

SUYO MULTIPURPOSE COOPERATIVE

**CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025**

AND

INDEPENDENT AUDITOR'S REPORT



JHUANN M. PAGAY
CERTIFIED PUBLIC ACCOUNTANT



REPORT OF INDEPENDENT AUDITOR

The Board of Directors and Members of **SUYO MULTIPURPOSE COOPERATIVE**

Uso, Suyo, Ilocos Sur

Report on the Audit of the Financial Statements

Opinion

I have audited the consolidated financial statements of Suyo Multipurpose Cooperative which comprise the Consolidated Statement of Financial Condition as at December 31, 2025 with comparative figures as at December 31 2024, and the Consolidated Statements of Operations, Consolidated Statement of Changes in Equity, and Consolidated Statement of Cash Flows for the year then ended, and Consolidated Notes to the Financial Statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the Consolidated Financial Condition of Suyo Multipurpose Cooperative as at December 31, 2025, and its Consolidated Financial Performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Framework for Cooperatives.

Basis of Opinion

I conducted my audits in accordance with Philippine Standards on Auditing (PSA). My responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Cooperative in accordance with the Philippine Ethics Standards Board for Accountants' (PESBA Code) together 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, 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 audit 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, 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 Cooperative'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 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.

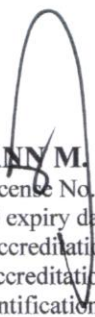
I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Report on Other Legal and Regulatory Requirements

My audits were 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 34 of the notes 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 supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in my audits of the basic financial statements. In my opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



JHUANN M. PAGAY

CPA License No. 0114339

PRC ID expiry date: 08/18/2026

BOA Accreditation No. 6495 valid until August 31, 2026

CEA Accreditation No. 1686 valid until July 9, 2030

Tax Identification No. 938-175-489-000

BIR A.N 01-006633-001-2022 issued on November 6, 2025 valid until November 6, 2028

PTR No. 5008523 issued January 6, 2026 at Vigan City, Ilocos Sur 2700

February 13, 2026



Statement of Representation

“TO THE COOPERATIVE DEVELOPMENT AUTHORITY:”

In connection with my examination of the consolidated financial statements of Suyo Multipurpose Cooperative covering the period ended December 31, 2025 that are herewith submitted to the Cooperative Development Authority, I hereby represent the following:

1. That said consolidated financial statements herewith attached are prepared and presented in accordance with the Philippine Financial Reporting Framework for Cooperatives, taking into consideration Cooperative laws, rules, regulations and principles;
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 auditor 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 Ilocos Sur-Abra 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.

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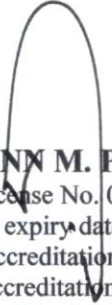
STATEMENT REQUIRED BY SECTION 8-A, RR NO. V-20

**TO THE GENERAL ASSEMBLY
THRU THE BOARD OF DIRECTORS
SUYO MULTIPURPOSE COOPERATIVE**
Uso, Suyo, Ilocos Sur

I have audited the consolidated financial statements of Suyo Multipurpose Cooperative for the calendar year ended December 31, 2025 on which I have rendered my report dated February 13, 2026.

In compliance with Section 8-A, Revenue Regulation V-20, I am Stating the following:

1. That the taxes paid or accrued by the above taxpayer for the year ended December 31, 2025 are shown in the schedules of taxes and licenses attached to the income tax return.
2. That I am not related by consanguinity or affinity to the management and Members of the Board of Directors;
3. That I or my staff have no financial interest to the Cooperative or any family relationships with its management.



JHUANN M. PAGAY

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February 13, 2026

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

The management of **SUYO MULTIPURPOSE COOPERATIVE** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated therein 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 to do so.

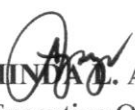
The Board of Directors is responsible for overseeing the Cooperative's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein and submit the same to the general assembly.

JHUANN M. PAGAY, the independent auditor appointed by the general assembly for the year 2025 and 2024, has audited the financial statements of the cooperative in accordance with Philippine Standards on Auditing, and the Standard Audit System for Cooperatives and in their reports to the general assembly, has expressed his opinion on the fairness of presentation upon completion of such audit,


RIZALDON L. BENCILA
Chairman


CHERYL TRIX S. PALANGDOSAN
Treasurer


LUZVIMINDA L. APUYA
Chief Executive Officer

Singed this 13th day of February 2026

SUYO MULTIPURPOSE COOPERATIVE

Uso, Suyo, Ilocos Sur

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of **SUYO MULTIPURPOSE COOPERATIVE** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2025. Management is likewise responsible for all information and representations contained in the financial statements accompanying the (Annual Income Tax Return) covering the same period. Furthermore, 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 value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2025 and the accompanying Annual Income Tax Return are in accordance with the books and records of **SUYO MULTIPURPOSE COOPERATIVE** complete and correct in all material respects. Management likewise affirms that:

- a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and 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 Cooperative's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- c) the **SUYO 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.


RIZALDO L. BENCILA
Chairman


CHERYL TRIX S. PALANGDOSAN
Treasurer


LUZVIMUNDA T. APUYA
Chief Executive Officer

Singed this 13th day of February, 2026

SUYO MULTIPURPOSE COOPERATIVE
Uso, Suyo, Ilocos Sur

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
As of December 31, 2025 and 2024
(Amounts in Philippine Pesos)

	Notes	2025	2024
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	5	507,956,027	459,733,594
Loans and Receivables	6	1,556,174,132	1,442,650,340
Other Current Assets	7	2,056,211	1,736,362
Total Current Assets		2,066,186,370	1,904,120,296
NON-CURRENT ASSETS			
Financial Assets -Non Current	8	21,235,703	19,212,449
Property, Plant and Equipment	9	126,239,571	133,955,359
Intangible Assets	10	3,347,826	-
Other Non-Current Assets	11	63,462,661	45,781,344
Total Non-Current Assets		214,285,761	198,949,152
TOTAL ASSETS		2,280,472,131	2,103,069,448
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Deposit Liabilities	12	1,479,204,174	1,307,411,677
Trade and Other Payables	13	8,328,794	17,630,430
Accrued Expenses	14	17,854,902	18,834,744
Loans Payable-Short Term	15	66,666,667	143,333,333
Interest on Share Capital Payable	16	47,184,796	40,767,569
Patronage Refund Payable	17	20,222,055	17,471,815
Due to Union/Federation (CETF)	18	9,157,062	8,550,718
Total Current Liabilities		1,648,618,450	1,554,000,287
Non-Current Liabilities			
Retirement Fund Payable	19	20,477,361	20,149,724
Other Non-Current Liabilities	20	69,222,461	59,228,045
Total Non-Current Liabilities		89,699,822	79,377,769
TOTAL LIABILITIES		1,738,318,271	1,633,378,056
EQUITY			
Share Capital	21	447,567,000	387,526,700
Donations and Grants	22	941,366	2,914,740
		448,508,366	390,441,440
Statutory Funds			
Reserve Fund	23	50,193,636	41,396,030
Cooperative Education and Training Fund	23	8,715,787	6,732,685
Community Development Fund	23	5,452,640	6,092,488
Optional Fund	23	29,283,431	25,028,750
Total Statutory Funds		93,645,494	79,249,954
TOTAL EQUITY		542,153,860	469,691,394
TOTAL LIABILITIES AND EQUITY		2,280,472,131	2,103,069,448

See Accompanying Notes to Financial Statements.

SUYO MULTIPURPOSE COOPERATIVE
Uso, Suyo, Ilocos Sur

CONSOLIDATED STATEMENTS OF OPERATIONS

For the year ended December 31, 2025 and 2024

(Amounts in Philippine Pesos)

	Notes	2025	2024
REVENUES FROM OPERATION			
Income from Credit Operations	24	249,238,563	237,880,989
Income from Service Operations	25	466,060	-
Other Income	26	16,706,423	13,411,351
TOTAL GROSS REVENUE		266,411,046	251,292,340
LESS EXPENSES			
Financing Cost	27	44,226,000	47,881,353
Administrative Cost	28	132,199,966	126,175,607
NET SURPLUS BEFORE OTHER		89,985,081	77,235,381
ADD/LESS:			
Other Items	29	6,310,421	5,963,739
NET SURPLUS FOR ALLOCATION AND DISTRIBUTION		96,295,502	83,199,120
DISTRIBUTED AS FOLLOWS:			
Reserve Fund		9,629,550	8,319,912
Cooperative Education and Training Fund-Local		4,814,775	4,159,956
Due Union/Federation- CETF		4,814,775	4,159,956
Community Development Fund		2,888,865	2,495,974
Optional Fund		6,740,685	5,823,938
Interest on Share Capital		47,184,796	40,767,569
Patronage Refund		20,222,055	17,471,815
NET SURPLUS AS DISTRIBUTED		96,295,502	83,199,120

See Accompanying Notes to Financial Statements.

SUYO MULTIPURPOSE COOPERATIVE

Uso, Suyo, Ilocos Sur

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended December 31, 2025 and 2024

(Amounts in Philippine Pesos)

	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Surplus		96,295,502	83,199,120
Adjustments to reconcile net surplus to net cash provided by operating activities			
Depreciation and Amortization		10,422,479	10,124,192
Provision for Probable Losses on Loans		19,648,129	25,039,915
Provision for Retirement Benefits		1,831,251	3,317,653
Operating Income before Working Capital Changes		128,197,361	121,680,879
Changes in Assets and Liabilities			
Decrease (Increase) in:			
Loans and Receivables		(133,171,921)	(163,319,478)
Other Current Assets		(319,850)	991,221
Increase (Decrease) in:			
Deposit Liabilities		171,792,497	163,356,490
Trade and Other Payables		(9,301,637)	(16,166,906)
Accrued Expenses		(979,842)	18,834,744
Due to Union/Federations		(4,208,431)	(2,019,687)
Payment of Interest on Share Capital		(40,767,569)	(35,611,183)
Payment of Patronage Refund		(17,471,815)	(15,261,935)
Net cash provided by (used in) operating activities		93,768,794	72,484,146
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale/(Purchase) of Financial Assets-Non Current		(2,023,254)	(1,801,175)
Sale/(Purchase) of Property and Equipment		(6,054,516)	(54,114,840)
Increase in Other Non-Current Assets		(17,681,317)	4,299,191
Net cash provided by (used in) investing activities		(25,759,087)	(51,616,824)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Changes in Share Capital		60,040,300	56,106,800
Donations and Grants Used		(1,973,374)	(30,087,511)
Utilizations of Statutory Funds		(9,678,336)	(5,963,739)
Changes in Retirement Fund Payable		(1,503,614)	(689,003)
Changes in Non-Current Liabilities		9,994,415	11,555,641
Increase in Loans Payable		(76,666,667)	(77,666,667)
Net cash provided by (used in) financing activities		(19,787,275)	(46,744,478)
NET INCREASE IN CASH AND CASH EQUIVALENTS		48,222,431	(25,877,156)
ADD: CASH AND CASH EQUIVALENTS, JANUARY 1		459,733,594	485,610,749
CASH AND CASH EQUIVALENTS, DECEMBER 31		507,956,027	459,733,594

See Accompanying Notes to Financial Statements.

SUYO MULTIPURPOSE COOPERATIVE
Uso, Suyo, Ilocos Sur

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the year ended December 31, 2025 and 2024
(Amounts in Philippine Pesos)

	Notes	2025	2024
SHARE CAPITAL-COMMON			
Authorized 7,500,000 shares at Php 100.00 par value			
Balance at beginning of year		372,813,900	318,209,600
Add: Additional Capital Build-up		71,183,005	54,604,300
Total		443,996,905	372,813,900
Less: Withdrawal in Capital	-	10,961,105	-
Balance at end of year	21	433,035,800	372,813,900
SHARE CAPITAL-PREFERRED			
Authorized 2,500,000 shares at Php 100.00 par value			
Balance at beginning of year		14,712,800	13,210,300
Add: Additional Capital Build-up		292,298	1,502,500
Total		15,005,098	14,712,800
Less: Withdrawal in Capital	-	473,898	-
Balance at end of year	21	14,531,200	14,712,800
DONATIONS AND GRANTS			
Balance at beginning of year		2,914,740	33,002,251
Add: Additions			
Total		2,914,740	33,002,251
Less: Charges Balance	-	1,973,374	(30,087,511)
Balance at end of year	22	941,366	2,914,740
STATUTORY FUNDS			
Reserve Fund			
Balance at beginning of year		41,396,030	33,076,118
Add: Current Allocations		9,629,550	8,319,912
Total		51,025,580	41,396,030
Less: Charges (Net Loss)	-	831,945	-
Balance at end of year	23	50,193,636	41,396,030
Cooperative Education and Training Fund			
Balance at beginning of year		6,732,685	5,858,405
Add: Current Allocations		4,814,775	4,159,956
Total		11,547,460	10,018,361
Less: Charges	-	2,831,673	(3,285,676)
Balance at end of year	23	8,715,787	6,732,685
Community Development Fund			
Balance at beginning of year		6,092,488	4,496,682
Add: Current Allocations		2,888,865	2,495,974
Total		8,981,354	6,992,656
Less: Charges	-	3,528,714	(900,168)
Balance at end of year	23	5,452,640	6,092,488
Optional Fund			
Balance at beginning of year		25,028,750	20,982,707
Add: Current Allocations		6,740,685	5,823,938
Total		31,769,435	26,806,645
Less: Charges	-	2,486,004	(1,777,895)
Balance at end of year	23	29,283,431	25,028,750
TOTAL STATUTORY FUNDS		93,645,494	79,249,954
TOTAL EQUITY		526,681,294	452,063,854

See Accompanying Notes to Financial Statements.

SUYO MULTIPURPOSE COOPERATIVE
Uso, Suyo, Ilocos Sur

NOTES TO FINANCIAL STATEMENTS
As of December 31, 2025 and 2024
(Amounts in Philippine Pesos)

1. GENERAL INFORMATION

SUYO MULTIPURPOSE COOPERATIVE (referred hereinafter as "Cooperative") was registered with the Cooperative Development Authority ("CDA") under CDA Registration No. 9520-01003505 for the following purpose:

- a. To Formulate and implement program strategies that will provide its members and the communities within its area of operation needed goods and services;
- b. Adopt and implement plans and programs which ensure the continuous build up of the Cooperative's capital structure with the end view of establishing other needed services for the members and the public;
- c. Formulate and implement studies and/or programs that will address the needs of members.

Under RA 9520, the Cooperative was granted Tax Exemption under Coop-066-25-RR-01-RDO-002 on August 19, 2025 valid for five years or until August 18, 2030, unless sooner revoked by the Bureau of Internal Revenue. As a Cooperative transacting only with members, the Cooperative is entitled to the following tax exemptions provided for in under Article 60 of Republic Act No. 9520, as implemented by Section 7 of the Joint Rules and Regulations Implementing Articles 60,61 and 144 of RA No. 9520.

1. Exemption from Income Tax on income from CDA registered operations;
2. Exemption from Value-added tax on CDA registered sales or transactions;
3. Exemption from Other Percentage tax on CDA registered sales;
4. Exemption from Donor's tax on donations to duly accredited charitable, research and educational institutions, and reinvestment to socio-economic projects within the area of operation of the Cooperative;
5. Exemption from Excise tax for which it is directly liable;
6. Exemption from Documentary stamp tax. Provided, however that the other party to the taxable document or transaction who is not exempt shall be the one directly liable for the tax;
7. Exemption from all taxes on transactions with insurance companies and banks, including but not limited to 20% final tax on interest deposits and 15% final income tax on interest income derived from a depository bank under the expanded foreign currency deposit system.

The Cooperative's main office is located at the Uso, Suyo, Ilocos Sur with the following branches:

Bitalag Branch
Candon Branch
Vigan Branch
Cabugao Branch
Cervantes Branch
San Fernando, La Union Branch
Itogot, Benguet Branch
La Trinidad, Benguet Branch
Laoag Branch

The Financial Statements have been approved and authorized for issue in accordance with a resolution of Board of Directors (BOD) on February 13, 2026. The Board of Directors (BOD) has the power to amend the Financial Statements after issue.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation of Financial Statements

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

2.1.1 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.

2.2 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.

2.3 Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are held to meet cash commitments rather for investment or other purposes. An investment qualifies as a cash equivalent only when it has short maturity of, say, three months from date of acquisition.

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.

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, financial assets at fair value through equity and financial assets at cost, and financial assets at amortized cost.

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 and non-current or past due accounts. These are further sub-classified as regular loan receivable and special loan receivable. Interest income on these loans are recognized when earned and collected.

Loans receivable are presented in the financial statement at its net realizable value. Provision for probable losses is estimated based on portfolio-at-risk as mandated by the Cooperative Development Authority. 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

Other Current Assets

Other current assets consist of unused supplies and prepaid expenses. Prepaid expenses are payments made in advance and unused supplies refer to cost of supplies on hand. They are measured at cost less impairment.

Financial assets at fair value through profit and loss

Financial assets invested in publicly-traded securities with quoted price in the form of debt or equity securities that are held for trading purposes and are not used for investment or other purposes are recorded at fair value with changes in fair value to be recorded in the statement of operations.

Financial assets at fair value through equity

Financial assets in the form of debt or equity securities which are quoted in an active market with quoted price in the form of debt or equity securities that are held for investment or other purposes and are not to be disposed within twelve (12) month period are recorded at fair value with changes in fair value to be recorded as unrealized gains or losses in equity

Financial assets at cost

Financial assets in the form of equity securities which are not quoted in an active market like are recorded at cost less accumulated impairment.

Impairment of Financial Assets

The Cooperative assesses at each statement of financial condition date whether a financial or group of financial assets is impaired. If there is objective evidence that an impairment loss on financial assets carried at amortized cost (e.g. Receivables) has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the assets' original effective interest rate. The carrying amount of the asset is reduced through use of allowance account. The amount of the loss shall be recognized in the statements of operations.

The cooperative first assesses whether its objective evidence of impairment, such as aging of assets and/or status of debtors, exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment. If, in a subsequent period, the amount of the impairment loss decrease can be related objectively to an event occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statements of operation, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

With respect to receivables, the Cooperative maintains a provision for impairment of receivables at a level considered adequate to provide for potential uncollectible receivables. The level of this provision is evaluated by management on the basis of factors that affect the collectability of the accounts. This provision is also in compliance with the requirements of the Cooperative Development Authority using the Portfolio-at-risk approach. A review of the age and status of receivables, designed to identify accounts to be provided with allowance, is performed regularly.

For Financial Assets at Cost and at Amortized Cost, the Cooperative assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In case of equity investments classified as Financial Assets at Cost, this would include a significant or prolonged decline in the fair value of the investments below its cost. Where there is evidence of impairment, the cumulative loss-measured as the difference between the acquisition cost/ amortized cost and the current net recoverable amount is recognized in the statement of operations.

For Financial Assets at Fair Value through Equity, the Cooperative assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In case of equity investments classified as Financial Assets at Fair Value through Equity, this would include a significant or prolonged decline in the fair value of the investments below its cost. Where there is evidence of impairment, the cumulative loss-measured as the difference between the acquisition cost and the current fair value is removed from equity and recognized in the statement of operations.

Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired;
- the cooperative retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the cooperative has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained the risk and rewards of the asset but has transferred the control of the asset.

Where the cooperative has transferred its right to receive cash flows from an asset or has entered into pass-through arrangement has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the cooperative's continuing involvement in the asset.

Offsetting

Financial assets and liabilities are only offset and the net amount reported in the statement of financial condition when there is a legally enforceable right to offset the recognized amounts and the cooperative intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

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, Plant and Equipment

Property, plant 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 1-20 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.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a memorandum of agreement is at fair value as at date of agreement.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization in the case of intangible assets with finite lives, and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets are amortized over the useful life of the rights of 23 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and as treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the consolidated statements of operations in the expense category consistent with the function of the intangible asset.

Real Properties Acquired

Real Properties acquired in settlement of loans are stated at outstanding balance at the time of the acquisition 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 Non-Current Assets

Other non-current assets consist of other funds and deposits, computerization cost ,miscellaneous assets

and the like. 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.

Impairment of Nonfinancial Assets

Impairment of Property, Plant and Equipment

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists and where the carrying amount of an asset exceeds its recoverable amount, the asset or cash-generating unit is written down to its recoverable amount. The estimated recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction less the costs of disposals while value in use is the present value of estimated future cash flows expected to rise from the continuing use of an asset and from its disposal at the end of its useful life. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statements of operations.

Recovery and impairment losses recognized in prior years are recorded when there is indication that the impairment losses recognized for the asset no longer exist or have decreased. The recovery is recorded in the consolidated statements of operations. However, the increased carrying amount of an asset due to a recovery of an impairment loss is recognized to the extent that it does not exceed the carrying amount that would have been determined (net of depletion, depreciation and amortization) had no impairment loss been recognized for the asset in prior years.

Impairment of Non-Current Assets

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

An impairment loss is recognized when the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

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 ten percent (10%) 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.

Statutory Funds

Statutory Funds are mandated by Sections 86 and 87 of the RA 9520, otherwise known as the Cooperative Code of the Philippines, to be set up by the Cooperative. They are as follows:

- a. Reserve Fund;
- b. Education and Training Fund;
- c. Optional Fund;
- d. Community Development Fund

The Board of Directors has approved the distribution of net surplus for the year 2025 as follows:

Reserve Fund	- 10% of Net Surplus
Educational Fund	- 10% of Net Surplus broken own as follows
	5% Local
	5% of Due to Union/Federations
Community Development Fund	- 3% of Net Surplus
Optional Fund	- 7% of Net Surplus

The remaining balance of the net surplus is 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 rate is used in determining the patronage refund.

Share Capital

Share capital include common as well as preferred shares. They are classified as Equity and are carried at cost, which is deemed as the fair value of these shares.

Revenue Recognition

To safeguard the interest of the cooperative, revenue recognition is as follows:

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.

Revenues from Service Operations - It is recognized when income is earned and collected from its members/non-member patrons.

Revenues of the Cooperative are all transactions from members.

Cost and Expenses

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

Borrowing Costs

Borrowing costs are generally expensed, as incurred. Borrowing costs that are directly attributable to the acquisition, development, improvement and construction of a property are capitalized as part of the cost of the property.

The capitalization of borrowing costs as part of the cost of the property (a) commences when the expenditures and borrowing costs for the property are incurred and activities that are necessary to prepare the property for its intended use; (b) is suspended during extended periods in which active development, improvement and construction of the property are interrupted; and (c) ceases when substantially all the activities necessary to prepare the property for its intended use are complete.

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 Company 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 contribute 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.

The Cooperative sets aside a Retirement Fund in order to fund its Retirement Funds Payable. The Funding of the Retirement Fund is part of the Other Funds and Deposits account.

Other Items

This account includes ETF subsidy, Optional Fund Subsidy and CDF Subsidy. ETF subsidy is being used to subsidize training expenses for members and staff. Optional Subsidy refers to the amount deducted from optional fund to subsidize depreciation charges on property and equipment. The CDF subsidy refers to the amount deducted from community development fund to subsidize social service expenses.

Events after Balance Sheet Date

The Company 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.

3. 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.

Estimated Useful Lives of Property, Plant and Equipment, Investment Property and Biological Assets

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 years
Land improvements	5-10 years
Furniture and Fixtures	1-5 years
Office Equipment	1-5 years
Transportation Equipment	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, investment property and biological assets.

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.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Cooperative is exposed to credit, liquidity, and other risks that arise in the normal course of its business. Its risk and control framework includes a focus on minimizing negative 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.

5. CASH AND CASH EQUIVALENTS

This account consists of the following:

	2025	2024
Cash on Hand	5,957,279	6,747,894
Cash in Banks	335,432,867	312,824,850
Cash in Cooperatives	163,289,960	139,380,017
Automated Teller Machine (ATM) Fund	2,991,200	497,200
Point of Sale (POS) Fund	14,721	13,632
Petty Cash Fund	270,000	270,000
Total Cash and Cash Equivalents	507,956,027	459,733,594

Cash in Banks include:

	2025	2024
Banco De Oro (Network)	18,015,659.71	866,143
Land Bank of the Philippines (Savings/Checking)	32,464,802	79,445,374
Land Bank of the Philippines (Time)	5,000,000	-
Veterans Bank	23,694,603	16,201,121
Producers Bank (Savings)	16,454,264	62,017,276
Producers Bank (Time)	51,811,041	-
Rang-ay Rural Bank	-	1,612,803
Bank of the Philippine Islands Peso Savings	8,234,978	19,949,218
China Bank	10,141,485	8,499,723
EastWest Bank	11,942,446	7,458,292
Philippine National Bank (Savings)	9,005,152	6,730,040
Philippine National Bank (Time)	7,000,000	-
Development Bank of the Philippines	455,466	454,830
Summit Bank	714,268	2,716,828
Rural Bank	8,866,391	12,843,907
Asian United Bank	91,209,731	53,375,343
Banco De Oro (Savings)	39,907,581	40,138,952
Hold Out Savings	300,000	300,000
Hold Savings (Nationlink)	215,000	215,000
Total Cash and Cash Equivalents	335,432,867	312,824,850

Cash in Cooperatives include:

	2025	2024
Ilocos Sur Cooperative Bank (Savings)	6,317,299	8,306,053
Ilocos Sur Cooperative Bank (Time)	66,487,813	53,090,078
Ilocos Sur Cooperative Bank (ERCA)	9,934,103	9,550,520
Nueva Segovia Consortium of Cooperatives (Savings)	5,253,483	5,100,469
Nueva Segovia Consortium of Cooperatives (Time)	68,297,262	63,332,898
NATCCO (Time)	7,000,000	-
Total Cash and Cash Equivalents	163,289,960	139,380,017

6. LOANS AND RECEIVABLES

This account consists of the following:

	2025	2024
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Loans Receivable:		
Current	1,377,669,444	1,289,884,948
Past Due	169,216,708	143,057,494
Restructured	40,695,400	35,162,763
Loans in Litigation	1,418,034	1,694,318
Sub-Total	1,588,999,585	1,469,799,523
Less:		
Allowance for Probable Losses on Loans Receivable	(115,214,842)	(93,106,457)
Loans Receivable, Net	1,473,784,743	1,376,693,065
Advances to Officers and Staff	47,288	-
Due from Accountable Officers and Staff	6,171,226	38,100
Others Current Receivables:		
Other Receivables	2,790,532	9,336,151
Other Receivables-Settled Accounts	69,316,497	51,695,857
Other Receivables-Point of Sale	4,063,846	4,887,167
Total	76,170,875	65,919,175
Total Loans and Receivables, net	1,556,174,132	1,442,650,340

7. OTHER CURRENT ASSETS

This account consists of the following:

	2025	2024
Unused Supplies	896,188	1,176,372
Deposit to Supplier	735,225	-
Prepaid expenses	424,799	559,990
Total Other Current Assets	2,056,211	1,736,362

8. FINANCIAL ASSETS -NON-CURRENT

This account consists of the following:

Financial Assets at Fair Value through Equity

	2025	2024
CAP Pension Plans	152,503	152,503
Eternal Plans	1,054,542	1,054,542
Sunlife	4,307,452	3,632,470
PhilAXA	286,580	286,580
CocoLife	50,889	50,889
Total	5,851,966	5,176,984

Financial Assets at Cost

	2025	2024
Ilocos Sur Cooperative Bank	7,992,121	7,413,834
Nueva Segovia Consurtium Cooperatives	2,603,209	2,567,539
Tagudin Multipurpose Cooperative	1,513,893	1,523,893
Cooperative Insurance of the Philippines	1,343,333	894,835
Suyo Consumer Cooperative	330,878	330,878
Northern Luzon Federation of Cooperative	410,369	462,437
National Confederation of Cooperatives	228,611	222,722
Coop Life Insurance and Mutual Benefit Services	745,352	403,354
St Augustine	145,927	145,927
NAFECOOP	50,000	50,000
Printers and Publishers Multipurpose Cooperative	20,046	20,046
Total	15,383,737	14,035,465
Total Financial Assets-Non Current	21,235,703	19,212,449

9. PROPERTY, PLANT AND EQUIPMENT

This consists mainly of the following:

	2025		
	Acquisition Cost, beginning	Net Additions (Disposals)/ Transfers	Acquisition Cost, ending
Land	48,513,314	444,701	48,958,015
Land Improvement	296,995	1,912,474	2,209,469
Building and Improvement	49,016,641	12,181,312	61,197,952
Construction in Progress	12,607,603	(12,607,603)	-
Leasehold Rights	3,500,000	(3,500,000)	-
Furniture and Fixtures	38,055,266	2,488,689	40,543,955
Office Equipment	594,173	-	594,173
Transportation Equipment	25,961,407	1,634,942	27,596,349
Total	178,545,397	2,554,516	181,099,914

	2025		
	Accumulated Depreciation, Beg	Depreciation and Amortization	Accumulated Depreciation, End
Land Improvement	212,869	3,580	216,448
Building and Improvement	9,120,145	3,034,012	12,154,157
Construction in Progress	-	-	-
Leasehold Rights	-	-	-
Furniture and Fixtures	24,192,503	3,890,769	28,083,271
Office Equipment	396,796	197,377	594,173
Transportation Equipment	10,667,726	3,144,567	13,812,293
Total	44,590,039	10,270,305	54,860,343

	2025		
	Acquisition Costs	Accumulated Dep/Amort	Net Book Value
Land	48,958,015	-	48,958,015
Land Improvement	2,209,469	216,448	1,993,020
Building and Improvement	61,197,952	12,154,157	49,043,795
Construction in Progress	-	-	-
Leasehold Rights	-	-	-
Furniture and Fixtures	40,543,955	28,083,271	12,460,684
Office Equipment	594,173	594,173	-
Transportation Equipment	27,596,349	13,812,293	13,784,056
Total	181,099,914	54,860,343	126,239,571

	2024		
	Acquisition Cost, beginning	Net Additions (Disposals)/ Transfers	Acquisition Cost, ending

Land	23,373,233	25,140,081	48,513,314
Land Improvement	296,995	-	296,995
Building and Improvement	42,914,310	6,102,331	49,016,641
Construction in Progress		12,607,603	12,607,603
Leasehold Rights		3,500,000	3,500,000
Furniture and Fixtures	34,787,880	3,267,386	38,055,266
Office Equipment	594,173	-	594,173
Transportation Equipment	18,963,967	6,997,440	25,961,407
Total	120,930,557	57,614,840	178,545,398

2024			
	Accumulated Depreciation, Beg	Depreciation and Amortization	Accumulated Depreciation, End
Land Improvement	209,289	3,580	212,869
Building and Improvement	6,945,233	2,174,912	9,120,145
Construction in Progress		-	-
Leasehold Rights		-	-
Furniture and Fixtures	19,815,785	4,376,718	24,192,503
Office Equipment	198,398	198,398	396,796
Transportation Equipment	7,297,140	3,370,586	10,667,726
Total	34,465,845	10,124,194	44,590,039

2024			
	Acquisition Costs	Accumulated Dep/Amort	Net Book Value
Land	48,513,314		48,513,314
Land Improvement	296,995	212,869	84,126
Building and Improvement	49,016,641	9,120,145	39,896,495
Construction in Progress	12,607,603	-	12,607,603
Leasehold Rights	3,500,000	-	3,500,000
Furniture and Fixtures	38,055,266	24,192,503	13,862,763
Office Equipment	594,173	396,796	197,377
Transportation Equipment	25,961,407	10,667,726	15,293,681
Total	178,545,398	44,590,039	133,955,359

10. INTANGIBLE ASSETS

This account consists of the following:

	2025	2024
Leasehold Rights	3,347,826	-
Total Deposit Liabilities	3,347,826	-

11. OTHER NON-CURRENT ASSETS

This account consists of the following:

	2025	2024
Real and Other Properties Aquired	10,508,917	9,605,672
Computerization Cost	782,394	1,740,383
Other Funds and Deposits	51,829,520	33,438,551
Deposit to Suppliers	-	996,739
Deferred Expenses	341,830	-
Total Other Non-Current Assets	63,462,661	45,781,344

Other Funds and Deposits include:

	2025	2024
Ilocos Sur Cooperative Bank	6,707,168	6,724,403
Nueva Segovia Consurtium of Cooperatives	25,086,594	11,556,039
Producers Bank	7,461,623	7,172,833
Northern Luzon Federation of Cooperatives and Development Center	1,204,404	1,117,544
Veterans bank	-	500,000
CIMAC	11,369,731	6,367,731
Total Other Funds and Deposits	51,829,520	33,438,551

The CIMAC investment are restricted fund set aside for funding retirement of employees/staff and officers.

Other funds are restricted funds set aside for funding reserve funds.

12. DEPOSIT LIABILITIES

This account consists of the following:

	2025	2024
Savings Deposits	770,310,772	629,538,570
Time Deposits	708,893,402	677,873,107
Total Deposit Liabilities	1,479,204,174	1,307,411,677

13. TRADE AND OTHER PAYABLES

This account consists of the following:

	2025	2024
Accounts Payable-Trade	1,745,253	1,765,185
Accounts Payable-Non-Trade	128,050	161,050
Cash Bond Payable	2,418,292	2,028,012
Other Payables	4,037,198	13,676,183
Total Trade and Other Payables	8,328,794	17,630,430

14. ACCRUED EXPENSES

This account consists of the following:

	2025	2024
Accrued Expenses	17,429,000	18,327,885
SSS,Philhealth and HDMF Payable	250,478	283,490
Withholding Tax Payable	175,424	223,370
Total Accrued Expenses	17,854,902	18,834,744

15. LOANS PAYABLE-SHORT TERM

This account consists of the following:

	2025	2024
Development Bank of the Philippines	66,666,667	133,333,333
SB Corp(DTI)	-	10,000,000
Total Loans Payable-Short Term	66,666,667	143,333,333

16. INTEREST ON SHARE CAPITAL PAYABLE

This account consists of the following:

	2025	2024
Beginning Balance	40,767,569	35,611,183
Prior year's adjustment		-
Distributions for the year	(40,767,569)	(35,611,183)
Total before allocation	-	-
Allocation for the year	47,184,796	40,767,569
Ending Balance	47,184,796	40,767,569

17. PATRONAGE REFUND PAYABLE

This account consists of the following:

	2025	2024
Beginning Balance	17,471,815	15,261,935
Prior year's adjustment		-
Distributions for the year	(17,471,815)	(15,261,935)
Total before allocation	-	-
Allocation for the year	20,222,055	17,471,815
Ending Balance	20,222,055	17,471,815

18. DUE TO UNIONS/ FEDERATIONS(CETF)

This account consists of the following:

	2025	2024
Beginning balance	8,550,718	6,410,449
Prior years' adjustments		
Remittance to Unions/ Federations	(4,208,431)	(2,019,687)
Allocation for the year	4,814,775	4,159,956

Ending Balance	9,157,062	8,550,718
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19. RETIREMENT FUND PAYABLE

This account consists of the following:

	2025	2024
Beginning balance	20,149,723.75	17,521,074
Addition	1,831,251	3,317,653
Retirement and Leave Credits	(1,503,614)	(689,003)
Total Retirement Fund Payable	20,477,361	20,149,724

20. OTHER NON-CURRENT LIABILITIES

This account consists of the following:

	2025	2024
Mutual Benefits Fund	47,157,994	39,285,960
SEED (CAP) Fund	1,035,606	642,474
Innamuyo (Saranay Fund)	19,534,439	17,858,189
SPM Investment	500,000	500,000
Deposit for Redemption of Asset Aquired	994,422	941,422
Total Other Non-Current Liabilities	69,222,461	59,228,045

21. SHARE CAPITAL

This account consists of the following:

Common Shares

	2025	2024
Authorized 7,500,000 shares at Php 100.00 par value		
Subscribed Share Capital	433,035,800	372,813,900
Less Subscription Receivable		-
Paid-up Share Capital - Common	433,035,800	372,813,900

Preferred Shares

	2025	2024
Authorized xxx shares at Php 2,500,000 at Php 100.00 par value		
Subscribed Share Capital	14,531,200	14,712,800
Less Subscription Receivable		
Paid-up Share Capital - Preferred	14,531,200	14,712,800

TOTAL SHARE CAPITAL	447,567,000	387,526,700
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22. DONATIONS AND GRANTS

This account consists of the following:

	2025	2024
Donations/Grants from National Government Agency	941,366	2,914,740
Total Donations and Grants	941,366	2,914,740

23. STATUTORY FUNDS

ALLOCATION AND DISTRIBUTION OF NET SURPLUS

The Cooperative's constitution and by-laws explicitly provides that its net surplus at the end of the fiscal year shall be distributed in the following manner:

- a. Reserve Fund - 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 loss in its operations. Net Loss incurred for the period shall be
- b. Educational and Training Fund - five percent (10%) for the education and training fund . Half of the amount transferred to the education and training fund annually under this subscription may be spent by the cooperative for education and training and other purposes: while the other half shall be credited to the Cooperative education and training fund of the apex organization of which the cooperative is a member.
- c. Optional Fund - This is seven percent (7%) of the cooperative's net surplus.
- d. Community Development Fund - This is computed at three percent (3%) of the cooperative's net surplus.
- e. Interest on Share Capital and Patronage Refunds - After deduction of the statutory accounts, any remaining net surplus shall be distributed to the cooperative's members in the form of interest not to exceed the normal rate of return on investments and patronage refunds. Interest on Share Capital shall be allocated in proportion to the individual members' average share monthly, while patronage refund is divided according to their individual patronage; i.e., volume of loans availed.

24. INCOME FROM CREDIT OPERATIONS

	2025	2024
Interest Income from Loans	153,422,733	150,387,317
Service Fees	91,261,329	81,447,204
Fines, Penalties Surcharges	4,554,501	6,046,468
Income from Credit Operations	249,238,563	237,880,989

25. INCOME FROM SERVICE OPERATIONS

	2025	2024
Service Income	466,060	-
Income from Service Operations	466,060	-

26. OTHER INCOME

	2025	2024
Income/Interest from Investments/Deposits	11,954,092	8,893,991
Membership Fee	2,491,950	2,552,800
Rental Income	-	562,460
Miscellaneous Income	2,260,381	1,402,100
Total Other Income	16,706,423	13,411,351

27. FINANCING COST

	2025	2024
Interest Expense on Borrowings	151,243	2,743,294
Interest Expense on Deposits	43,733,238	45,138,059
Other Financing Charges	341,518	-
Total Financing Cost	44,226,000	47,881,353

28. ADMINISTRATIVE COST

	2025	2024
Amortization	152,174	-
Bank Charges	20,154	18,341
Collection Expense	135,254	314,812
Communication	464,273	477,050
Coop Celebration Expense	610,966	359,633
Depreciation	12,029,069	11,542,432
Employees Benefits	25,834,438	24,258,252
Gas, Oil and Lubricants	2,569,791	2,558,607
General Assembly Expenses	6,926,238	1,542,028
General Support Services	3,145,885	1,587,837
Goodwill Benefit Expense	120,960	259,050
Insurance	645,540	568,512
Litigation Expense	664,326	756,225
Meetings and Conferences	1,215,238	1,612,855
Members' Benefit Expense	-	6,348,926
Miscellaneous Expense	818,137	662,879
Office Supplies	2,780,749	2,700,014
Officers' Honorarium and Allowances	4,678,263	4,899,633
Power, Light and Water	1,661,196	1,713,445
Professional Fees	984,334	853,250
Provision Probable Losses on Loans/Accounts	19,648,129	25,039,915
Rentals	1,545,374	1,346,587
Repairs and Maintenance	2,453,873	1,958,295
Representation	532,909	661,980
Retirement Benefit Expense	1,831,251	3,317,653
Salaries and Wages	31,299,876	22,101,326
Social and Community Service	949,249	1,002,149
SSS, Philhealth and HDMF Contributions	4,356,995	3,082,134
Taxes, Fees and Charges	228,324	481,089
Trainings/Seminars	2,835,166	3,285,676
Travel and Transportation	1,061,836	865,024
Total Administrative Cost	132,199,966	126,175,607

29. OTHER ITEMS

	2025	2024
Educational and Training Fund Subsidy	2,831,673	3,285,676
Optional Fund Subsidy	2,474,461	1,777,895
Community Development Fund Subsidy	909,287	900,168
Gains/(Losses) on Sale of Property, Plant and Equipment	95,000	-
Total Other Items	6,310,421	5,963,739

30. EVENTS AFTER BALANCE SHEET DATE

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

31. COMMITMENTS AND CONTINGENCIES

There were no significant commitments and contingencies involving the Cooperative as of Balance Sheet date.

32. GOING CONCERN

There were no going concern issues that have to be disclosed involving the Cooperative as of Balance Sheet date.

33. FINANCIAL STANDARD PERFORMANCE

The Cooperative financial standard performance using the Enhance Pesos obtained a total points of 63 and as a large type of cooperative, the Cooperative needs improvement relating to financial standard performance for year 2025

INDICATORS		FORMULA	STANDARD POINT		Total Pts.	FORMULA	SCORE	POINT
P PORTFOLIO QUALITY								
1	Portfolio at Risk (PAR >30 days)		5% or less	10	10			
			>5–10%	8				
		Balance of loans over 30 days missed payment	>10–15%	6		156,376,310.63	9.84%	8
		Total Gross Loans Outstanding	>15–20%	4		1,588,997,585.31		
			>20–25%	2				
			>25%	0				
2	PAR – DOSRI Loans		0%	5	5			
		Balance of DOSRI loans for over 30 days missed payment				1,174,376.26	1.72%	-2
		Total DOSRI Loans Outstanding	1% and more	-2		68,101,225.54		
3	Adequacy of Provision of APLL (over 12 months past due)		100%	5	5			
		APLL over 12 months	80% to < 100%	4		89,899,416.05	68.84%	3
		Total Past Due Loans over 12 months + Restructured Loans	60% to < 80%	3		130,594,815.61		
			35% to < 60%	2				
			10% to < 35%	1				
			< 10%	0				
4	Provision of Provisioning for over 30 days to 1 year past due		35%	5	5			
		Total Amount of Allowance - Required Amount of Allowance for Loans over 12 months past due	25% to < 35%	4		25,315,426.32	12.85%	2
		Total Past Due Loans from over 30 days to 1 year + Restructured Loans		2		197,071,710.19		
				2				

			< 5%	0				
E EFFICIENCY								
1	Asset Yield		At least inflation rate	5	5			
			1 to 2 percentage points					
		Net Surplus*	below inflation rate	4		96,295,501.81	4.39%	5
		Average Total Assets	3 to 4 percentage points	3		2,191,770,789.54		
		*Net Surplus refers to net of required provisioning shall get 0		More than 4 percentage	1			
			points below inflation rate	0				
			0 or negative asset yield	0				
2	Administrative Efficiency		7% and below	5	5			
		Administrative Costs - Provision for Probable Loan Losses -						
		Members Benefit Expenses - Social Service Expense	Above 7% - 10%	3		104,676,350.24	4.78%	5
		Average Total Assets	Above 10% - 15%	1		2,191,770,789.54		
			Over 15%	0				
3	Loan Portfolio Profitability		20% and above	4	4			
			15% to < 20%	3				
		Income from Loans + Service Fees, Filing Fees + Fines,	10% to < 15%	2		249,238,563.20	16.30%	3
		Penalties, Surcharges	5% to < 10%	1		1,529,399,554.07		
		Average Total Loans Outstanding	< 5% or negative	0				
4	Cost per Peso Loan		0.10 and below	3	3			
		Financing Costs + (Admin. Costs - Members Benefit Expense -	> 0.10 to 0.15	2		166,583,799.72	0.11	2
		Social Service Expense)	> 0.15 to 0.20	1		1,529,412,054.07		
		Average Total Loans Outstanding	Above 0.20	0				
S STABILITY								
1	Liquidity		15% to 20%	10	10			
			12% to < 15% 21% to 30%	8				
		Liquid Assets – Short Term Payable	9% to < 12% 31% to 40%	6		481,749,149.11	32.57%	6
		Total Deposits	6% to < 9% 41% to 50%	4		1,479,204,174.06		
			1% to < 6%	2				
			Below 1% above 50%	0				

2	Solvency	(Total Assets + Allowance for Probable loan Losses) – (Total Liabilities – Deposits + Past Due Loans + Loans Restructured + Loans Under Litigation + Impaired Assets)	110% and above	10	10			
		Deposit Liabilities + Share Capital + Deposit for Share Capital Subscription	100% to < 110%	8		1,938,083,132.30	100.59%	8
			90% to < 100%	6		1,926,771,174.06		
			80% to < 90%	4				
			70% to < 80%	2				
		Impaired Assets = Net of Impairment Losses	below 70%	0				
		Past Due Loans = 31 days and above						

3	Net Institutional Capital	(Reserves + Allow) – (Past Due + Loans in Litigation + Impaired Assets)	10% and above	10	10			
		Total Assets	7% to < 10%	8		7,614,133.56	0.33%	0
			5% to < 7%	6		2,280,472,131.06		
			3% to < 5%	4				
			1% to < 3%	2				
		Past Due = 31 days above	Below 1%	0				

O OPERATIONS

1	Return on Members' S	Interest on Share Capital	Higher than inflation rate	4	4	47,184,795.89	11.52%	4
		Total Average Share Month	Equal to inflation rate	2		409,499,000.00		
			Below inflation rate	0				

2	Operational Self Sufficiency	Income from Loans + Service Fees + Filing Fees + Fines, Penalties and Surcharges	120% and above	4	4		141.27%	4
			110% to < 120%	3		249,238,563.20		
		Financing Costs + Admin. Costs	100% to < 110%	2		176,425,965.27		
			100%	1				
			< 100%	0				

S STRUCTURE OF ASSETS

1	Non-Earning Asset Ratio	Non-earning Assets	5% and below	5	5		8.56%	3
			> 6% to 8%	4		195,106,269.36		
		Total Assets	> 8% to 10%	3		2,280,472,131.06		
			> 10% to 12%	2				
			> 12%	1				

2	Extent of Assets financed by Deposit Liabilities (Asset Structure - Deposits)		> 55% to 80%	5	5		64.86%	5		
			Total Deposit Liabilities	> 45% to 55%		3			1,479,204,174.06	
			Total Assets	> 35% to 45%		1			2,280,472,131.06	
		35% & below	above 80%	0						
3	Asset Structure Loans		> 70% to 80%	5	5		69.68%	4		
			Loans Receivable	> 60% to 70%		> 80% to 85%			4	1,588,999,585.31
			Total Assets	> 50% to 60%		> 85% to 90%			3	2,280,472,131.06
			> 40% to 50%	> 90% to 95%		2				
		40% and below	Above 95%	0						
4	Asset Structure - Share	Share Capital + Deposits for Share Capital Subscription	> 20% to 45%	5	5	447,567,000.00	19.63%	3		
		Total Assets	> 10% to > 20%	3		2,280,472,131.06				
			below 10%	over 45%		0				
TOTAL POINTS				100		63				

34. 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

2025	VATABLE	ZERO RATED	EXEMPT	TOTAL
TOTAL REVENUES			266,411,046	266,411,046
OUTPUT VAT RATE	12%	0%	-	-
TOTAL 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, FEES AND CHARGES

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

	2025	2024
National		
Bureau of Internal Revenue	5,390	264,586
LTO Vehicle Registration	59,521	84,100
Local		
Mayors' Permit	95,962	83,334
Others	67,451	49,069
TOTAL TAXES, FEES AND CHARGES	228,324	481,089

D. WITHHOLDING TAXES

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

	2025	2024
Withholding tax on Compensation and Benefits	228,619	243,404
Expanded Withholding Tax	537,561	881,400
TOTAL	766,180	1,124,805