



2016



PCNC Accreditation

February 26, 2016 - Kalipay was granted accreditation by the Philippine Council for NGO Certification (PCNC).

2015

2014

2013

2012



DSWD License and Registration

July 7, 2010 - Kalipay formally received its Certificate of Registration and License to Operate from the Department of Social Welfare and Development during the ABSNET-Negros quarterly meeting held in Nature's Village, Talisay.

2011

2010

2009



Founding of Kalipay

June 28, 2007 - Kalipay was registered and approved by the Securities and Exchange Commission with the following incorporators and Board of Trustees: Anna Balcells (President), John Gayoso (Vice President), Sylvia Campos (Corporate Secretary), Eloisa Jison (Treasurer), Elaine Eleazar (Trustee), Belinda Tanpinco (Trustee) and Atty. Jose Torres (Trustee).

2008

2007

2006



Kalipay Learning Center

May 7, 2016 - Kalipay Learning Center was inaugurated in an intimate ceremony with donors Rosario and Jorge Ortoll together with Kalipay supporters and friends. The event included the unveiling of a marker stating that the school was built in memory of the mother of the donors, Concepcion Z. Ortoll.



Hope Alberto Balcells Village

A total of 29 houses, six classrooms, and a community clinic were built in honor of Alberto Balcells through the effort of Anna Balcells in partnership with Gawad Kalinga in Barangay Kabatangan in Talisay City.



Kalipay Farm

February 2022 - Kalipay officially launches Kalipay Farm. The organization's first step to becoming self-sufficient and sustainable.

2022



Completion of New Home

December 2020 - With the help of dedicated donors and friends, Kalipay finished the construction of its new shelter in Kalipay Children's Village.

2021

2020

2019

2018

2017



Opening of Healing Clinic

March 2017 - Kalipay opened its very own healing clinic. The clinic takes care of the psychological needs of the children.



Partnership with UST Angelicum

May 12, 2018 - Kalipay Negrense Foundation partners with University of Sto. Tomas - Angelicum. Kalipay Learning Center is the first and only school in Negros to achieve this feat. Through this partnership, our children are provided access to quality Dominican education.

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Donate, Volunteer, Spread the Word	Rear back cover



Kalipay Negrense Foundation, Inc. is a non-profit foundation working for the causes of disadvantaged children - abandoned, neglected, malnourished, physically and sexually abused, victims of child labor and trafficking, foundlings, and cyberpornography. Kalipay hopes to break the cycle of hopelessness in the children's lives by introducing them to education, providing shelter, health care and counseling.

Our Mission

We provide fun, healthy, loving homes and support communities where children are empowered and their needs and rights are protected.

Our Vision

A world where children enjoy their right to a brighter tomorrow.

Core Values

No child should be on the streets.

No child should be hungry.

No child should be denied education.

No child should be subjected to violence.

Goals

- Deliver wholistic services that promote caring, healing, and teaching to Kalipay beneficiaries.
- Develop empowered children with good moral values who will become independent, productive, socially responsible adults.
- Nurture a culture of excellence and fellowship among staff, volunteers, management, and the board of trustees in the performance of their duties.
- Achieve a financially stable Kalipay.
- Transform every member of society into a children's rights champion.



Message from the President

Dearest Friends,

I am immensely happy to share with you our 2022 Annual Report. Reaching Out—these two words sum up our year as it has been filled with many reaching out for Kalipay to rescue and welcome 20 new children to our family and create partnerships with individuals and organizations who share the same advocacies with us.

As this year unfolded, we started out with our courage to help the communities that were victims of Typhoon Odette in December 2021—a perfect way to open a new year, filling our hearts with the vision of giving back. Being a foundation that receives help from different groups and individuals, we know the feeling of accepting help in times of need, and that is what we want to share with the typhoon victims that in moments of trials or weakness, someone out there will always extend a helping hand and share blessings.

We entered the month of love in 2022, and our commitment to sustainability materialized as we started putting up our Kalipay Farm with the goal of giving food security to our children's village through our vegetable and fruit production, piggery, and chicken farm. We are blessed that our poultry produces 170 eggs a day, enough to supply the needs of our children and staff while they are learning to produce their own food through hard work and agriculture.

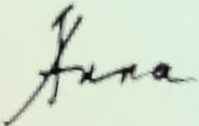
In May, I was filled with pride as our 17 Kalipay children voted for the very first time in the 2022 national elections. That moment for me was historical; seeing them choose the leaders that they want for the Philippines was a testament that our kids, amidst their challenging pasts, can move forward and contribute to nation-building by giving them their right of suffrage without any taint of control or suppression.

In terms of our educational services, five of our kids finished their Junior High School Education. We also have 10 children, whom we journey with as they pursue higher education in the hopes of living independently in life.

This year, we celebrated Children's Weekend, where Kalipay gathered and united fellow non-government organizations and local government units. We all made a commitment to work and collaborate for our kids' bright future. It was an event filled with realizations that we are not alone in promoting causes for our young ones because protecting children's rights is everybody's responsibility.

Indeed, 2022 was a year of continued reaching out for Kalipay to give our children their deserved health, education, and future. As we persevere to be the strength and hope for our precious kids, I am excited to continue committing myself to our children's lives because I have you on this one-of-a-kind journey. Cheers to all that life has to offer. We will welcome and conquer them all together.

Un abrazo,



Anna C. Balcells
Founder & President
Kalipay Negrense Foundation, Inc.



Board of Trustees



Anna C. Balcells
Founder and President



Ginnette Y. Dumancas
Vice President



John I. Gayoso
Treasurer



Atty. Juliana B. Carbon
Corporate Secretary



Dr. Ana Macasa-Sanson
Trustee



Alan S. Gensoli
Trustee



Francis M. Campos
Trustee



Jannette Y. Gonzaga
Trustee



Chole C. Chua
Trustee

Honorary Members of the Board:

Elizabeth "Betty" Sy • Sylvia "Gigi" Campos • Rosario "Nena" Ortoll •
Atty. Lyndon Caña † • Astrid Hocking

Meet the Team



Admin Team

Meliton E. Sillador Jr.
Executive Director

Divina D. Castellano
Admin & HR Manager

Ligaya Antonia C. Abelarde
Finance Officer

Swenly Coleen V. Sotelo
Joseph A. Entuna
Ialac G. Etorsaita
Communications Officers

Cris B. Pulmones Jr.
Admin Assistant

Kalipay Children's Village

Gelime Fia Lumawag, RSW
RT Home Manager

Rosielyn Arenas, RN
Resident Nurse

Senior Home Parents
Nemia N. Milendez
Joel C. Arabelo Jr.
Jenelie S. Juros

Home Parents
Ana Rey Abad
Renz Nicole Alisen
Jerlyn Bantillo
Nancy Cagalawan
Celeste Celestre
Christine Mae Crispe
Cecelia Delgado

Juna Rose Ermeo
Gilda Golvio
Josephine Gonzales
Rona Mae Gonzales
Chingky Hechanova
Donna Hilbolario
Charmaine Javelona
Jessica Makilan
Shareen Morales
Santos Nemis Jr.
Eva Panaguiton
Lagrimas Prado
Alma Siason
Jerelyn Vallejo
Gregory Balasabas
BJ Cordova
Renzo Alisen

Cooks
Evelyn Caballero
Regie Plomeda

Building and
Maintenance
James Jacob

Drivers
Jonathan Tuazon
Roque Plomeda

Kalipay Farm

Khort Sabroso
Agriculturist

Jomar Valares
Assistant Agriculturist



Case Management Team

Reshelle Aringa
Head of Social Services

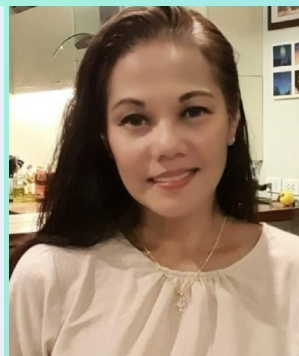
Rosie Jane Britanico
Donna Naype
Abenelle Faith Macapobre
Josefa Amar
Caryl Oralde
Social Workers

Lara Mangubat
Psych Associate

Kalipay Learning Center

Josephine Aquino
Head of Educational Services

Gina Aquino
Jirasel Panes
Larena Peruelo
Carmenia Añonon
Genevieve Guarino
Teachers



Esperanza "Spy" Dekeling
Dog Therapy Instructor



Atty. Vanessa Encabo
Legal Counsel



Rev. Fr. Julius Habana
Spiritual Counsel



Rutha Rojo
Performing Arts

Programs

Recovered Treasures Home

Recovered Treasures Home is a holistic residential care facility located in Kalipay Children's Village in Bago City, that serves as a safe, fun, and loving haven for children who are victims of abuse. They come from all over the Province of Negros Occidental. It has trained home staff that provide the children with healthy meals, hygiene necessities, and most especially the love and guidance of a family.



Kalipay Farm

The Kalipay Farm is the commitment of the foundation in reaching its vision of being a sustainable children's home by producing part of its nutritional needs through modern agriculture. The farm was started in 2022, growing vegetables and fruit trees, and cultivating its own plant nursery. It also has a poultry and piggery operation.



Kalipay Learning Center

The Kalipay Learning Center is a tangible testament to Kalipay's mission of giving the children their right to education by having a school that respects and understands the different backgrounds and capacities of each Kalipay kid. The school, located inside Kalipay Children's Village, follows the curriculum of the University of Sto. Tomas - Angelicum College Re-entry Education Agenda for the Poor program, or REAP. The REAP Program allows self-paced learning.



Independent Living Program (ILP)

The IL (Independent Living) Program caters to Kalipay's young adults who are in Senior High School and College who are living outside Recovered Treasures Home, in dormitories near their respective schools. As the name of the program implies, they are prepared to live independently as self-sufficient and responsible adults who contribute positively to the community.

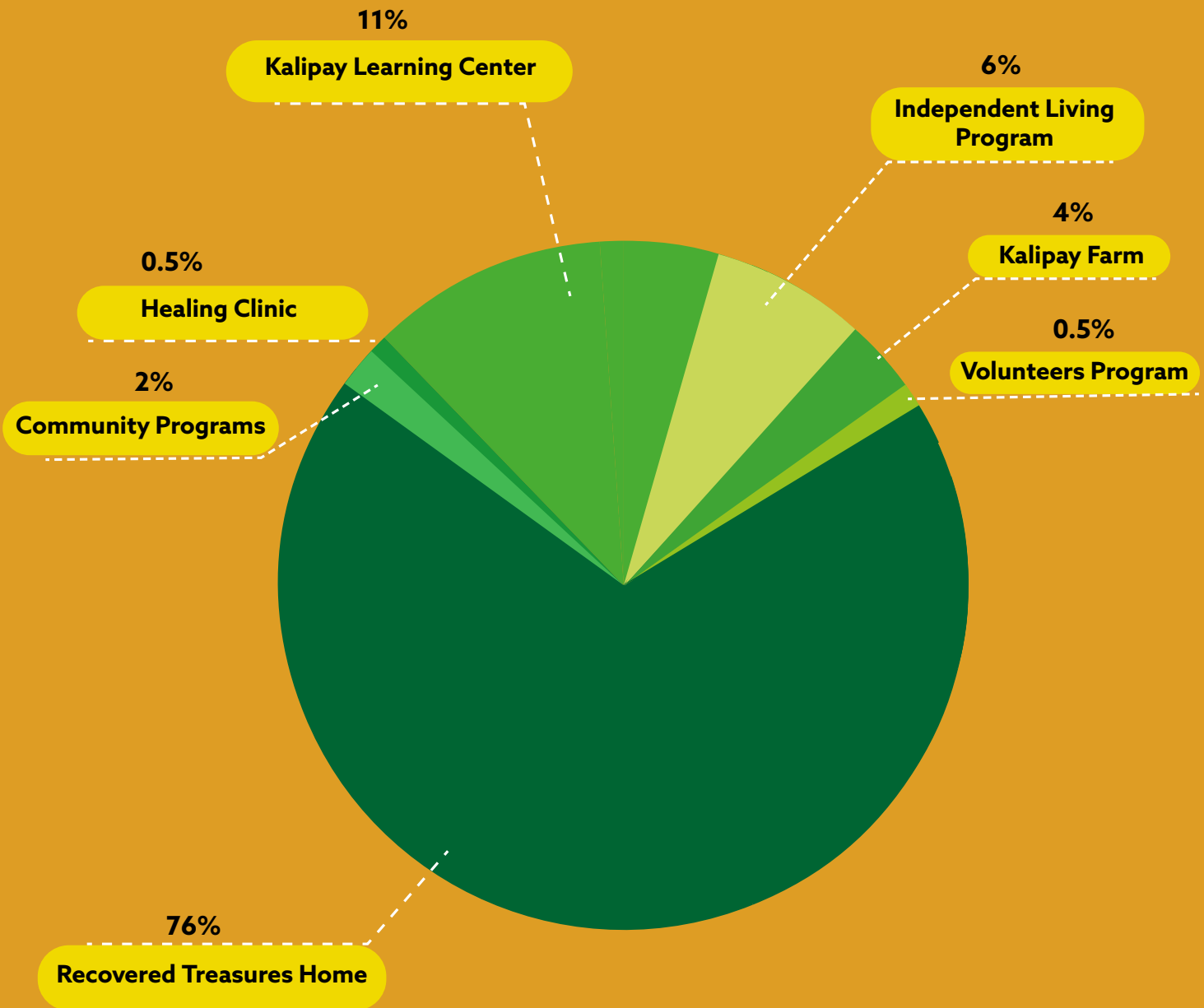


Volunteers Program

Volunteerism is a vital source of strength for any Non-Government Organizations to survive. Here in Kalipay, local and international volunteers help in achieving Kalipay's vision of providing the needs of disadvantaged children and protecting their rights. They unselfishly give their time and service to create a positive impact on the development of the children. In return, they are given unique, life-changing experiences that only volunteerism at Kalipay can offer.



Fund Utilization



Operation Expenses

Recovered Treasures Home	19,950,989
Independent Living Program	1,547,235
Kalipay Learning Center	2,769,075
Community Programs	479,322
Volunteers Program	97,809
Kalipay Farm	911,526
Healing Clinic	94,676
TOTAL PROGRAM EXPENSE:	P 25,755,956

Recovered Treasures Home



Recovered Treasures Home is a residential care facility located within the Kalipay Children's Village in Bago City, Negros Occidental. It serves as a safe, fun, and loving haven for children who are victims of abuse. They come from all over the Province of Negros Occidental and even beyond.

The home has separate dormitories for boys and girls, a nursery, kitchen, dining area, living area, clinic, home manager's office, prayer room, laundry areas, playroom, and visitors' lounge. Here, the children's health and development are attended to by Kalipay's compassionate staff. Home Parents serve as Nanay (Mother) and Tatay (Father) to the children and are focused on giving them discipline, love, and care.

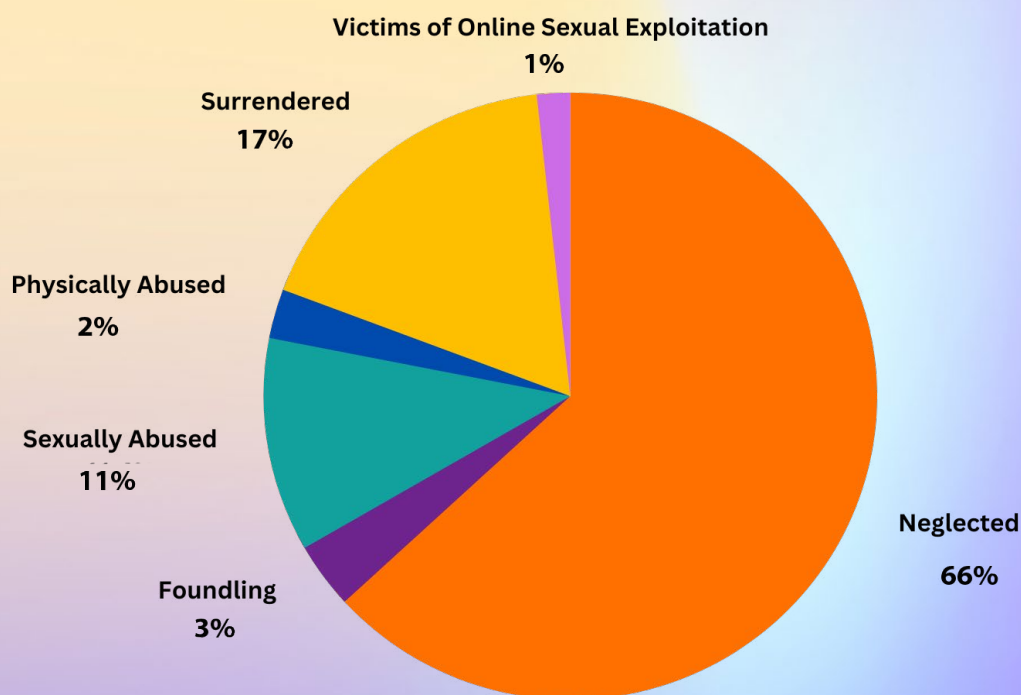
In 2022, Recovered Treasures Home welcomed 20 new kids and one of them was a newborn baby who was surrendered by the mother to Kalipay. He became the newest and youngest sibling of all Kalipay children, a hundred brothers and sisters eager to make him feel loved and give him a sense of belonging.





Recovered Treasures Home is where the children realize the value of family. In the kitchen, they are trained how to cook, serve, and value food; in the laundry area, they are taught how to be responsible for their own clothes; in the prayer room, they are given the time to be in silence and grow their faith; and in the dining area, where they sit together as brothers and sisters, sharing life's bounty.

The home is also the silent witness to the children's milestones: academic recognitions, entrustment ceremonies of adopted kids, expressions of talents and creativity, and everyday lives filled with colorful interaction, valuable learning, and hope.



Recovered Treasures Home Activities



January 04, 2022 - Kalipay kids preparing for relief giving activity for Typhoon Rai victims.



April 18, 2022 - Egg Hunting during Easter celebrations in Kalipay Children's Village.



April 20, 2022 - Haven Cluster enjoying their community exposure day in Bago City Police Station.



May 23, 2022 - Families Visiting Kalipay Beneficiaries.



June 29, 2022 - Making costumes for school performances.



July 13, 2022 - Learning the basics of baking and housekeeping through modules provided by our partner LBC Foundation.



October 21, 2022 - Dog Therapy Session with Dog Trainer Spy Dekeling.

Kalipay Farm



In 2022, Kalipay reached a milestone when it officially launched its farm in the hope of achieving sustainability when it comes to healthy food sources. Khort Sabroso, Kalipay Agriculturist, shared that when they were in the process of planning the structure of the farm, they focused on producing livestock for the consumption of Kalipay children.

The first to be started was the poultry layer operation. After a few months, Kalipay was producing fresh eggs and delivering them directly to the kitchen. The children were active in the farm activities, harvesting the eggs every afternoon and cultivating the land to grow vegetables and fruits. The University of St. La Salle's Agribusiness Department also donated farm animals, which was a big help in starting the livestock farm operation.

The Kalipay Farm is not only a source of fresh and healthy food for Kalipay kids, but also a living laboratory for life skills.

Kalipay Farm Activities



University of St. La Salle Team headed by President Bro. Kenneth Martinez donate 15 farm animals to Kalipay Farm.



The children enjoying fresh batches of eggs everyday straight from the farm.



Teens planting an assortment of seedlings.



Little farmers of Kalipay harvesting homegrown vegetables.



Upgrading Kalipay Farm by adding dalandan fruit trees.

Kalipay Learning Center



Driven by the hope of giving children an educational journey free of discrimination, the Kalipay Children's Village has its own school. The Kalipay Learning Center is run exclusively for Kalipay beneficiaries. It offers pre-school to junior high school education, adopting the curriculum of the University of Santo Tomas (UST) Angelicum College Re-Entry Education Agenda for the Poor program, or REAP.

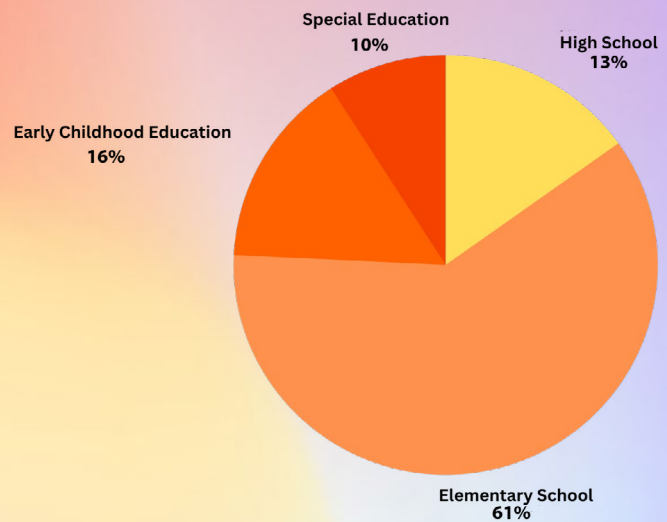
This year, five Kalipay children finished Junior High School education and went to UST Angelicum College in Manila to receive their diplomas. It was a moment of pride and celebration for our entire Kalipay family.

The students at the Kalipay Learning Center joined competitions organized by the province. Among these are poster-making and vocal solo singing. Kalipay children also competed in the Indak 2022 of the UST Angelicum College, a dance competition presenting the history

and culture of each REAP site region.

In 2022, the Kalipay Learning Center had 73 students and one new enrollee who was already 14 years old but she did not have the opportunity to go to school, never learned how to read and write before becoming a beneficiary.

Luckily for her, education at Kalipay does not discriminate. Many older children are given a second chance at education. That's where Angelicum's REAP program makes a huge difference to disadvantaged Filipinos. According to Josephine Aquino, Kalipay's Officer-in-Charge of Educational Services, the new student is dedicated to her studies and can be relied upon to finish her school tasks.



Kalipay Learning Center Activities



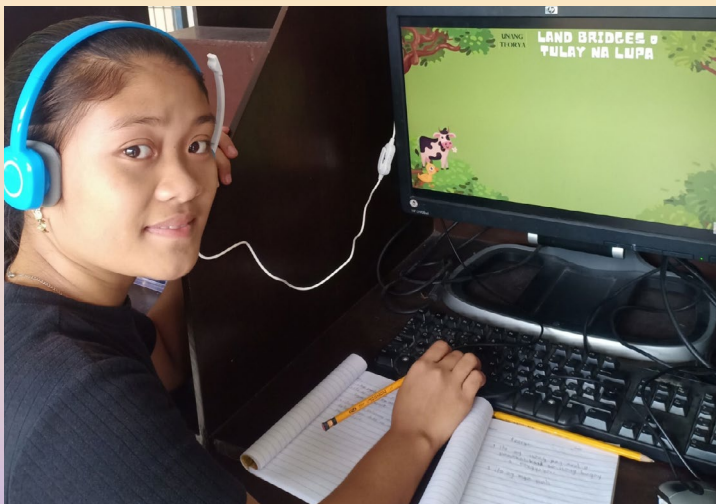
June 06, 2022 - Kalipay Learning Center Class of 2022 during their Graduation Ceremony in UST Angelicum College in Manila.



March 31, 2022 - Kalipay Learning Center Theoretical Driving Course in collaboration with Land Transportation Office of the City of Bacolod.



April 20, 2022 - Special Education class receiving new headphones for online class from LBC Foundation.



August 02, 2022 - Kalipay learner during online Social Studies class.



September 07, 2022 - Teacher Josephine guiding a pre-schooler with learning the alphabet.



Independent Living Program



Committed to helping kids realize personal success, Kalipay runs the Independent Living program. IL provides quality college education to Kalipay's young adults to get them ready to reintegrate into society as professionals and productive citizens of the country.

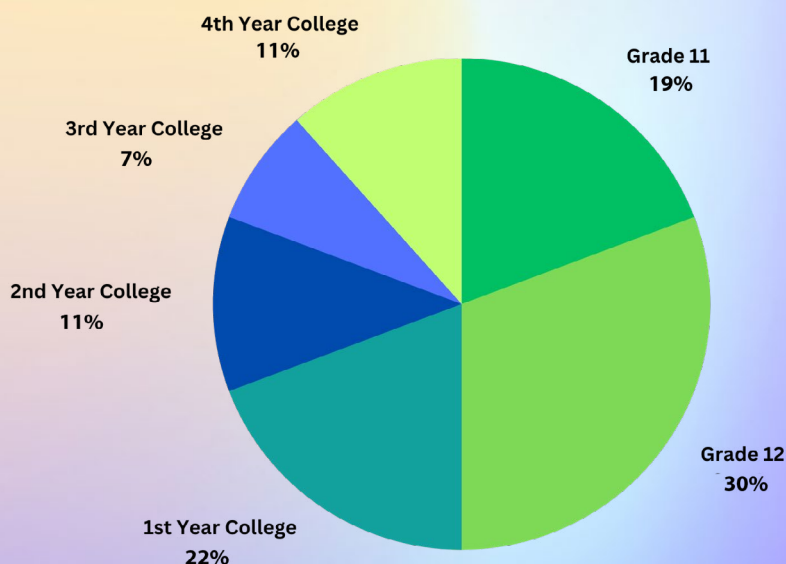
In 2022, two Kalipay kids, Janiza and Jessica Mahumas, finished their college education, and Jessica graduated as Magna Cum Laude.

Meanwhile, 10 Kalipay children are still pursuing their college degrees from Silliman University, University of St. La Salle, University of Negros Occidental-Recoletos, La Consolacion College, STI West Negros University, Bacolod City College, and Bago City College, and one of them is Nonito Mainit.

Today, he is a third-year student taking up a Bachelor of Science in Office Administration at the Bacolod City College.

While studying, Nonito also works as an Administrative Assistant for Kalipay. According to him, Kalipay taught him to give importance to his education, managing his time well between study and work.

The IL program records many success stories of Kalipay children, a collection of memories affirming the courage to embrace education and responsibility. It is a reminder that a sad past can never limit the chances of achieving success and joy in the future.





Alyn Amelin



Jericho Mahumas



Rex Servancia



Janiza Mahumas



Angel Ramirez



Jessica Mahumas

Kalipay achievers reaping the fruits of their hard work by graduating at the top of their class.



Culinary Arts Majors Kevin and Rex during their fine dining exercises.



Angel started college in University of St. La Salle majoring in Interdisciplinary Studies.



JR started working for Chef Tony Boy Escalante of Antonio's in 2022.

Volunteers Program



In 2022, Kalipay welcomed eight wonderful volunteers after re-opening the program after the pandemic.

Six of them came from Spain namely Montse Dosta, Ainna Antonin, Claudia Sola, Alvaro Babiano, Natalia Diaz, and Camila Escat. Two of them were from France in the presence of Orlane Stoven and Etienne Baudon.

First time Kalipay volunteers Claudia and Alvaro, who are both dentists, conducted a dental mission in Recovered Treasures where they

provided dental services, such as fillings, extractions, and dental prophylaxis, to 95 children and 30 staff.

Ainna Antonin returned to volunteer during 2022. An artist, Ainna has taken it upon herself to paint several beautiful murals in Kalipay over the years she has been volunteering. She takes inspiration from nature and the children of Kalipay.

Montse Dosta, a long-time volunteer and one of Kalipay Spain's Board of Trustees, comes twice a year for a month and a half to do healthy, educational, and fun activities with the kids such

as yoga and Spanish language lessons.

During the stay of the volunteers in Kalipay, they teach the kids new skills by sharing their talents, profession, and culture, while creating friendships with them.



Volunteers in Action



Kalipay Spain Trustee Montse Dosta comes twice a year to Kalipay and does learning through play activities as well as yoga classes.



Ainna Antonin beautifying the walls of Kalipay.



Orlane Stoven guiding the Middle Girls Cluster during her drawing activity.



Volunteer Dentists Claudia Sola and Alvaro Babiano during their dental mission in Kalipay wherein over 95 children and 30 staff were treated with fillings, extractions, and dental prophylaxis.

Our 2022 Milestones

January



January 06-13, 2022 - Kalipay Relief Assistance for Victims of Typhoon Odette (Rai). Staff and children joined forces to deliver water and basic goods to several affected Barangays in Negros Occidental for a period of two weeks.



January 28, 2022 - First Holy Communion

February



February 10, 2022 - Kalipay Farm Concept Meeting

March



March 07, 2022 - Monica Louise “Nikki” Prieto-Teodoro, Philippine Special Envoy to UNICEF (United Nations International Children’s Emergency Fund) visits Kalipay Children’s Village.



March 28, 2022 - Gender-responsive Parenting Webinar for Kalipay House Parents in collaboration with National Authority for Child Care (NACC).

April



April 27, 2022 - The children harvesting the first batch of eggs produced in Kalipay Farm.

May



May 09, 2022 - Kalipay Young Adults practice their right to vote for the first time for the 2022 Elections.

June



June 04, 2022 - Senior Students Graduate as the Fourth Batch under Kalipay's Re-entry Education Agenda for the Poor (REAP) program under University of Sto. Tomas - Angelicum College.

July



July 2022 - Kalipay rescues two children from neglected households.

August



August 26, 2022 - Long-time Kalipay supporter Kuh Ledesma pays a visit to Recovered Treasures Home.

September



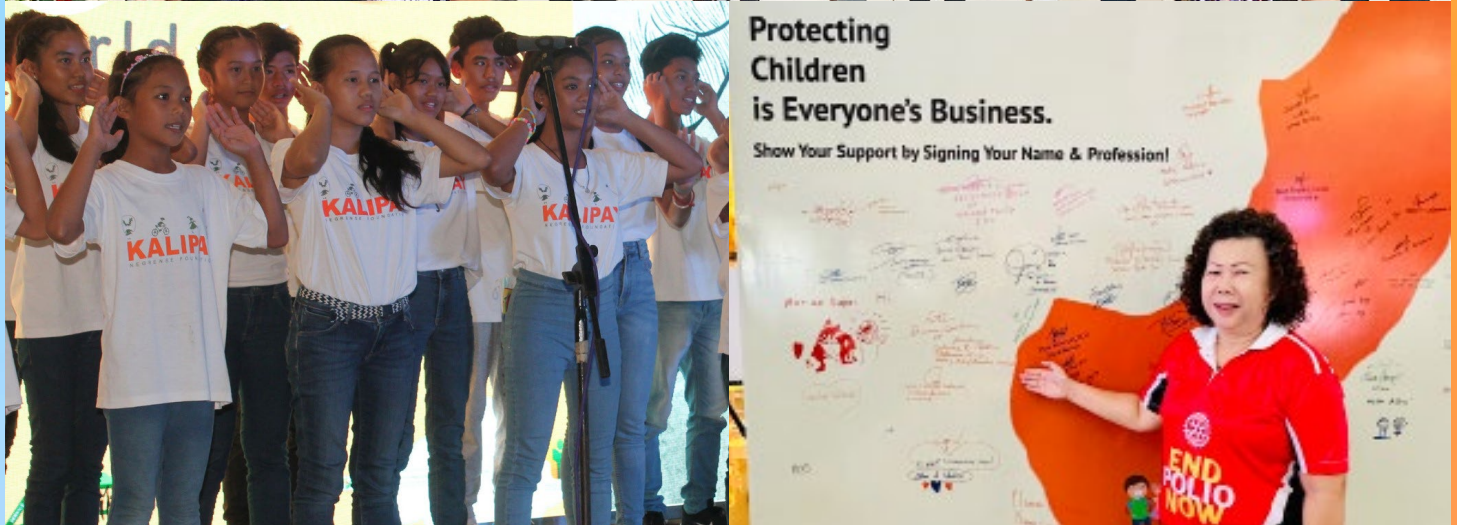
September 14, 2022 - Kalipay implements Kids and Teens Court Awareness Program in partnership with Justice Cecilia Muñoz Palma Foundation, Inc., Integrated Bar of the Philippines Negros Chapter, and Branch 51 Regional Trial Court.



September 19, 2022 - Terrence Paul Dacles of Rotary Club Bacolod Central introducing Bokashi Composting, a process that uses microorganisms to ferment organic food waste, to Kalipay Children’s Village in an effort to create an integrated and sustainable home.



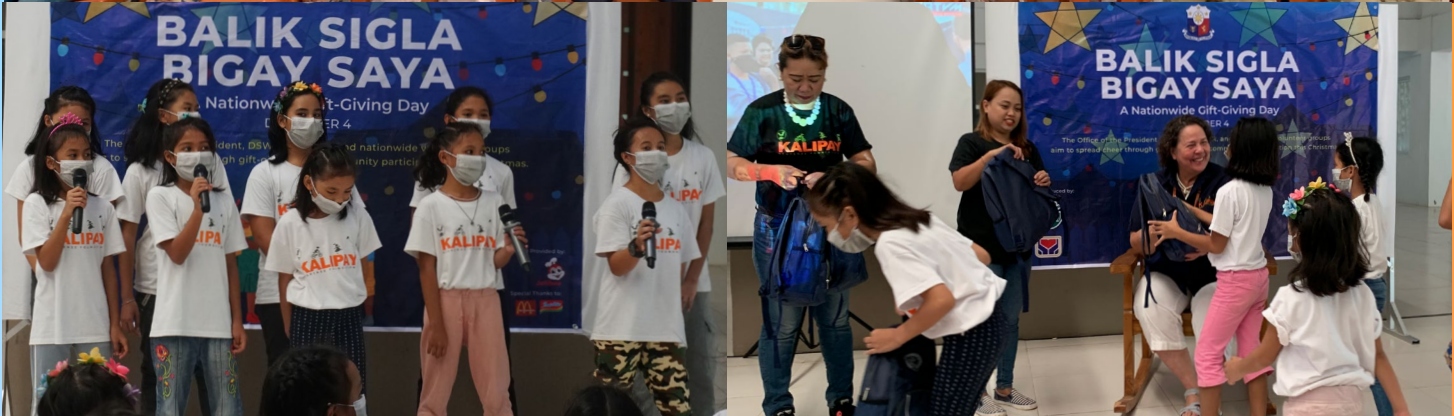
October 22, 2022 - Long-time Kalipay Supporter Madame First Lady Liza Marcos together with former volunteer Presidential Son Vinny Marcos visit Kalipay Children's Village.



November 25 - 27, 2022 - World Children's Weekend, an event spearheaded by Kalipay, invited 15 Non-Government Organizations for a three day awareness campaign of the disadvantaged children of Negros.



November 29, 2022 - Entire Kalipay Staff upgrade their skills by joining Trauma Informed Care (TIC) Seminar in Mambukal Resort, Negros Occidental. Sr. Bienvenida Viovicente, a licensed psychologist specializing in Trauma Informed Care and the current President of Marian Missionaries, along with Ms. Rowena R. Seblario, RSW, MSSW, served as the speakers.



December 04, 2022 - Kalipay chosen as beneficiary of Balik Sigla Bigay Saya Nationwide Gift Giving Day by Malacañang Palace.



December 14, 2022 - Newly rescued babies baptized into the Catholic Faith.



December 06, 2022 - Annual Kalipay Christmas Party



December 09, 2022 - Children of Kalipay perform for L'Fisher Hotel's Candle Lighting Ceremony and become the beneficiary of Christmas Ball for a Cause.

December 18, 2022 - Julie Uychiat with husband Jim Guschl visiting Kalipay. Julie will participate in the World Marathon Challenge at the beginning of 2023 while fundraising for Kalipay.



December 21, 2022 - Kalipay gives back to the community by launching the Anti-Mendicancy Program, an effort to alleviate economically challenged children living in the streets through nutrition, health care, and sanitation.

OUR PARTNERS



Fundación MAPFRE



IN PARTNERSHIP WITH



Insurance | Risk Management | Consulting



OUR PARTNERS



"la Caixa" Foundation



Hearts & Hands



ASSOCIATION OF FOUNDATIONS



FELIX G. YUSAY FOUNDATION, INC.



DSWD
Department of Social Welfare and Development



IJM



PCNC
PHILIPPINE COUNCIL FOR NGO CERTIFICATION



JUSTICE
CECILIA
MUÑOZ
PALMA
FOUNDATION INC.

Financial Statement

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

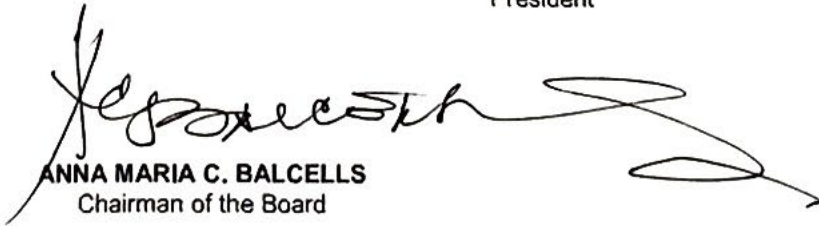
The management of **Kalipay Negrense Foundation, Inc.** is responsible for all information and representations contained in the Annual Income Tax Return for the year ended **December 31, 2022**. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return (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 tax returns.

In this regard, the management affirms that the attached audited financial statements for the year ended **December 31, 2022** and the accompanying Annual Income Tax Return are in accordance with the books and records of **Kalipay Negrense Foundation, Inc.**, 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 Foundation's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) the **Kalipay Negrense Foundation, Inc.** 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.


JOHN ALEXANDER I. GAYOSO
Treasurer


ANNA MARIA C. BALCELLS
President


ANNA MARIA C. BALCELLS
Chairman of the Board



INDEPENDENT AUDITOR'S REPORT TO ACCOMPANY INCOME TAX RETURN

The Members and the Board of Trustees
Kalipay Negrense Foundation, Inc.
RM 1 Marc Bldg., Ylac Avenue, Villamonte
Bacolod City, Negros Occidental

We have audited the financial statements of Kalipay Negrense Foundation, Inc. as at and for the year ended December 31, 2022, on which we have rendered the attached report dated June 01, 2023.

In compliance with Revenue Regulations No. V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager, member or Board of Trustees of the Foundation.

GARRIEL ANGEL AND ASSOCIATES



Angel S. Garniel Jr.

Partner

CPA Certificate No. 0011982

Tax Identification No. 124-720-555-000

PTR No. 9090567, issued on January 16, 2023, Bacolod City

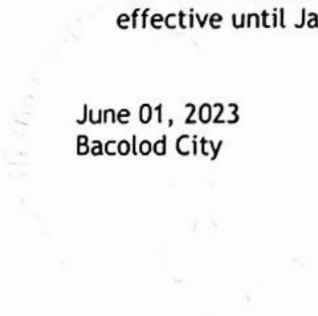
BOA /PRC Registration No. 9345, issued on November 05, 2021,
effective until September 29, 2024

SEC Accreditation No. 9345-SEC (Firm), Group C, issued on February 24, 2022,
effective until February 24, 2025

BIR Accreditation No. 12-000030-002-2023 (Individual), issued on January 31, 2023,
effective until January 30, 2026

BIR Accreditation No. 12-000030-001-2023 (Firm), issued on January 31, 2023,
effective until January 30, 2026

June 01, 2023
Bacolod City



4/F DELICIOSO-ROMA Building
Lacson Street, Mandalagan
Brgy. Banago, Bacolod City 6100
Philippines



INDEPENDENT AUDITOR'S REPORT

The Members and the Board of Trustees
Kalipay Negrense Foundation, Inc.
RM 1 Marc Bldg., Ylac Avenue, Villamonte
Bacolod City, Negros Occidental

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Kalipay Negrense Foundation, Inc. ("the Foundation"), which comprise the statements of financial position as at December 31, 2022 and 2021, and statements of operations and fund balance, and statements of cash flows for the years then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities PFRS for SMEs).

Basis for Opinion

We conducted our audits 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 Foundation 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 our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. 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 PFRS for SMEs, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 Foundation'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 Foundation'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 are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Foundation 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.

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 in internal control that we identify during our audit.

Report on the Supplementary Information Required by the Bureau of Internal Revenue (BIR)

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information as disclosed in Note 17 to the financial statements is presented for purposes of filing with the BIR and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

GARRIEL ANGEL AND ASSOCIATES


Angel S. Garriel Jr.
Partner

CPA Certificate No. 0011982

Tax Identification No. 124-720-555-000

PTR No. 9090567, issued on January 16, 2023, Bacolod City

BOA /PRC Registration No. 9345, issued on November 05, 2021,
effective until September 29, 2024

SEC Accreditation No. 9345-SEC (Firm), Group C, issued on February 24, 2022,
effective until February 24, 2025

BIR Accreditation No. 12-000030-002-2023 (Individual), issued on January 31, 2023,
effective until January 30, 2026

BIR Accreditation No. 12-000030-001-2023 (Firm), issued on January 31, 2023,
effective until January 30, 2026

June 01, 2023
Bacolod City



KALIPAY NEGRENSE FOUNDATION, INC.
(A Non-Stock, Not-for-Profit Organization)

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	Note	2022	2021
ASSETS			
Current Assets			
Cash	5	P3,492,872	P5,647,491
Inventories	6	92,650	92,650
Total Current Assets		3,585,522	5,740,141
Noncurrent Assets			
Investments in nonmarketable equity securities	7	4,428,303	4,428,303
Property and equipment, net	8	96,238,048	92,869,573
Total Noncurrent Assets		100,666,351	97,297,876
		P104,251,873	P103,038,017
LIABILITY AND FUND BALANCE			
Current Liability			
Accrued expenses and others	9	P49,325	P47,825
Fund Balance		104,202,548	102,990,192
		P104,251,873	P103,038,017

See Notes to Financial Statements.



KALIPAY NEGRENSE FOUNDATION, INC.
(A Non-Stock, Not-for-Profit Organization)

STATEMENTS OF OPERATIONS AND FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Note	2022	2021
REVENUES			
Program support and donations	10	P36,129,273	P30,239,879
Interest income	5	1,823	1,548
		36,131,096	30,241,427
EXPENSES			
Project expenses	11	(29,025,268)	(19,627,228)
General and administrative expenses	12	(5,893,472)	(4,264,956)
		(34,918,740)	(23,892,184)
EXCESS OF REVENUES OVER EXPENSES		1,212,356	6,349,243
FUND BALANCE BEGINNING OF YEAR		102,990,192	96,640,949
FUND BALANCE END OF YEAR		P104,202,548	P102,990,192

See Notes to Financial Statements.



KALIPAY NEGRENSE FOUNDATION, INC.*(A Non-Stock, Not-for-Profit Organization)***STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<i>Notes</i>	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenues over expenses		₱1,212,356	₱6,349,243
Adjustments for:			
Depreciation	<i>8, 14</i>	3,439,351	3,263,861
Interest income	<i>5</i>	(1,823)	(1,548)
Operating income before working capital changes		4,649,884	9,611,556
Decrease in:			
Inventories		-	206,132
Advances to employees		-	550
Increase (decrease) in accrued expenses and others		1,500	(195,533)
Cash generated from operations		4,651,384	9,622,705
Interest received		1,823	1,548
Net cash flows from operating activities		4,653,207	9,624,253
CASH FLOWS FROM INVESTING ACTIVITY			
Acquisition of property and equipment	<i>8</i>	(6,807,826)	(15,192,424)
NET DECREASE IN CASH			
		(2,154,619)	(5,568,171)
CASH AT BEGINNING OF YEAR			
		5,647,491	11,215,662
CASH AT END OF YEAR			
	<i>5</i>	₱3,492,872	₱5,647,491

See Notes to Financial Statements.

KALIPAY NEGRENSE FOUNDATION, INC.

(A Non-stock, Not-for-profit Organization)

NOTES TO FINANCIAL STATEMENTS

1. General Information

Kalipay Negrense Foundation Inc. (as the "Foundation") is a non-stock, not-for-profit corporation registered with the Philippine Securities and Exchange Commission (SEC) on June 28, 2007 under SEC registration number CN200728238.

The primary purposes of the Foundation are: 1) to establish, undertake, operate and manage programs, projects and activities that will promote, develop and improve the quality of life of poor and deserving individuals or communities by making available economic, educational and social opportunities through scholarship grants, trainings, financial assistance and livelihood projects; 2) to accept gifts, grants and any other form of donation from any person or entity and to acquire, possess, hold, operate and manage real and personal properties which may come to its possession and/or ownership and to engage in income generating projects or activities in supports of its purposes and/or objectives; 3) to negotiate and enter into contracts or agreements with any natural or juridical person for purposes not contrary to law.

Currently, the Foundation owns and manages two children's homes:

- Haven Home, located in Bacolod City, serves as a halfway home or drop-in center for the newly rescued children. It also houses the young adults in college who are beneficiaries of the Independent Living Program. Children ages 0-4 stays in Haven Home.
- Recovered Treasures is located in Bago City. The home is a residential facility center for children with ages above 4 years old and beyond. Within the complex, a learning center for grade school and high school was constructed.
- Kalipay Treasures Learning Center, located within the complex of Recovered Treasures, is a newly constructed building for grade school and high school children. The center is in partnership with Bethany Christian Life Academy to whom provides professional and licensed teachers to handle formal education of the children.

Pursuant to Section 30 of the Tax Reform Act of 1997 (Republic Act 8424), the Foundation is exempt from the payment of taxes. On July 22, 2013, BIR issued Revenue Memorandum Order (RMO) 20-2013 requiring all qualified non-stock, non-profit organizations and associations to re-file and submit an application for tax exemption. The certificate of tax exemption was issued on December 01, 2021 and valid for 3 years.

The Foundation's principal office and registered address is located at RM 1 Marc Bldg., Ylac Avenue, Villamonte, Bacolod City, Negros Occidental.

The Foundation's financial statements as at and for the year ended December 31, 2022 were approved by the Board of Trustees (BOT) and authorized for issuance on June 01, 2023.

2. Basis of Preparation and Statement of Compliance

Statement of Compliance

The financial statements of the Foundation have been prepared in compliance with Philippine Financial Reporting Standards for Small Entities (PFRS for SEs) approved by Financial Reporting Standards Council, Board of Accountancy (BOA), and Securities and Exchange Commission (SEC).

Basis of Measurement

The financial statements of the Foundation have been prepared on the historical cost basis.

Basis of Transition to PFRS for SMEs

The Foundation adopted PFRS for SMEs for the year ended December 31, 2022 on the basis that it breached the quantitative threshold set in the criteria for a small entities and that the breach is expected to be significant and continuing due to its long-term effect on the Foundation's asset or liability size.

The Foundation's transition date is January 01, 2021. In preparing these financial statements in accordance with the PFRS for SMEs, the Foundation has applied the standards retrospectively. The transition from PFRS for Small Entities to PFRS for SMEs did not have a material impact on the financial statements of the Foundation.

Functional and Presentation Currency

The financial statements of the Foundation are presented in Philippine Peso (₱) which is also the Foundation's functional and presentation currency. All values are rounded to the nearest peso, unless otherwise indicated

3. Significant Accounting Policies

Current versus Noncurrent Classification

The Foundation presents assets and liabilities in the statement of financial position based on current/noncurrent classification.

An asset is current when it is:

- Expected to be realized or consumed in normal operating cycle;
- Expected to be realized within 12 months after the end of the reporting period; or
- Cash on hand and in banks unless restricted from being exchanged or used to settle a liability for at least 12 months after the end of the reporting period.

All other assets are classified as noncurrent if they do not fall on the conditions above.

A liability is current when it is:

- Expected to be settled in normal operating cycle;
- Due to be settled within 12 months after the end of the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the end of the reporting period.

The Foundation classifies all other liabilities as noncurrent if they do not fall on the conditions above.

Financial Instruments

The Foundation classifies its financial instruments as either basic financial instruments or other financial instruments. Financial instruments are recognized only when the entity becomes a party to the contractual provisions of the instrument.

Initial Recognition

The Foundation's basic financial assets and liabilities are measured initially at transaction price including transaction costs except for those that are measured at fair value through profit or loss.

Basic Financial Instruments

The Foundation's basic financial instruments other than investments in non-convertible and non-puttable preference shares and non-puttable ordinary shares that are publicly traded or fair value can be measured reliably are subsequently measured at amortized cost less impairment.

The amortized cost of a financial instrument at the end of each reporting period is computed as the net of the amount at which the financial instrument is measured at initial recognition, minus any repayments of the principal, plus or minus the cumulative amortization using the effective interest method of any difference between the amount at initial recognition and the maturity amount, minus, in the case of a financial asset, any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Effective Interest Method

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the carrying amount of the financial asset or financial liability. The effective interest rate is determined on the basis of the carrying amount of the financial asset or liability at initial recognition.

Under the effective interest method, the amortized cost of a financial asset (liability) is the present value of future cash receipts (payments) discounted at the effective interest rate; and the interest expense (income) in a period equals the carrying amount of the financial liability (asset) at the beginning of a period multiplied by the effective interest rate for the period.

Derecognition of Financial Assets

The Foundation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or are settled, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Foundation, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, the Company derecognizes the asset and recognizes separately any rights and obligations retained or created in the transfer.

Any difference between the consideration received and the amounts recognized and derecognized shall be recognized in profit or loss.

Derecognition of Financial Liabilities

Financial liabilities are derecognized only when it is extinguished or when the obligation specified in the contract is discharged, cancelled or expired.

Any difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed shall be recognized in profit or loss.

Impairment of Financial Assets

At the end of each reporting period, the Foundation assesses whether there is objective evidence of impairment of any financial assets that are measured at cost or amortized cost. If there is objective evidence of impairment, the Foundation recognizes an impairment loss in profit or loss immediately.

Objective evidence that a financial asset or group of assets is impaired includes:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting to the debtor a concession that the creditor would not otherwise consider;
- it has become probable that the debtor will enter bankruptcy or other financial reorganization; and
- observable data indicating that there has been a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, even though the decrease cannot yet be identified with the individual financial assets in the group, such as adverse national or local economic conditions or adverse changes in industry conditions.

For an instrument measured at amortized cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If such a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the Foundation would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the Foundation reverses the previously recognized impairment loss either directly or adjusting the allowance account. The reversal shall not result in a carrying amount of the financial asset (net of allowance account) that exceeds what the carrying amount would have been had the impairment not previously recognized. The Foundation shall recognize the amount of reversal in profit or loss immediately.

Cash. Cash is measured at face value. Cash is composed of cash on hand and cash in banks. Cash in banks are under current accounts which do not earn interest. For the purpose of reporting cash flows, cash in banks are unrestricted and available for use for current operations.

Investments in Nonmarketable Equity Securities. Investments in nonmarketable equity securities are equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured. As such, investments included in this category are recognized at cost in the Foundation's financial statements. Subsequent changes in market value are not recognized. However, an impairment loss is recognized if there is objective evidence that this investment has been impaired. The impairment loss is measured as the difference between carrying amount of the investment and the present value of the estimated future cash flows discounted at the current rate. The impairment loss, once recognized is not reversed. The adjusted fair value of the investment becomes the new cost basis.

Inventories

Inventories are stated at the lower of cost and net realizable value (NRV). Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out (FIFO) method. NRV represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distributing the goods.

Property and Equipment, Net

Property and equipment are initially recognized at cost. Cost includes purchase price, including legal and brokerage fees, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, plus expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. After initial recognition, the property and equipment, except land are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. Land is subsequently measured at cost less any accumulated impairment losses.

Items such as spare parts, stand-by equipment and servicing equipment are property and equipment if the entity expects to use them during more than one period or if they can be used in connection with an item of property and equipment. Otherwise, such items are classified as inventories.

Depreciation, which commences when the assets are available for their intended use, is computed using the straight-line method over the following estimated useful lives of the assets:

	In Years
Office and General Administration	5
Haven Home	10-30
Recovered Treasures	10-30
Kalipay Treasures Learning Center	10-30
Covered Court and New Home	10-30
Farm Projects	10

Construction in progress reflects the cost of construction work undertaken but not yet completed. No depreciation is recorded until the asset is placed in service. When construction is completed, the asset should be reclassified to other property and equipment account and should be capitalized and depreciated.

The remaining useful lives, residual values and depreciation method are reviewed and adjusted periodically, if appropriate, to ensure that such periods and method of depreciation are consistent with the expected pattern of economic benefits from the items of property and equipment. Land is not depreciated.

The carrying amounts of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Fully depreciated assets are retained in the accounts until they are no longer in use.

An item of property and equipment is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising from the retirement and disposal of an item of property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the statements of operations in the period of retirement and disposal.

Impairment of Non-financial Assets

Assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying amount of the asset is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. The impairment loss is recognized in profit or loss.

Non-financial assets other than goodwill that suffer impairment are reviewed for possible reversal of the impairment at each reporting date. If the estimated recoverable amount of the asset exceeds its carrying amount, the carrying amount is increased to recoverable amount. The reversal of an impairment loss shall not increase the carrying amount of the asset above the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Accrued Expenses

Accrued expenses 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.

Government Liabilities

Government liabilities are recognized initially at the transaction price and subsequently measured at amortized cost less subsequent payments.

Fund Balance

Fund balance includes capital fund, donated capital and all current and prior period excess (deficiency) of income over expenses as disclosed in profit or loss.

Revenue Recognition

Revenue is recognized when it is probable that future economic benefits will flow to the Foundation, the amount of revenue can be reliably measured, and specific criteria have been met for each of the Foundation's activities.

The additional specific recognition criteria for each type of revenue are as follows:

Donations and Members' Contribution. Donations and members' contribution are recognized as revenues when these are actually received by the Foundation while asset donations are credited to a deferred revenue account and are released to the statement of operations over the expected useful life of the relevant asset by equal annual installments.

Grants from Government. Grants from government are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of operations over the expected useful life of the relevant asset by equal annual installments.

Fund Raising Activity, Income Generating Activity and Other Income. Revenue is recognized upon actual or constructive receipt of income.

Volunteers' Fee. Revenue is recognized upon substantial performance of the services required.

Donation for Special Projects. Donation for special projects are recognized as revenues when these are actually received by the Foundation. These are donations for specific projects of the Foundation.

Donations-in-Kind. Donations-in-kind are recognized as revenues when these are actually received by the Foundation.

Interest Income. Interest income on bank deposit which is presented net of applicable final tax, is recognized on a time-proportion basis.

Cost and Expense Recognition

The financial statements are prepared on accrual basis of accounting. Under this basis, costs and expenses are recognized when incurred and are reported in the financial statements in the periods to which they relate.

Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be reliably measured. They are recognized (a) on the basis of a direct association between the costs incurred and the earning of specific items of income; (b) on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or (c) immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statements of financial position as an asset.

Project expenses represent expenses incurred by the Foundation that are associated with its revenue. General and administrative expenses are costs attributable to administrative and other business activities of the Foundation.

Employee Benefits Obligations

Short-term Employee Benefits

The Foundation 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 Foundation to its employees include salaries and wages, social security contributions, short-term compensated absences, bonuses and other non-monetary benefits.

Long-term Employee Benefits

The Foundation does not have a defined benefit retirement plan. The Foundation will comply with the retirement procedures set forth in R.A. 7641 in terms of post-employment benefits.

Leases

Foundation as a Lessee

The Foundation recognize all lease payments as expense in the statements of operations in the period in which they are incurred.

Provisions

Provisions are recognized when: the Foundation has an obligation as a result of a past event; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

When the effect of time value is material, provisions are measured at the present value of the amount expected to be required to settle the obligation using pre-tax rate(s) that reflect(s) current market assessments of the time value of money and the risks specific to the obligation. Changes in the provisions due to time are recognized in profit or loss.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

Events After the Reporting Date

Post year-end events that provide additional information about the Foundation's financial position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

4. Significant Accounting Judgments and Estimates

The preparation of the financial statements requires the Foundation to exercise judgments and make estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. The judgments and estimates used in the financial statements are based upon evaluation of relevant facts and circumstances as of statement of financial position date. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the Foundation's financial statements as they become reasonably determinable.

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.

Estimates and Assumptions

The key assumptions covering the future and other key sources of estimation uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of the assets and the liabilities within the next financial year are discussed below.

Net Realizable Value of Inventories. The Foundation reviews the net realizable value of, and demand for, its inventories on a quarterly basis to provide assurance that recorded inventories are stated at the lower of cost or net realizable value. Factors that could impact estimated demand and selling prices include the timing and success of future technological innovations, competitor actions, supplier prices and economic trends.

The carrying value of inventories amounted to ₱92,650 as at December 31, 2022 and 2021 (Note 6).

Impairment on Investments. The Foundation assesses impairment on its investments whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. No impairment losses were recognized as at December 31, 2022 and 2021 since management believes that the carrying amounts are reasonably adequate.

The carrying value of investment in nonmarketable equity securities amounted to ₱4,428,303 as at December 31, 2022 and 2021 (Note 7).

Impairment of Nonfinancial Assets. The Foundation assesses impairment of nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Foundation considered important which could trigger an impairment review include among others the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; or
- significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets, if it is not possible, for cash generating unit to which the asset belongs.

Recoverable amount represents the value in use, determined as the present value of estimated future cash flows expected to be generated from the continued use of the assets. The estimated cash flows are projected using growth rates based on historical experience and business plans and are discounted using pretax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

5. Cash

This account consists of the following:

	2022	2021
Cash on hand	P50,000	P73,000
Cash in banks	3,442,872	5,574,491
	P3,492,872	P5,647,491

Cash on hand consists of undeposited cash donations, petty cash and revolving funds used to pay day-to-day petty and other necessary expenses of the Foundation. Cash funds are maintained under an imprest system and are replenished whenever required.

Cash in banks consist of current and savings accounts in various local banks. Cash in banks deposited in savings account earn interest at the respective rates set by the depository banks ranging from 0.25% to 0.375% per annum.

Interest earned from bank deposits amounted to P1,823 and P1,548 for the years ended December 31, 2022 and 2021, respectively.

6. Inventories

This account consists of inventories on the Foundation's projects amounted to P92,650 as at December 31, 2022 and 2021.

Inventories are carried at cost using first in, first out method. There are no inventories carried at net realizable value.

The Foundation believes that there are no indications of impairment on its inventories as at December 31, 2022 and 2021.

7. Investments in Nonmarketable Equity Securities

This account pertains to investments in equity securities of China Banking Corporation (CHIB) that was received by the Foundation as donation. As provided by the donor, the investments are not to be sold and only cash dividends can be withdrawn by the Foundation for its operating expenses. The donor may decide in the future to allow the Foundation to sell part or all of the shares only upon written instruction from the donor. The carrying value of investments in nonmarketable equity securities amounted to P4,428,303 as at December 31, 2022 and 2021.

No provision or allowance for impairment loss has been recognized since there are no indications that the book values of these securities have fallen below their corresponding cost.

8. Property and Equipment, Net

This account consists of the following:

2022	Office and General Administration			Haven Home		R
	Equipment, Furniture and Fixtures	Leasehold Improvements	Service Vehicle	Land and Residential Building	Equipment Furniture and Fixtures and Tools	
Cost						
Beginning balances	P1,122,410	P15,568	P1,285,000	P10,912,318	P697,755	P19,
Additions	397,736	-	-	-	-	-
Ending balances	1,520,146	15,568	1,285,000	10,912,318	697,755	19,
Accumulated Depreciation						
Beginning balances	804,388	15,568	1,268,000	2,726,038	441,813	2,
Depreciation	153,039	-	17,000	319,933	34,568	-
Ending balances	957,427	15,568	1,285,000	3,045,971	476,381	2,
Carrying Amount	P562,719	P-	P-	P7,866,347	P221,374	P17,

2021	Office and General Administration			Haven Home		Rev
	Equipment, Furniture and Fixtures	Leasehold Improvements	Service Vehicle	Land and Residential Building	Equipment Furniture and Fixtures and Tools	
Cost						
Beginning balances	P885,520	P15,568	P1,285,000	P10,912,318	P697,755	P19,990
Additions	236,890	-	-	-	-	-
Reclassification	-	-	-	-	-	-
Ending balances	1,122,410	15,568	1,285,000	10,912,318	697,755	19,990
Accumulated Depreciation						
Beginning balances	670,304	15,568	1,251,000	2,406,105	404,088	1,966
Depreciation	134,084	-	17,000	319,933	37,725	199
Ending balances	804,388	15,568	1,268,000	2,726,038	441,813	2,166
Carrying Amount	P318,022	P-	P17,000	P8,186,280	P255,942	P17,823

Fully depreciated assets with total cost P3,539,152 and P3,301,650 as at December 31, 2021.

Construction-in-progress comprise of costs associated with the material, labor and other to covered court and new home account upon completion during 2021.

Management believes that there are no indicators of impairment on its remaining property.

Covered Treasures	Kalipay Treasures Learning Center			Covered Court and New Home	Farm Projects	Total
	Equipment, Furniture and Fixtures and Service Vehicle	School Building and Other Structures	Equipment, Furniture and Fixtures and Library Books and Tools	Covered Court and New Home	Farm Tools, Equipment, and Other Structures	
990,469	P2,502,925	P13,824,608	P733,073	P55,573,599	P-	P106,657,725
-	-	-	440,418	3,891,608	2,078,064	6,807,826
990,469	2,502,925	13,824,608	1,173,491	59,465,207	2,078,064	113,465,551
166,663	1,598,840	2,342,299	448,069	1,976,474	-	13,788,152
199,833	56,122	441,960	75,660	1,933,430	207,806	3,439,351
366,496	1,654,962	2,784,259	523,729	3,909,904	207,806	17,227,503
623,973	P847,963	P11,040,349	P649,762	P55,555,303	P1,870,258	P96,238,048

Covered Treasures	Kalipay Treasures Learning Center			Covered Court and New Home	Construction in Progress	Total
	Equipment, Furniture and Fixtures and Service Vehicle	School Building and Other Structures	Equipment, Furniture and Fixtures and Library Books and Tools	Covered Court and New Home	Covered Court and New Home	
0,469	P2,498,130	P13,824,608	P733,073	P-	P40,622,860	P91,465,301
-	4,795	-	-	14,950,739	-	15,192,424
-	-	-	-	40,622,860	(40,622,860)	-
0,469	2,502,925	13,824,608	733,073	55,573,599	-	106,657,725
0,830	1,542,238	1,900,339	367,819	-	-	10,524,291
0,833	56,602	441,960	80,250	1,976,474	-	3,263,861
0,663	1,598,840	2,342,299	448,069	1,976,474	-	13,788,152
0,806	P904,085	P11,482,309	P285,004	P53,597,125	P-	P92,869,573

2022 and 2021, respectively, are still being used by the Foundation in its operations.

inputs used in the construction of covered court and new home which was transferred

erty and equipment as at December 31, 2022 and 2021.

9. Accrued Expenses and Others

This account consists of:

	2022	2021
Accrued expenses	P39,307	P38,309
Government liabilities	10,018	9,516
	P49,325	P47,825

Accrued expenses consist of unpaid and unbilled expenses for goods and services supplied to the Foundation.

Government liabilities consist of SSS, PHIC and HDMF premiums as well as withholding taxes to be remitted to the respective government agencies in the subsequent period.

10. Program Support and Donations

This account consists of:

	2022	2021
Donations and members' contribution	P26,297,615	P18,834,779
Grants from private entities	8,175,790	-
Grants from government	1,500,000	2,000,000
Income-generating activity	101,078	-
Fund raising activity	53,260	393,500
Volunteers' fee	1,530	-
Donation for special projects	-	9,000,000
Donations-in-kind	-	11,600
	P36,129,273	P30,239,879

Donations and members' contribution pertain to cash received by the Foundation from the various individuals and corporate entities.

Grants from private entities pertain to cash received from other non-stock, non-for-profit Foundations.

Grants from government pertain to cash received from local and provincial government subject to liquidation.

11. Project Expenses

This account consists of:

	Note	2022	2021
Healthcare and medical subsidy			
Recovered treasures		P662,164	P501,220
Infant nursery		53,034	28,378
Independent living		400	4,207
		715,598	533,805
Food and nutrition (Feeding program)			
Recovered treasures		5,317,399	3,458,504
Independent living		335,989	167,292
Infant nursery		-	164,888
		5,653,388	3,790,684
Housing and shelter			
Recovered treasures		1,130,984	754,694
Infant nursery		57,860	169,713
Independent living		-	8,801
		1,188,844	933,208
Literacy and values education			
Recovered treasures		1,061,413	241,897
Independent living		999,771	479,022
Drop-in center		240,973	51,908
Infant nursery		-	13,036
		2,302,157	785,863
General operations assistance			
Salaries Haven and Recovered Treasures		7,726,712	5,733,501
Recovered treasures		1,423,055	961,032
Teachers' Salaries		1,287,594	1,308,031
Drop-in center		1,722,439	1,335,444
Infant Nursery		98,553	138,074
Healing Clinic		94,676	151,023
		12,353,029	9,627,105
Case management and documentation			
Recovered treasures		671,436	167,662
Infant nursery		25,940	8,875
Independent living		211,075	24,285
		908,451	200,822
Social enterprises			
Farm supplies		537,599	5,175
Farm improvements		36,351	-
Livestock		61,920	-
Salaries		223,655	-
Farm electricity		51,480	-
Transportation and travel		521	-
		911,526	5,175
General project expenses			
Fund raising projects		326,978	86,116
Depreciation	14	3,269,312	3,112,777
Kalipay Treasure Learning Center expenses		719,892	186,369
Community outreach program		332,101	333,170
Volunteer program		97,809	-
Covered court		94,849	-
Office supplies		4,113	-
Capacity building		147,221	32,134
		4,992,275	3,750,566
		P29,025,268	P19,627,228

Infant nursery pertains to the expenses incurred by the Foundation for the children staying in the Haven Home.

Independent living pertains to expenses to support the young adults under the Foundation's care to pursue high school and college.

Drop-in center are expenses related to newly rescued children that are brought to Foundation for shelter and care.

Recovered treasures pertain to expenses incurred in the Recovered Treasures Home for security and safety of children whom the Foundation cares for.

Social enterprise are expenses related to the Recovered Treasures Social Enterprise which is the Foundation's other source of income.

Healing clinic refers to expenses incurred for medications of children under the custody of the Foundation.

12. General and Administrative Expenses

This account consists of:

	Note	2022	2021
Salaries, allowances and related expenses	13	P4,146,085	P2,732,571
Postage and communication		278,123	250,881
Office rental	16	243,090	269,900
Depreciation	14	170,039	151,084
Office supplies		157,957	96,110
Light and water		153,886	140,455
Fuel and oil		151,225	138,730
Taxes, permits and licenses	15	141,471	128,318
Repairs and maintenance		95,423	69,496
Transportation and travel		80,215	10,952
Office maintenance and janitorial		63,365	70,312
Freight and handling		27,727	27,479
Insurance		26,439	27,058
Professional fee		20,644	20,584
Miscellaneous		137,783	131,026
		P5,893,472	P4,264,956

Miscellaneous consists of various expenses which are insignificant in amount.

13. Salaries, Wages and Related Expenses

This account consists of:

	2022	2021
Salaries and wages	P3,336,765	P2,661,071
SSS, PHIC and HDMF contributions	711,122	-
13 th month pay	98,198	71,500
	P4,146,085	P2,732,571

14. Depreciation

This account consists of:

	2022	2021
Under project expenses		
Covered court and new home	P1,933,430	P1,976,474
Kalipay Treasures Learning Center	517,620	522,210
Haven Home	354,501	357,658
Recovered Treasures	255,955	256,435
Farm projects	207,806	-
	3,269,312	3,112,777
Under general and administrative expenses		
Office and general administration	170,039	151,084
	P3,439,351	P3,263,861

15. Taxes, Permits and Licenses

This account consists of:

	2022	2021
Local permits and licenses	P140,971	P127,818
Annual registration fees	500	500
	P141,471	P128,318

16. Leases

The Foundation is a lessee under operating lease covering lease of principal office. The lease contract has one (1) year term with an option to renew.

Lease payments made under operating leases recognized as an expense amounted to P243,090 and P269,900 for the years ended December 31, 2022 and 2021, respectively.

17. Supplementary Information Required by the Bureau of Internal Revenue (BIR)

A. REVENUE REGULATIONS (RR) NO. 15-2010

On November 25, 2010, the BIR issued RR No. 15-2010 which prescribes additional procedural and/or documentary requirements in connection with the preparation and submission of financial statements accompanying the tax returns. Under the said RR, companies are required to disclose, in addition to the disclosures mandated under PFRS and such other standards and/or conventions that may heretofore be adopted, in the Notes to the Financial Statements, information on taxes, duties and license fees paid or accrued during the taxable year. In compliance with the requirements set forth by RR 15-2010 hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year.

1. The amount of VAT output tax declared during the year and the account title and amount/s upon which the same was based

The Foundation is a non-stock, non-profit entity, thus, exempt from value added tax.

2. The amount of VAT input taxes claimed

No input taxes claimed during the year.

3. Taxes and licenses

a.	<u>Local</u> Registration and other fees	P140,971
b.	<u>National</u> BIR annual registration	500

4. Deficiency tax assessment

As at December 31, 2022, the Foundation does not have any assessment notice from the BIR.

B. REVENUE REGULATION (RR) 2-2014

RR No. 2-2014 prescribes the new income tax forms to be used for income tax filing and starting with calendar year 2013. Pursuant to Section 244, in relation to Sections 6(H), 51(A)(1) and 51(A)(2) of the National Internal Revenue Code of 1997 (Tax Code), as amended, these Regulations are issued to prescribe the use of revised income tax forms with bar codes, and to reflect the changes in information required from said forms. This will also enable the said forms to be read by an optical character reader for ease in scanning.

In the case of corporations using Bureau of Internal Revenue (BIR) Form 1702, the Foundation is now required to include as part of its notes to the audited financial statements, which will be attached to the income tax return (ITR), the schedules and information on taxable income and deductions to be taken.

The information is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

a. Sales/Revenues/Receipts/Fees	<u>P36,129,273</u>
b. Cost of services	<u>P29,025,268</u>
c. Ordinary allowable itemized deductions	
Depreciation	P170,039
Freight and handling	27,727
Fuel and oil	151,225
Insurance	26,439
Light and water	153,886
Miscellaneous	137,783
Office maintenance and janitorial	63,365
Office rental	243,090
Office supplies	157,957
Postage and communication	278,123
Professional fee	20,644
Repairs and maintenance	95,423
Salaries, allowances and related expenses	3,434,963
SSS, PHIC and HDMF contributions	711,122
Taxes, permits and licenses	141,471
Transportation and travel	80,215
	<u>P5,893,472</u>
d. Details of taxes and licenses	
a. <u>Local</u>	
Registration and other fees	P140,971
b. <u>National</u>	
BIR annual registration	500

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
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Room 1, Ground Floor, MARC Bldg.
Ylac Avenue, Barangay Villamonte
Bacolod City, Negros Occidental,
Philippines, 6100

 youtube.com/kalipaynegrense2007

TEL. NO. +63 (034) 4689421
MOBILE NO. +63 917 700 2345

EMAIL:
kalipay@kalipaynegrensefoundation.com



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Bank: BANCO DE ORO
Gonzaga Branch, Bacolod City,
Negros Occidental, Philippines

Account No: 00 0720 140 889
Swift Address: BNORPHMM

Bank: UNIONBANK
Mandalagan Branch, Bacolod City
Negros Occidental, Philippines

Account No: 000 210021 214
Swift Address: UBPHPHMM

Bank: BANK OF THE PHILIPPINE ISLANDS
Capitol Branch, Bacolod City
Negros Occidental, Philippines

Account No: 0000 132 103 2016
Swift Address: BOIPHMM

EURO ACCOUNT

Account Name: Fundación Kalipay Negrense España

Bank: LA CAIXA BANK
Barcelona, Spain

Account No: ES87 2100 1366 1602 0032 9890

PayPal: kalipay@kalipaynegrensefoundation.com

Credit/Debit card: <http://submit-form.kalipay.org/>



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