

**MINDANAO CHILDREN'S
LIBRARY FOUNDATION, INC.**

**FINANCIAL STATEMENTS
&
AUDITORS' REPORT
March 31, 2014 & 2013**

MINDANAO CHILDREN'S LIBRARY FOUNDATION, INC.
Manongol, Kidapawan City

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

The managements of MINDANAO CHILDREN'S LIBRARY FOUNDATION, INC. (the entity) is responsible for all information and representations contained in the Annual Income Tax Return for the year ended **31 March 2014**. The management is likewise responsible for all information and representation contained in the financial statements accompanying the Annual Income Tax Return covering the same report period. Furthermore, the Management is responsible for all information and representation 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 31 March 2014 and the accompanying Annual Income Tax Return are in accordance with the books and records of MINDANAO CHILDREN'S LIBRARY FOUNDATION, INC., complete and correct in all material aspects. 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 times and maintained in the company's books and records in accordance with the requirements of Revenue Regulation No. 8-2007 and other relevant issuances;
- c) the MINDANAO CHILDREN'S LIBRARY FOUNDATION, INC. has filed all applicable tax returns, reports and statements required to be filed under the Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for reporting period, except those contested in good faith.



TOMO MATSUI
Executive Director

MINDANAO CHILDREN'S LIBRARY FOUNDATION, INC.
Manongol, Kidapawan City

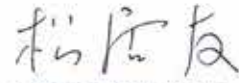
**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

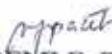
The management of MINDANAO CHILDREN'S LIBRARY FOUNDATION, INC. is responsible for the preparation and fair presentation of the financial statements for the period ended, March 31, 2014 and 2013, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes 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 Trustees reviews and approves the financial statements and submit the same to the members of the foundation.

DINA L. INOPEL, CPA, the independent auditor, appointed by the Board of Trustees, has examined the financial statements of the association in accordance with Philippine Standards on Auditing, and in its report to the members, has expressed her opinion on the fairness of presentation upon completion of such examinations.


APRILYN D. MATSUI
Chairman of the Board


TOMO MATSUI
Executive Director


NOEMI F. PACETE
Chief Finance Officer

Signed this 7th day of July, 2014

DINA LAUREQUEZ
CERTIFIED PUBLIC ACCOUNTANT
Apo Sandawa 1, Kidapawan City


STATEMENT OF REPRESENTATION

TO THE SECURITIES AND EXCHANGE COMMISSION:

In connection with my examination of the financial statements of MINDANAO CHILDREN'S LIBRARY FOUNDATION, INC., which are to be submitted to the Commission, I hereby represent the following:

1. That I am in 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 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, 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 in Section 14 of the Code of Professional Ethics for CPAs;
4. That in the conduct of 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 negotiation of the expression of an opinion;
5. That I shall comply with the applicable rules and regulation of the Securities and Exchange Commission in the preparation and submission of financial statement; and
6. That relative to the expression of my opinion on the said financial statements, I shall not commit any Act discreditable to the profession as provided in Section 23 of the Code of Professional Ethics for CPAs.

As a CPA engaged in public practice, I make these representation in my individual capacity.


DINA LAUREQUEZ-INOPEL
TIN 131-621-847
CPA Cert. No. 78384/Valid until Sept. 25, 2015
PTR No. 1101175/ Valid until December 31, 2014
BOA Accreditation No. 0503/Valid until Dec. 2014
BIR Accreditation No. 18-108-006-619-2014

June 28, 2014
Kidapawan City

DINA LAUREQUEZ
CERTIFIED PUBLIC ACCOUNTANT
Apo Sandawa 1, Kidapawan City

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

THE BOARD OF TRUSTEES
MINDANAO CHILDREN'S
LIBRARY FOUNDATION, INC
Barangay Manongol, Kidapawan City

I have audited the accompanying financial statement of MINDANAO CHILDREN'S LIBRARY FOUNDATION, INC., which comprises the Statement of Financial Condition as at March 31, 2014 and 2013, and the related Statement of Operations, and statement of Changes in Stockholders' Equity and Statement of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility


My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Philippine Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessment, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of MINDANAO CHILDREN'S LIBRARY FOUNDATION, INC. as of March 31, 2014 and 2013, and of its financial performance and its cash flows for the years ended in accordance with Philippine Financial Reporting Standards.


DINA LAUREQUEZ-INOPEL, CPA
CPA Cert. No. 78384/Valid until Sept. 25, 2015
PTR No. 1101175/ Until December 31, 2014
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June 28, 2014
Kidapawan City

MINDANAO CHILDREN'S LIBRARY FOUNDATION, INC.
STATEMENT OF FINANCIAL CONDITION

ASSETS

	As of March 31,	
	<u>2014</u>	<u>2013</u>
CURRENT ASSETS:		
Cash - Note 3	P 6,412,368.28	P 1,188,714.99
Cash Advance-Note 2	<u>100,048.00</u>	<u>94,950.60</u>
Total	P <u>6,512,416.28</u>	P <u>1,283,665.59</u>
PROPERTIES AND EQUIPMENT-Note 4	P <u>5,882,419.20</u>	P <u>5,909,228.98</u>
TOTAL	P <u><u>12,394,835.48</u></u>	P <u><u>7,192,894.57</u></u>

LIABILITIES AND CAPITAL CONTRIBUTION & FUND BALANCE

LIABILITIES:

Accounts Payable-Note 5	P <u>1,204,218.59</u>	P <u>-</u>
Total	P <u>1,204,218.59</u>	P <u>-</u>

CAPITAL CONTRIBUTION & FUND BALANCE	P <u>11,190,616.89</u>	P <u>7,192,894.57</u>
TOTAL	P <u><u>12,394,835.48</u></u>	P <u><u>7,192,894.57</u></u>

(see accompanying notes to financial statements)

MINDANAO CHILDREN'S LIBRARY FOUNDATION, INC.
STATEMENT OF FINANCIAL OPERATION

	For the Period Ended March 31,	
	2014	2013
Program Support:		
Donation	P 22,613,622.86	P 17,634,309.56
Other Income-Interest on Bank Deposits	1,507.44	2,016.51
Total	P 22,615,130.30	P 17,636,326.07
Less: Operating expense (Application of funds):		
Project Programs		
Staff House	P 30,000.00	P 65,000.00
Honoraria/Stipend	2,154,724.07	2,048,168.86
SSS / Philhealth Contribution	354,928.89	188,585.50
Books & References	2,460.20	8,138.20
Food & Groceries	256,179.59	544,967.39
Fuel & Lubricants	561,363.77	725,790.48
License and Permits	24,533.66	41,892.97
Light and Water	210,171.37	202,555.59
Meals & Snacks	294,755.50	260,744.50
Marketing	720,515.81	565,380.75
Office Supplies	208,295.75	119,905.15
Farm needs	334,643.30	457,763.66
Culture needs	12,952.50	32,384.00
Recreation, Trainings & Seminar -Staff	57,362.35	-
General Meeting	124,113.55	80,137.90
Story Telling	64,911.40	57,647.80
Bank charges	6,900.00	5,140.00
Household Needs	118,154.05	99,302.55
Postage and communication	1,819,462.50	-
Accommodation	129,417.50	63,906.00
Charity & Donation	6,319.70	88,448.40
Professional Fee	-	15,000.00
House Repair & Maintenance	207,970.39	108,180.16
Office Repair & Maintenance	19,004.75	7,120.00
Telephone & Internet	195,591.91	178,797.51
Travel & Transportation	898,805.69	183,357.38
Miscellaneous expense	591,787.61	757,396.86
Depreciation expense	715,259.78	635,259.78
Repair and maintenance-pump	72,424.00	35,320.50
Vehicle Repair	410,508.35	274,854.00
Vehicle-Registration & Insurance	22,334.52	84,257.56
Total	P 10,625,852.46	P 7,935,403.45

SCHOLARSHIP FUNDS:

Postage/Communication	P	-	P	516,396.32
Printing Newsletters		399,095.50		195,589.30
Allowances-Scholars		2,218,757.00		1,565,645.00
Boarding House		240,771.00		292,163.72
Tuition & Other Fees		2,406,722.00		2,145,256.98
School Needs		324,295.30		308,982.83
Supplemental Feeding		20,730.75		221,895.08
Recreation expense		65,227.40		58,475.74
Trainings & Seminar		33,258.70		
Personal Needs-Elem. Stay in		44,205.69		61,915.30
Total	P	<u>5,753,063.34</u>	P	<u>5,366,320.25</u>

DAY CARE FUNDS:

Day Care Center	P	921,734.27	P	918,609.24
Honorarium-Day Care Worker		-		-
Total	P	<u>921,734.27</u>	P	<u>918,609.24</u>

MEDICAL FUNDS/SPECIAL PROGRAM:

Medical & Hospitalization	P	713,434.02	P	770,527.94
Donation & Charity		596,784.94		164,217.34
Supplemental Feeding-Patients		6,538.95		3,768.40
Total	P	<u>1,316,757.91</u>	P	<u>938,513.68</u>

TOTAL EXPENSES

P	<u>18,617,407.98</u>	P	<u>15,158,846.62</u>
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EXCESS OF FUNDS/NET INCOME (LOSS)

P	<u>3,997,722.32</u>	P	<u>2,477,479.45</u>
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(see accompanying notes to financial statements)

MINDANAO CHILDREN'S LIBRARY FOUNDATION, INC.
STATEMENT OF CASH FLOWS

For the Period Ended March 31,
2014 2013

CASH FLOWS FROM OPERATING ACTIVITIES:

Excess of Funds/Net Income (Loss)	P	3,987,722.32	P	2,477,479.45
Add: Depreciation expense		715,259.78		635,259.78
Decrease (Increase) in Cash Advance		(5,097.40)		57,519.15
Increase (Decrease) in Accounts Payable		1,204,218.59		(54,349.40)
Total	P	<u>5,812,103.29</u>	P	<u>3,115,908.98</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

(Acquisition)/Disposal of Properties and Equipment-Net	P	<u>(688,450.00)</u>	P	<u>(2,516,718.10)</u>
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CASH FLOWS FROM FINANCING ACTIVITIES:

Decrease in Fund Balance	P	<u>-</u>	P	<u>-</u>
NET INCREASE (DECREASE) IN CASH	P	5,223,653.29	P	599,190.88
Cash Balance at the beginning of the period		<u>1,188,714.99</u>		<u>589,524.11</u>
CASH BALANCE END	P	<u><u>6,412,368.28</u></u>	P	<u><u>1,188,714.99</u></u>

(see accompanying notes to financial statements)

MINDANAO CHILDREN'S LIBRARY FOUNDATION, INC.
STATEMENT OF CHANGES IN CAPITAL CONTRIBUTION & FUND BALANCE

	For the Period Ended March 31,	
	<u>2014</u>	<u>2013</u>
Capital Contribution:		
Beginning	P 100,000.00	P 100,000.00
Additions	<u>-</u>	<u>-</u>
Balance End	P <u>100,000.00</u>	P <u>100,000.00</u>
Funds		
Beginning	P 7,092,894.57	P 4,615,415.12
Add/Deduct:		
Excess of Funds/Net Income (Loss)	<u>3,997,722.32</u>	<u>2,477,479.45</u>
Balance end	P <u>11,090,616.89</u>	P <u>7,092,894.57</u>
CAPITAL CONTRIBUTION & FUND BALANCE, END	P <u><u>11,190,616.89</u></u>	P <u><u>7,192,894.57</u></u>

(see accompanying notes to financial statements)

MINDANAO LIBRARY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

Note 1. Organization

MINDANAO CHILDREN'S LIBRARY FOUNDATION, INC. is registered with the Securities and Exchange Commission (SEC) as a non-stock non-profit organization. It devotes all of its revenues and resources to the accomplishment and promotion of the purposes enumerated in its Articles of Incorporation. Its office is located at Barangay Manongol, Kidapawan City, Cotabato.

The financial statement of the foundation for the period ended March 31, 2014 including the comparatives for the period ended March 31, 2013 were authorized for issue by the Foundation's Board of Trustees on June 28, 2014.

Note 2. Basis of Preparation of Financial Statements

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

Basis of preparation

The financial statements of the Organization have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) applicable to the association.

- PAS 1 - Presentation of the Financial Statements
- PAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- PAS 16 - Property, Plant and Equipment
- PAS 7 - Cash Flow Statements
- PAS 18 - Revenue

The financial statements are presented in Philippine peso which is the Organization's functional and presentation currency.

Revenue and expense recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Organization and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business.

Cost and expenses are recognized in the statement of income upon utilization of the service or at the date they are incurred. Finance costs are reported on an accrual basis.

Financial assets

Financial Assets includes the following:

a. Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash in bank.

b. Cash Advances

This account is represents advances by officers and staff subject to liquidation.

Properties and Equipment

Property and equipment are initially measured at cost less subsequent accumulated depreciation and any impairment losses. The cost of an asset consists of acquisition price and cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent expenditures relating to an item of property and equipment that have been recognized are added to the carrying amount of the asset when it is probable that the future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Organization. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

The useful lives and depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

Depreciation is computed on a straight-line method over the estimated useful lives ranging from 3 year to 15 years.

Note 3. Cash

This account is composed of the following:

	March 31, 2014	March 31, 2013
Cash on hand	P141,040.00	P 152,929.30
Cash in bank-Medical fund	70,095.21	10,045.32
Cash in bank-Project fund	409,304.31	15,919.16
Cash in bank-Scholarship fund	18,150.91	6,938.73
Cash in bank-Dollar account (in Phil Peso)	2,158,117.54	115,807.85
Cash in bank-Yen account (in Phil Peso)	3,412,280.69	823,224.48
Cash in bank-Day Care Fund	174,472.70	51,268.84
Cash in bank-Peso account	28,906.92	12,581.31
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Total	P 6,412,368.28	P1,188,714.99
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Note 4. Properties and Equipment

This account consist of the following:

	Land & Improvements	Biological Assets	Transportation Equipment	Office Equipment	Furniture & Fixture	Building	Day Care Center	Day Care Furniture	Total
Beginning balance	1,832,080.00	111,550.00	1,708,450.00	817,387.80	162,459.50	3,095,199.98	565,663.88	40,128.00	8,330,828.96
Add: Acquisition	-	-	-	-	-	800,000.00	-	-	800,000.00
Less: Disposal/Retirement	-	(111,550.00)	-	-	-	-	-	(40,128.00)	(151,678.00)
Total	1,832,080.00	-	1,708,450.00	817,387.80	162,459.50	3,895,199.98	565,663.88	-	8,979,250.96
Less: Accumulated Depreciation									
Beginning Balance			832,381.44	151,361.77	45,010.87	206,201.22	150,851.88	32,102.40	1,418,939.38
Add: Provision-2012			832,381.44	151,361.77	45,010.87	206,201.22	150,851.88	32,102.40	1,418,939.38
Total			97,511.43	53,458.01	22,748.37	147,043.49	37,712.52	8,025.80	386,500.82
Add: Provision-2013	47,108.00		929,892.87	204,860.78	87,759.24	355,344.71	186,964.80	40,128.00	1,766,440.20
Total	47,108.00		188,225.43	113,456.01	32,745.87	246,010.55	37,712.52	-	635,259.78
Add: Provision-2014	47,108.00		1,088,118.30	518,306.79	100,505.11	601,255.26	228,277.52	40,128.00	2,421,699.98
Less: Disposal/Retirement	-	-	188,225.43	113,456.01	32,745.87	328,010.55	37,712.52	-	715,259.78
Total	94,212.00	-	1,246,343.73	431,768.80	133,250.98	927,265.81	263,990.44	(40,128.00)	(40,128.00)
Book Value	1,737,848.00	-	460,106.27	385,616.80	29,208.52	2,967,934.17	301,703.44	-	5,862,419.20

Note 5. Accounts Payable

This account is payable to Tomo Matsui.

SEC Number CN200315083
File Number _____

MINDANAO CHILDREN'S LIBRARY (MCL) FOUNDATION, INC.
(Company's Full Name)

BARANGAY MANONGOL, KIDAPAWAN CITY
(Company's Address)

(064) 288-56-21
(Telephone Number)

MARCH 31, 2014
(Year Ending)
(month & day)

ANNUAL AUDITED FINANCIAL STATEMENTS
Form Type

N / A

Amendment Designation (If applicable)

MARCH 31, 2014 & 2013
Period Ended Date

N / A

(Secondary License Type and File Name)