

**MATER ORPHANORUM SERVANTS OF THE POOR, INC**  
(A Non-Stock, Non-Profit Organization)  
Block 13, Lot 34 Area H, Phase II, Brngy. San Rafael IV  
City of San Jose Del Monte, Bulacan

AUDITORS' REPORT

AND

FINANCIAL STATEMENTS

DECEMBER 31, 2016

A.I.GUTIERREZ & ASSOCIATES, CPA's  
2/F A.B. Sandoval Bldg., Shaw Blvd.  
CorOranbo Drive, Pasig City  
Tel. No. 631-9382

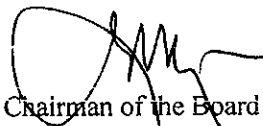
April 10, 2017

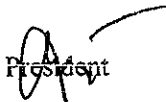
**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR ANNUAL INCOME TAX RETURN**

The management of **MATER ORPHANORUM SERVANTS OF THE POOR, INC.** (A Non-Stock, Non-Profit Organization) is responsible for all information and representations contained in the Annual Income Tax Return for the the year ended December 31, 2016. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

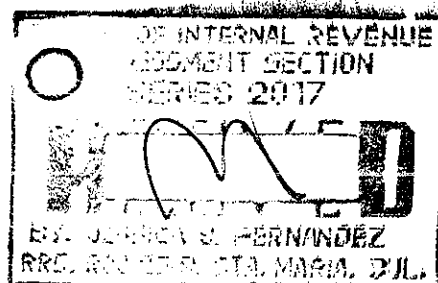
In this regard, the management affirms that the attached audited financial statements for the year ended December 31, 2016 and the accompanying Annual Income Tax Return are in accordance withA the books and records of **MATER ORPHANORUM SERVANTS OF THE POOR, INC. (A Non-Stock, Non-Profit Organization)** 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 accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances;
- (c) **Mater Orphanorum Servants of the Poor, 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.

  
Chairman of the Board

  
President

Treasurer 



**INDEPENDENT AUDITORS' REPORT**

**THE BOARD OF DIRECTORS**  
**MATER ORPHANORUM SERVANTS OF THE POOR, INC.**

(A Non-Stock, Non-Profit Organization)  
Block 13 Lot 34 Area H, Phase II, Brngy San Rafael IV  
City of San Jose Del Monte, Bulacan

We have audited the accompanying financial statements of **MATER ORPHANORUM SERVANTS OF THE POOR, INC. (a non-stock, non-profit organization)** which comprise the statements of financial position as at December 31, 2016 and 2015, and the statements of donations and expenses, statements of changes in fund balance and cash flow statements for the years then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of **MATER ORPHANORUM SERVANTS OF THE POOR, INC. (a non-stock, non-profit organization)** as of December 31, 2016 and 2015, and of 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 SME's).

**Basis for Opinion**

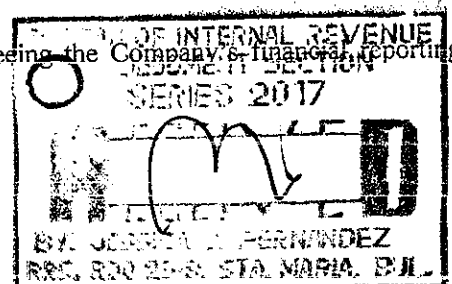
We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). My responsibilities under those standards are further described in Auditors' responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Philippine Ethics Standards Board for Accountants (PESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in the Philippines, the Code of Ethics for Professional Accountants in the Philippines, and we have fulfilled my other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide 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 these financial statements in accordance with Philippine Financial Reporting Standards for Small and Medium-Sized Entities (PFRS for SME's), and for such internal control as management determines it 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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



### **Auditors' 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 auditors' 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 in 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

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 Company's internal control.

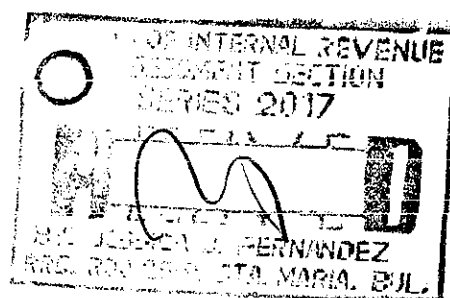
Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 our auditors' report. However, future events or conditions may cause the Company 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.

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



**Report on the Supplementary Information required under Revenue Regulation 15-2010**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information on taxes, duties and license fees in the Notes to Financial Statements is presented for purposes of filing with Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management. The 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.

A.I. GUTIERREZ & ASSOCIATES, CPAs

  
MELECIA A. BIBAL  
Partner

CPA Certificate No. 46938 (ID, valid until December 15, 2017)

Tax Identification No. 100-740-429

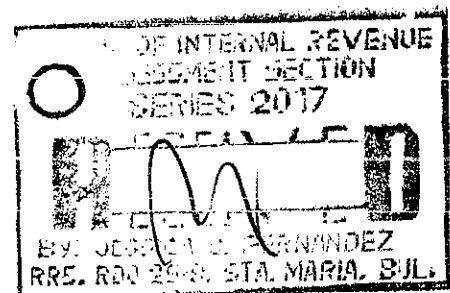
BOA Accreditation No. 1032 (with extended validity until April 30, 2017  
pursuant to Board Resolution No. 37, series of 2017)

PTR No. 2762794 dated February 9, 2017 issued at Pasig City

BIR Accreditation No. 07-000376-2-2015 (valid until January 28, 2018)

April 10, 2017

Pasig City



REPORT OF INDEPENDENT AUDITORS

THE BOARD OF TRUSTEES  
MATER ORPHANORUM SERVANTS OF THE POOR, INC.  
(A Non-Stock, Non- profit Organization)  
Block 13 Lot 34 Area H, Phase II, Brngy San Rafael IV  
City of San Jose Del Monte, Bulacan

We have audited the financial statements of MATER ORPHANORUM SERVANTS OF THE POOR, INC. (a non- stock, non- profit organization) for the year ended December 31, 2016 on which we have rendered the attached report dated April 10, 2017.

In compliance with SRC Rule 68 of the SEC, I am stating that the foundation has no stockholders owning one hundred (100) or more shares, as of December 31, 2016.

A.. GUTIERREZ & ASSOCIATES, CPAs



MELECIA A. BIBAL  
Partner

CPA Certificate No. 46938 (ID, valid until December 15, 2017)

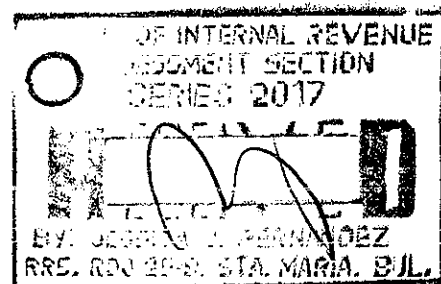
Tax Identification No.100-740-429

BOA Accreditation No. 1032 (with extended validity until April 30, 2017  
pursuant to Board Resolution No. 37, series of 2017)

PTR No.2762794 dated February 9, 2017 issued at Pasig City

BIR Accreditation No.07-000376-2-2015 (valid until January 28, 2018)

April 10, 2017  
Pasig City

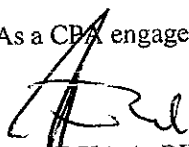


## TO THE SECURITIES AND EXCHANGE COMMISSION

In connection with my examination of the financial statements of **MATER ORPHANORUM SERVANTS OF THE POOR, INC.** ( a non- stock, non- profit organization) which are to be submitted to the Commission, I hereby represent the following:

1. That I am the active practice of the accounting profession and duly registered with the Board of Accountancy (BOA);
2. That said financial statements are presented in conformity with generally accepted accounting principles in the Philippines as set forth in Philippine Financial Reporting Standards for Small and Medium Sized Entities (PFRS for SMEs) in all cases where I shall express an unqualified opinion; Except that in case of any departure from such principles; I shall indicate the nature of the departure, the effects thereof, and the reasons why compliance with the principles would result in a misleading statement, if such is a fact.
3. That I shall fully meet the requirements of independence as provided under the Code of Professional Ethics for CPA's
4. That in the conduct of the audit, I shall comply with the generally accepted auditing standards promulgated by the Board of Accountancy; In case of any departure from such standards or any limitation in the scope of my examination, I shall indicate the nature of the departure and the extent of the limitation, the reasons therefore and the effects thereof on the expression of my opinion or which may necessitate the negation of the expression of an opinion; and
5. That I shall comply with the applicable rule and regulation of the Securities and Exchange Commission in the preparation and submission of the financial statements;
6. That relative to the expression of my opinion on the said financial statements, I shall not commit any acts discreditable to the profession as provided under Code of Professional Ethics for CPAs.

As a CPA engaged in public practice, I make this representations in my individual capacity.

  
MELECIA A. BIBAL

Partner

CPA Certificate No. 46938 (ID, valid until December 15, 2017)

Tax Identification No.100-740-429

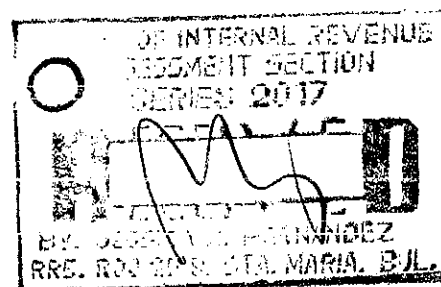
BOA Accreditation No. 1032 (with extended validity until April 30, 2017  
pursuant to Board Resolution No. 37, series of 2017)

PTR No.2762794 dated February 9, 2017 issued at Pasig City

BIR Accreditation No.07-000376-2-2015 (valid until January 28, 2018)

April 10, 2017

Pasig City



April 10, 2017

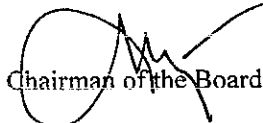
Securities and Exchange Commission  
SEC Building, EDSA, Greenhills  
Mandaluyong City

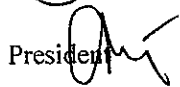
STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS

The management of MATER ORPHANORUM SERVANTS OF THE POOR, INC. is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2016 and 2015, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submit the same to the members.

A.I. Gutierrez & Associates, CPAs, the independent auditors, appointed by the members/Board of Trustees have examined the financial statements of the orphanage in accordance with with Philippine Standards on Auditing and in its report to the members have expressed their opinion on the fairness of presentation upon completion of such examination.

  
Chairman of the Board

  
President

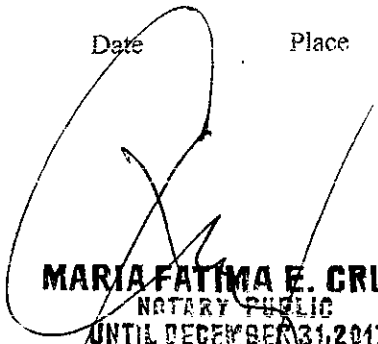
  
Treasurer

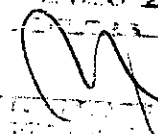
APR 17 2017

SUBSCRIBED AND SWORN to before me, this \_\_\_ day of \_\_\_\_\_ 2017 affiants exhibiting to me their Community Tax Certificates :

Names	Community Tax. Cert. No.	Date	Place

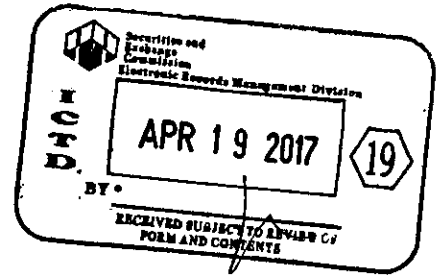
DOC. NO. 101  
PAS. NO. 22  
BOOK NO. LXVII  
SERIES OF. 217

  
**MARIA FATIMA E. CRUZ**  
NOTARY PUBLIC  
UNTIL DECEMBER 31, 2017  
COMMISSION NO. PNC/47-MB-2015  
PTR NO. 1452922/1-3-17CSJEM.BUL.  
IBP NO. 1040282/1-3-17 BUL.CHAP.  
ROLL NO. 61000  
MCLE COMF. NO. V-001526/4-11-16  
RD. FLR. CRUZ HI-RISE S.F. ALAY CSJOM, BUL.

INTERNAL REVENUE  
ASSESSMENT SECTION  
CITY OF CALOROC  
BY:   
RD. 000 DE P. STA. MARIA, CAL.

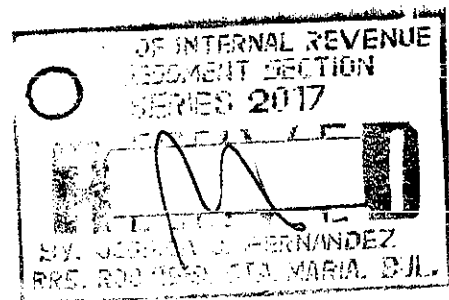


MATER ORPHANORUM SERVANTS OF THE POOR, INC.  
 (Non stock Non Profit Organization)  
 STATEMENTS OF FINANCIAL POSITION  
 December 31, 2016 and 2015  
 (All Amounts in Philippine Peso)



	Notes	2016	2015
<b>ASSETS</b>			
Current Assets			
Cash	3,4	85,013.96	42,459.56
Non current Assets			
Property and Equipment	3,5	255,899.70	262,969.70
		340,913.66	305,429.26
<b>LIABILITIES AND FUND BALANCE</b>			
Current Liabilities			
Advances from Officers	3,6	1,837,714.23	1,800,842.30
Fund Balance (Deficit)		(1,496,800.57)	(1,495,413.04)
		340,913.66	305,429.26

(See Accompanying Notes to Financial Statements)



MATER ORPHANORUM SERVANTS OF THE POOR, INC.  
 (Non stock Non Profit Organization)  
 STATEMENTS OF DONATIONS AND EXPENSES  
 For the years ended December 31, 2016 and 2015  
 (All Amounts in Philippine Peso)

	Notes	2016	2015
Donations			
Interest Income	3,7	698,000.00	24,550.00
	3,8	136.92	93.84
		698,136.92	24,643.84
Administrative Expenses	3,10	699,524.45	655,884.43
Excess of Expenses over Donations		(1,387.53)	(631,240.59)

( See Accompanying Notes to Financial Statements)

**MATER ORPHANORUM SERVANTS OF THE POOR, INC.**  
**(A Non- Stock Non-Profit Organization)**  
**NOTES TO FINANCIAL STATEMENTS**  
**As of and for the years ended December 31, 2016 and 2015**  
**(All Amounts in Philippine Peso)**

**1. CORPORATE INFORMATION**

MATER ORPHANORUM SERVANTS OF THE POOR, INC. (the "orphanage") is a non stock non profit organization, was incorporated in the Philippines and was registered with the Securities and Exchange Commission (SEC) under Registration No. CN 2004 09618 last June 23, 2004. The sources of funds of the orphanage are mainly from local and foreign donations.

Its primary purpose is to establish orphanage houses for the indigent people in the depressed areas of San Jose Del Monte, Bulacan.

The registered office address of the orphanage is at Block 13 Lot 34 Brngy. San Rafael IV, City of San Jose Del Monte, Bulacan.

The orphanage, being a non-stock non-profit organization is exempt from income tax under Section 30 (e) of the Tax Code of 1997. However, its income of whatever kind and character from any of its properties, real or personal, or from any activity conducted for profit, regardless of the disposition shall be subject to tax imposed under the Tax Code.

---

**2. BASIS OF PREPARATION**

The financial statements of the orphanage have been prepared on a historical cost basis. The financial statements are presented in Philippine Pesos, which is the Orphanage's functional currency. All amounts are rounded to the nearest Philippine peso, except when otherwise indicated.

The accompanying financial statements have been prepared on a going concern basis, which contemplate the realization of assets and settlement of liabilities in the normal course of business.

**Statement of Compliance**

The accompanying financial statements have been prepared in accordance with Philippine Financial Reporting Standards for Small and medium Sized Entities (PFRS for SMEs).

**3. Significant Accounting Policies**

The significant accounting policies and practices of the Orphanage are set forth to facilitate the understanding of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Financial Assets**

Financial assets are recognized in the orphanage's financial statements when it becomes a party to the contractual provisions of an instrument. All financial assets are initially recognized at fair value. The orphanage's financial statements include cash as financial asset.

**Cash**

Cash includes petty cash fund for small expenses of the orphanage, subject to periodic replenishment, and cash in bank. Cash in bank represents interest bearing deposits in savings account.

MATER ORPHANORUM SERVANTS OF THE POOR, INC.  
 (Non stock Non Profit Organization)  
 STATEMENTS OF CASH FLOWS  
 For the years ended December 31, 2016 and 2015  
 (All Amounts in Philippine Peso)

	Notes	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Excess of expenses over donations	3,7,10	(1,387.53)	(631,240.59)
Adjustments for:			
Depreciation	3,5	7,070.00	7,070.00
<b>Net cash provided by (used ) used in operating activities</b>		<b>5,682.47</b>	<b>(624,170.59)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
		0	0
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase (decrease) in advances from officers	3,6	36,871.93	601,652.30
<b>Net increase (decrease) in cash</b>		<b>42,554.40</b>	<b>(22,518.29)</b>
Cash balance, January 1	3,4	42,459.56	64,977.85
<b>Cash balance, December 31</b>	<b>3,4</b>	<b>85,013.96</b>	<b>42,459.56</b>

(See Accompanying Notes to Financial Statements)

MATER ORPHANORUM SERVANTS OF THE POOR, INC.

(Non stock Non Profit Organization)

STATEMENTS OF CHANGES IN FUND BALANCE

For the years ended December 31, 2016 and 2015

(All Amounts in Philippine Peso)

	Fund	Cumulative Excess(Deficit)	Donated Advances	Total Fund
Balance at December 31, 2014	Note 3 (846,309.03)	Note 3 (1,849,104.01)	(Note 11) 1,200,000.00	(1,495,413.04)
Excess of expenses over donations for 2015		(1,387.53)		(1,387.53)
<u>Balance at December 31, 2015</u>	<u>(846,309.03)</u>	<u>(1,849,104.01)</u>	<u>1,200,000.00</u>	<u>(1,496,800.57)</u>
Balance at December 31, 2014	(846,309.03)	(1,217,863.42)	1,200,000.00	(864,172.45)
Excess of expenses over donations for 2015		(631,240.59)		(631,240.59)
<u>Balance at December 31, 2014</u>	<u>(846,309.03)</u>	<u>(1,849,104.01)</u>	<u>1,200,000.00</u>	<u>(1,495,413.04)</u>

(See Accompanying Notes to Financial Statements)

### **Property, and Equipment**

Property and equipment are stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and amortization and any impairment in value.

The initial cost of property, and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property, plant and equipment have been put into operations, such as repairs and maintenance and overhaul costs, are normally charged to operations in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. Cost also includes any asset retirement obligation and interest on borrowed funds used. When assets are sold or retired, their costs and accumulated depreciation, amortization and impairment losses, if any, are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of operations of such period. Depreciation and amortization are calculated on a straight-line basis over the useful lives of the assets.

The useful life of each of the property and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice and experience with similar assets.

The assets' residual values, useful lives and depreciation and amortization method are reviewed, and adjusted if appropriate, at each financial year-end.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of operations in the year the item is derecognized.

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

Furniture and fixtures	5 years
Office equipment	5 years

### **Financial Liabilities**

Financial liabilities include non trade accounts and other amounts, non-interest bearing advances from officers.

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument..

### **Current Liabilities**

Current liabilities of the Orphanage include non-interest bearing advances from officers.

**Advances from Officer** represents amounts provided by officer of the orphanage as source of fund. The amount is non interest bearing and has no definite call period.

### **Impairment of Financial Assets**

The orphanage assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an

incurred "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

#### **Financial Liabilities**

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

#### **Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when the Orphanage has a present obligation, either legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be estimated reliably. When the Orphanage expects reimbursement of some or all of the expenditure required to settle a provision, the entity recognizes a separate asset for the reimbursement only when it is virtually certain that reimbursement will be received when the obligation is settled.

The amount of the provision recognized is the best estimated of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Contingent liabilities and assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent liabilities, if any, are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are disclosed only when an inflow of economic benefits is probable.

Cumulative earnings (deficit) includes all prior and current period results of operations as disclosed in the statement of donations and expenses

#### **Share Capital**

The orphanage is a non stock non profit organization and its capitalization is not in the form of share capital but a Fund coming mainly from donations of benevolent persons.

The Orphanage has no share premium either.

**Donated advances** are amounts previously booked as advances from officer but later given to the orphanage by the officer as donation. Hence, the orphanage is not obliged to payback the advanced amount.

#### **Revenue and cost recognition**

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Orphanage and the amount of the revenue can be measured reliably. When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion of the transaction at the balance sheet date.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts donated and or granted by charitable institutions and some small amounts representing membership fees and dues, contributions and bank interest on deposits. Revenue of the orphanage is in the form of donations.

- Interest Income is recognized as the interest accrues (taking into account the effective yield on the asset).

Administrative and other operating expenses are recognized in the statement of income when they are incurred.

#### **Short-term Benefits**

Given more financial resources, the orphanage is very willing to provide short and long term benefits to those who assist in the operations. It is just that the fund is barely enough to feed an average of forty (40) children being taken cared of in the place. The orphanage's day to day activities are carried out by people who volunteer their services without compensation.

#### **Income Taxes**

The Orphanage being a non-profit non-stock non-government organization is exempt from income taxes.

#### **Related Parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. This includes: (1) individual owning, directly or indirectly through one or more intermediaries, control, or are controlled by, or under common control with, the Orphanage; (2) associates; and (3) individuals owning, directly or indirectly, an interest in the voting power of the Orphanage that gives them significant influence over the Orphanage and close members of the family of any such individual.

The key management personnel of the Orphanage and post-employment benefit plans for the benefit of Orphanage's volunteers are also considered to be related parties.

The key management personnel of the orphanage are not receiving compensation but render service and support voluntarily.

#### **Subsequent Events**

The Orphanage identifies subsequent events as events that occurred after the balance sheet date but before the date when the financial statements were authorized for issue. Any subsequent events that provide additional information about the Orphanage's financial position at the balance sheet date are reflected in the financial statements.

Events that are not adjusting events are disclosed in the notes to the financial statements when material.

The financial statements of the orphanage for the years ended December 31, 2016 were authorized for issue by the Board of Trustees on April 10, 2017.

The Board of Trustees is still empowered to make revisions on financial statements even after date of issue.



MATER ORPHANORUM SERVANTS OF THE POOR, INC.  
 (Non stock Non Profit Organization)  
 NOTES TO FINANCIAL STATEMENTS  
 As of and for the years ended December 31, 2016 and 2015  
 (All Amounts in Philippine Peso)

4 CASH

This account consists of :	2016	2015
Petty cash fund	1,000.00	1,000.00
Cash in bank	84,013.96	41,459.56
	85,013.96	42,459.56

Petty cash fund is used to pay small/immediate expenses, replenishment of which is made on a periodic basis or as the need arises. Cash in bank is deposited in a local bank as savings account subject to interest earnings.

5 PROPERTY AND EQUIPMENT (please see separate sheet)

6 ADVANCES FROM OFFICERS

This account consists of :	2016	2015
Advances from officers	1,765,714.23	1,800,842.30

Advances from officers represent accommodations and /or cash advances made by officers of the orphanage to finance operating expenses. These are non interest bearing. The officers raises funds through donations from local and foreign donors. In 2016, the orphanage made partial payment of advances to employees

Donated advances were originally advances from officers.

The key management officers of the orphanage worked on purely voluntary basis and have no compensation.

7 DONATIONS

The primary revenue of the orphanage are donations from local and foreign donors. Some of the donations from local sources come from mass collections and other church-solicited funds initiated by the orphanage's priest president. Revenues are P 768,000 and P 24,550 for December 31, 2016 and 2015, respectively.

## 5 PROPERTY AND EQUIPMENT

The account consists of:

	Land	Furniture and fixtures	Office equipment	Total
Balance as of January 1, 2015	250,000.00	100,399.25	27,200.00	377,599.25
Additions for 2016	-	-	-	-
Accumulated depreciation, Dec 31, 2015	250,000.00	100,399.25	27,200.00	377,599.25
Additions(depreciation charges) for 2016	-	(94,029.55)	(20,600.00)	(114,629.55)
Net carrying amount-December 31, 2016	250,000.00	2,599.70	3,300.00	255,899.70
Balance as of January 1, 2014	250,000.00	100,399.25	27,200.00	377,599.25
Additions for 2015	-	-	-	-
Accumulated depreciation, Dec 31, 2014	250,000.00	100,399.25	27,200.00	377,599.25
Additions(depreciation charges) for 2015	-	(90,259.55)	(17,300.00)	(107,559.55)
Net carrying amount-December 31, 2015	250,000.00	6,369.70	6,600.00	262,969.70

8 INTEREST INCOME

This represents income from savings account with a local bank. The amount for December 31, 2016 and 2015 are P 136.92 and 93.64 respectively.

9 EMPLOYEES' COMPENSATION AND OTHER BENEFITS

The orphanage has no paid employees. Day to day operations are being done by people who volunteer themselves to serve without compensation.

10 ADMINISTRATIVE EXPENSES

The account at December 31 follows:

	2016	2015
Food/meals	122,320.93	139,555.14
Medicine	7,970.00	5,889.00
Allowances (for orphan college students)	229,952.49	156,909.37
Electricity, gas, water	167,012.10	153,734.92
Other living expenses	27,126.43	63,919.50
Transportation and gas expenses	19,105.00	56,801.00
Depreciation	7,070.00	7,070.00
Communication	10,228.00	7,664.00
Repairs and maintenance	78,300.00	449.00
School expenses (of orphan college students)	30,439.50	63,892.50
<b>Total</b>	<b>699,524.45</b>	<b>655,884.43</b>

The administrative expenses are recognized in the financial statements when they are consumed or incurred.

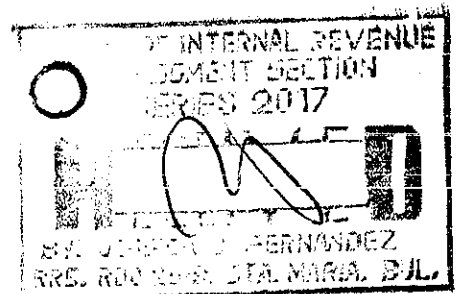
11 DONATED ADVANCES

The account represents cash advanced by officers in the prior years to augment working capital requirements. In a special meeting of the officers dated December 2, 2008, concerned officer voluntarily offered to convert the said advances to donation amounting to P 1,200,000.00.

12 Supplemental Information Required by BIR per Revenue Regulation 15-2010

The Orphanage is aware of this regulation but most of the taxes covered by the said regulation is not applicable to the said organization, being a non stock non profit organization.

The orphanage has no outstanding tax assessment for the periods ended December 31, 2016 and 2015



**Subject:** Tax Return Receipt Confirmation  
**From:** ebirforms-noreply@bir.gov.ph (ebirforms-noreply@bir.gov.ph)  
**To:** ACFMOSPI1998@yahoo.com.ph;  
**Date:** Friday, April 14, 2017 5:28 PM

This confirms receipt of your submission with the following details subject to validation by BIR:

File name: 231979683000-1702EX-1216.xml

Date received by BIR: 14 April 2017

Time received by BIR: 05:16 PM

Penalties may be imposed for any violation of the provisions of the NIRC and issuances thereof.

#### FOR RETURNS WITH PAYMENT

Please print this e-mail together with the RETURN and proceed to pay through the Authorized Agent Bank / Collection Agent / GCASH or use other payment options.

This is a system-generated email. Please do not reply.

Bureau of Internal Revenue

---

---

#### DISCLAIMER

---

---

This email and its attachments may be confidential and are intended solely for the use of the individual or entity to whom it is addressed.

If you are not the intended recipient of this email and its attachments, you must take no action based upon them, nor must you disseminate, distribute or copy this e-mail. Please contact the sender immediately if you believe you have received this email in error.

E-mail transmission cannot be guaranteed to be secure or error-free. The recipient should check this email and any attachments for the presence of viruses. The Bureau of Internal Revenue does not accept liability for any errors or omissions in the contents of this message which arise as a result of e-mail transmission.