



**KASAGANA-KA Mutual Benefit Association, Inc.**  
**3<sup>rd</sup> Regular Meeting of the Board of Trustees**  
**KMBA Members' Center Bldg, 5 Matimpiin St. Pinyahan, Quezon City**  
**May 25, 2023 9:00 am**

**In Attendance:**

Board of Trustees:

- |                                          |                           |
|------------------------------------------|---------------------------|
| 1. Marlin Perez                          | -President                |
| 2. Nelly Vengano                         | -Vice President           |
| 3. Whilmelita Pableo                     | -Secretary                |
| 4. Emelda Castro                         | -Treasurer                |
| 5. Jeronima Teodoro                      | -Board Member             |
| 6. Myrna Verdadero                       | -Board Member             |
| 7. Sylvia Trijo                          | -Board Member             |
| 8. Philip Arnold P. Tuaño                | -Independent Board Member |
| 9. Atty. Maria Cleofe Gettie C. Sandoval | -Independent Board Member |

**Also Present:**

Board of Advisers:

10. Chona Capayas
11. Isabel Iliw-iliw
12. Enriquetta Navarro

Board Member Emeritus

13. Leticia Rodriguez
14. Wenifreda Rodriguez

Management and Staff

- |                          |                  |
|--------------------------|------------------|
| 15. Silvida R. Antiquera | -General Manager |
| 16. Evelyn Lagmay        | -Finance Manager |



## **ORDER OF BUSINESS**

### **A. Board Agenda**

- I. Call to Order
- II. Prayer
- III. Determination of Quorum
- IV. Approval of the Proposed Agenda
- V. Reading and Approval of the previous meeting's Minutes on March 24, 2023
- VI. Business arising from the previous meeting
- VII. Financial Report
  - a. Financial Statement (March and April 2023)
  - b. Investments as of April 2023
- VIII. For Discussion and Matters Requiring Resolution
  - a. 2022 Audited Financial Statements
  - b. Acceptance of KEEPF newly elected President
  - c. Re-appointment of Mr. Philip Arnold Tuaño as Independent Trustee
  - d. Acquire services of an Audit firm for the 2023 Audited Financial Statement
  - e. Loyalty Award
  - f. Additional Guaranty Fund for 2022
- IX. Other Matters
- X. Adjournment

## **DISCUSSION HIGHLIGHTS**

- I. The meeting was formally started at 9:19 am with a prayer.



## II. Quorum and Agenda

President, Marlin Perez conducted the roll call and determined the presence of a quorum, with all members of the Board present. She then inquired if there are any revisions or additions to the agenda. Bod Emelda Castro proposed adding the inclusion of outpatient and animal bite coverage to the discussions on members' concerns in the Hospitalization Income Insurance Program (HIIP). The Agenda was approved by the Board upon motion by BoT Sylvia Trijo and seconded by BoT Jeronima Teodoro.

## III. Reading and Approval of the Minutes of the Meeting

President Marlin Perez presented the minutes of the previous meeting. There being no objections or clarifications, the minutes of the previous meeting was approved upon motion by BoT Jeronima Teodoro and seconded by BoT Myrna Verdadero.

## IV. Business Arising

GM Salve Antiquera mentioned the updates on the scheduled tasks from the previous meeting:

1. The registration of the KMBA logo has been submitted to the Intellectual Property Office. According to the agency, the entire process may take 5-7 months to complete.
2. Due to preparations for the Annual General Meeting and the annual audit, the submission of documents to the National Privacy Commission and the application for the Electronic Filing and Payment System (EFPS) with the BIR has not been accomplished yet.

## V. Financial Report

### A. Financial Statements for March and April 2023

Particular	As of March 31, 2023	As of April 30, 2023	As of April 30, 2022	Variance	
				Amount	%
Total Assets	Php 243,920,670.26	Php 243,941,442.24	Php 232,808,380.43	Php 11,133,061.81	4.78%
Total Liabilities	145,842,343.31	145,862,977.77	126,183,025.50	19,679,952.27	15.60 %
Total Fund Balance	98,078,326.95	98,078,464.47	106,625,354.93	(8,546,890.46)	- 8.02%

Finance Manager, Evelyn Lagmay presented the Statement of Financial Position for the months March and April 2023. The summary of the report is provided below:

On the other hand, the summary of the Income Statement for the months of March and April 2023 are as follows:

Particulars	For the Month of April 2023	For the Month of March 2023	Variance in Amount
Gross Revenue	Php 2,994,606.71	Php 4,821,547.51	(Php 1,826,940.80)
Total Benefit Expense	2,240,386.31	3,515,787.63	(1,275,401.32)
Total Operating Expense	1,071,289.12	1,331,609.55	(260,320.43)
Total Investment	343,159.10	267,138.47	76,020.63



Particulars	For the Month of April 2023	For the Month of March 2023	Variance in Amount
Revenue and Other Income			
Net Surplus (Loss) before Income Tax	26,090.38	241,288.80	76,020.63
Income Tax Expense	-	-	-
<b>Net Surplus (Loss)</b>	26,090.38	241,288.80	76,020.63

Finance Manager Evelyn Lagmay explained that compared to the previous year, the total assets increased from 232,808,380.432 to 243,941,442.24. This increase primarily came from cash and cash equivalents or collections from operations, which were then invested. Furthermore, when comparing assets and liabilities, it can be observed that the association has the capacity to fulfill all its financial obligations. As an insurance entity, this demonstrates the organization's ability to handle and settle members' claims.

The Board accepted the Financial Report for the months of March and April 2023 upon motion by BoT Emelda and seconded by BoT Sylvia.

**B. Investments as of February 2023**

The portfolio mix as of April 30, 2023, is as follows:

Type of Investment	As of March 23, 2023	As of April 30, 2023
Cash in Bank	Php 33,425,410.41	Php 35,070,667.04
Time Deposit	3,195,662.41	3,195,407.46
UITF	22,761,946.01	22,888,678.45
Government Securities	75,646,307.26	73,178,366.33
Corporate Bonds	10,280,000.00	10,280,000.00
Mutual Fund	5,672,862.20	5,712,089.07
Stocks	13,007,600.00	12,994,700.00
Investment Property	62,891,358.94	62,718,308.52
<b>TOTAL INVESTMENTS</b>	Php 231,881,147.23	<b>Php 231,038,216.87</b>

The Investment Mix as of April 30, 2023 was approved upon motion by BoT Jeronima Teodoro and seconded by BoT Myrna Verdadero.

**VI. For Discussion**

a. 2022 Audited Financial Statement

Before Mr. Babor began his report, he informed the Assembly that this would be his final year as the external auditor of the association. This is in accordance with the code of ethics, which states that an external auditor can only serve for up to five years. He expressed that during his term as an Auditor, he can confidently say that the financial and internal controls are sufficient and robust, considering the size of the association. The accounting practices are well-managed, and the quality of the



reports is high. He then proceeded to report the Comparative Statement of Financial Condition:

	<b>2022</b>	<b>2021</b>	<b>Amount</b>
<b>COMPARATIVE STATEMENT OF FINANCIAL CONDITION</b>			
<b>Total Assets</b>	P241,166,988	P230,635,866	10,531,122
<b>Total Liabilities</b>	P142,396,120	P124,998,169	17,397,951
<b>Fund Balance</b>	P98,770,868	P105,637,697	(6,866,829)

Compared to the previous year, the total assets increased from 230,635,000 to 241,166,988. This increase primarily came from cash and cash equivalents or collections from operations, and those collections were invested.

	<b>2022</b>	<b>2021</b>	<b>Amount</b>
<b>COMPARATIVE STATEMENT OF COMPREHENSIVE INCOME</b>			
<b>Total Revenues</b>	P51,514,945	P42,721,359	1,393,249
<b>Total OpEx</b>	(P12,985,892)	(P12,022,118)	1,010,255
<b>Net Income</b>	P4,857,006	P24,427,131	14,418,251

In 2022, the association has also generated income albeit lower compared to the net income in 2021. However, this does not necessarily connote a negative implication, since the analysis of the report reveals that the operating expense remains at the same level and the benefit expense has increased. This suggests that the organization has allocated more funds towards providing benefits and fulfilling its commitments to its members. The increase in benefit expenses could be attributed to various factors, such as increase in claims, expansion of coverage, or adjustments in benefit packages. By allocating more resources to benefit expenses, KMBA demonstrates its commitment to delivering comprehensive and valuable benefits to its members. This increase reflects the organization's dedication to meeting the evolving needs and demands of its members while ensuring financial security and well-being.

The income tax computation was also presented to the Assembly. Mr. Babor explained that although MBAs are tax exempt, the association has taxable transactions due to its building space rentals. Upon initial computation, the tax payable amounted to Php 76,000.00. However, KMBA has no longer have to pay this amount as it was found out that the association had advance payments for income taxes in the amount of Php 172,909.

The Board accepted the 2022 Audited Financial Statements upon motion by BoT Emelda Castro and seconded by BoT Sylvia Trijo.

**BOARD RESOLUTION No. 8 series of 2023  
ACCEPTANCE OF THE 2022 AUDITED FINANCIAL STATEMENTS**



**RESOLVED**, to accept the Audited Financial Statements for the year 2022, as reported by the external auditor BDO Roxas Cruz Tagle and Co..

b. Acceptance of KEEPF newly elected President

The Board of Trustees was informed that the Kasagana-ka Employee-Employer's Provident Fund, Inc. (KEEPF) has a newly elected Chairperson, Ms. Whilmelita Pableo. KEEPF represents the employees of Kasagana-ka Synergizing Organization (KSO) and, according to the guidelines, is entitled to one (1) seat on the KMBA Board. The President of KEEPF is elected by the employees during their General Assembly. The Board approved the inclusion of Ms. Pableo as a part of the KMBA Board of Trustees starting June 1, 2023.

The Board accepted the appointment of Ms. Pableo to the KMBA Board of Trustees, upon motion by BoT Sylvia Trijo and seconded by BoT Jeronima Teodoro.

**BOARD RESOLUTION No. 9 series of 2023**  
**ACCEPTANCE OF THE KEEPF REPRESENTATIVE TO THE KMBA BOARD OF TRUSTEES**

**RESOLVED**, to approved the reappointment of Mr. Philip Arnold Tuaño as an Independent Trustee from 2023 to 2026, accept the KEEPF Representative to the KMBA Board of Trustees effective on June 1, 2023.

c. Re-appointment of Mr. Philip Arnold Tuaño as Independet Trustee

The nomination of Mr. Philip Arnold Tuaño to serve as the Independent Trustee from 2023 to 2026 was presented to the Board for approval. President Marlin Perez explained that Mr. Tuaño has diligently fulfilled the role of Independent Trustee over the past six (6) years. It is important to note that, as per the ruling of the Insurance Commission (IC), the Independent Trustee is eligible for a term of service spanning up to nine (9) years.

The Board approved the reappointment of Mr. Philip Arnold Tuaño as an Independent Trustee from 2023 to 2026, upon motion by BoT Myrna Verdadero and seconded by BoT Jeronima Teodoro.

**BOARD RESOLUTION No. 10 series of 2023**  
**APPOINTMENT OF INDEPENDENT TRUSTEE**

**RESOLVED**, to approve the reappointment of Mr. Philip Arnold Tuaño as an Independent Trustee from 2023 to 2026.

d. Engagement of an Audit firm for the 2023 Audited Financial Statement

Mr. Philip Arnold Tuaño, who serves as the Chairperson of the Audit Committee, informed the assembly that the management conducted a procurement of services for the 2023 Audited Financial Statement. This was presented to the Board of Trustees, and it was decided that Moore Roxas Cruz Tagle and Company will be selected as the External Auditor for KMBA's 2023 Financial Satatement based on the



quality of their proposal, competitive audit fees, and their position as one of the top 10 auditing firms in the Philippines. Moore Roxas Cruz Tagle and Company is a former member of BDO International and a prominent accounting firm in the Philippines. They have extensive experience in auditing in the fields of Life, Non-life, and Mutual Benefit Associations and is accredited by the Insurance Commission.

The total amount of base fee of Moore Roxas Cruz Tagle and Co is Two Hundred Fifty Thousand pesos (Php 250,000.00).

Therefore, the Audit Committee highly recommends Moore Roxas Cruz Tagle and Co to conduct the audit for the 2023 Financial Statement.

The Board approved the reappointment of Moore Roxas, Cruz, Tagle, and Co. as the external auditor for the audit of the 2023 Financial Statements upon motion by BoT Sylvia Trijo and seconded by BoT Myrna Verdadero.

**BOARD RESOLUTION No. 12 series of 2023**  
**APPROVING THE ENGAGEMENT OF BDO ROXAS CRUZ TAGLE AND CO AS**  
**EXTERNAL AUDITOR FOR THE 2022 FINANCIAL STATEMENT**

**RESOLVED**, to engage the services of Moore Roxas Cruz Tagle and Co. bilang independent Auditor ng 2023 Financial Statements.

e. Loyalty Award for Employees

As part of the KMBA Anniversary celebration, recognition and honors will be given to employees who have been with the organization for an extended period. This year, there are employees who have reached 15 years of service:

Evelyn Lagmay  
Analyn Shih  
Mcquen Abellano

The management proposed that this year, the loyalty token to be given to these employees would amount to Php 15,000.00. This gesture aims to show the organization's appreciation for their dedicated service and commitment.

BoT Emelda expressed that providing a loyalty token equivalent to the number of years of service is fitting since reaching 15 years is not an easy feat, especially considering the challenges brought about by the pandemic.

BoT Myrna also stated that it is only proper for the organization to reciprocate the loyalty and service of long-time employees.

The proposal to grant a loyalty token worth Php 15,000.00 to employees with 15 years of service was approved by the Board upon motion by BoT Sylvia Trijo and seconded by BoT Jeronima Teodoro.



f. **Additional Guaranty Fund for 2023**

KMBA received a notification from the Insurance Commission that the current amount of the guaranty fund deposited with them is Php 30,816,941.68. However, after conducting an assessment, it was determined that KMBA should set aside a guaranty fund amounting to Php 33,141,758.00. As a result, there is a shortfall of Php 2,324,818.00 that needs to be reserved in compliance with Section 405 of the Amended Insurance Code and Insurance Memorandum Circular No. 9-2006. The management proposes to fill this shortfall through long-term investments, such as government securities.

The Board approved the additional guaranty fund amounting to Two Million Three Hundred Twenty-Four Thousand Eight Hundred Eighteen pesos (Php 2,324,818.00), upon motion by BoT Myrna Verdadero and seconded by BoT Jeronima Teodoro.

**BOARD RESOLUTION No. 11 series of 2023  
ADDITIONAL GUARANTY FUND**

**RESOLVED,** to approve the additional guaranty fund amounting to Two Million Three Hundred Twenty-Four Thousand Eight Hundred Eighteen pesos (Php 2,324,818.00), in compliance to section 405 of the Amended Insurance Code at Insurance Memorandum Circular No. 9-2006.

**VII. Other Matters**

BoT Emelda Castro raised the concern regarding the possible addition of out-patient services and animal bite coverage to the Health Insurance and Investment Plan (HIIP) due to the frequency of members experiencing these types of incidents. GM Salve responded that any changes to the coverage of the HIIP would undergo study and actuarial valuation, as it would have an impact on pricing and the overall policy. She explained that these suggestions would be thoroughly studied to determine their feasibility and practicality.

**XI. Adjournment**

There being no other matters discussed, the meeting ended at at 12:15 pm upon motion by BoT Myrna Verdadero and seconded by Bot Jeronima Teodoro.