

DAVAO BIR EMPLOYEES MULTIPURPOSE COOPERATIVE

STATEMENT OF FINANCIAL CONDITION
December 31, 2019
(With Comparative Figures for 2018)

	Note	December 31	
		2019	2018
A S S E T S			
CURRENT ASSETS			
Cash and cash equivalents	4	Ps. 8,630,631	Ps. 9,404,353
Time Deposits	5	2,998,524	2,520,064
Loan receivables	6	18,635,279	14,341,947
Trade and other receivables, net	7	875,144	156,630
Merchandise Inventory	8	57,034	41,787
Total Current Assets		31,196,612	26,464,781
NON-CURRENT ASSETS			
Financial Asset- CUDC		8,333	8,333
Financial Asset- CFDC		29,652	18,076
Financial Asset- CISP		400,000	-
Financial Asset- CHMF		100,000	-
Property Plant and equipment, net	9	383,786	524,221
Other assets	10	265,157	234,881
Total Non-Current Assets		1,186,928	785,511
TOTAL ASSETS		Ps. 32,383,540	Ps. 27,250,292
LIABILITIES AND MEMBERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable-trade	11	Ps. 30,453	Ps. 3,090
Accounts payable non-trade	12	5,928,497	4,407,461
Interest on share capital		1,616,527	1,624,558
Patronage Refund		692,797	696,239
Due to union/federation (CETF)		635,573	540,121
Other current liabilities	13	9	465,606
Total Liabilities		8,903,856	7,737,075
MEMBERS' EQUITY			
Subscribed Share capital - Common	14	19,935,000	16,371,000
Subscribed Share capital - Preferred	14	707,500	698,000
Donated capital		19,285	90,930
Deposits for share capital subscriptions- Common	14	82,385	71,415
Deposits for share capital subscriptions- Preferred	14	12,651	12,359
Total		20,756,821	17,243,704
Statutory funds			
General reserve fund	15	1,645,146	1,315,242
CETF-Local	15	165,127	168,483
Community development fund	15	92,928	197,059
Optional fund	15	819,661	588,729
Total		2,722,863	2,269,513
Total Members' Equity		23,479,684	19,513,217
TOTAL LIABILITIES AND MEMBERS' EQUITY		Ps. 32,383,540	Ps. 27,250,292

See Notes To Financial Statements

Audited Financial Statements

DAVAO BIR EMPLOYEES MULTIPURPOSE COOPERATIVE

STATEMENT OF CHANGES IN EQUITY, STATUTORY FUNDS, DUE TO CETF AND DONATION AND GRANTS
AS OF DECEMBER 31, 2018 and 2017

Equity	2019	2018
Share Capital, Common, Beginning	16,371,000	10,658,500
Add: Additional Capital Build-up	3,564,000	5,712,500
Share Capital, Common, End	19,935,000	16,371,000
Share Capital, Preferred, Beginning	698,000	735,914
Add: Additional Capital Build-up	9,500	-
Less: Withdrawal in Capital	-	37,914
Share Capital, Preferred, End	707,500	698,000
Deposit for Share Capital, Common, Beginning	71,415	60,981
Add: Additional Capital Build-up	10,970	10,434
Deposit for Share Capital, Common, End	82,385	71,415
Deposit for Share Capital, Preferred, Beginning	12,359	4,251
Add: Additional Capital Build-up	292	8,108
Deposit for Share Capital, Preferred, End	12,651	12,359
General Reserve Fund		
Balance, Beginning	1,315,243	983,700
Add: Current Allocation	329,904	331,542
Balance, End	1,645,146	1,315,243
Cooperative Education and Training Fund		
Balance, Beginning	168,483	160,851
Add: Current Allocation	164,952	165,771
Less: Charges	168,307	158,140
Balance, End	165,127	168,483
Optional Fund		
Balance, Beginning	588,729	356,649
Add: Current Allocation	230,932	232,080
Less: Charges	-	-
Balance, End	819,661	588,729
Community Development Fund		
Balance, Beginning	197,059	166,569
Add: Current Allocation	98,971	99,463
Less: Charges	203,102	68,973
Balance, End	92,928	197,059
Due to Union / Federation		
Balance, Beginning	540,121	431,961
Add: Current Allocation	164,952	165,771
Less: Charges	69,500	57,611
Balance, End	635,573	540,121
Donation and Grants Balance		
Balance, Beginning	90,930	90,930
Less	71,645	90,930
Balance, End	19,285	90,930

DAVAO BIR EMPLOYEES MULTIPURPOSE COOPERATIVE

STATEMENT OF OPERATION
AS OF DECEMBER 31, 2019 and 2018

Revenue Items	2019	2018
Income from Credit Operations		
Interest Income from Loans	4,006,198	3,183,450
Service Income	318,707	215,948
Fines, Penalties, Surcharges	4,168	8,162
Total Income from Credit Operation	4,329,073	3,407,560
Gross Revenue From Service Operation		
Service Income- Catering	70,950	3,124,059
Service Income - Photocopy	2,173,632	2,684,622
Prior Year Adjustment	(453)	-
Total Income from Service Operation	2,244,129	5,808,681
Gross Revenue From Consumer		
Sales-Softdrinks	524,562	468,355
Sales-Canteen	1,187,147	1,080,929
Sales-Rice/Sack/Rice per Cup	767,584	1,007,966
Sales- Unified Load	75,629	51,009
Comission Income from Consignment	2,040,797	245,594
Sales- Coop Viand	464,963	-
Sales Discount	-	(1,828)
Total Income from Service Operation	5,060,682	2,852,024
Miscellaneous Income	-	108,908
Other Income	588,400	253,139
Total Gross Revenue	12,222,284	12,430,313
Direct Cost 17	4,614,113	5,078,120
Gross Profit	7,608,170	7,352,193
Operating Expense 18	4,309,135	4,036,768
NET SURPLUS FOR THE YEAR	3,299,035	3,315,425
DISTRIBUTED AS FOLLOWS		
Statutory funds		
General reserve fund	329,904	331,542
Cooperative education and training fund-APEX	164,952	165,771
Cooperative education and training fund-Local	164,952	165,771
Optional fund	230,932	232,080
Community development fund	98,971	99,463
TOTAL	989,711	994,627
Interest on share capital	1,616,527	1,624,558
Patronage Refund	692,797	696,239
TOTAL	2,309,325	2,320,797
GRAND TOTAL	3,299,035	3,315,425

DAVAO BIR EMPLOYEES MULTIPURPOSE COOPERATIVE

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019
(With Comparative Figures for 2018)

	Note	December 31	
		2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Surplus per Settlement of Financial Condition			
Increase (Decrease) in General Reserve Fund		329,904	331,542
Increase (Decrease) in CETF-LOCAL		(3,355)	7,632
Increase (Decrease) in Optional Fund		230,932	30,490
Increase (Decrease) in Community Development Fund		(104,131)	232,080
Dep. Exp.		105,226	79,793
Amort Exp		17,819	75,000
Changes in operating assets and liabilities:			
(Increase) Decrease in Trade and Other Receivables		(718,514)	336,815
(Increase) Decrease in Inventory		(15,247)	24,318
(Increase) Decrease in Loans Receivable (net)		(4,293,332)	(4,582,683)
(Increase) Decrease on Short term Deposit		(478,460)	(2,012,236)
(Increase) Decrease in Other Current Assets		-	2,058
Increase (Decrease) in Trade and other Payables		1,548,399	2,649,454
Increase (Decrease) in Other Current Liabilities		(465,597)	304,832
Increase (Decrease) on Interest on Patronage refund		(11,473)	72,649
Increase (Decrease) in CETF-APEX		95,452	108,160
Net Cash (Used In) Provided By Operating Activities		(3,762,377)	(2,340,095)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Property, plant and equipment(Disposal)		75,585	(74,074)
Acquisition of Intangible Assets		(58,194)	(195,000)
Other Assets		(30,276)	(1,420)
Investment in CISP		(400,000)	
Investment in CHMF		(100,000)	
Investment in CUDC		-	7,867
Investment in CFDC		(11,576)	(14,076)
Net Cash (Used In) Provided By Investing Activities		(524,462)	(276,703)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share Capital		3,573,500	5,674,586
Donated Capital		(71,645)	-
Deposit on Subscription		11,262	18,542
Net Cash Provided By Financing Activities		3,513,117	5,693,128
NET (DECREASE) INCREASE IN CASH		(773,722)	3,076,330
CASH, BEGINNING OF YEAR		9,404,353	6,328,023
CASH, END OF YEAR	4	8,630,631	9,404,353

See Notes To Financial Statements

Audited Financial Statements

NOTE 5 –TIME DEPOSITS

These represent time deposits with maturity dates up to one (1) year depending on the immediate cash requirements of the Cooperative. These investments earn effective monthly interest ranging from .00750% to .01% in both years. Interest earned are presented as part of income from investments and deposits.

	December 31	
	2 0 1 9	2 0 1 8
Time Deposit		520,521
Treasury Bills	2,998,524	1,999,813
Total	2,998,524	2,520,064

NOTE 6–LOAN RECEIVABLES

Loans and other receivables consist of:

	December 31	
	2 0 1 9	2 0 1 8
Loans	18,824,359	14,365,504
Less allowance for probable losses	189,080	23,557
Loans and Other Receivables - Net	18,635,279	14,341,947

NOTE 7 – TRADE AND OTHER RECEIVABLES

Trade and other receivables consist of:

	December 31	
	2 0 1 9	2 0 1 8
Accounts receivable – Rice	38,320	45,231
Accounts receivable – Insurance	132,959	
Accounts Receivable- HMO	633,996	101,190
Accounts Receivable- Uniform	64, 242	
Advances to officers, employees, and members		6,046
Other Receivables	5,627	4,163
Trade and Other Receivables	875,144	156,630

NOTE 8- INVENTORY

Inventory consist of:

	December 31	
	2 0 1 9	2 0 1 8
Merchandise inventory- canteen goods	57,034	41,335
Inventory	57,034	41,335

"Dedicated to Excellence and Quality Service"

INDEPENDENT AUDITOR'S REPORT

The Board of Directors

DAVAO BIR EMPLOYEES MULTIPURPOSE COOPERATIVE

BIR RR19 Bldg., Bolton Extension, Davao City

Opinion

We have audited the financial statements of Davao BIR Multipurpose Cooperative (DABIREMCO), which comprise the statements of financial position as at December 31, 2019 and 2018, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Davao BIR Multipurpose Cooperative (DABIREMCO), as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Framework for Cooperatives (PFRFC).

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Philippine Financial Reporting Framework for Cooperatives (PFRFC), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Cooperative's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Cooperative or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Cooperative's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

DAVAO BIR EMPLOYEES MULTIPURPOSE COOPERATIVE

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The cooperatives are tax exempt. The supplementary information on taxes paid and accrued, schedules of Earnings available for patronage refund and on interest on share capital and Interpretations and other information at the end of the reporting period are presented for the purpose of complying with the disclosure requirement of the Bureau of Internal Revenue and the Cooperative Development Authority and are not a required part of the basic financial statements. Such information and additional schedules are the responsibility of Management. They have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ELISES & CIUDADANO

(A Professional Firm of Certified Public Accountants)
BOA Accreditation No. 0161 (December 17, 2021)
CDA CEA No. 032-AF ((March 02, 2020)
SEC Accreditation No. 0375-F (January 07, 2022)

By:

THELMA S. CIUDADANO

CPA Certificate No. 33318 (September 27, 1977)
BIR AN. 19-002456-001-2020 (March 03, 2023)
TIN: 116-947-418
PTR No. 3527669 C (January 10, 2020)

Davao City, Philippines
February 26, 2020



DAVAO BIR EMPLOYEES MULTIPURPOSE COOPERATIVE
Bureau of Internal Revenue, RR19 Bldg., Bolton Extension, Davao city

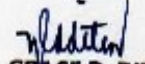
"STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN"

The Management of **DAVAO BIR EMPLOYEES MULTIPURPOSE COOPERATIVE** is responsible for all information and representations contained in the Annual Income Tax Return for the years then ended **December 31, 2019 and 2018**. Management is likewise responsible for all information and representations contained in the financial statements (accompanying the Annual Income Tax Return or Annual Information Return) covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other applicable tax returns.

In this regard, the Management affirms that the attached audited financial statements for the years ended **December 31, 2019 and 2018** and the accompanying Annual Income Tax Return are in accordance with the books and records of **DAVAO BIR EMPLOYEES MULTIPURPOSE COOPERATIVE** are complete and correct in all material respects. Management likewise affirms that:

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


SUSAN D. TUSOY
Chairperson


GRACE D. DITAN
Treasurer

Signed this 7th day of February, 2020.