

GUGMA SA KABATAAN, INCORPORATED

M.H. Del Pilar Street, Cagayan de Oro City

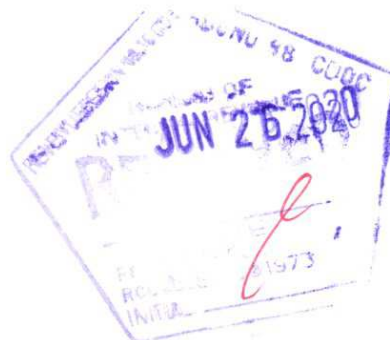
STATEMENT OF REVENUE AND EXPENSES

As of December 31, 2019 and 2018

(Amounts in Philippine Peso)

		2019	2018
REVENUE			
Grants and Support	4	2,397,194.23	2,656,642.50
Other Donations		260,811.50	470,000.00
TOTAL REVENUE		2,658,005.73	3,126,642.50
DIRECT COST AND EXPENSES			
PROGRAM EXPENSES			
Education		705,695.46	884,806.02
Health		851,757.02	1,169,223.87
Advocacy		266,205.52	89,487.00
Livelihood		112,150.92	33,789.00
Community Organization		122,134.57	100,739.00
Paralegal		39,429.17	15,000.00
Total Program Expenses		2,097,372.64	2,293,044.89
GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries & Benefits		283,770.00	463,583.74
Professional Fees		0.00	20,650.00
Office Repairs and Maintenance		10,357.75	10,000.00
Office Supplies		26,754.16	26,090.00
Office Rental		78,000.00	78,000.00
Utilities		47,718.18	43,379.71
Taxes & Licenses		12,570.00	15,000.00
Depreciation		14,518.20	0.00
Miscellaneous Expenses		100.00	0.00
Total General and Administrative Expenses		473,788.29	656,703.45
TOTAL OPERATING EXPENSES		2,571,160.93	2,949,748.34
PROGRAM NET SURPLUS		86,844.80	176,894.16

(See Accompanying Notes to Financial Statements)



GUGMA SA KABATAAN, INCORPORATED

M.H. Del Pilar Street, Cagayan de Oro City

STATEMENT OF CASH FLOWS

As of December 31, 2019 and 2018

(Amounts in Philippine Peso)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from Germany	2,226,162.06	2,656,642.50
Cash receipts from fund raising & other local donations	260,811.50	470,000.00
Cash Disbursements from operations	(2,556,642.73)	(2,949,748.34)
Net cash inflow from operating activities	(69,669.17)	176,894.16
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment	(25,791.00)	0.00
Net cash flow from investing activities	(25,791.00)	0.00
NET INCREASE(DECREASE) IN CASH	(95,460.17)	176,894.16
ADD CASH & CASH EQUIVALENTS, JANUARY 1, 2018	1,219,794.82	1,042,900.66
CASH AND CASH EQUIVALENT, DECEMBER 31, 2019	1,124,334.65	1,219,794.82



GUGMA SA KABATAAN, INCORPORATED

M.H. Del Pilar Street, Cagayan de Oro City

STATEMENT OF FINANCIAL CONDITION

As of December 31, 2019 and 2018

(Amounts in Philippine Peso)

	Notes	2019	2018
ASSETS			
Current Assets			
Cash	3	1,124,334.65	1,219,794.82
Total Current Assets		1,124,334.65	1,219,794.82
Non Current Assets			
Office Furnitures and Equipment		58,072.80	46,800.00
Total Non-current Assets		58,072.80	46,800.00
TOTAL ASSETS		1,182,407.45	1,266,594.82
LIABILITIES & FUND BALANCE			
LIABILITIES			
Current Liabilities			
Deferred Grant and Support		328,338.42	499,370.59
TOTAL LIABILITIES		328,338.42	499,370.59
FUND BALANCE			
Accumulated Excess/Shortage		854,069.03	767,224.23
TOTAL FUND BALANCE		854,069.03	767,224.23
TOTAL LIABILITIES & FUND BALANCE		1,182,407.45	1,266,594.82

(See Accompanying Notes to Financial Statements)



GUGMA SA KABATAAN, INCORPORATED

M.H. Del Pilar Street, Cagayan de Oro City

STATEMENT OF CHANGES IN FUND BALANCES

As of December 31, 2019 and 2018

(Amounts in Philippine Peso)

	2019	2018
Opening Balance	767,224.23	590,330.07
Add: Net surplus during the year	86,844.80	176,894.16
Fund Balance, End	854,069.03	767,224.23



GUGMA SA KABATAAN, INCORPORATED

M.H. Del Pilar Street, Cagayan de Oro City

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURNS

The management of The Gugma Sa Kabatan, Incorporated (a nonstock, nonprofit, non-government organization) is responsible for all information and representations contained in the Annual Information Return for the year ended December 31, 2019. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Information Return covering the same reporting 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, the valued added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, management affirms that the attached audited financial statements for the year ended December 31, 2019, and the accompanying Annual Information Return are in accordance with the books and records of Gugma Sa Kabatan, Incorporated (a nonstock, nonprofit, non-government organization), complete and correct in all material respects.

Management likewise affirms that:

- a) The Annual Information 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 have been reported as reconciling items and maintained in the NGO's books and records in accordance with the requirements of Revenue Regulation No. 8-2007 and other relevant issuances;
- c) Gugma Sa Kabatan, Incorporated (a nonstock, nonprofit, non-government organization) has filed all applicable 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.

June 11, 2020, Cagayan de Oro City, Philippines.



ALEXANDER R. SANTOS
Chairman/President



MYRNA R. AMOGUIS
Treasurer

♦ **GARAY ACCOUNTING & REALTY OFFICE**

Main Office: In front of CDO Faith Christian School
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Extension Office: Tiano-Mabini St., Cagayan de Oro City
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Tel No. +63 (088) 880-6967, Cellular No. 0905-3080575
Email Address: ricgars82@yahoo.com ; ricgars82@gmail.com

Accreditations:

BOA/PRC-CPA Reg. No. 05553
PRC/REB License No. 0030922
CDA- Accreditation No.1065
BIR-AN No.16-006133-001-2015

REPORT OF INDEPENDENT AUDITOR

The Board of Directors
Gugma Sa Kabataan, Incorporated
M.H. Del Pilar Street, Cagayan de Oro City

Report on the Financial Statements

Opinion

I have audited the financial statements of Gugma Sa Kabataan, Incorporated, which comprise the statement of financial position as at December 31, 2019, and the statement of profit or loss, statement of changes in equity, and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Gugma Sa Kabataan, Incorporated as of December 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standard for Small Entities (PFRS for SEs).

Basis for Opinion

I conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our 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 NGO in accordance with the *Code of Ethics for Professional Accountants in the Philippines (Code of Ethics)* together with the ethical requirements that are relevant to my audit of the financial statements in the Philippines, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I am obtained is sufficient and appropriate to provide a basis for my opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS for SEs 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 NGO'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 NGO or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the NGO's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

My objective is 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 NGO'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 NGO'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 conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the NGO 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.

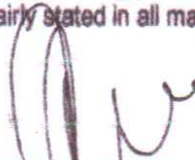
I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audits.

Other Matter

The financial statements of Gugma Sa Kabataan, Incorporated as of and for the year ended December 31, 2018, were audited by Dr. Gervacio I. Piator, MBA, and expressed an unqualified opinion on those financial statements.

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

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees in Note 11 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in my audit of the basic financial statements. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as whole.


RICKY S. GARAY
TIN: 9414445-650
CPA Cert. No. 123277
PRC/BOA Reg. No. 5553 (08/14/2020)
BIR AN 16-006133-001-2018 (05/07/21)
CDA-CEA No. 1065 (12/17/21)
PTR No. 4532316; 01/16/2020; Cagayan de Oro City.

June 11, 2020
Cagayan de Oro City, Philippines

