920	-	16,467,254
Talavera	-	5,740,876	-	5,740,876
Umingan	-	16,148,049	(516,947)	15,631,102
Victoria	-	6,350,144	(367,051)	5,983,093
Villasis	-	23,304,517	(164,795)	23,139,723
	1,313,547	494,902,735	(6,047,573)	490,168,710

NOTE 19 STATUTORY FUNDS

This account includes the following:

	2024	2023
General Reserve Fund	56,793,765	54,686,802
Education and Training Fund	1,053,482	803,863
Community Development Fund	632,089	482,318
Optional Fund	1,474,874	1,150,386
	59,954,210	57,123,369

NOTE 20 FINANCING COSTS

This account includes:

	2024	2023
Interest Expense on Deposits	94,810,024	109,751,887
Interest Expense on Borrowings	21,083,386	12,969,354
Other Financing Charges	-	937,482
	115,893,410	123,658,723

NOTE 21 ADMINISTRATIVE EXPENSES

This account includes:

	2024	2023
Salaries & Wages	60,919,804	57,603,817
Employees Benefits	19,526,218	20,474,695
SSS, Philhealth & HDMF Contributions	8,303,619	7,734,887
Retirement Benefit Expenses	1,408,131	1,388,074
Advertising & Promotion	2,010	-
Professional and Consultancy Fees	1,112,816	343,221
Officers' Honorarium and Allowances	1,061,100	1,269,048
Litigation Expenses	403,261	76,813
Office Supplies	1,739,554	2,014,715
Meetings and Conferences	1,558,838	1,692,997
Trainings/ Seminars	1,224,874	493,611
Power, Light & Water	3,639,262	3,925,212
Travel & Transportation	2,591,035	4,016,888
Insurance	1,168,060	166,042
Repairs & Maintenance	3,127,025	2,533,873
Rentals	6,867,841	5,894,419
Taxes, Fees and Charges	396,281	443,439
Communication	2,903,666	3,351,713
Representation	2,141,722	2,313,051
Gas, Oil & Lubricants	6,026,235	5,536,308
Miscellaneous Expense	2,668,001	4,580,725
Cooperative Celebration Expense	194,109	146,272
Depreciation	11,118,019	13,843,108
Periodical, Magazines, and Subscription	63,052	-
Provision for Probable Losses on Accounts	403,000	4,293,500
Bank Charges	70,258	98,038
General Assembly Expenses	7,652,228	5,641,854
Members Benefit Expenses	4,574,777	3,584,256
Affiliation Fee	5,000	-
Social & Community Service Expense	482,318	596,074
General Support Services	7,024,701	6,372,335
	160,376,815	160,428,985

NOTE 22 NET PROFIT FROM SACDECO MART

This account includes:

	2024	2023
Sales	5,468,129	21,064,242
Less: Cost of Sales	5,299,734	20,501,867
Gross Profit	168,395	562,375
Less: Selling Expenses		
Salaries and Wages	113,242	231,949
SSS/HDMF/Philhealth Payable	19,234	37,973
Retirement Benefit	-	1,000
Store Supplies	94,803	40,390
Power, Light and Water	49,096	194,820
Travel and Transpo	-	9,800
Repairs and Maintenance	863	20,195
Communication Expense	-	17,153
Spoilage and Breakage	-	400,483

Representation	16,018	21,514
Gas, Oil and Lubricants	36,185	109,736
Product Marketing and Promotions	-	17,100
Miscellaneous Expense	6,261	73,990
Total Selling Expenses	335,701	1,176,102
	(167,306)	(613,729)

NOTE 23 NET PROFIT FROM SACDECO GAS

This account includes:

	2024
Sales	3,069,079
Less: Cost of Sales	2,767,079
Gross Profit	301,999
Less: Selling Expenses	
Salaries and Wages	85,810
SSS/HDMF/Philhealth Payable	14,088
Store Supplies	9,018
Power, Light and Water	2,251
Miscellaneous Expense	1,800
Total Selling Expenses	112,967
	189,032

NOTE 24 SEGMENTAL INFORMATION

The Cooperative's segmental operations are as follows:

	2024			
	Revenues	Expenses	Other Items	Net Income
Head Office	52,967,226	140,340,549	1,221,388	(86,151,935)
Main Branch	95,411,702	83,286,977	-	12,124,725
SACDECO Mart	(159,729)	5,283	-	(165,012)
SACDECO GAS	191,218	-	-	191,218
Baguio City	9,550,339	4,192,867	-	5,357,472
Agoo	6,909,690	4,445,951	-	2,463,739
Alaminos	11,563,043	4,705,877	-	6,857,166
Asingan	7,336,809	5,320,151	-	2,016,658
Bacnotan	14,039,030	11,638,223	-	2,400,807
Bangar	15,724,370	11,256,542	-	4,467,828
Bangued	8,757,927	5,094,469	-	3,663,458
Bantay	5,434,508	5,303,697	-	130,811
Bauang	5,592,406	3,698,114	-	1,894,293
Bayambang	7,793,931	4,536,874	-	3,257,057
Cuyapo	13,058,434	4,581,238	-	8,477,196
Infanta	5,871,138	4,124,693	-	1,746,444
Mangaldan	9,505,106	4,716,747	-	4,788,359
Mangatarem	7,454,008	3,648,480	-	3,805,528
Narvacan	3,932,079	3,306,034	-	626,045
Paniqui	15,299,967	4,669,242	-	10,630,724
Pinili	7,813,625	4,713,972	-	3,099,653
Pozorrubio	5,448,959	2,883,171	-	2,565,788
San Jose	6,167,723	3,245,214	-	2,922,509
San Juan	3,703,579	2,595,586	-	1,107,993
San Nicolas	6,743,809	3,787,536	-	2,956,272
Santiago	13,475,256	10,945,880	-	2,529,376

Talavera	5,111,768	3,268,064	-	1,843,704
Umingan	7,965,887	5,464,977	-	2,500,910
Victoria	5,562,210	3,609,533	-	1,952,677
Villasis	15,580,522	4,572,354	-	11,008,168
	373,806,539	353,958,294	1,221,388	21,069,633

2023				
	Revenues	Expenses	Other Items	Net Income
Head Office	28,711,603	134,531,758	2,937,701	(102,882,455)
Main Branch	104,589,311	91,817,990	-	12,771,321
SACDECO Mart	(552,117)	9,689	(8,994)	(570,800)
Agoo	8,308,971	5,837,279	-	2,471,692
Alaminos	10,234,749	4,436,171	-	5,798,577
Asingan	10,064,417	4,949,845	-	5,114,572
Bacnotan	17,197,305	10,993,874	-	6,203,431
Bangar	15,901,660	9,751,487	-	6,150,173
Bangued	8,619,944	7,220,762	-	1,399,182
Bantay	5,743,817	5,024,948	-	718,869
Bauang	5,965,419	3,660,446	-	2,304,973
Bayambang	7,096,487	4,449,596	-	2,646,891
Cuyapo	12,887,412	5,286,945	-	7,600,468
Infanta	8,145,597	4,050,346	-	4,095,250
Mangaldan	10,580,015	5,424,785	-	5,155,230
Mangatarem	7,474,845	3,314,941	-	4,159,904
Narvacan	4,835,762	3,910,708	-	925,054
Paniqui	16,884,636	5,036,113	-	11,848,523
Pinili	7,981,172	4,522,605	-	3,458,567
Pozorrubio	6,083,367	3,224,937	-	2,858,429
San Jose	8,207,839	3,935,754	-	4,272,085
San Juan	4,166,578	3,071,607	-	1,094,971
San Nicolas	7,667,034	3,424,049	-	4,242,985
Santiago	14,067,167	11,852,083	-	2,215,084
Talavera	5,778,174	3,470,957	-	2,307,216
Umingan	8,378,005	6,952,805	(10,171)	1,415,029
Victoria	4,665,409	3,729,705	-	935,704
Villasis	16,815,046	5,205,867	-	11,609,179
	376,177,109	363,018,388	2,918,536	16,077,257

NOTE 25 EVENTS AFTER THE REPORTING DATE

There were no events after balance sheet date that would require a disclosure or adjustment to financial statements of the Cooperative.

NOTE 26 PROVISION AND CONTINGENCIES

The Cooperative is not aware of any pending or threatened litigation, claims or assessments or un asserted claims of assessment that are required by PFRF for Cooperative to be accrued or disclosed in the financial statements. The Cooperative is not aware of any failure of the Cooperative to act in accordance with applicable law, which could result in a material liability. There Cooperative had complied with all aspects of contractual agreements that could have a material effect in the accounts in the event of non-compliance.

NOTE 27 CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The primary objective of the Cooperative's capital management is to ensure its ability to continue as a going concern and that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The BOD has overall responsibility for monitoring of capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Cooperative's external environment and the risks underlying its business operations and industry.

In managing its capital structure (total equity), the Cooperative makes adjustments to it, in light of changes in economic decisions. To maintain or adjust the capital structure, it may adjust or delay the dividend payment to shareholders, and appropriate a percentage of earnings towards expansion and capital expenditures.

Its financial function sets operational targets and performance indicators in order to assure that the capital and returns requirements are achieved. Appropriate monitoring and reporting system accompany these targets and indicators to assess the achievement of Cooperative goals and institute appropriate action.

It monitors capital on the basis of debt-to-equity ratio, which is calculated as a total Debt divided by the total equity. Total debt is equivalent to total liabilities less cash as shown in the statement of financial condition. Total equity comprises all components of equity including membership accumulated loss.

The Cooperative monitor's capital on the basis of the carrying amount of an equity as presented on the face of the balance sheets.

NOTE 28 SUPPLEMENTARY INFORMATION REQUIRED AS PER BIR RR 15-2010

The following information on taxes, duties and license fees paid or accrued during the taxable year is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements.

A. OUTPUT VAT

The Cooperative is exempt from Value Added Tax, by virtue of the implementing rules and regulations of RA 9520, which states that Cooperatives that transact members only shall be exempt from both income tax and value added tax.

B. INPUT VAT

The Cooperative, being exempted from Value Added Tax, does not claim Input Taxes and records its input taxes as part of the cost of goods or services purchased.

C. TAXES AND LICENCES

Details of the Cooperative's Taxes and Licenses, either paid or accrued are as follows:

	2024	2023
Mayors' Permit and Business Taxes	185,925	173,747
Vehicle Registration/sticker	90,442	133,927
BIR Compromise Penalty	7,038	61,295
Others	109,676	72,869
Community Tax Certificate	3,200	1,600
	396,281	443,439

D. WITHHOLDING TAXES

Details of the Company's withholding taxes, either paid or accrued, are as follows:

	2024	2023
Withholding tax on Compensation	483,846	467,511
Expanded Withholding Tax	852,556	801,871
	1,336,402	1,269,382

NOTE 12 PROPERTIES AND EQUIPMENTS

This account includes the following:

2024

	Land	Land Improvements	Building and Improvements	Furniture & Fixtures	Equipments	Kitchen and Catering Utensils	Transportation Equipment	Linens and Uniforms	Leaschold Rights & Improvements	Total
Beginning Balance, January 1	29,063,108	9,570	119,163,633	8,444,517	56,756,682	70,400	26,971,921	526,975	811,518	241,818,324
Additions/Disposals	10,138,512	-	4,468,567	278,864	1,655,516	(26,400)	(953,874)	55,500		15,616,685
Ending Balance, December 31	39,201,621	9,570	123,632,200	8,723,381	58,412,198	44,000	26,018,047	582,475	811,518	257,435,009
Accumulated Depreciation, January 1	-	-	45,259,038	-	56,784,088	-	18,568,030	439,690	333,711	121,384,558
Depreciation for the Period			5,452,275	4,406,856			(46,234)	74,196	194,595	10,081,689
Accumulated Depreciation, December 31	-	-	50,711,314	4,406,856	56,784,088	-	18,521,796	513,886	528,306	131,466,246
Net Book Value	39,201,621	9,570	72,920,887	4,316,525	1,628,109	44,000	7,496,251	68,589	283,212	125,968,762

2023

Beginning Balance, January 1	10,591,199	9,570	118,450,160	8,315,237	55,754,907	96,800	22,566,921	526,975	1,238,058	217,549,825
Additions/Disposals	18,471,910		713,474	129,280	1,001,774	(26,400)	4,405,000	-	(426,540)	24,268,499
Ending Balance, December 31	29,063,108	9,570	119,163,633	8,444,517	56,756,682	70,400	26,971,921	526,975	811,518	241,818,324
Accumulated Depreciation, January 1	-	-	38,562,899	-	52,799,067	-	16,063,390	389,801	333,711	108,148,868
Depreciation for the Period			6,696,139		3,985,022		2,504,640	49,889		13,235,690
Accumulated Depreciation, December 31	-	-	45,259,038	-	56,784,088	-	18,568,030	439,690	333,711	121,384,558
Net Book Value	29,063,108	9,570	73,904,595	8,444,517	(27,407)	70,400	8,403,891	87,284	477,807	120,433,766

>>>>> END OF NOTES TO 2024 AUDITED FINANCIAL STATEMENTS <<<<<