

HPP EMPLOYEES CREDIT COOPERATIVE

Nakpil Room, 3rd Floor Two World Square, McKinley Hill, Taguig City 1634

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ANNUAL REPORT

CY 2017

4th Annual General Assembly • March 16, 2018

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4TH ANNUAL GENERAL ASSEMBLY

Message from the General Manager



As I transition from being the Chairman to the General Manager of our Cooperative, I see nothing but limitless possibilities for this organization. Thus, it is quite fitting that the theme of our General Assembly this year is simply...*"Limitless."*

It's truly been a difficult but fulfilling experience since we started 4 years ago particularly for the 20 founding members who practically had nothing but the desire to create a community where employees can work together and help each other through the cooperative way of life.

Thus, I would like to take this opportunity to recognize the first 20 members of our cooperative who without them, we will not be where we are today.

Our 20 Founding Members:

Member ID	Name	Member ID	Name
00001	Val Hilario	00011	Sherry Rodulfo
00002	Simon Villalon	00012	Ogie Cortezano
00003	Eugene Teves	00013	Ella Dujali-Mangubat
00004	Jay Calma	00014	Jody Salas
00005	Led Mangubat	00015	Kookie dela Cruz
00006	Bonna Suerte	00016	Pia Hamoy
00007	Aloha Cruz	00017	Anna Mae Angeles
00008	Em Serrano	00018	Roji Nulud
00009	Mike Nicolas	00019	Dune Akiate
00010	Aissa Rellosa-Largo	00020	Johann Hunter Molo

Although we now have more than 1,000 members, and even with all of our accomplishments to date, there are still much to be done. As they say, we should not rest on our laurels. I therefore would like to ask everyone: Start getting involved. Know your cooperative. Volunteer. Participate.

Recruit! As I always say, the strength of any cooperative is in numbers. The more we are, the stronger we'll be and the faster we'll grow. Remember, we may be a young cooperative but our potential is...*Limitless.*

Thank you very much!



VAL HILARIO
General Manager

4TH ANNUAL GENERAL ASSEMBLY

Special Message



MESSAGE

My warmest greetings to the Hewlett Packard and DXC Technology in the Philippines Employees Credit Cooperative on your 4th Annual General Assembly.

The cooperative is a proven system that has elevated and improved the lives of a lot of our countrymen particularly uplifting those who belong to the margins.

Given that the IT and BPO industries belong to the largest employers of our country today, we need cooperatives in these sectors who can partner with the government towards uplifting the lives of our fellow Filipinos. Through our continued cooperation and collaboration, we can empower more of our citizens and improve quality of life, one community at a time.

Let us continue working together for inclusive and sustainable growth. May your general assembly and what you have accomplished so far in a short time, inspire you even more to aim for collective and inclusive success.

May you have a fruitful assembly.

Mabuhay po kayong lahat!


LENI ROBREDO

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New Manila, 1112 Quezon City
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Vision, Mission, and Values

VISION

To be a self-reliant and stable cooperative committed to good governance, integrity, and customer service that effectively responds to the socio-economic needs of its members.

MISSION

To promote financial discipline and stability by encouraging periodic savings among members. To improve the lives of our members through prudent management of the cooperative funds. To continuously strive for the long-term success of the cooperative.

VALUES

As a cooperative, we will be guided by the following values:

1. **Self-help**

Members directly benefit from the actions they take and the decisions they make. The objective is to encourage members to help themselves.

2. **Democracy**

Cooperatives are controlled and managed by the members themselves. Thus, members have the right to be heard for the betterment of the organization. It is an organization where all members are treated fairly regardless of the amount of their contribution.

3. **Equality**

One member, one vote. This means that every member, regardless of the amount of contribution, is only entitled to one vote.

4TH ANNUAL GENERAL ASSEMBLY

4. **Equity**

Members are rewarded equitably through dividends, patronage refund, and the allocation of capital reserves.

5. **Solidarity**

Cooperatives are associations of members capitalizing on their collective strength and shared responsibility.

4TH ANNUAL GENERAL ASSEMBLY

Agenda of the 4th Annual General Assembly

Theme: “Limitless.”

March 16, 2018

- | | |
|--|---|
| Part 1 – REGISTRATION | 3:00pm |
| <ul style="list-style-type: none">• Presentation by Metrobank: Investing• Entertainment | |
| Part 2 – OPENING CEREMONIES | 4:00pm |
| <ul style="list-style-type: none">• Invocation• National Anthem• Cooperative Pledge• Acknowledgements, Welcome Addresses, Messages• Presentation of Candidates for 2018 Election• Entertainment• Raffle | |
| Part 3 – GA PROPER | 4:30pm |
| <ul style="list-style-type: none">• Call to Order• Proof of Due Notice & Determination of Quorum• Conduct of Proceedings• Approval of the Agenda• Reading and Approval of the 2017 AGA Minutes• Confirmation of Board Resolutions for 2017-2018• Raffle• Chairman's Report• Committee Reports• Break/Raffle• 2017 Audited Financial Statements• Raffle• Election Results• Oath of Office of Newly Elected Officers• New Business/Open Forum• Major Raffle• Adjournment | 5:30pm
6:30pm
7:30pm |

4TH ANNUAL GENERAL ASSEMBLY

3rd Annual General Assembly Minutes

1 **MINUTES OF THE MEETING OF THE THIRD (3rd) ANNUAL GENERAL ASSEMBLY OF THE HPP EMPLOYEES**
2 **CREDIT COOPERATIVE, HELD ON MARCH 14, 2017, AT TRAINING ROOMS 19-22, 11F INTELLECTUAL**
3 **PROPERTY CENTER, MCKINLEY HILL, TAGUIG CITY**

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6 **PART I REGISTRATION**

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- 10 • **Registration started at 4:00 PM.**
- 11 • **Vendor Presentation (Sun Life)**
12 Brenda Soriano of Sun Life presented “Mutual Fund: Habit of Saving” to educate members on the
13 importance of saving and investing for the future.

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15 **PART II OPENING ACTIVITIES**

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17 **A. Invocation**

19 **B. National Anthem**

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21 **C. Acknowledgements and Welcome Address**

22 Chairman Val Hilario acknowledged the presence of representatives from the Taguig Cooperative
23 Development Office namely, Evelyn German, Melane Andan, and Joan Paras. The Chairman thanked them
24 for their continued support to the cooperative. He mentioned that the theme of the 2016 General
25 Assembly is “Sustaining our Growth Through Patronage, Maintaining our Stability Through Governance”
26 and that in 2017, HPPECC hopes to transform from being just a Credit Cooperative to a Multipurpose
27 Cooperative to further increase its earnings potential and further help members in their financial needs.

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29 The Chair also read congratulatory messages from CDA NCR Director Nonie Hernandez, and HP Inc SEA HE
30 Leader Grace Arcueno.

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32 **D. Presentation of Candidates for the 2017 Election**

33 The Election Committee presented the candidates for the following positions:

- 34 a. Board of Directors (4 seats) – 5 candidates (Val Hilario, Joseph Joaquin, Johann Molo, Jody Salas,
35 and Eugene Teves)
- 36 b. Audit Committee (3 seats) – 3 candidates (Marilyn Delloro, Prima Mae Espadon, and Mary Grace
37 Ros)
- 38 c. Election Committee (3 seats) – 3 candidates (Julius Abarro, EJ Junio, and Heinz Sarmiento)

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40 **E. Entertainment**

41 HPPECC Member Jody Salas did some song numbers.

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4TH ANNUAL GENERAL ASSEMBLY

- 43 **F. Raffle**
44 Minor raffle winners:
45 Samsung Tab 3V #1 – Ria Cabalquinto (Member ID 00355)
46 20000MAH Powerbank #1 – Regilyn Angeles (Member ID 00056)
47 20000MAH Powerbank #2 – Gladys Feliprada (Member ID 00400)
48 Casio Watch #1 – Jayvee Deato (Member ID 00027)
49 Casio Watch #2 – Elizabeth Apostol dela Cruz (Member ID 00653)
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51

52 **PART III GA PROPER**

53 **A. Call to Order**

54 Chairman Val Hilario, acting as the Assembly’s presiding officer, called the meeting to order at 6:03pm. In
55 the absence of the Secretary, the Chair appointed PM Espadon as the Acting Secretary of the proceedings.
56
57

58 **B. Proof of Notice of General Assembly and Determination of Quorum**

59 The Chairman inquired from the Acting Secretary, if the members of HPPECC were duly notified on the
60 holding of the 3rd Annual General Assembly. Acting Secretary PM Espadon replied that due notice was
61 given one (1) week before the General Assembly as required by the Bylaws. She further certified that
62 based on record, 34.84% of members entitled to vote are present as of 6:04pm, which is above the 25%
63 required by the Bylaws. As such, the Secretary confirmed that a quorum was present. With that, the Chair
64 formally opened the Assembly meeting at 6:05pm.
65

66 **C. Conduct of the Proceedings**

67 To ensure an orderly general assembly, the Chairman reminded everyone who wish to speak to ask to be
68 recognized before making any statement. The Chair also mentioned that anyone can make a motion but it
69 has to be seconded before it is considered for discussion by the general assembly.
70

71 **D. Approval of the Agenda**

72 The Chairman presented the order of the Agenda. Mike Nicolas (Member ID 00009) moved to approve the
73 agenda as presented which was seconded by Aimee Labrador (Member ID 00034). There were no
74 objections so the Agenda of the 2017 Annual General Assembly was approved.
75

76 The Chair asked that this be recorded as GA Resolution No. 2017-01, as follows:
77

78 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that the Agenda of the 3rd Annual General Assembly
79 Meeting of the HPP Employees Credit Cooperative as presented,
80

81 **BE, AS IT IS HEREBY, APPROVED.**
82

83 **E. Reading and Approval of the Minutes of the 2nd Annual General Assembly held on March 31, 2016 at Training Rooms 4-6, 2F Three World Square, McKinley Hill, Taguig City**

84 Chairman Val Hilario mentioned that to save time, copies of the minutes were distributed in advance for
85 everyone to review ahead of time instead of having the Secretary read the minutes during the meeting
86 proper. The Chair then opened the floor for any comments on the minutes.
87

88
89 There being no comments, Myra Mancilla (Member ID 00077) moved for the approval of the Minutes of

4TH ANNUAL GENERAL ASSEMBLY

the 2nd Annual General Assembly which was seconded by Jody Salas (Member ID 00014).

There being no objections, the Chair asked that this be recorded as GA Resolution No. 2017-02, as follows:

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the Minutes of the 2nd General Assembly Meeting of the HPP Employees Credit Cooperative, held on March 31, 2016 at Training Rooms 4-6, 2F Three World Square, McKinley Hill, Taguig City, as presented.

BE, AS IT IS HEREBY, APPROVED.

F. Confirmation of Board Resolutions for 2016

Upon motion made by Member Regilyn Angeles (Member ID 00056) which was duly seconded by Member Myra Mancilla (Member ID 00077), with no one against, the General Assembly has approved the 2016 Board Resolutions, as follows:

Date	BR No.	Description
1/29/2016	2016-01	Acceptance of new members for month of Jan 2016.
1/29/2016	2016-02	Revision to the Credit Policy - Loans P50k below mandatory 3-month coop tenure - Loans >P50k should have mandatory 6 months tenure - Co-Maker Replacement: Hold share capital of resigned co-makers until they are replaced by the principal borrower.
2/29/2016	2016-03	Revision to the Credit Policy - Total outstanding loans (including new applications) should not exceed P100,000.00. - Coop tenure requirement of 3 months for every P25,000 loan, e.g. 9 months tenure required for P75,000.00 loan.
4/8/2016	2016-04	Approval of HPPECC membership to National Confederation of Cooperatives (NATCCO).
7/8/2016	2016-05	Resolved to upgrade the current accounting software to eKoopbanker from NATCCO.
8/12/2016	2016-06	Approval to budget P40,000.00 for 2nd Anniversary Celebration.
10/21/2016	2016-06	Appointment of Joseph Joaquin as Director as replacement of Aloha Cruz who resigned from the Company and became an Associate Member.
10/21/2016	2016-06	Approval to use BPI Online Transfer for loans and savings withdrawal up to P10,000.00.

4TH ANNUAL GENERAL ASSEMBLY

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11/11/2016	2016-06	Approval to enter into MOA with Net-Head Inc., owned and operated by Associate Member Lito Cabezas, for the hosting and maintenance of the HPPECC website for P500/month which will go to his Share Capital.
11/11/2016	2016-06	Resolved to support the Wellness Culminating Event with a budget of P20,000.00 to be used for raffle prizes.
12/7/2016	2016-06	Appointment of Maximilian de Leon as Director as replacement of Francis Lardizabal who resigned from the Company and became an Associate Member.
12/7/2016	2016-06	Approval of the Member-Get-Member Program.

The Chair asked that this be recorded as GA Resolution No. 2017-03, as follows:

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the 2016 Board Resolutions, as presented,

BE, AS IT IS HEREBY, APPROVED.

G. Raffle

- Powerbank #3 – Annette R Taroy (Member ID 00110)
- Powerbank #4 - Beulah Faith M Capa (Member ID 00573)
- Casio Watch #2 - Elizabeth Apostol Dela Cruz (Member ID 00653)
- Casio Watch #3 - Macelle M Crehencia (Member ID 00164)
- Samsung Tab 3V #2 - Jovieh Pagaduan Taganas (Member ID 00650)

H. Chairman’s Report

The Chairman reported the financial highlights as follows:

PARTICULARS	2016	2015	2014
Gross Revenue	2,413,385.72	538,827.59	4,400.00
Total Assets	20,678,355.49	6,477,227.56	146,550.00
Net Surplus	1,883,326.19	343,530.32	(32,206.27)
Cash and Cash Equivalents	1,520,322.02	768,741.20	94,050.00
Investment Reserve Fund	7,716,328.57	N/A	N/A
Loan Receivables	11,297,708.89	5,650,944.71	52,500.00
Share Capital	9,000,000.00	5,206,000.00	101,200.00
Loan Releases	18,278,213.62	7,979,254.54	52,500.00
Total Loans Granted	919 Loans	269 Loans	1 Loan
Membership	916 members	493 members	36 members

4TH ANNUAL GENERAL ASSEMBLY

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Chairman presented the Milestones/Projects:

- Conducted 2nd Annual General Assembly
- CDA approval of our Amended Articles or Cooperation and Bylaws
 - Change of address to McKinley
 - Increase in Authorized Capitalization to P10M
 - Inclusion of HPPPSPi
- Membership to the National Confederation of Cooperatives
- 2nd Anniversary Celebration
- Introduction of online transfer for selected loans
- 5 Damayan Fund Claims released
- Investment Reserve Fund
- Upgrade of the accounting software to eKoopbanker
- Introduction of Share Capital Loan
- Partnership with Financial Wellness
- Launched Member-Get-Member Program
- Moved to a bigger office
- Had a strong 2016
 - Year-On-Year Asset Growth of more than 200%
 - Net Surplus of P1.9M beating 2016 Budget
 - Net Surplus increased 448% vs prior year

Chairman Val Hilario reminded the membership of HPPECC’s 3-year Strategic Plan (2016-2018):

GOAL	DESCRIPTION
A	Increase Membership to 2,000 by the end of 2017.
B	Maximize return on investment and increase benefits to members.
C	Accelerate the growth of the coop by expanding its business beyond credit facilities.
D	Partner with various coop organizations to speed up HPPECC maturity.
E	Promote good governance and efficient use of cooperative resources.
F	Contribute to the community where we operate.

Chairman Val Hilario presented plans for 2017:

- Double membership to 2,000 members
- Increase Authorized Capitalization to P50,000,000.00
- Convert to Multipurpose Cooperative
- Amend Articles and Bylaws to accommodate Spin-Merge
- Comply with RA 9510 (Credit Information System Act)
- ETON expansion
- Continue with various vendor partnerships
- Expand HPE/HPI/CSC/DXC/ETC partnerships
- Increase member engagement
- Hire additional manpower to better serve growing membership
- Promote Member Education – e.g. financial, entrepreneurial, technical, etc.

4TH ANNUAL GENERAL ASSEMBLY

- Continue website development

Chairman Val Hilario presented the 2017 Budget:

REVENUES	BUDGET
Interest Income from Loans	4,000,000.00
Service Fees	300,000.00
TOTAL REVENUES	4,300,000.00

EXPENSES	BUDGET
Salaries, Wages, Allowances and Benefits	325,000.00
SSS, Philhealth	31,200.00
Trainings and Seminars	20,000.00
Office Supplies	12,000.00
Transportation	18,000.00
Permits and Licenses	20,000.00
Professional Fees	30,000.00
Communication Expense	24,000.00
Representation	6,000.00
General Assembly Meeting	150,000.00
Meetings	36,000.00
Members Benefit Expenses	100,000.00
Depreciation	40,000.00
TOTAL OPERATING EXPENSES	812,200.00
NET SURPLUS ON OPERATION	3,487,800.00

I. Committee Reports

Chairman Val Hilario presented the various Committee Reports, as follows:

a. Membership Committee

Chairperson: Gege de Guzman
Vice-Chairperson: Francis Oliman
Member (RS): Eugenio Revestir
Member (ETON) Christienne Ret

Membership increased by 85% to 968 at end of 2016. The target is to double membership in 2017 to 2,000. To do this, the plan is to target at least one (1) company-wide orientation per month and to get a regular NEO slot.

The results of the Member-Get-Member Raffle Promo was presented. There were 167 new members added which equates to about 20% increase in membership. The top recruiter award

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278 was given to Karoline Ann Vuorisalo (Member ID 00749). Winners of the 5 HP Laptops at stake
279 were: Francis Vergara (Member ID 00251), Joy Chrysler Lim (Member ID 00282), Kim Allan
280 Castillo (member ID 00421), Joseph Joaquin (Member ID 00066), and Carla Angela Portea
281 (Member ID 00655).
282

283 **b. Credit Committee**

284 Chairperson: JR Pinon
285 Vice-Chairperson: Jay Calma
286 Member: Sharon Almazan
287

288 There were a total of 919 loans granted in 2016 totaling P18,278,213.62. Petty Cash was the
289 most availed loan while Multipurpose Loan was the highest in terms of total loan amount.
290

291 **c. Election Committee**

292 Chairperson: Nicolo Baligod
293 Vice-Chairperson: Jonathan Cantos
294 Member: Amie Miranda
295

296 Last year, the Election Committee was able to fill the following positions thru electronic election:
297 Seven (3) Board of Directors, Three (3) Audit Committee Members, and Three (3) Election
298 Committee Members.
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300 This year, as stated in the Bylaws, the following positions will be vacant and will be filled: Three
301 (4) Board Members, Three (3) Audit Committee Members, Three (3) Election Committee
302 Members.
303

304 After the presentation of the Chairman's and Committee Reports, Member Margrethe Marc Sison
305 (Member ID 00090) moved to approve the reports as presented and it was duly seconded by Member
306 Michael Bondoc (Member ID 00394).
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308 There being no objections, the Chair asked that this be recorded as GA Resolution No. 2017-04, as follows:
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310 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED,** that the Chairman's and Committee Reports of the HPP
311 Employees Credit Cooperative as presented,
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313 **BE, AS IT IS HEREBY, APPROVED.**
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315 **J. Raffle**

316 Powerbank #5 – Gringo Espejo (Member ID 00454)
317 Powerbank #6 – Josefina Billones (Member ID 00512)
318 Casio Watch #6 – Jeffrey Pacia (Member ID 00425)
319 Casio Watch #7 – Kim Medina (Member ID 00071)
320 Casio Watch #8 – Romenick Isorena (Member ID 00450)
321 Samsung Tab 3V #3 – Hec Peralta (Member ID 00023)
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4TH ANNUAL GENERAL ASSEMBLY

325 K. 2016 Audited Financial Statements

326 Chairman Val Hilario presented the 2016 Audited Financial Statements, highlights of which are as follows:

328 ASSET	2016	2015
329 Current Assets		
330 Cash and Cash Equivalents	1,520,322.02	768,741.20
331 Loans Receivables	11,297,708.89	5,650,944.71
332 Total Current Assets	12,818,030.91	6,419,685.91
333 Non-Current Assets		
334 Financial Asset at Cost	100,000.00	
335 Office Equipment		5,200.00
336 Other Assets	7,760,324.58	52,341.65
337 Total Non-Current Assets	7,860,324.58	57,541.65
338 TOTAL ASSETS	20,678,355.49	6,477,227.56
339		
340 LIABILITIES AND EQUITY		
341 Current Liabilities		
342 Deposit Liabilities	2,062,500.21	886,220.37
343 Trade and Non-Trade Payable	87,834.88	22,000.00
344 Due to Federation	745,931.82	168,456.28
345 Total Current Liabilities	2,896,266.91	1,076,676.65
346 Equity		
347 Share Capital	9,000,000.00	5,206,000.00
348 Members' Capital-Preferred	997,000.00	
349 Deposits for Share Capital Subscription	6,266,426.04	168.35
350 Statutory Funds	1,340,635.06	194,382.57
351 Total Equity	17,604,061.10	5,400,550.92
352 TOTAL LIABILITIES AND EQUITY	20,678,355.49	6,477,277.56

355 REVENUES	2016	2015
356 Income from Credit Operations	2,161,468.08	440,480.98
357 Other Income	251,917.64	98,346.61
358 TOTAL REVENUES	2,413,385.72	538,827.59
359		
360 LESS EXPENSES		
361 Financing Cost	4150.14	1,687.00
362 Administrative Cost	525,909.39	193,610.27
363 TOTAL EXPENSES	530,059.53	195,297.27
364 NET SURPLUS	1,883,326.19	343,530.32

367 NET SURPLUS DISTRIBUTION	2016	2015
368 Reserve Fund	941,663.10	214,706.45
369 Education and Training Fund	94,166.31	2,576.48
370 Due to Federation	94,166.31	2,576.48
371		

4TH ANNUAL GENERAL ASSEMBLY

372	Optional Fund	56,499.79	5,152.95
373	Community Development Fund	56,499.79	5,152.95
374	Interest on Share Capital	512,264.72	79,355.50
375	Patronage Refund Payable	128,066.18	34,009.50
376	NET SURPLUS AS DISTRIBUTED	1,883,326.19	343,530.32

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378 Thereupon, Member Mike Nicolas (Member ID 00009) moved for the acceptance of the 2016 Audited
379 Financial Statements as presented, duly seconded by Member Regilyn Angeles (Member ID 00056).

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381 There being no objections, the Chair asked that this be recorded as GA Resolution No. 2017-05, as follows:

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383 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED,** that the HPP Employees Credit Cooperative 2016 Audited
384 Financial Statements as presented,

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386 **BE, AS IT IS HEREBY, APPROVED.**

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390 **L. Raffle**

- 391 Powerbank #7 – Jeffrey Pacia (Member ID 00425)
392 Powerbank #8 – Joseph Callao (Member ID 00623)
393 Casio Watch #8 – Reinee Ty (Member ID 00966)
394 Casio Watch #9 – Luisito Benzon (Member ID 00549)
395 Casio Watch #10 – Eugy Atienza (Member ID 00309)
396 Samsung Tab 3V #4 – Eduardo Magtalas (Member ID 00351)

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399 **M. Election Results**

400 The Election Committee reported the results of the 2017 HPPECC Election. The election was done
401 electronically via the HPPECC website. There was a total of 320 votes casted which represented a turnout
402 of 35% of the total members entitled to vote which is above the minimum of 25% required in the Bylaws.

403 Results are as follows:

404 Board of Directors

Candidate Name	Member ID	Number of Votes	Term
406 Val Hilario	00001	294	2 years
407 Eugene Teves	00003	208	2 years
408 Jody Salas	00014	183	2 years
409 Johann Molo	00020	163	2 years
410 Joseph Joaquin	00066	100	

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414 Audit Committee

Candidate Name	Member ID	Number of Votes	Term
415 Mary Grace Ros	00032	238	1 year
416 Prima Mae Espadon	00398	204	1 year

4TH ANNUAL GENERAL ASSEMBLY

419	Marilyn Delloro	00698	186	1 year
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Election Committee

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Candidate Name	Member ID	Number of Votes	Term
Julius Abarro	00361	221	1 year
Emmanuel Junio	00954	216	1 year
Heinz Sarmiento	00201	209	1 year

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The new Officers were sworn into office by Election Committee Member Amie Hernandez.

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N. New Business

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a. Member-proposed business

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- i. 7-11
- ii. Condominium
- iii. Commercial space
- iv. Real property
- v. Lotto Outlet
- vi. Forex
- vii. Money Market, Stock Market, Mutual Fund
- viii. Poultry farm, piggery farm, or cocoa farming
- ix. Chili's at BGC
- x. Puregold Jr.
- xi. Gas Station
- xii. Buffalo's Wings 'N Things at McKinley
- xiii. Food stall/franchise in the Grand Canal mall, e.g. Toby's Café, Hen Lin, Mr Bean, or ice cream places
- xiv. Coffee shop where members can hang around
- xv. Gym

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b. Revision to the Damayan Fund Policy

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Current Damayan Fund Policy only covers family members up to the 1st degree of consanguinity and affinity. There was a proposal to expand coverage of the Damayan Fund to siblings. The proposal was approved by acclamation.

The Chair asked that this be recorded as GA Resolution No. 2017-06, as follows:

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BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the proposal to amend the Damayan Fund Policy to include siblings,

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BE, AS IT IS HEREBY, APPROVED.

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c. Removal of co-maker requirement for Birthday Loan

Member Marvin de los Angeles (Member ID 00344) moved to remove the co-maker requirement for Birthday Loans and this was duly seconded by Member Kimmi Roldan (Member ID 00356).

4TH ANNUAL GENERAL ASSEMBLY

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After objection from Member Marc Sison, the proposal was put to voting by hands. The result was even. The membership then decided by acclamation to settle the issue via online voting.

d. Inclusion of non-HPE/HPI employees as Associate Members

Member Mayn Santos (Member ID 00500) moved for the inclusion of non-HPE/HPI members as Associate Members of the cooperative. After several objections from the membership, Member Mayn Santos withdrew his motion.

e. Proposal to increase authorized capitalization to P50M

Due to the growth of the cooperative, the Chairman proposed to increase Authorized Capitalization to P50M. Member George Jonson (Member ID 00508) moved to approve the proposal and this was duly seconded by Member Johanne Villanueva (Member ID 00239). There being no objections, the membership voted to approve the proposal.

The Chair asked that this be recorded as GA Resolution No. 2017-07, as follows:

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the proposal to increase HPPECC's Authorized Capitalization to P50M as presented,

BE, AS IT IS HEREBY, APPROVED.

Proposal to convert to Multipurpose Cooperative

The Chairman proposed for the conversion of HPP Employees Credit Cooperative into a Multipurpose Cooperative to enable the cooperative to engage into business for the purpose of increasing its earnings potential. Member Mayn Santos (Member ID 00500) moved to approve the proposal while Members Doris Pactoriza (Member ID 00062) and Member Nenita Napone (Member ID 00470) both seconded the motion. There being no objections, the membership voted to approve the proposal.

The Chair asked that this be recorded as GA Resolution No. 2017-08, as follows:

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the conversion of HPPECC into a Multipurpose Cooperative as proposed,

BE, AS IT IS HEREBY, APPROVED.

O. Major Raffle

- HP Printer #1 – Nestor Casanova (Member ID 00908)
- HP Printer #2 – Efren Genova Jr (Member ID 00855)
- HP Laptop #1 – Anthony Alegria (Member ID 00601)
- HP Laptop #2 – Led Mangubat (Member ID 00005)
- Samsung 32" LED TV #1 – Joseph Calilao (Member ID 00623)
- Samsung 32" LED TV #2 – Karl Adrian Chiucinco (Member ID 00483)
- Sony 40" LED TV – Hanna Brin (Member ID 00323)
- eBike – Jay Palmon Espedido (Member ID 00621)

4TH ANNUAL GENERAL ASSEMBLY

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P. Adjournment

There being no other matters to discuss, Chairman Val Hilario adjourned the 3rd Annual General Assembly of the HPP Employees Credit Cooperative at 9:33pm.

Certified True and Correct:

(SGND) SHERRY RODULFO
Secretary

Attested:

(SGND) JOSE VAL D. HILARIO
Chairman of the Board

4TH ANNUAL GENERAL ASSEMBLY

Confirmation of Board Resolutions for 2017-2018

BOARD RESOLUTIONS

Date	BR No.	Description
01/11/2017	2017-01	Resolved to adjust salary of Janet Abrigo.
01/27/2017	2017-02	NOW, THEREFORE, BE IT RESOLVED, that this cooperative declares the following distribution of the net surplus for Fiscal Year 2016: A. 50% for General Reserve Fund B. 10% for Education and Training Fund C. 3% for Optional Fund D. 3% for Community Development Fund E. 34% for Surplus Available for Distribution and is further allocated as follows: a. 80% for Interest on Share Capital b. 20% for Patronage Refund
01/27/2017	2017-03	RESOLVED, that the HPPECC will provide allowance for probable losses for past due Loans Receivables as of December 31, 2016, as follows: P21,154.71
01/27/2017	2017-04	RESOLVED, that a separate Savings Account with Bank of the Philippine Islands, McKinley Hill Branch, be opened exclusive for the Reserve Fund; RESOLVED FURTHER, that the amount of P1,133,740.63 representing the total Reserve Fund of the cooperative as of December 31, 2016, be deposited to the said bank account;
01/27/2017	2017-05	RESOLVED, that the Secretary of this cooperative be authorized and directed to sign the 2016 Audited Financial Statements in lieu the General Manager;
04/27/2017	2017-06	NOW THEREFORE BE IT RESOLVED AS IT IS HEREBY RESOLVED, that the following were elected to their respective positions and will serve for a period of two (2) years or until such time that their replacements have been named: Val Hilario – elected as Chairman Mike Nicolas – elected as Vice Chairman RESOLVED FURTHER, that the following be appointed to their respective positions for a period of one (1) year or until such time that their replacements have been named: Sherry Rodulfo – appointed as Cooperative Secretary Rick Ocampo – appointed as Cooperative Treasurer

4TH ANNUAL GENERAL ASSEMBLY

08/31/2017	2017-07	<p>NOW THEREFORE BE IT RESOLVED AS IT IS HEREBY RESOLVED, that the current CEFT Fund of the Cooperative amounting to P94,166.31 be split into three (3), as follows:</p> <ul style="list-style-type: none"> • 1/3 to be remitted to NATCCO (National Confederation of Cooperatives) • 1/3 to be remitted to COUNTPA (Cooperative Union of Taguig and Pateros) • 1/3 to be remitted to a third federation that HPPECC will join
10/04/2017	2017-08	<p>Therefore be it RESOLVED, that effective 04 October 2017, Prima Mae Espadon is appointed to the HPPECC Board and will serve for the unexpired term of Val Hilario which is until 31 March 2019 or until a successor is elected by the General Assembly;</p> <p>RESOLVED FURTHER, that Directors Mike Nicolas and Johann Molo be elected Chairman and Vice Chairman, respectively, and will serve until 31 March 2018 or until their successors are elected by the Board of Directors;</p>
10/04/2017	2017-09	<p>RESOLVED, that members who resigned will be allowed to join 1 year from date of resignation from the Cooperative;</p> <p>RESOLVED FURTHER, that a member can only rejoin once. A member who has twice resigned from the Cooperative will not be allowed to rejoin;</p>
10/04/2017	2017-10	<p>RESOLVED, that Damayan Claims be charged as Expense instead of collecting P20 per member to fund the Cooperative's Damayan Fund.</p>
11/29/2017	2017-11	<p>RESOLVED, that the Cooperative be authorized to purchase a real property described as follows:</p> <p>Project : Avida Serin West Tagaytay Address: Barangay Silang Crossing East, Tagaytay City Unit: 2-708 Area: 41.02 sqm</p> <p>RESOLVED, FURTHER, that the Cooperative authorizes, Jose Val D Hilario, General Manager of the Cooperative to negotiate with the Avida Land Corp., execute, sign any and deliver on behalf of the Cooperative all contracts, deeds, and other documents necessary to effect the sale/purchase and to claim, collect, or demand the original copy of the title.</p>
11/29/2017	2017-12	<p>RESOLVED, that the Cooperative be authorized to purchase a real property described as follows:</p> <p>Project : Avida Serin East Tagaytay</p>

4TH ANNUAL GENERAL ASSEMBLY

		<p>Address: Barangay Silang Crossing East, Tagaytay City Unit: 2-1202 Area: 25.40 sqm</p> <p>RESOLVED, FURTHER, that the Cooperative authorizes, Jose Val D Hilario, General Manager of the Cooperative to negotiate with the Avida Land Corp., execute, sign any and deliver on behalf of the Cooperative all contracts, deeds, and other documents necessary to effect the sale/purchase and to claim, collect, or demand the original copy of the title.</p>
11/19/2017	2017-25	<p>NOW THEREFORE, RESOLVED AS T IS HEREBY RESOLVED, to apply for membership With the COUNTPA and to abide by its bylaws, policies, decision of the General Assembly and participate actively in the program, project, services, pay its membership fees, annual dues, and Cooperative Education and Training Fund (CETF) contribution and assessments as may be required for the benefit and/or welfare of the members.</p>
01/18/2018	2018-01	<p>Therefore be it RESOLVED, that a General Manager will be hired to oversee the overall day-to-day business operations of the cooperative and provide general direction, supervision, management and administrative control over of the cooperative;</p> <p>RESOLVED FURTHER, that Jose Val D. Hilario will be hired as General Manager of HPPECC;</p>
01/18/2018	2018-02	<p>Resolved to adjust salary of Janet Abrigo.</p>
02/08/2018	2018-03	<p>NOW, THEREFORE, BE IT RESOLVED, that this cooperative declares the following distribution of the net surplus for Fiscal Year 2017:</p> <ul style="list-style-type: none"> A. 50% for General Reserve Fund B. 10% for Education and Training Fund C. 3% for Optional Fund D. 3% for Community Development Fund E. 34% for Surplus Available for Distribution and is further allocated as follows: <ul style="list-style-type: none"> a. 85% for Interest on Share Capital b. 15% for Patronage Refund
02/08/2018	2018-04	<p>RESOLVED, that the Secretary of this cooperative be authorized and directed to sign the 2017 Audited Financial Statements in lieu the General Manager;</p>

4TH ANNUAL GENERAL ASSEMBLY

Chairman's Report

FINANCIAL HIGHLIGHTS

Below is the financial condition and result of operations of HPP Employees Credit Cooperative for the year 2017.

PARTICULARS	2017	2016	2015	2014
Gross Revenue	3,395,751.17	2,413,385.72	538,827.59	4,400.00
Total Assets	41,683,707.63	20,678,355.49	6,477,227.56	146,550.00
Net Surplus	2,094,419.77	1,883,326.19	343,530.32	(32,206.27)
Cash and Cash Equivalents	7,499,755.23	1,520,322.02	768,741.20	94,050.00
Investment Reserve Fund	8,706,660.10	7,716,328.57	N/A	N/A
Loan Receivables	15,939,920.59	11,297,708.89	5,650,944.71	52,500.00
Share Capital	26,050,987.18	16,263,426.04	5,206,000.00	101,200.00
Loan Releases	25,906,230.82	18,278,213.62	7,979,254.54	52,500.00
Total Loans Granted	1551 Loans	919 Loans	269 Loans	1 Loan
Membership	1024 members	916 members	493 members	36 members

PROFITABILITY

The net surplus for the year 2017 amounted to P2,094,419.77 from Gross Revenue of P3,395,751.17. A 41% increase vs prior year.

LIQUIDITY

Our total cash at the end of 2017 was P16,206,415.33 including the Investment Reserve Fund of P8,706,660.10.

STABILITY

Members' Share Capital jumped to P26,050,987.18 mainly due to members increasing their investments in our Cooperative.

GROWTH

Total Assets grew to P 41,683,707.63, a 102% vs prior year triggered by our investment in two (2) condominium units in Avida Serin Tagaytay. Total members at the end of 2017 was at 1024 from 916 the previous, a modest 12% increase due to the recent Company reorganizations.

4TH ANNUAL GENERAL ASSEMBLY

2017 MILESTONES/PROJECTS

Following are some of the accomplishments in 2017.

- **Released 1,500+ loans amounting to more than P25M** - this has helped a lot of members in their financial need.
- **Damayan Fund Claims Released** – a total of 18 members became beneficiaries of the P10,000.00 Damayan Benefit for 2017.
- **Damayan Fund Claims improvement** - the P10,000.00 "abuloy" given to members who lost a dependent is now being shouldered by the cooperative. We used to collect P20.00 per member for Damayan Fund Claims.
- **Damayan Fund Claims improvement** - siblings now included as qualified dependent. This was previously limited to dependents up to first degree of consanguinity and affinity only (i.e. parents, spouse, children).
- **HPPECC moved to Nakpil Room, 3F 2WS** - with support from the DXC management, HPPECC was able to move to this new and bigger office that would accommodate our expanding operations.
- **HPPECC opened ETON office** - with support from the DXC management, HPPECC was allocated an office at ETON (Room 14.1). This will allow us to improve service to our increasing number of ETON-based members.
- **3rd Anniversary Celebration** – organized a simple "Salu-Salo" for members to celebrate our 3-year milestone. Both venues - McKinley and Eton – were well attended by members. It also became an opportunity to recruit new members.
- **Acquired 2 condominium units at Avida Serin Tagaytay** - watch out for more announcements on this one!
- **Membership to the Cooperative Union of Taguig and Pateros (COUNTPA)** - this should help us with our training needs as well as hasten the maturity of our cooperative.
- **Tools for School Program** - we turned over hundreds of schools supplies to DXC Inspire to support the said program.
- **HPPECC Wins Gawad Parangal "Moving-Up" Award** - this award from the CDA (Cooperative Development Authority) is in recognition of HPPECC's remarkable performance in such a short period of time. HPPECC's move from being a Micro Cooperative (<=Php3M Asset) to a Small Cooperative (<=Php15M Asset) to a Medium Cooperative Category (<=Php100M Asset) in just 3 short years did not go unnoticed from the CDA.

4TH ANNUAL GENERAL ASSEMBLY

- **Christmas Gift** - as a benefit to members, our cooperative was able to give SM Gift Checks to all Regular and Associate members in good standing. P500 worth of gift checks were given to members who are more than one year with HPPECC, P200 worth of gift checks to those who are less than one year, and P100 worth of gift checks for new members in December 2017.
- **eKoopbanker Software** - we've upgraded our accounting software to handle our growth as well as comply with RA9510 or the Credit Information Systems Act which requires financial institutions including cooperatives to submit credit data to the Credit Information Corporation.
- **Increase Capitalization to P50M** - we've applied to the CDA for an increase in capitalization from P10M to P50M. This is to cater to our cooperative's rapid growth.
- **Conversion to Multipurpose Cooperative** – together with the increase in capitalization, we've applied for the conversion from Credit to Multipurpose Cooperative. This will allow us to engage in business which is the ultimate objective of our Cooperative.

4TH ANNUAL GENERAL ASSEMBLY

3-YEAR STRATEGIC PLAN (2016-2018)

Our 3-Year Strategic Plan was put together by the Board to accelerate the growth of the cooperative.

Goal	Description
A	Increase Membership to 2,000 by the end of 2017.
B	Maximize return on investment and increase benefits to members.
C	Accelerate the growth of the cooperative by expanding its business beyond credit facilities.
D	Partner with various coop organizations to speed up HPPECC maturity.
E	Promote good governance and efficient use of cooperative resources.
F	Contribute to the community where we operate.

2018 PLANS

- CDA approval of the Proposed Amendments to our Articles and Bylaws
 - Conversion to Multipurpose Cooperative
 - Change of address to 3F Two World Square
 - Increase in Authorized Capitalization to P50M
 - Inclusion of DXC and other companies that will result from mergers, acquisitions, and divestitures
- Large Cooperative visits
- 4th Anniversary Celebration
- Partnerships with Company initiatives
- Double membership base
- Registration/Compliance with National Privacy Commission
- Start condominium rental business
- Start retail business
- Start member engagement programs
- Review/Update of policies and processes
- Promote Member Education – e.g. financial, entrepreneurial, technical, etc.
- Continue website development

4TH ANNUAL GENERAL ASSEMBLY

2018 BUDGET

REVENUES	BUDGET
Interest Income from Loans	4,000,000.00
Service Fees	480,000.00
Rental Income	
TOTAL REVENUES	4,480,000.00

EXPENSES	BUDGET
Members Benefit Expenses	200,000.00
Salaries, Wages, Allowances and Benefits	650,000.00
General Assembly Meeting	300,000.00
Provision for Probable Losses on Loans	100,000.00
Trainings and Seminars	20,000.00
Transportation	18,000.00
Depreciation*	40,000.00
Communication Expense	24,000.00
Office supplies	24,000.00
Permits and Licenses	20,000.00
Professional Fees	30,000.00
Meetings	36,000.00
SSS, Philhealth, Pag-Ibig Contribution	62,400.00
Insurance	5,000.00
Representation	6,000.00
TOTAL OPERATING EXPENSES	1,335,400.00
NET SURPLUS ON OPERATION	3,144,600.00

4TH ANNUAL GENERAL ASSEMBLY

2017 Audited Financial Statements

HPP EMPLOYEES EMPLOYEES CREDIT COOPERATIVE

2F Three World Square Upper Mckinley, Mckinley Hill, Fort Bonifacio
Taguig City, Taguig, Metro Manila.

FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT AUDITOR AS OF DECEMBER 31, 2017 AND 2016

PHILIPPINE PESO

MELLICENT F. MONTOYA
CERTIFIED PUBLIC ACCOUNTANT

4TH ANNUAL GENERAL ASSEMBLY


MELLICENT F. MONTOYA CERTIFIED PUBLIC ACCOUNTANT

STATEMENT OF REPRESENTATION

The Chairman
Cooperative Development Authority
Regional Office

In connection with my examination of the financial statements of the **HPP Employees Credit Cooperative** for the years then ended as of December 31, 2017 and 2016 that are herewith submitted to the Cooperative Development Authority, I hereby represent the following:

1. That said financial statement herewith were prepared and presented in conformity with the generally accepted accounting principles.
2. That in the conduct of my audit, I adhered to the generally accepted Auditing Standards of the Philippines and the Standard Audit System for Cooperatives (SASC) as required by the Cooperative Development Authority.
3. That I am qualified as provided for in Section 14 of the Code of Professional Ethics for Certified Public Accountants and Articles 81 of R.A. 9520 (Philippine Cooperative of 2008)
4. That I am fully aware of my responsibility as an auditor for the audit certificate issued and attached to the financial statements and the sanctions to be bestowed on me for any misrepresentations that I may have willingly or unwillingly committed.
5. That I nor any member of my immediate family do not have any direct or indirect financial interest with the cooperative;
6. That I am not an employee of the Cooperative Development Authority (CDA) nor have I engaged an employee of the CDA in the course of audit;
7. That I make representation in my individual capacity.


Mellicent F. Montoya
CPA Certificate No. 61314
BOA Cert. No. 0605
Issued December 9, 2016; valid until December 31, 2018
CDA Certificate. No. CEA No. 0084
Issued January 24, 2017; valid until February 23, 2020
Tax Agent No. -07-001042-002-2016
Issued April 25, 2016; valid until April 25, 2019
TIN No. 133-704-195-000
PTR 3885501 January 16, 2018 at Pasig City

February 8, 2018
Pasig City

First Street Trinidad Homes Manggahan Pasig City, Office Tel 4000494 Cel. No. 09178161062 email add:chicmontoya@yahoo.com

MELLICENT F. MONTOYA
CERTIFIED PUBLIC ACCOUNTANT

REPORT OF INDEPENDENT AUDITOR

The General Assembly
HPP Employees Credit Cooperative
2F Three World Square Upper Mckinley, Mckinley Hill, Fort Bonifacio
Taguig City, Taguig, Metro Manila

Opinion

I have audited the financial statement of **HPP Employees Credit Cooperative** which comprises the Statement of Financial Condition as at December 31, 2017 and 2016, Statement of Financial Operation, Cash Flow Statement and Statement of Changes in Equity for the years then ended, and notes to the financial statements, including summary of significant accounting policies.

In my opinion, the accompanying financial statement present fairly, in all material respects the financial position of **HPP Employees Credit Cooperative** as at December 31, 2017 and 2016, its financial performance and cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS) for Small and Medium Sized Entities and with the requirements of R.A. 9520, otherwise known as Philippine Cooperative Code of 2008, taking into consideration Cooperative laws, rules, regulations and principles.

Basis for Opinion

I conducted my audit in accordance with Philippine Standards on Auditing (PSA). My responsibility under those standards is further described in the *Auditor's Responsibilities for the Audit of Statements* section of my report. I am independent of the cooperative in accordance with the International Ethics Standards Board of Accountants' *Code of Ethics for Professional Accountants* (IESBA 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* (Philippine Code of Ethics), and I have fulfilled other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going –Concern

Having regard to the future period to which those charged with governance have paid particular attention in assessing going concern, I have planned and performed procedures specifically designed to identify any material matters which could indicate concern about the entity's ability to continue as a going concern. As stated in Note 6, no events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the cooperative's ability to continue as a going concern. Use of going concern basis of accounting is appropriate and no material uncertainty has been identified.

4TH ANNUAL GENERAL ASSEMBLY

Emphasis of Matter

I draw attention to Note 25 to the financial statements which described the policy adopted by the company of when an entity should adjust its financial statements for events after the reporting period; and the disclosures that an entity should give about the date when the financial statements were authorised for issue and about events after the reporting period.

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 PFRS for Small and Medium Sized Entities and with the requirements of R.A. 9520, otherwise known as Philippine Cooperative Code of 2008, taking into consideration Cooperative laws, rules, regulations and principles 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 and error.

In preparing the financial statements, management is responsible for assessing the cooperative'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 cooperative or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 PSA, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the cooperative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

4TH ANNUAL GENERAL ASSEMBLY

- Conclude the appropriateness of management's use of 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 a significant doubt on the cooperative's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the cooperative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

My audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 24 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in my audits of the basic financial statements. In my opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Mellicent F. Montoya
CPA Certificate No. 61314
Until June 10, 2021
BOA Cert. No. 0605
Issued December 9, 2016; valid until April 25, 2019
CDA Certificate. No. CEA No. 0084
Issued January 24, 2017; valid until February 23, 2020
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PTR 3885501 January 16, 2018 at Pasig City

February 8, 2018
Pasig City

4TH ANNUAL GENERAL ASSEMBLY

MELLICENT F. MONTOYA CERTIFIED PUBLIC ACCOUNTANT

**Report of Independent Public Accountant
To Accompany Income Tax Return**

**The Board of Directors
HPP Employees Credit Cooperative
2F Three World Square Upper Mckinley, Mckinley Hill, Fort Bonifacio
Taguig City, Taguig, Metro Manila.**

I have audited the financial statements of **HPP Employees Credit Cooperative** for the period ended December 31, 2017 and 2016 on which I have rendered a report on February 8, 2018.

In compliance with Revenue Regulation V-20, I am stating that I have no relation by consanguinity or affinity to any of the Board of Directors and officers of **HPP Employees Credit Cooperative**.



Mellicent F. Montoya
CPA Certificate No. 61314
BOA Cert. No. 0605
Issued December 9, 2016; valid until December 31, 2018
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February 8, 2018
Pasig City

4TH ANNUAL GENERAL ASSEMBLY

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **HPP Employees Credit Cooperative** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2017 and 2016, in accordance with the prescribed financial reporting framework indicated therein, 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 Cooperative'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 Cooperative or to cease operations, or has no realistic alternative but to do so.

Board of Directors is responsible for overseeing the Cooperative's financial reporting process.

Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

Mellicent F. Montoya, the independent auditor appointed by the Board of Directors, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

(SGND) Evangelista M. Nicolas
Chairman of the Board

(SGND) Roderick S. Ocampo
Treasurer

(SGND) Sherry M. Rodulfo
Board Secretary

February 8, 2018

4TH ANNUAL GENERAL ASSEMBLY

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

**The Commissioner
Bureau of Internal Revenue
Quezon City**

The management of the **HPP Employees Credit Cooperative** is responsible for all information and representations contained in the Annual Income Tax Return for the years then ended December 31, 2017 and 2016. Management is likewise responsible for all information and representations contained in the financial statements accompanying the (Annual Income Tax Return or Annual Information Return) covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all 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 tax returns and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the period ended December 31, 2017 and 2016 and the accompanying Annual Income Tax Return are in accordance with the books and records of **HPP Employees Credit Cooperative** 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, the 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 company's books and records in accordance with the requirements of Revenue Regulations No. 8- 2007 and other relevant issuances;

(c) the **HPP Employees Credit Cooperative** has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all other taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

(SGND) Evangelista Nicolas
Chairman of the Board

(SGND) Roderick S. Ocampo
Treasurer

(SGND) Sherry M. Rodulfo
Board Secretary

February 8, 2018

4TH ANNUAL GENERAL ASSEMBLY

HPP EMPLOYEES CREDIT COOPERATIVE

STATEMENT OF FINANCIAL CONDITION

(Amounts in Philippine Pesos)

ASSETS	Note	December 31,	
		2017	2016
Current Assets			
Cash	7	7,499,755.23	1,520,322.02
Loans and Other Receivables-net	6,8	15,939,920.59	11,297,708.89
Merchandise Inventory		39,480.00	-
Total Current Assets		23,479,155.82	12,818,030.91
Non-Current Assets			
Financial Asset at Cost	6,9	100,333.33	100,000.00
Furnitures, Fixtures and Office Equipment	10	31,128.37	-
Investment Property	11	9,366,430.01	-
Other Non-Current Assets	6,12	8,706,660.10	7,760,324.58
Total Non-Current Assets		18,204,551.81	7,860,324.58
TOTAL ASSETS		41,683,707.63	20,678,355.49

LIABILITIES AND MEMBERS' EQUITY

Current Liabilities			
Deposit Liabilities	6,13	2,558,269.61	2,062,500.21
Accrued Expense and Other Payable	6,14	6,378.82	87,834.88
Other Current Liabilities	6,15	169,216.19	105,600.92
Interest on Share Capital Payable	21	498,471.91	512,264.72
Patronage Refund Payable	21	213,630.82	128,066.18
Total Current Liabilities		3,445,967.34	2,896,266.91
Non-Current Liabilities			
Finance Lease Payable	16	9,326,430.01	
Other Non-Current Liabilities	6,17	308,955.97	178,027.48
Total Non-Current Liabilities		9,635,385.98	178,027.48
TOTAL LIABILITIES		13,081,353.32	3,074,294.39
Members' Equity			
Members' Capital-Common	6,18	9,000,000.00	9,000,000.00
Members' Capital-Preferred	6,19	997,000.00	997,000.00
Deposits for Share Capital Subscription	6,20	16,053,987.18	6,266,426.04
Total Members' Equity		26,050,987.18	16,263,426.04
Statutory Fund	6,18,21	2,551,367.13	1,340,635.07
TOTAL MEMBERS' EQUITY		28,602,354.31	17,604,061.11
TOTAL LIABILITIES AND MEMBERS' EQUITY		41,683,707.63	20,678,355.49
See Accompanying Notes to Financial Statements		-	

4TH ANNUAL GENERAL ASSEMBLY

HPP EMPLOYEES CREDIT COOPERATIVE

STATEMENT OF OPERATIONS

(Amounts in Philippine Pesos)

		December 31	
	Notes	2017	2016
REVENUE			
Income Interest from Loan	22	2,866,215.87	1,975,056.01
Processing / Service Fee		248,262.28	154,558.38
Fines and Penalties		38,447.26	31,853.69
GROSS REVENUES		3,152,925.41	2,161,468.08
LESS : EXPENSES			
Financing Cost			
Interest Expense		13,885.22	4,150.14
Administrative Costs			
Members Benefit Expense		426,410.00	40,000.00
Salaries & Wages		292,178.89	200,657.31
General Assembly		230,209.36	2,244.50
Provision for Probable Losses on Loans		93,820.06	21,154.71
Travel and Transportation		60,335.04	13,274.36
Depreciation		39,841.92	30,600.02
Communication		26,277.52	5,322.46
Promotional Expense		22,000.00	17,416.20
Office Supplies		21,703.00	11,638.25
Professional Fees		19,500.00	23,200.00
Meetings and Conference		16,938.40	29,121.75
SSS, Phil health, Pag-Ibig Premium Contributions		16,242.80	15,110.20
Insurance		4,427.19	4,427.19
Representation		4,902.00	16,236.66
Taxes, Fees and Charges		4,360.00	7,414.76
Bank Charges		1,400.00	81,400.00
Surcharges and Penalties			3,000.00
Affiliation Fee			2,000.00
Training / Seminars			991.02
Miscellaneous		6,900.00	700.00
TOTAL EXPENSES		1,301,331.40	530,059.53
NET SURPLUS FROM OPERATION		1,851,594.01	1,631,408.55
Add: Other Income			
Membership Fees		67,000.00	93,800.00
Income/ Interest on Deposits/Investments		66,634.16	20,382.93
Miscellaneous		96,590.50	137,734.71
Commission		12,601.10	-
Total Other Income		242,825.76	251,917.64
NET SURPLUS FOR DISTRIBUTION		2,094,419.77	1,883,326.19
DISTRIBUTION:			
Reserve Fund	21,23	1,047,209.89	941,663.10
Education and Training Fund	21,23	104,720.99	94,166.31
Due to Federation/Union	21,23	104,720.99	94,166.31
Optional Fund	21,23	62,832.59	56,499.79
Community Development Fund	21,23	62,832.59	56,499.79
Interest on Share Capital Payable	21,23	498,471.91	512,264.72
Patronage Refund Payable	21,23	213,630.82	128,066.18
		2,094,419.77	1,883,326.19

See Accompanying Notes to Financial Statements

4TH ANNUAL GENERAL ASSEMBLY

HPP EMPLOYEES CREDIT COOPERATIVE

STATEMENT OF CASH FLOWS

(Amounts in Philippine Pesos)

	Note	December 31	
		2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus before distribution		2,094,419.77	1,883,326.19
Adjustments to reconcile net surplus to net cash used in operating activities			
Depreciation	5	39,841.92	30,600.02
Provision for Probable Losses on Loans	5,8	93,820.06	21,154.71
Changes in assets and liabilities (Increase) decrease in:			
Loans and Receivables-Net	5,8	(2,880,902.93)	(5,667,918.89)
Other Current Assets	5,6,10	(949,125.46)	(7,721,382.93)
Merchandise Inventory		(39,480.00)	
Increase (Decrease) in:			
Accrued Expense and other payable	5,6,12	(81,456.06)	65,834.88
Other Current Liabilities	5,6,13	(81,456.06)	(53,656.66)
Unearned Interest on Loans		(1,855,128.83)	
Interest on Share Capital Payable	5,6,13	(512,264.72)	(79,355.50)
Patronage Refund Payable	5,6,13	(128,066.18)	(34,009.50)
Non-Current Liabilities	5,6,14	130,928.49	178,027.48
Net cash used in operating activities		(4,168,870.00)	(11,377,380.21)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to Property and Equipment			
Financial Assets at Cost	5,6,9	(333.33)	(100,000.00)
Investment Property	11	(9,366,430.01)	
Property and Equipment	10	(27,830.00)	(2,000.00)
Net cash provided by investing activities		(9,394,593.34)	(102,000.00)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in:			
Finance Lease Payable	11,16	9,326,430.01	
Members' Share Capital	18,19	-	4,791,000.00
Deposit For Share Capital Subscription	16,20	9,787,561.14	6,266,257.69
Deposit Liabilities	6,20	495,769.40	1,176,279.84
Statutory Funds	6,18,21	(66,864.00)	(2,576.50)
Net cash provided by financing activities		19,542,896.55	12,230,961.03
NET INCREASE (DECREASE) IN CASH		5,979,433.21	751,580.82
CASH AT BEGINNING OF YEAR		1,520,322.02	768,741.20
CASH AT END OF YEAR		7,499,755.23	1,520,322.02

See Accompanying Notes to Financial Statements

4TH ANNUAL GENERAL ASSEMBLY

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND RELATED TAXATION

The HPP Employees Credit Cooperative was organized and registered with the Cooperative Development Authority under the Republic Act 9520 the Philippine Cooperative Code and was issued with a certificate under Registration No. 9520-16024599 CIN No.0105164236 dated February 19, 2014. The Cooperative was formed for the purpose of promoting thrift and savings mobilization in order to create funds; to grant loans for productive and providential purpose to its members. To be able to improve the social and economic way of life of its people through cooperative.

The area of operation of the cooperative is within the office of Hewlett-Packard Philippines Corporation (HPPC) or Hewlett-Packard Asia Pacific-(HPAP) and its principal office is located 2F Three World Square Upper McKinley, McKinley Hill, Fort Bonifacio Taguig City, Taguig, Metro Manila.

Organization and Taxation

A duly registered cooperative, in some cases, can be held liable to all internal revenue taxes unless otherwise provided by law if after the lapse of the 10-year period from the date of registration, it accumulated reserves and undivided net savings exceeds the ten million pesos (Php10,000,000.00) threshold. This rule, however, applies to cooperatives that have business dealings with non-members.

All duly registered cooperatives are exempted from taxes as set forth under the *Joint Rules and Regulations Implementing Articles 60, 61 and 144 of R.A. 9520, otherwise known as the "Philippine Cooperative Code of 2008"* in relation to R.A. 8424 or the *National Internal Revenue Code* as amended and signed by the Department of Finance (DOF), Bureau of Internal Revenue (BIR) and the Cooperative Development Authority (CDA) on 5 February 2010.

2. STATUS OF OPERATION

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.

3. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared using the historical cost basis. Financial statements are presented in Philippine Peso, which is the cooperative functional currency. All values represent absolute amounts except when otherwise indicated.

Moreover, the financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) for Small and Medium Sized Entities (SME) issued by the Philippine Financial Reporting Standards Council with the requirements of R.A. 9520, otherwise known as Philippine Cooperative Code of 2008, taking into consideration Cooperative laws, rules, regulations and principles.

4. SUMMARY OF CHANGES IN PFRS FOR SMEs

Amendments to Standards Not Yet Adopted

New amendments to standards are effective for annual periods beginning after January 1, 2017 and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the cooperative, which becomes mandatory for the cooperative's 2017 financial statements and could change the classification and measurement of assets. The cooperative does not plan to adopt these standards early and the extent of the impact has not yet been determined.

The following amendments that have been published and issued by the International Accounting Standards Board (IASB) FRSC which will become effective for accounting periods beginning on or after January 1, 2017 are not adopted early by the cooperative:

Section 1, *Small and Medium-sized Entities* - The amendment clarify that the types of entities listed are not automatically publicly accountable and addition of clarifying guidance on the use of the standard for SMEs in the parent's separate financial statements.

Section 4, *Statement of Financial Position* - The amendment refers to an addition of a requirement to present investment property measured at cost less accumulated depreciation and impairment separately on the face of the statement of financial position and the removal of the requirement to disclose comparative information for the reconciliation of the opening and closing number of shares outstanding.

Section 5, *Statement of Comprehensive Income and income Statement* - The amendments clarify that the single amount presented for discontinued operations includes any impairment of the discontinued operation in accordance with section 27, and the addition of a requirement that entities shall group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss - based on *Presentation of Items of Other Comprehensive Income*.

Section 6, *Statement of Changes in Equity and* - The amendments clarify the information presented in the statement of changes in equity-based on *Improvements to standards* issued in May 2010.

Section 10, *Accounting Policies, Estimates and Errors* - The amendment refers the initial application of a policy to revalue assets in accordance with Section 17 *Property, Plant and Equipment* is a change in accounting policy to be dealt with as a revaluation in accordance with Section 17. Consequently a change from the cost model to the revaluation model for a class property, plant and equipment shall be accounted for prospectively.

Section 11, *Basic Financial Instruments* - The amendment refers to the addition of an undue cost or effort exemption from the measurement of investments in equity instruments at fair value. Further clarifications made on the following: (a) the interaction of the scope of Section 11 with other sections of the standards for SMEs (b) the application of the criteria for basic financial instruments to simple loan arrangements (c) when an arrangement would constitute a financing transaction, and (d) the guidance on fair value measurement in Section 11 of when the best evidence of fair value may be a price in a binding sale agreement.

Section 21, *Provisions and Contingencies* - Addition of clarifying guidance on the undue cost or effort exemption. Application of undue cost or effort—as well as a new requirement for entities to disclose their reasoning or using such an exemption.

Section 22, *Liabilities and Equity* - The amendments clarify guidance on classifying financial instruments as equity or a liability. Exemption from the initial requirements for equity instruments issued as part of a business combination, including business combinations of entities or business under common control, and exemption requirements for distributions of non-cash assets ultimately controlled by the same parties before and after the distribution. IFRIC 19 interpretation to provide guidance on debt for equity swaps when the financial liability is negotiated and the debtor extinguishes the liability by issuing equity instruments. Further clarify that income tax relating to distribution to holders of equity instruments and to transaction costs of an equity transaction should be accounted for. Modifications to require that the liability component of a compound financial instrument is accounted for in the same way as a similar stand alone financial liability. Addition of an undue cost or effort exemption from the requirement to measure the liability to pay a non-cash distribution at the fair value of the non-cash assets to be distributed and clarifying guidance on accounting for the settlement of the dividend payable.

Section 27, *Impairment of Assets* - The amendments clarify that section 27 does not apply to assets arising from construction contracts.

Section 28, *Employee Benefits* - The clarification of the application of the accounting requirements to other long-term employee benefits and removal of the requirements to disclose the accounting policy for termination benefits.

Section 29, *Income Tax* - Alignment of the main principles of Section 29 with PAS 12 *Income Taxes* for the recognition and measurement of deferred income tax, but modified to be consistent with the other requirements in the PFRS for SMEs. Addition of an undue cost or effort exemption to the requirement to offset income tax assets and liabilities.

Section 33, *Related Party Disclosures* - Alignment of the definition of 'related party' with PAS 24 *Related Party Disclosures*, including

incorporation of the amendment to the definition in PAS 24 from Annual Improvements to PFRS 2010-2012 Cycle, issued in December 2013, which include a management entity providing key management personnel services in the definition of a related party.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Cash and Cash Equivalents

Cash and cash equivalents consists of cash on hand, cash funds and other cash items, which are carried at cost: cash in banks and other short term liquid investments with original maturities of three months or less from dates of placement and that are known amounts of cash that are subject to insignificant risk of changes in value.

Loans and Other Receivable

Loans receivable represent receivable derived from lending services with fixed or determinable payments and fixed maturities that are not quoted in an active market.

Loans receivable are subsequently carried at amortized cost using the effective interest method. Other receivables consist of advances to employees. Accounts and other receivable are recognized initially at transaction price (normally the invoice price) and subsequently measured at the undiscounted amount of cash or other considerations expected to be received net of impairment.

Other Current Assets

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as they are consumed in operations or expire through passage of time.

Prepayments are classified in the statements of financial position as current assets when the expenses related to prepayments are expected to be incurred within one year or the cooperative's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current assets.

Property and Equipment

Property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The initial cost of property and equipment comprises of its purchase price and any costs 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.

The entity derecognises an item of property and equipment on disposal, or when no future economic benefits are expected from its use or disposal. The entity recognises the gain or loss on derecognition of an item of property and equipment in profit or loss when the item is derecognised. The entity does not classify such gains as revenue. The entity determine the gain or loss arising from derecognition of an item of property and equipment as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

4TH ANNUAL GENERAL ASSEMBLY

Investment Property

Investment property are Condominium units acquired and measured initially at its cost. Transaction costs shall be included in the initial measurement. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure.

The initial cost of a property interest held under a lease and classified as an investment property shall be as prescribed for a finance lease, i.e. the asset shall be recognised at the lower of the fair value of the property and the present value of the minimum lease payments. An equivalent amount shall be recognised as a liability.

After initial recognition, an cooperative chooses the cost model. Under the cost model, investment property is measured at cost less accumulated depreciation and any accumulated impairment losses. Fair value is disclosed. Gains and losses on disposal are recognised in profit or loss.

Other Non-current Assets

Other Non-current assets consists of Other funds and deposits and leasehold improvement net of amortization.

Other funds and deposits are restricted funds set aside for funding of Statutory and other reserves such as Retirement, Members' benefit and other funds. This maybe in the form of time deposit or other securities which maybe convertible to cash when needed.

Deposit Liabilities

Deposit liabilities are time deposit with a stipulated maturity and interest rate per certificate of time deposits issued.

Trade Accounts Payable

Trade Accounts payable are amounts payable to suppliers for goods and services rendered to the cooperative. These are initially measured at transaction cost and are subsequently measured at undiscounted amount of cash or other considerations expected to be paid.

Accrued Expenses and other payable

Accrued expenses payable are expenses incurred but not yet paid. These are initially measured at transaction cost and are subsequently measured at undiscounted amount of cash or other considerations expected to be paid.

Other payable include payable for government obligations and contributions such as withholding tax payable for Bureau of Internal revenue (BIR); SSS premium payable for Social Security System (SSS) and HDMF loan payable and premium payable for Home Development Mutual fund (HDMF). These are measured at their transaction cost.

4TH ANNUAL GENERAL ASSEMBLY

Due to Union/Federation

Due to Union/Federation refers to the accumulated amount set aside to the Union/Federation where the cooperative is a member. This corresponds to the 50% of the total annual allocation for the Education and Training Fund.

Interest on Capital and Patronage Refund Payable

Interest on capital payable refers to the liability of the cooperative to its members for interest on their share capital investments in the cooperative while patronage refund payable is the liability of the cooperative to its members for patronizing the business activities of the cooperative.

Other Non Current Liabilities

Other liabilities consists of members' benefit and other fund payable to its members, employees, stakeholders, partners and beneficiaries of the cooperative in the performance of its social concerned in the community.

Related party disclosures

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, 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 cooperative; (2) associates; and (3) individuals owning, directly or indirectly, an interest in the voting power of the cooperative that gives them significant influence over the cooperative and close members of the family of any such individual. The key management personnel of the cooperative and post-employment benefit plans for the benefit of cooperative's employees are also considered to be related parties.

Members' Share Capital

Members' share capital represents the nominal value of shares that have been issued both for common and preferred shareholders.

Deposit for Future Capital Subscription

Deposit for Share Capital Subscription refers to amount paid by the members for capital subscription equivalent to the value of less than one share.

Statutory Reserves

Statutory Funds are mandatory funds established in accordance with R.A. 9520. This includes reserve fund, education and training fund, optional fund and community development fund computed according to the CDA guidelines and the cooperative by-laws.

Reserve Fund

Ten percent (10%) of the net surplus for distribution shall be set aside as Reserve Fund. Reserve fund is created to provide for the stability of the cooperative and to absorb losses, if any, in its business operations.

4TH ANNUAL GENERAL ASSEMBLY

Education and Training Fund

One percent (1%) of the net surplus shall be set aside for cooperative education and training fund. One half of the amount is used by the cooperative for its own education and training activities while the other half shall be credited to the cooperative education fund of the Union/Federation of which the cooperative is a member.

Optional Fund

Three percent (3%) shall be set aside for the optional fund of the cooperative intended either for land or building and any other necessary fund intended for members' welfare and benefits.

Community Development Fund

This account refers to the fund set aside from the net surplus before distribution which should not be less than three percent (3%) for projects and/or activities that will benefit the community where the cooperative operates.

Revenue Recognition

Revenue is recognized to the extent that It is probable that economic Benefits will flow to the cooperative and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other taxes or duty. The following specific recognition criteria must also be met before revenue is recognized:

Interest Income on Loans - as a rule, cooperative adopt the accrual basis of accounting. However, for credit and other cooperatives, recognition of revenues is on a modified cash basis, i.e., interest income, fines, penalties and surcharges shall be recognized when earned and actually collected. This is so because only interest Income, fines, penalties and surcharges on loans receivable that has been realized (i.e., earned and collected) shall be the basis of the income available for distribution to its members through Interest on share capital and patronage refund. Also, due to the cash -based income distribution scheme of a cooperative as well as the inherent limitations of small scale country side credit cooperatives, It cannot adopt the effective interest method in recognizing interest income on loans receivable (PAS 18, 39).

Interest income from Bank deposits is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset.

Dividend income is recognized when the right to receive a payment is established.

Expense Recognition

Expenses are recognized when decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably and are recognized when incurred. Expenses are recognized on the basis of a direct association between costs incurred and the earning of specific Items of income; on the basis of systematic and rational allocation procedures when economic

4TH ANNUAL GENERAL ASSEMBLY

benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or 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 as an asset.

Employee Benefits

The Cooperative 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 Company to its employees include salaries and wages, social security contributions, short term compensate absences, bonuses and other non-monetary benefits, if any.

Provisions and Contingencies

Initial recognition

The cooperative recognize a provision when the cooperative has an obligation at the reporting date as a result of a past event and it is probable that the cooperative will be required to transfer economic benefits in settlement and, lastly, the amount of the obligation can be estimated reliably.

The cooperative measure a provision at the best estimate of the amount required to settle the obligation at the reporting date. The best estimate is the amount an entity would rationally pay to settle the obligation at the end of the reporting period or to transfer it to a third party at that time.

Subsequent measurement

The cooperative shall charge against a provision only those expenditures for which the provision was originally recognized and review provisions at each reporting date and adjust them to reflect the current best estimate of the amount that would be required to settle the

obligation at that reporting date. Any adjustments to the amounts previously recognized shall be recognized in profit or loss unless the provision was originally recognized as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount shall be recognized as finance cost in profit or loss in the period it arises.

Events after the End of the Reporting Period

The cooperative adjusts the amounts recognized in its financial statements, including related disclosures, to reflect adjusting events after the end of the reporting period. Hence, the cooperative shall not adjust the amounts recognized in its financial statements to reflect non-adjusting events after the end of the reporting period.

6. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in accordance with PFRS for SMEs requires the cooperative to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses. 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 financial statements as they become reasonably determinable. Actual results could differ from such estimates.

Estimates and Assumptions

In Application of the Cooperative's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other resources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following represents summary of significant estimates and judgments and related impact and associated risks in the Company's financial statements.

Going Concern

The cooperative has no events or conditions to indicate that a material uncertainty exists that may cast a significant doubt on the cooperative's ability to continue as a going concern.

Provisions and Contingencies

Judgment is exercised by the management to distinguish between provisions and contingencies.

Key Sources of Estimation Uncertainty

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

a) Asset Impairment

The cooperative performs an impairment review when certain impairment indicators are present. Determining the fair value of prepayments and other current assets, property and equipment and other non-current assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate

disposition of such assets, requires the cooperative to make estimates and assumptions that can materially affect the financial statements. Future events could cause the cooperative to conclude those prepayments and other current assets, property and equipment and other noncurrent assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the cooperative believes that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS for SMEs.

b) Revenue recognition

The cooperative's revenue recognition policies require the use of estimates and assumptions that may affect the reported amounts of revenues and receivables. Differences between the amounts initially recognized and actual settlements are taken up in the accounts upon reconciliation. However, there is no assurance that such use of estimates may not result to material adjustments in future periods.

c) Impairment of Non-financial Assets.

Assessing nonfinancial assets for impairment includes considering certain indicators of impairment such as significant changes in asset usage, significant decline in market value, obsolescence or physical damage of an asset. If such indicators are present, and where the carrying amount of the asset exceeds its estimated recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

No impairment loss was recognized in 2017 and 2016.

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7 CASH

	2017	2016
Cash in Bank- BPI	7,484,755.23	1,515,322.02
Petty Cash Fund	15,000.00	5,000.00
Total	7,499,755.23	1,520,322.02

8 LOANS AND RECEIVABLES-NET

	2017	2016
Loans Receivable	14,009,545.23	13,125,992.43
Less: Unearned Interest Income on Loans	-	(1,855,128.83)
Allowance for probable losses on loans	(114,474.74)	(21,154.71)
Loans Receivable-Net	13,895,070.49	11,249,708.89
Other Receivable	2,044,850.10	48,000.00
Total	15,939,920.59	11,297,708.89

AGING SUMMARY:

	2017	2016
Current	13,750,773.62	13,055,476.72
Past Due from 1-12 months	253,771.61	70,515.71
Past Due more than 12 months	5,000.00	-
Total	14,009,545.23	13,125,992.43

9 FINANCIAL ASSETS AT COST

The Cooperative has investment with the NATCCO in a form of common shares in the amount of P100,333.33 as of December 31, 2017.

10 FURNITURES, FIXTURES AND OFFICE EQUIPMENT

This accounts consists of :

	2017	2016
Cost		
Office Equipment	52,705.00	-
Accumulated Depreciation	21,576.63	-
Net Book Value	31,128.37	-

11 INVESTMENT PROPERTY

The Cooperative acquired 2 units of Condominium located at the Serin West and East Tower in Tagaytay under Avida Ayala Land Corporation. The Condominium units will be for subsidized rental to the members as part of their benefits. The condominium units will be paid in cash and the balance to be financed by bank and payable in 42 mos amounting to P46,248.76 per month. Total amount of cost in acquiring the Investment Property including vat and other charges amounted to P9,366,430.01 as of December 31, 2017. Total amount of finance lease after deducting the reservation fees amounted to P9,326,430.01. The Cooperative is obliged to pay for the cash payment amounted to P5,218,728.00 on January 17,2018 for the one unit as per agreement.

4TH ANNUAL GENERAL ASSEMBLY

12 OTHER NON-CURRENT ASSET

This accounts consists of :

	2017	2016
Computerization Cost	143,976.34	38,941.65
Other Funds and Deposits	8,562,683.76	7,721,382.93
Total	8,706,660.10	7,760,324.58

The Cooperative has set aside certain amount of fund and deposited under time deposit account with Bank of Philippine Island. This account will be used for other future business opportunities set by the Board based on the annual strategic and development plan for the cooperative.

13 DEPOSIT LIABILITIES

This accounts consists of :

	2017	2016
Savings Deposits	2,106,465.44	1,670,107.67
Time Deposits	451,804.17	392,392.54
Total	2,558,269.61	2,062,500.21

The Cooperative receives savings and time deposits from its member with interest rate computed quarterly. Under the Coop-By Laws the interest shall not exceed the interest prescribed by the Central Bank of the Philippines.

14 ACCRUED EXPENSES AND OTHER PAYABLE

This accounts consists of :

	2017	2016
SSS/PHIC/HDMF premium payable	665.50	637.20
Withholding Tax Payable	5,713.32	1,330.89
Other Accrued Expense		85,866.79
Total Accrued Expense and Other Payable	6,378.82	87,834.88

15 OTHER CURRENT LIABILITIES

This accounts consists of :

	2017	2016
Due to Federation/Union	169,216.19	96,742.79
Unearned Income		8,858.13
Total Other Current Liabilities	169,216.19	105,600.92

16 FINANCE LEASE PAYABLE

This account represents the amount of obligation to Avida Ayala Land Corporation for the acquisition of the 2 condominium units located at Serin West and East Tagaytay Tower , Tagaytay. Total amount of amortization for 42 months is P9,326,430.01 as of December 31, 2017 payable in P46,248.76 monthly payments thru post dated checks issued.

4TH ANNUAL GENERAL ASSEMBLY

17 OTHER NON-CURRENT LIABILITIES

These accounts consist of the following:

	2017	2016
Members Benefit & Other Funds Payable	308,955.97	163,247.48
Damayyan Fund Payable		14,780.00
Total	308,955.97	178,027.48

18 MEMBERS' SHARE CAPITAL COMMON

This account consists of the following:

	2017	2016
Authorized Share Capital 90,000 at Php100 par value		
Subscribed and Paid-up	9,000,000.00	9,000,000.00

The Cooperative has filed an amendment with the Cooperative Development Authority for the increase in the authorized share capital from P 10,000,000.00 to P50,000,000.00 of its common and preferred shares last December 13, 2017 together with other amendments to its Coop By-Laws. The Cooperative is awaiting for the approval and certificate of amendment which will be released 30 days after the date of filing.

19 MEMBERS' SHARE CAPITAL PREFERRED

This account consists of the following:

	2017	2016
Authorized Share Capital 10,000 at Php100 par value		
Subscribed and Paid-up	997,000.00	997,000.00

20 DEPOSIT FOR SHARE CAPITAL SUBSCRIPTION

Deposits for share capital refers to amount paid by the members for capital subscription equivalent to the value or less than one share.

21 STATUTORY FUNDS

This account consists of the following:

	2017	2016
Reserve Fund	2,170,373.17	1,123,163.28
Education and Training Fund	148,437.30	94,166.31
Community Development Fund	108,071.33	61,652.74
Optional Fund	124,485.33	61,652.74
Total Statutory Funds	2,551,367.13	1,340,635.07

The Cooperative has not yet set aside an amount for the mandatory reserve fund as per Coop-By Laws for the year ended December 31, 2017.

4TH ANNUAL GENERAL ASSEMBLY

22 INCOME FROM CREDIT OPERATIONS

This account consists of :

	2017	2016
Income Interest from Loan	2,866,215.87	1,975,056.01
Processing / Service Fee	248,262.28	154,558.38
Fines and Penalties	38,447.26	31,853.69
Income from Credit Operations	3,152,925.41	2,161,468.08

23 ALLOCATION AND DISTRIBUTION OF NET SURPLUS

The Cooperative's articles and by-laws explicitly provides that its net surplus at the end of the calendar year shall be distributed in the following manner:

- a. At least ten (10%) percent shall be set aside as General reserve fund. The general reserve fund is created to provide for the stability of the cooperative and to absorb losses, if any, in its business operation. Provided that in the first 5 years from the year of operation this shall not be less than 50% of the net surplus.
- b. Ten (10%) percent of the net surplus shall be set aside for Cooperative education and training fund. One-half of this amount shall be utilized by the Cooperative for its own education and training activities while the other half shall be credited to the cooperative education and training of the apex organization of which the cooperative is a member.
- c. Three (3%) percent of the net surplus is distributed to Optional Fund which shall be utilized for land and building and any other necessary fund.
- d. Three (3%) percent of the net surplus is distributed to community development fund which shall be used for the projects that will benefit the community where the cooperative operates.
- e. The remaining net surplus is allocated for Interest on share capital and patronage refund as determined by the board of directors, under certain conditions.

Net surplus for distribution for the year were allocated as shown below:

	2017	2016
NET SURPLUS FOR DISTRIBUTION	2,094,419.77	1,883,326.19
DISTRIBUTION:		
Reserve Fund	1,047,209.89	941,663.10
Education and Training Fund-Local	104,720.99	94,166.31
Due to Union/Federation	104,720.99	94,166.31
Optional Fund	62,832.59	56,499.79
Community Development Fund	62,832.59	56,499.79
Interest on Share Capital Payable	605,287.31	512,264.72
Patronage Refund Payable	106,815.41	128,066.18
Total	2,094,419.77	1,883,326.19

4TH ANNUAL GENERAL ASSEMBLY

24 SUPPLEMENTARY INFORMATION REQUIRED UNDER REVENUE REGULATIONS 19-2011-15-2010

The organization is required to include as part of the notes to the financial statements the schedules and information on taxable income and deductions. The Cooperative had remitted the required taxes to Bureau of Internal Revenue in 2017. These taxes were not included in the tax exemption certificate the cooperative had obtained as follows:

Based on RR No. 19-2011

a. Withholding Taxes

	<u>2017</u>	<u>2016</u>
Withholding tax on compensation and benefits	24,730.08	11,596.00
Expanded withholding taxes	1,950.00	2,150.00
Total	26,680.08	13,746.00

b. All other taxes (Local and National)

	<u>2017</u>	<u>2016</u>
License and permit	2,790.00	2,665.00
Annual Registration Fee- BIR	exempt	exempt
Total	2,790.00	2,665.00

4TH ANNUAL GENERAL ASSEMBLY

P.E.S.O.S. FINANCIAL RATING OF HPP EMPLOYEES CREDIT COOPERATIVE AS OF DECEMBER 31, 2017						
P- PORTFOLIO QUALITY (25%)			Standard	Score	Equivalent Points	Highest Points
R1	Portfolio at Risk	Balance of Loans with 1 day missed payment /Total Loans Outstanding	5% or less	2%	15	15
R2	Delinquency					
	Allowance for Probable Losses on Loans	Amt. of allow. For loans 12 months past due/ total outstanding over 12 months past due	100.0%	100.0%	5	5
		Amt. of allow. For loans 1-12 months past due/ total outs. Loan with 1-12 months past Due	35%	43%	5	5
					25	25
E- EFFICIENCY (20%)						
R3	Asset Yield	Undivided net surplus/Average Total Assets	At least inflation rate	7%	4	4
R4	Operational Self-Sufficiency	Interest on loan+Service fee+filing fee+Fines & penalties/ Financing Cost+Admin Cost	100%	242%	4	4
R5	Rate of Return on Members' Share	Int. on Share Capital+ Patronage Refund/Ave. Member's Share	Should be higher than inflation rate	2%	2	4
R6	Loan Portfolio Profitability	Income from Loans/ Average Total Loans Outstanding	more than 20%	23%	4	4
R7	Cost per Peso	Financing Cost+(Admin Cost-Member's Benefit Expense) /Average Total Loans Outstanding	Php.10 per 1.loan	0.06	2	2
R8	Administrative Efficiency	Administrative Cost/ Average Total Assets	3 to 10%	4%	2	2
					18	20
S- STABILITY (30%)						
R9	Solvency	(Asset+allowances)-(total liabilities-(deposit + past due restructured+ loan under litigation)/Deposits+share capital	at least 110%	146%	10	10
R10	Liquidity	Liquid assets-short-term payables/total deposit	not less than 15%	286%	10	10
R11	Institutional Capital	Reserves+Allowance from Probable Losses on Loan-Past Due Loans+ Loans under Litigation+Problem Assets/ Total assets	At least 10%	5%	6	10
					26	30
O- OPERATIONS (10%)						
R12	Performance of Membership Growth	Ending Number of Members-Beginning Number of Members/Beginning Number of Members	Inc. to meet the target set in Dev. Plan	34%	3	5
R13	Growth of External Borrowings	Ending External Borrowings-Beg. External Borrowings/ Beginning External Borrowings	Dec. towards Zero	none	5	5
					8	10
S- STRUCTURE OF ASSETS (15%)						
R15	Asset Quality	Non-Earning Assets/Total Assets	5% and below	0%	5	5
R16	Asset Structure	1.Total Deposits/Total Assets	55 to 65%	6%	0	5
		2. Total Loans Receivable/Total Assets	70 to 80%	33%	0	2
		3. Total Members' Share Capital/Total Assets	35 to 45%	62%	1	3
					6	15
TOTAL PESOS POINTS					83	100

4TH ANNUAL GENERAL ASSEMBLY

HPP EMPLOYEES CREDIT COOPERATIVE FINANCIAL PERFORMANCE PESOS (INDICATORS)				
RATIOS	COMPUTATION/FORMULA	Standard	Score	Equivalent Pts.
P-PORTFOLIO QUALITY (25%)				
Portfolio at Risk	$\frac{\text{Balance of loan Outstanding with 1 day missed payments}}{\text{Total Loan Outstanding}}$ $\frac{258,777.41}{14,009,545.23}$	5% or less	2%	15
Allowance for Probable Losses on Loans	$\frac{\text{Amount of allow for loans over 12 months past due}}{\text{Total Outstanding balance of loans over 12 months past due}}$ $\frac{5,000.00}{5,000.00}$	100%	100%	5
	$\frac{\text{Amount of allow for loans 1- 12 months past due}}{\text{Total Outstanding balance of loans 1- 12 months past due}}$ $\frac{109,474.74}{253,771.61}$	35%	43%	5
E- EFFICIENCY (20%)				
Asset Yield	$\frac{\text{Undivided Net Surplus}}{\text{Average Total Assets}}$ $\frac{2,094,419.77}{31,181,031.56}$	At least Inflation rate	7%	4
Operational Self-Sufficiency	$\frac{\text{Interest on loans+Service Fee+Filing Fees+Fines, penalties, surcharges}}{\text{Financing +Administrative Cost}}$ $\frac{3,152,925.41}{1,301,331.40}$	>100%	242%	4
Rate of Return on Member's Share	$\frac{\text{Interest on Share Capital}}{\text{Average Member's Share}}$ $\frac{498,471.91}{21,157,206.61}$	Higher than Inflation Rate	2%	2
Loan Portfolio Profitability	$\frac{\text{Interest Income from Loans + Service fees+Filing Fees +Fines+ Penalties}}{\text{Average Total Loans Outstanding}}$ $\frac{3,152,925.41}{13,567,768.83}$	More than 20%	23%	4
Cost Per Peso Loan	$\frac{\text{Financing Costs +(Admin cost-Members Benefit Expense)}}{\text{Average Total Loans Outstanding}}$ $\frac{874,921.40}{13,567,768.83}$	Ph.P0.10 per PhP1.00 loan	0.06	2

4TH ANNUAL GENERAL ASSEMBLY

HPP EMPLOYEES CREDIT COOPERATIVE FINANCIAL PERFORMANCE PESOS (INDICATORS)				
RATIOS	COMPUTATION/FORMULA	Standard	Score	Equivalent Pts.
Administrative Efficiency	Administrative Costs Average Total Assets <u>1,287,446.18</u> 31,181,031.56	3-10%	4%	2
S-STABILITY(30%)				
Solvency	(Asset+Allowance)-(Total Liabilities-deposit + past due + restructured loan +Loans under litigation Deposits + Share capital 41,798,182.37 28,609,256.79	At least 110%	146%	10
Liquidity	<u>Liquid Assets-Short-term Payable</u> Total Deposits <u>7,324,160.22</u> 2,558,269.61	Not less than 15%	286%	10
Net Institutional Capital	(Reserves+Allowance)-(Past due loan+ litigation +problem assets) Total Assets 2,026,076.30 41,683,707.63	At least 10%	5%	6
O- OPERATIONS (10%)				
Performance of Membership Growth	Actual increase in membership target increase in members <u>335</u> 1000	Target set in the Development Plan	34%	3
Trend in External Borrowings	Ending External Borrowings-Beginning External Borrowings Beginning Borrowings Zero	Decreasing to Zero	no external loans	5
S- STRUCTURE OF ASSETS(15%)				
Asset Quality	<u>Non-Earning Assets</u> Total Assets <u>190,104.71</u> 41,683,707.63	Not more Than 5%	0%	5
Asset Structure	Total Deposit Total Assets <u>2,558,269.61</u> 41,683,707.63	55 %to 65%	6%	0
	<u>Total Net Loans Receivable</u> Total Assets <u>13,895,070.49</u> 41,683,707.63	70% to 80%	33%	0
	<u>Total Member's Share</u> Total Assets <u>26,050,987.18</u> 41,683,707.63	35 % to 45%	62%	1
				83

4TH ANNUAL GENERAL ASSEMBLY

Committee Reports

CREDIT COMMITTEE

The Credit Committee is responsible for the overall management of the cooperative's credit business. It reviews and proposes new policies to the Board for the benefit of the cooperative and its members. All loan applications pass through the Credit Committee to ensure adherence to the Credit Policy.

In 2017, our credit business saw a growth of 42% vs prior year's numbers. We were able to grant a total of 1551 loans amounting to P25,906,230.82. This growth is mainly due to the convenience of transacting with our cooperative but also, it shows the desire of our members to grow our cooperative.

Loan Type	2016 Released	2016 Total Loan Amount	2017 Released	2017 Total Loan Amount
PETTY CASH LOAN	404	2,018,095.00	811	4,032,200.00
BIRTHDAY LOAN	211	2,088,900.00	282	2,800,012.76
MULTIPURPOSE LOAN	90	4,908,176.38	158	7,230,572.01
SHARE CAPITAL LOAN	0	-	61	2,476,499.02
EDUCATION LOAN	46	1,998,332.94	54	2,381,169.33
HOUSING EQUITY LOAN	27	2,223,034.13	34	2,171,520.80
CO-MAKER LOAN	2	67,245.36	31	469,922.05
CAR EQUITY LOAN	30	2,220,018.50	23	1,548,631.70
EMERGENCY LOAN	22	215,000.00	20	190,000.00
HOSPITALIZATION LOAN	14	607,200.00	19	742,461.95
TRAVEL LOAN	21	668,890.30	17	637,344.68
CREDIT CARD BUSTER LOAN	10	410,391.86	15	504,587.83
APPLIANCE LOAN	7	344,023.47	7	195,964.69
EPP LOAN (REGULAR)	0	-	7	236,500.00
ABENSON LOAN	2	47,187.80	3	54,219.00
ASSOCIATE MEMBER LOAN	0	-	3	48,035.00
MOTORCYCLE			3	115,500.00
HPP EPP 0% PROMO	32	406,717.88	2	16,090.00
WEDDING LOAN	1	55,000.00	1	55,000.00
TOTAL	919	18,278,213.62	1551	25,906,230.82

As our membership continues to increase, so does the demand for different kinds of loan. The Credit Committee, therefore, will continue to play an important role particularly in policy-making to make sure our loan products remain relevant for our members.

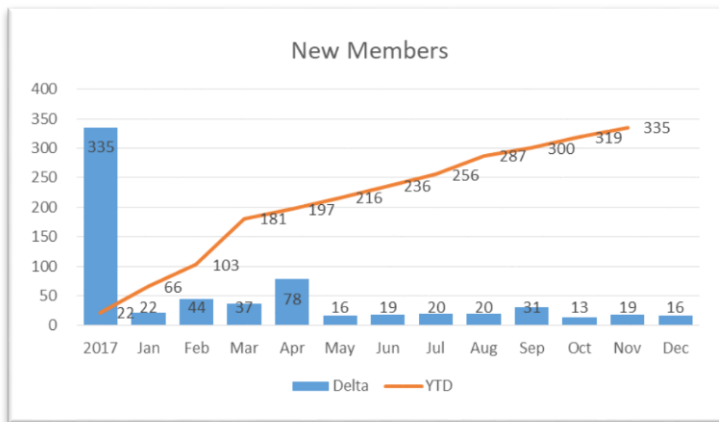
Jay Calma
Committee Chairperson

Sharon Almazan
Committee Vice-Chairperson

4TH ANNUAL GENERAL ASSEMBLY

MEMBERSHIP COMMITTEE

The primary function of the Membership Committee is to increase membership of the Cooperative. The objective is to reach as many employees as possible so more members will be able to participate and benefit from the Cooperative. The more members we have, the stronger the Cooperative will be.



In 2017, we had several PMES (Pre-Membership Education Seminar) orientations mostly during the NEO (New Employee Orientation).

We added a total of 335 new members in 2017, lower by about 37% from the 459 new members in 2016. This was

due to the various reorganizations and realignments that DXC did in 2017. We hope things have stabilized a bit and the target is to double this growth in 2018 by employing various recruitment and marketing programs. But again, the best recruitment program is through referrals from existing members. Thus, we encourage everyone to help in promoting our cooperative so we can reach as many employees as possible. This will not only make our Cooperative even stronger, but it will also allow more employees to benefit, which ultimately will create more value for our members.

Gege de Guzman

Committee Chairperson

Eugenio Revestir

Committee Member (RS)

Christienne Ret

Committee Member (ETON)

4TH ANNUAL GENERAL ASSEMBLY

ELECTION COMMITTEE

The Election Committee is an independent body tasked to promulgate rules and regulations which shall govern the conduct of elections in accordance with the provisions of the by-laws.

The election of officers is done annually as provided for in the By-Laws of the Cooperative. As our members are shifting 24x7 and working from different locations, the election of HPPECC is done electronically and across multiple days. This is to give members every opportunity to exercise their right to vote and to elect the leaders they want.

Following are the details of the HPPECC 2018 Election:

Schedule:

Notice of Election / Start of COC Filing	February 2, 2018
Deadline of COC Filing	February 23, 2018
Electronic Election	February 27 - March 13, 2018
General Assembly / Election Results	March 16, 2018

Open Positions:

- Three (3) Board of Directors
- Three (3) Audit Committee Members
- Three (3) Election Committee Members

The other committee members will be appointed by the Board of Directors during its first board meeting after the elections.

Julius Abarro

Committee Chairperson

4TH ANNUAL GENERAL ASSEMBLY

Board of Directors 2017-2018



Val Hilario
Chairman
(Outgoing)



Mike Nicolas
Chairman



Johann Molo
Vice Chairman



Eugene Teves
Director



Max de Leon
Director



PM Espadon
Director



Led Mangubat
Director



Jody Salas
Director