

**HPP Employees
Multipurpose
Cooperative**

ANNUAL REPORT 2021



To Thrive, Not just Survive.

www.hpp.coop



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8th ANNUAL GENERAL ASSEMBLY AGENDA

2

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JOINT REPORT OF THE BOARD OF DIRECTORS AND MANAGEMENT

Dear Members,

Despite the challenges brought about by the pandemic, HPPEMC continues to be a strong partner for our members in their financial needs. We have never been more committed to be true in our commitment to uplift the lives of our members.

While a lot of businesses, including some cooperatives, struggled to survive in the new normal, HPPEMC managed to thrive and expand as shown in our financial results.

Although the threat of the pandemic is still far from over, we are confident in the direction that our cooperative is heading. Our focus has always been to grow HPPEMC for the benefit of the membership. With that as our guide, we're confident that our cooperative will continue to thrive (and not just survive), whatever difficulties may lie ahead.

Financial Highlights

PARTICULARS	2020	2021	% Increase / (Decrease)
Revenue	6,324,337.35	7,195,916.73	14%
Total Assets	77,227,379.04	89,807,122.52	16%
Net Surplus	3,113,092.01	3,817,267.93	23%
Cash and Cash Equivalents	11,470,951.22	17,076,536.95	49%
Investment Reserve Fund	25,704,774.86	23,468,578.81	-9%
Loan Receivables	24,462,443.28	34,141,898.65	40%
Share Capital	54,298,926.63	61,621,189.16	13%
Loan Releases	33,255,381.51	38,434,235.10	16%
Total Loans Granted	2113 Loans	2248 Loans	6%
Membership	1282 members	1204 members	-6%

2021 MILESTONES/PROJECTS

- **Granted 2,248 loans amounting to close to P40M, more than half of which are small Petty Cash Loans for members' immediate needs.**
- **Damayan Claims – we were able to provide burial assistance to 29 members who lost a dependent through our Damayan Benefit Fund.**
- **Family Members as Coop Members – we've opened up membership to relatives and dependents of members to allow them to enjoy the benefits of being a coop member.**
- **Added three IT/BPO companies as part of HPPCOOP namely, Planate Management Group South East Asia Corporation, Soga Asia Technologies Inc, and Razza Consulting Group Inc. as part of our advocacy to introduce the cooperative advantage particularly to smaller IT/BPO companies who may not have the size or the capacity to put up a cooperative of their own.**
- **Vacc2Normal Campaign – in support of the government's National Vaccination Program, we've offered a special Vacc2Normal Loan with very low interest rate of just 0.55% per month exclusive to vaccinated members.**
- **Enhanced Share Capital Loan – as the pandemic continues, to further help members in this difficult time, we've launched the Online Share Capital Loan that's payable up to a maximum term of 5 years with maximum loanable amount of up to P500k depending on Share Capital.**
- **Real Estate Loan – to make it easier for members to invest in their dream house/condo/property, we've launched our Real Estate Loan with a maximum term of up to 15 years and maximum loanable amount of up to 90% of the total assessed value of the property/construction (up to max of P3M).**

MISSION STATEMENT

A dynamic cooperative of IT-BPS employees that provides relevant financial and other products and services to improve the quality of life of our members.

VISION STATEMENT

The innovative cooperative of choice in the IT-BPS industry.

VALUES

Harmony, Passion, Perseverance

Credibility, Accountability, Resiliency, Equality, Selflessness

5-YEAR BLUEPRINT

Strategic Themes	Member Satisfaction	Operational Excellence	Enterprise Development	People Empowerment
Strategic Results	Membership is increased to 9,000 Member Care Program is institutionalized Members are satisfied and loyal	Streamlined processes and procedures Compliance on all regulatory requirements Upgraded physical and internal infrastructure	Non-financial products and services are sustainable and contributing to significant growth of the cooperative	Competent and highly efficient employees and officers On-boarding framework for employees and new leaders is effective Succession Plan is in place

2023 – 2027 HIGH-LEVEL PLANS

1. Asset size of P500M by 2027.
2. Membership of 9,000 by 2027.
 - a. Image building
 - b. Intensive membership recruitment
3. Increase Member Satisfaction
 - a. Additional vacation homes
 - b. Annual Christmas gifts/baskets
 - c. Feedback mechanism
4. Physical cooperative-owned building.
5. Highly efficient and effective employees.
 - a. Hiring of new employees
 - b. Efficient workflow
6. Stable Core Banking System
 - a. Real-time core banking system
 - b. Online services
7. Sound Financial Performance
 - a. Other sources of income
 - b. Institutionalized process and procedures
 - c. Improved financial products and services

7th ANNUAL GENERAL ASSEMBLY MINUTES

MINUTES OF THE MEETING OF THE 7TH ANNUAL GENERAL ASSEMBLY OF THE HPP EMPLOYEES MULTIPURPOSE COOPERATIVE, HELD ON SEPTEMBER 24, 2021, VIA ZOOM MINUTE TAKER: MARLON JEFFREY PARADERO

PART I ZOOM LOBBY

- Lobby started at 3:30 PM.

PART II OPENING ACTIVITIES

A. Invocation

Led by CEO Val Hilario

B. National Anthem

Led by CEO Val Hilario

C. Cooperative Pledge

Led by CEO Val Hilario

D. Presentation of Candidates for the 2021 Election

GM, Val Hilario presented the candidates for following positions:

- Board of Directors (3 seats) – 4 candidates (Joreen Cruz, Kristine De Claro, Gerald De Guzman, Erickson Tenorio)
- Audit Committee (3 seats) – 3 candidates (Daniel Coquingo, Alvin Estrada, Mike Nicolas)
- Election Committee (3 seats – 3 candidates (Peter Erispe, Joevy Melegrito, Mark Samson)

E. Acknowledgements and Welcome Address

- GM Val Hilario presented and recognized the members of the Board of Directors present in the General Assembly.
- Chairperson of the Board, PM Espadon, provided her welcome remarks

F. Raffle

10x Dual Bluetooth-Wireless Mouse

No.	Ticket No.	Name
1	09035	Monserrat, Omar O. 1
2	03395	Lariosa, Kyriel Andrew M. 9
3	09379	Rumbawa, Joshua Torda 8
4	00335	RABAGO, BENILDA ALCARAZ 3
5	06655	Coquingo, Daniel T. 12
6	09855	Cadang, Jeffrey R. 3
7	09635	Rodriguez, Rovelyn C. 9
8	05735	Manuel Jr., Ricardo T. 1
9	06792	Evangelista, Christopher Flores 7
10	07311	Mina, Lorsan Licuanan 4

38 **PART III GA PROPER**

39
40 **A. Call to Order**

41 GM Val Hilario, acting as the assembly's presiding officer, called the meeting to order at
42 4:26PM. Marlon Jeffrey Paradero as the Secretary of the proceedings.
43

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

45 The GM inquired from the Secretary, if the members of HPPEMC were duly notified on the
46 holding of the 7th Annual General Assembly. Marlon Jeffrey Paradero confirmed that due
47 notice was sent to all members August 28, 2021, one (1) month before the General
48 Assembly and thus requirement has been complied. He further certified that based on
49 record, 35.85% of members entitled to vote are present as of 4:22PM, which is above the
50 25% required by the Bylaws. As such, the Secretary confirmed that a quorum was present.
51 With that, the Chair formally opened the Assembly meeting at 4:29PM.
52

53 **C. Group Photo**

54 Being in virtual meeting through zoom, and as per CDA memorandum, participant's camera
55 should be on, with this, initial group photo was taken by GM.
56

57 **D. Conduct of the Proceedings**

58 To ensure an orderly general assembly, the GM reminded everyone with the Zoom House
59 Rules. Anyone who wishes to speak to Click "Raise Hand" and be recognized before making
60 any statement. The GM also mentioned that anyone can make a motion, but it has to be
61 seconded before it is considered for discussion by the general assembly.
62

63 **E. Review and Approval of the Agenda**

64 The GM presented the order of the Agenda. PM Espadon (Coop ID 00398) moved to
65 approve the agenda as presented which was duly seconded.
66

67 As there were no objections, the Agenda of the 2021 Annual General Assembly was
68 approved. The GM asked that this be recorded as follows:
69

70 **GA Resolution No. 2021-01**

71
72 **BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that the Agenda of the 7th Annual General
73 Assembly Meeting of the HPP Employees Credit Cooperative as presented,
74

75 **BE, AS IT IS HEREBY, APPROVED.**
76

77 **F. Approval of the Minutes of the 2019 Annual General Assembly held on March 27, 2019 at**
78 **11F Intellectual Property Center, McKinley Hill, Taguig City and simultaneous at 10.4**
79 **ETON, EDSA, Quezon City.**

80 GM Val Hilario mentioned that to save time, copies of the minutes were distributed in
81 advance for everyone to review ahead of time instead of having the Secretary read the
82 minutes during the meeting proper. The floor was then opened for any comments on the
83 minutes.
84

85 There being no comments, PM Espadon (Coop ID 00398) moved for the approval of the
86 Minutes of the 5th Annual General Assembly.

Having been duly seconded and there being no objections, the Minutes of the 5th Annual General Assembly Meeting has been approved. Chair asked that this be recorded as follows:

GA Resolution No. 2021-02

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the Minutes of the 5th General Assembly Meeting of the HPP Employees Credit Cooperative, held on March 27, 2019 at 11F Intellectual Property Center, McKinley Hill, Taguig City, as presented,

BE, AS IT IS HEREBY, APPROVED.

G. Review and Confirmation of Board Resolutions for 2019-2020

Marlon Jeffrey Paradero presented and read the Board Resolutions for 2019-2020, as follows:

Date	BR No.	Description
01/24/2019	2019-01	Membership to NATCCO Network Manager's Club
01/24/2019	2019-02	Opening of <u>Chinabank</u> Account
01/24/2019	2019-03	Appointment of CEO
02/20/2019	2019-04	Distribution of Net Surplus for FY 2018
02/20/2019	2019-05	Representative to the 42 nd NATCCO ANNUAL GENERAL ASSEMBLY
04/10/2019	2019-06	Election/Appointment of New Officers for 2019-2020
06/27/2019	2019-07	HPP Mobile App License
06/27/2019	2019-08	ANCI Distributorship
08/01/2019	2019-09	DXCOFFEE Brand
08/15/2019	2019-10	HPPEMC Marketing Video

Date	BR No.	Description
11/04/2019	2019-11	Optional Fund applied to Serin depreciation.
12/04/2019	2019-12	Serin Condominiums to be used as Member's Benefit
12/04/2019	2019-13	Christmas Gift Coupons for Members
12/04/2019	2019-14	Metro South Cooperative Bank Membership
12/16/2019	2019-15	Increase of Savings and Time Deposit Interest Rates
03/02/2020	2020-01	Distribution of Net Surplus for FY 2019
03/03/2020	2020-02	Allowance for Probable Losses
03/12/2020	2020-03	<u>Availment</u> of Regulatory Relief
07/03/2020	2020-04	Representative to the 1CISP ANNUAL GENERAL ASSEMBLY
07/28/2020	2020-05	Purchase of St. Peter Cremation Plan

Date	BR No.	Description
07/28/2020	2020-06	Damayan Benefit Fund Expansion
08/25/2020	2020-07	Cancellation of HPCOOP 6 th Annual General Assembly due to COVID-19
09/22/2020	2020-08	HPPCOOP to put up Construction Business
10/23/2020	2020-09	Investment in Money Market (BPI and Sunlife)
10/23/2020	2020-10	Additional P1M Share Capital in Investment 1 Cooperative Insurance System of the Philippines
10/23/2020	2020-11	Additional P1M Share Capital Investment in 1 Cooperative Health Management Federation
10/23/2020	2020-12	COVID-19 Insurance for all Members
11/27/2020	2020-13	Christmas Raffle Budget

After which, PM Espadon (Coop ID 00398) moved to approve the Board Resolutions for 2019-2020, as presented. Having been duly seconded and there being no objections, the motion was approved. Chair asked that this be recorded as follows:

GA Resolution No. 2021-03

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the 2019-2020 Board Resolutions, as presented,

BE, AS IT IS HEREBY, APPROVED.

G. Minor Raffle 10x Electric Kettle

10x Electric Kettle

No.	Ticket No.	Name
1	00703	Almanza, Alvin 7
2	06337	Tuliao, Noel L. 1
3	06018	Marcelo, Erene Jay A. 8
4	08564	serania, michael christian kosca 3
5	05248	Colico, Nona Theresa 2
6	07688	Don, Gilbert S. 7
7	07063	Tapia, Jonathan Caligagan 1
8	08468	Miranda, Ericson G. 4
9	02679	Victoria, Joseph Ryan Abelardo 4
10	06467	Castro, Ma. Mercedes Lou T. 9

H. Chairman's Report

GM Val Hilario presented the financial highlights, as follows:

PARTICULARS	2019	2020	% Increase / (Decrease)
Revenue	5,571,391.85	6,324,337.35	14%
Total Assets	60,706,326.82	77,227,379.04	27%
Net Surplus	2,000,247.16	3,113,092.01	56%
Cash and Cash Equivalents	3,261,013.20	11,470,951.22	252%
Investment Reserve Fund	17,795,493.20	25,704,774.86	44%
Loan Receivables	24,659,810.33	24,462,443.28	-1%
Share Capital	44,938,486.34	54,298,926.63	21%
Loan Releases	40,202,228.24	33,255,381.51	-17%
Total Loans Granted	2364 Loans	2113 Loans	-11%
Membership	1262 members	1282 members	2%

GM Val Hilario presented the following 2019-2020 Milestones/Projects:

- **Granted close to 4,500 loans amounting to more than P70M** – this has helped hundreds of our members in their financial need.
- **Damayan Benefit Claims** – we were able to provide burial assistance to 32 members who lost a dependent.
- **Increased Capitalization to P100M** – with our continuous growth, we had to increase our Authorized Capitalization from P10M to P100M.
- **1CoopHealth: The HPP HMO Plan** – in 2019, we've launched our HMO Plan targeted at providing affordable healthcare for members and their families.
- **Family Members as Associate Members** – HPPCOOP has accepted family members to join as "Honorary Members" allowing them to take advantage of some benefits of being with HPPCOOP particularly the 1CoopHealth HMO Plan.
- **HPP Life Plan** – to assist members with unexpected death in the family, HPPCOOP has made available some memorial services plans that members can avail at pre-need costs.
- **HPP Mart Online** – launched of the eCommerce site where members can avail of products at discounted prices.
- **Marketing and Testimonials Video** – created videos to help market HPPCOOP to employees as well as to other IT/BPO companies who may benefit from being members of the Cooperative.
- **ANCI Distributorship** – signed a distributorship agreement with Amazing Nature Care International to market their Stevia herbal products.
- **Launched DxCoffee Plus** – to promote members' physical wellness, HPP Coop has launched its own healthy coffee brand. DxCoffee Plus is a 5-in-1 coffee mix with health benefits and without the harmful effects of sugar.
- **Website Upgrade** – we've upgraded our website to make it easier for members to navigate. The Member Feedback section allowed for better engagement among members.
- **HPP Mobile App for IOS** – we've made the HPP Mobile App available for iPhone users.
- **LAZADA Workshop** – our "LEARN to EARN" program continued with the conduction of a Lazada Workshop where members and dependents were taught how to become a Lazada seller.

- **Christmas Gift Coupons** – in appreciation of members’ continued support, HPP Coop has distributed gifts to all Members in Good Standing in the form of Christmas Gift Coupons which they can redeem from the Coop’s eCommerce site, HPP Mart Online.
- **Financial Assistance to Taal Victims** – we’ve offered P20,000.00 interest-free loans payable in 12 months to members affected by the Taal eruption.
- **Tulong Taal** – partnered with DXC Inspire to donate P55,000.00 for the Taal Evacuation Relief and Feeding Program.
- **HPP Distributes Free Face Masks** – in the aftermath of the first reported coronavirus case in the country, face masks have suddenly become overpriced if not out of stock. To help members protect themselves, HPPCOOP gave away free face masks to members.
- **Donation to COVID-19 Frontliners** – together with DXC Inspire, we were able to donate meals and much needed PPEs to the Philippine General Hospital.
- **Typhoon Ulysses Donation Drive** – HPPCOOP has put up the Typhoon Ulysses Damayan Fund and matched members’ donations to the Fund. A total of P126,200.00 was donated to the victims through DXC Inspire.
- **COVID Loan** – to lighten the impact of the pandemic to members, we offered a special COVID Loan of up to P20,000.00 with a very low 0.37% interest per month payable in 12 months.
- **HP Laptops at 0%** – HPP offered laptops at 0% interest to help members with the Work From Home and Learn From Home requirements of the new normal caused by the pandemic.
- **Free COVID-19 Insurance** – as the pandemic continues with no end in sight, HPP has given all its members free COVID-19 insurance.
- **Online Loan Application** – as COVID-19 continued to affect members’ way of life, HPP has made available various loans through online application via HPP website and/or mobile app, improving services to members by significantly reducing average turnaround time to 24 hours.
 - Birthday Loan
 - Emergency Loan
 - COVID Loan
 - Share Capital Loan
- **Multipurpose Cooperative Status** – the Cooperative Development Authority (CDA) has approved our application to become a multipurpose cooperative. This will allow us to expand to other businesses apart from savings and loans.
- **IT/BPO Employees as Associate Members** – the CDA has allowed us to accept other IT/BPO employees as Associate Members.
 - From HPPECC to HPPEMC

GM Val Hilario presented 2019 Awards as follows;

- **Gawad Parangal Nominee** – HPP Coop was recognized by the Cooperative Development Authority - Manila Extension Office (CDA-MEO) during the Gawad Parangal Awards held at the Winford Hotel in Manila on Oct 17, 2019. The CDA-MEO has cited HPP Coop

saying that its "best practices, good governance and application of cooperative standards build a social consciousness to the vital role of cooperatives".

- **Best Performing Cooperatives** – HPP Coop has been recognized as one of the Best Performing Cooperatives for 2019 by the City of Taguig during the Cooperative Month Culminating Program held at the SM Aura on October 25, 2019.

Performance of the Credit Operation were shared as well;

Granted close to 4,500 loans in 2019-2020 amounting to more than P70M.

Average of 2 Loans per Member per Year.

Petty Cash was the most availed loan type.

Introduced COVID and Taal Loans

Less loan released in 2020 attributed to the pandemic.

3-Year Strategic Plan (2021-2024)

GOAL	DESCRIPTION
A	Increase Membership to 3,000 by the end of 2024.
B	Accelerate growth by expanding the coop's business beyond credit facilities, maximizing return on investment and increasing benefits to members.
C	Improve systems and processes for better member experience.
D	Improve member benefits and services.
E	Contribute to the community where we operate.

GM Val Hilario presented the 2021 High Level Plans, as follows:

Increase Membership to 1500

Setup Construction Company

Continue Partnerships with Company initiatives

Introduce Real Estate Loan

Start eCommerce Business

Make Available Business Opportunities for Members

Upgrade HPPCOOP System to Cloud

Introduce more Member Benefits

Pandemic-related Loans

- More Online Transactions
- Hire Manpower to Improve Response Time
- Etc.

I. Minor Raffle 10x Electric Fan

10x Electric Fan

No.	Ticket No.	Name
1	10111	Vargas, Mel Jhane D. 7
2	04817	Bassig, Alvin A. 3
3	03734	Halop, Lolito G. 2

4	07783	Chua, Krystalline 3
5	05819	Penus, Kristoffer Pamintuan 6
6	00209	Madlangsakay, Marvin Oliquiano 2
7	03709	Tenedero, Joanne Santos 5
8	07114	Villafria Jr., Antonio 4
9	07542	Quevedo, Eric Jerico G. 3
10	02971	Ordiales, Eleazar Hernandez 4

J. Quick Review of Policies;

GM Val Hilario presented the following review of policies and benefits;

Membership Policy

Share Capital Policy

Co-Maker Policy

Resignation Process

And HPPEMC Benefits

Ways to Save and Earn HPPEMC Products

The HPP Website

HPP Mobile App

HPP Tagaytay Condo

HPP HMO Plan

HPP Life Plan

Free COVID Insurance

Online Loans (Zero Co-Makers)

HPPEMC Viber stickers

K. Minor Raffle 10x Blender

No.	Ticket No.	Name
1	04785	Grueso, Aileen Creus 8
2	03055	Reyes, Roderick Francisco 11
3	09338	Agustin, Marianne Villanueva 2
4	07371	Prego, Jed Albert Valencia 8
5	06534	Sison, Denise S. 8
6	07714	ESPARRAGO, MA. ABIGAEL CADA 4
7	05832	Reyes, Ma Cassandra Pascual 2
8	00745	Jalac, Rico I. 4
9	05606	Urcia, Joanna Isabelle Frani 5
10	01813	Gandeza, Millicent C. 11

L. 2019 – 2020 Audited Financial Statement

GM Val Hilario presented the 2019 - 2020 Audited Financial Statements, highlights of which are as follows:

HPP EMPLOYEES MULTI-PURPOSE COOPERATIVE
11 F Intellectual Property Center, Upper McKinley Hill, Fort Bonifacio Taguig City
STATEMENTS OF FINANCIAL CONDITION
AS AT DECEMBER 31, 2020 AND 2019
Amounts in Philippine Pesos

	Notes	2020	2019
ASSETS			
Current Assets			
Cash and Cash Equivalent	4,6	11,470,951.22	3,261,013.20
Loans and Receivable-net	4,7	24,462,443.28	24,659,810.33
Inventory		954,872.70	358,967.00
Other Current Assets		1,070.00	-
Total Current Assets		36,889,337.20	28,279,790.53
Non-Current Assets			
Financial Assets at Cost	4,8	423,059.04	423,059.04
Financial Assets at Amortized Cost	4,0	25,704,774.86	17,795,493.20
Investment Property	4,10	9,366,430.01	9,366,430.01
Property and Equipment-net	4,11	350,655.00	420,781.43
Other Non-Current Assets	4,12	4,493,119.33	4,420,772.61
Total Non-Current Assets		40,338,041.84	32,426,536.29
TOTAL ASSETS		77,227,379.04	60,706,326.82

	Notes	2020	2019
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Deposit Liabilities	4,13	15,170,739.27	8,558,137.04
Accrued Expense and Other Payable	4,14	47,883.19	29,467.18
Due to Federation/Union	4,15	117,513.87	111,949.65
Interest on Share Capital Payable	4,16,17	1,721,539.88	1,411,174.37
Patronage Refund Payable	4,16,17	737,802.81	249,030.77
Total Current Liabilities		17,795,479.02	10,359,759.01
Non-Current Liabilities			
Finance Lease Payable	4,18	312,179.05	936,537.37
Other Non-Current Liabilities	4,19	261,066.38	266,070.00
Total Non-Current Liabilities		573,245.43	1,202,607.37
TOTAL LIABILITIES		18,368,724.45	11,562,366.38
MEMBERS' EQUITY			
Members' Share Capital	4,20	52,451,000.00	43,595,000.00
Deposit for Share Capital Contribution	4,21	1,847,926.63	1,343,486.34
Statutory Funds	4,22	4,559,727.96	4,205,474.10
TOTAL EQUITY		58,858,654.59	49,143,960.44
TOTAL LIABILITIES AND EQUITY		77,227,379.04	60,706,326.82

See Accompanying Notes to Financial Statements

HPP EMPLOYEES MULTI-PURPOSE COOPERATIVE
11 F Intellectual Property Center, Upper McKinley Hill, Fort Bonifacio Taguig City
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(Amounts in Philippine Peso)

	Notes	2020	2019
REVENUE			
Income from Credit Operations	4,23	4,600,897.13	4,569,428.06
GROSS REVENUES		4,600,897.13	4,569,428.06
LESS: EXPENSES			
Financing Cost			
Interest Expense on Deposits		140,620.56	27,493.13
General and Administrative Cost	4,24	3,070,624.78	3,543,651.56
TOTAL EXPENSES		3,211,245.34	3,571,144.69
NET SURPLUS FROM OPERATIONS		1,389,651.79	998,283.37
Add: Other Income			
Income/Interest from Deposits/Investments		130,995.39	190,096.29
Membership Fees		32,000.00	91,200.00
Miscellaneous		1,560,444.83	720,667.50
Total Other Income		1,723,440.22	1,001,963.79
NET SURPLUS FOR DISTRIBUTION		3,113,092.01	2,000,247.16
DISTRIBUTION:			
Reserve Fund	4,17,22	311,309.20	200,024.72
Education and Training Fund	4,17,22	15,565.46	10,001.24
Due to Federation/Union	4,17,22	15,565.46	10,001.24
Community Development Fund	4,17,22	93,392.76	60,007.41
Optional Fund	4,17,22	217,916.44	60,007.41
Interest on Share Capital Payable	4,17,22	1,721,539.88	1,411,174.37
Patronage Refund Payable	4,17,22	737,802.81	249,030.77
		3,113,092.01	2,000,247.16

See Accompanying Notes to Financial Statements

STEPS financial Rating was also discussed by GM to the General Assembly, with total score for HPPMC with 75.5

STEPS Financial Rating

• S – STABILITY (19 POINTS)	14.5/19
• T – TURN-OVER RATIO (6 POINTS)	2.0/6
• E – EFFICIENCY (38 POINTS)	34.0/38
• P – PROFITABILITY (15 POINTS)	11.0/15
• S – STRUCTURE OF ASSETS (22 POINTS)	14.0/22
• TOTAL POINTS	75.50/100

Thereupon, PM Espadon (Coop ID 00398) moved to approve the Chairman's Report, Committee Reports, and the 2019-2020 Audited Financial Statements, as presented.

Having been duly seconded and there being no objections, the motion was approved. The Chair asked that this be recorded as follows:

GA Resolution No. 2021-04

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the 2021 Chairman's Report, and 2019-2020 Audited Financial Statements as presented,

BE, AS IT IS HEREBY, APPROVED.

M. New Business

1. PROPOSED AMENDMENT TO THE ARTICLES OF COOPERATION AND BY-LAWS

From	To
Article II Section 7. To engage in sales and/or services of consumer products such as groceries, food and drinks, information and communications technology, and real property.	Article II Section 7. To engage in sales and/or services of consumer products such as groceries, food and drinks, information and communications technology, rediscounting service , real property and construction .

After which, PM Espadon (Coop ID 00398) moved to approve the proposed Amendment to the articles of cooperation and by laws, as presented. Having been duly seconded and there being no objections, the motion was approved. The Chair asked that this be recorded as follows:

GA Resolution No. 2021-05

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, propose amendment to the articles of cooperation and by-laws, as presented,

BE, AS IT IS HEREBY, APPROVED.

2. ENGAGING OF EXTERNAL AUDITOR FOR CALENDAR YEAR 2021

MILLICENT F. MONTOKA, CPA

CPA LIC No. 61314 until June 10, 2024

BOA 0605 Valid Until June 10, 2024

CDA Certificate. No. CEA No. 0084 valid until March 30, 2023

Tax Agent No. -07-00204-002-2019 valid until April 5, 2022

PTR BCE 7098235 Issued on January 12, 2021 , Pasig City

After which, PM Espadon (Coop ID 00398) moved to approve the engagement of external auditor for CY 2021, as presented. Having been duly seconded and there being no objections, the motion was approved. The Chair asked that this be recorded as follows:

GA Resolution No. 2021-06

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, engagement of external auditor for CY2021, as presented,

BE, AS IT IS HEREBY, APPROVED.

N. Minor Raffle Multi-Function Cooker

No.	Ticket No.	Name
1	00817	Rivera, Rosemarie M. 2
2	09201	Caballero, Marlon G. 10
3	01547	Baluyot, Ephraim Ryan Roldan 2
4	02745	Cruz, Russel Parungao 12
5	05914	Tuliao, Noel L. 4
6	05337	Ramos, Franco Leo Guillema 6
7	02486	Aldave, Eric S. 3
8	11332	Salla, Maria Josefa L. 6
9	10182	Dimarucut, Winnie C. 3
10	08836	Masipag, Kevin Medina 8

O. Results of the 2021 HPPEMC Election

GM Val Hilario presented the results of the 2021 HPPEMC Election. He mentioned that the election was done electronically via the HPPEMC website and that there were a total of 366 votes casted translating to a turnout of 38.36% of the total members entitled to vote. He noted that the turnout was above the minimum of 25% required by the bylaws.

Results were as follows:

Board of Directors (3 seats)

Candidate Name	Member ID	Number of Votes	Term
Gerald de Guzman	00021	246	2 years
Kristine De Claro	00885	230	2 years
Joreen Cruz	01251	175	2 years
Erickson Tenorio	01256	106	

Audit Committee (3 seats)

Candidate Name	Member ID	Number of Votes	Term
Mike Nicolas	00009	301	2 year
Daniel Coquinco	00732	211	2 year
Alvin Estrada	00767	195	1 year

Election Committee

Candidate Name	Member ID	Number of Votes	Term
Mark Samson	01280	242	2 year
Peter Erispe	00987	237	2 year
Joevy Melegrito	01662	233	2 year

After the announcement of the winners, Chairperson PM Espadon administered the Oath of Office to the newly elected officers.

P. Minor Raffle Air Fryer

No.	Ticket No.	Name
1	02583	Casera, Maria Katrina Del Rosario 5
2	08136	Panchito, Neil C. 6
3	06159	Brin, Mark Kevin C. 5
4	07751	Simeon, Blisselda G. 8
5	04358	Leycano, Erick John 10
6	01876	Golez, Jeralyn Almanon 9
7	04693	Almanza, Alvin 6
8	06781	Simeon, Blisselda G. 9
9	05419	Sayat, Josef Czar Tatlonghari 2
10	02384	Ibasco, Raynar Matthew Tandico 12

Q. New Business / Open Forum

The floor was opened for anything the members wishes to discuss.

Following were notes to be taken on the next agenda for the BOD meeting

- a. Associate increase in loan products
- b. Covid Insurance Update and Flu vaccine regarding legal discussion
- c. Improvement of Financial Statement breakdown in the HPP Portal/Mobile App

R. Minor Raffle – Microwave Oven

No.	Ticket No.	Name
1	08087	Bernardino, Kenneth Isaac Garcia 4
2	07774	Hipolito, John Michael M 1
3	08882	Laguador, Mark Jason N. 9
4	09196	Muninio, Jeann Therese T. 5
5	04797	Babao, John Israel Eleda 2
6	05327	Lelis, Checeri Anne De Castro 9
7	04720	Paguinto, Maricar Dion 3
8	10748	ROBLES, ANGELO MAMAID 12
9	06995	Pastor, Emmanuel John T. 12
10	10482	Salas, Jody C. 10

G. Minor Raffle – CoopHealth HMO

No.	Ticket No.	Name
1	04390	Limbo, Nel Mark N. 11
2	05276	Enriquez JR, Leo Liper 5
3	00782	Go, Samson T. 12
4	09768	Agapito, Ricka Marie Badua 10
5	04003	tongo, aven anthony palma 10
6	11453	Lorenzo, Cale Ira Y 8

7	08342	Aguirre, Mitzi Joyce Cruz	11
8	11232	Lopez, Gian Paolo M.	10
9	01386	Dacanay, Nina Patricia F.	7
10	01590	Refuerzo, Anna Rose Celine Lacsamana	2

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G. Major Raffle

No.	Major Prize	Ticket No.	Name
1	HP Smart Tank Printer 1	09241	Bassig, Alvin A. 4
2	HP Smart Tank Printer 2	11297	Binuya, Rosalie Dayao 8
3	Mountain Bike 1	07355	Regala, Sheryl San Diego 3
4	Mountain Bike 2	06635	Martires, Cheryl T. 11
5	40" LED TV 1	09870	Canoza, Edgar Leandro 5
6	40" LED TV 2	00781	Mina, Lorsan Licuanan 10
7	HP Laptop 1	11386	Paldao, Gilbert P. 3
8	HP Laptop 2	01039	Belbes, Jesus Gerardo P. 7
9	HP Laptop 3	04486	Dionisio, Philbert 11
10	HP Laptop 4	11085	Baluyot, Ephraim Ryan Roldan 5
11	HP Laptop 5	04852	Bornales., Peter Paul L. 3
12	Honda Dio	06636	Belbes, Jesus Gerardo P. 11

353 ELECTION RAFFLE (P10,000.00 Cash)

Ticket No.	Name
ER286	Nona Theresa M Colico

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H. Closing Remark

Closing Remark was given by our former board of director and newly elected Auditor, Mike Nicolas.

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I. Closing Group Photo

Similar to the opening of the General Assembly and as per requirement by CDA on virtual meeting, participants camera must be open, thus closing group photo was taken.

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J. Adjournment

There being no other matters to discuss, GM Val Hilario adjourned the 7th Annual General Assembly of the HPP Employees Multipurpose Cooperative at 7:23pm.

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BOARD RESOLUTIONS FOR 2021

Date	BR No.	Description
02/27/2021	2021-01	Regulatory Relief in the Conduct of General Assembly Meeting for 2021
02/27/2021	2021-02	2021 CHMF Common Shares
06/01/2021	2021-03	A RESOLUTION ON THE DISTRIBUTION OF NET SURPLUS FOR FISCAL YEAR 2020
06/01/2021	2021-04	ALLOWANCE FOR PROBABLE LOSSES
06/21/2021	2021-05	2021 1CISP ISCPR
06/21/2021	2021-06	BOARD APPOINTMENTS
08/09/2021	2021-07	Appointment of Secretary
08/09/2021	2021-08	Vacc2Normal Loan
08/09/2021	2021-09	Real Estate Loan
08/09/2021	2021-10	Revised Share Capital Loan
08/09/2021	2021-11	Real Estate Loan Policy
09/29/2021	2021-12	Election of Officers for 2021-2022
10/13/2021	2021-13	Appointment of Committees for 2021-2022
10/13/2021	2021-14	HPP Development Corporation
11/11/2021	2021-15	eKoopBanker Plus Upgrade

2021

AUDITED

FINANCIAL

STATEMENTS

HPP EMPLOYEES MULTIPURPOSE COOPERATIVE
11F Intellectual Property Center, McKinley Hill, Taguig City

**FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2021 AND 2020
AND INDEPENDENT AUDITOR'S REPORT**

PHILIPPINE PESO

MELLICENT F. MONTOKA
CERTIFIED PUBLIC ACCOUNTANT

MELLICENT F. MONTOKA

CERTIFIED PUBLIC ACCOUNTANT

Accredited with BOA, CDA, BIR and PICPA Member


Lot 1 Blk 15 First Street Trinidad Homes Subd. Manggahan Pasig City, Cel. No. 09178161062 email add: chicmontoya@gmail.com

STATEMENT OF REPRESENTATION

Hon. Usec Joseph Encabo
Chairman
Cooperative Development Authority
Regional Office

In connection with my examination of the financial statements of the **HPP Employees Multi-purpose Cooperative** for the year ended as at December 31, 2021 that are herewith submitted to the Cooperative Development Authority, I hereby represent the following:

1. That said financial statements herewith presented are in accordance with the Philippines, which include all applicable Philippine Financial Reporting Framework (PFRF) for Cooperatives, and other accounting requirements under the laws, rules, regulations and principles promulgated by the Cooperative Development Authority (CDA);
2. That in the conduct of my audit, I adhered to the Philippine Auditing Standards of the (PSA) 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 as member of the Philippine Institute of Certified Public Accountants (PICPA) –Eastern Chapter as an independent auditor.
8. That I am a member of PICPA Eastern Chapter.


Mellicent F. Montoya
CPA Certificate No. 61314
Until June 10, 2024
BOA No. 0605 from June 30, 2021 to June 10, 2024
CDA No. 0084, valid from March 31, 2020 to March 30, 2023
TIN No. 133-704-195-000
TAN No. -07-100417-001-2022
Valid from January 24, 2022 until January 23, 2025
PTR No. BCE77670541 on January 5, 2021 Pasig City

May 30, 2022
Pasig City

MELLICENT F. MONTOYA

CERTIFIED PUBLIC ACCOUNTANT

Accredited with BOA, CDA, BIR and PICPA Member

**Lot 1 Blk 15 First Street Trinidad Homes Subd. Manggahan Pasig City, Cel. No. 09178161062 email
add: chicmontoya@gmail.com**


Report of Independent Public Accountant To Accompany Income Tax Return

**The General Assembly
Thru: The Board of Directors
HPP EMPLOYEES MULTIPURPOSE COOPERATIVE
11F Intellectual Property Center, McKinley Hill, Taguig City**

I have audited the financial statements of **HPP Employees Multi-Purpose Cooperative** for the period ended December 31, 2021 on which I have rendered a report on May 30, 2022.

In compliance with Section 8-A, Revenue Regulation V-20, I am stating the following:

1. That the taxes paid or accrued by the above taxpayer for the year ended December 31, 2021 are shown in the schedule of taxes and licenses attached to the income tax return.
2. That I am not related by consanguinity or affinity to the Management and Members of the Board of Directors;
3. That I, as the Principal/Managing Auditor nor my staff, have no financial interest to the Cooperative or any family relationships with its management.


Mellicent F. Montoya
CPA Certificate No. 61314
Until June 10, 2024
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REPORT OF INDEPENDENT AUDITOR

The General Assembly

Thru: The Board of Directors

HPP EMPLOYEES MULTIPURPOSE COOPERATIVE

11F Intellectual Property Center, McKinley Hill, Taguig City

Opinion

I have audited the financial statements of **HPP Employees Multi-purpose Cooperative** which comprise the Statement of financial condition as at December 31, 2021, Statements of operation, cash flow and changes in equity for the year then ended, and notes to the financial statements, including summary of significant accounting policies.

In my opinion, the **HPP Employees Multi-purpose Cooperative** accompanying financial statements present fairly, in all material respects the financial position of as at December 31, 2021, its financial performance and cash flows for the year then ended in accordance with Philippine Financial Reporting Framework for Cooperatives.

Basis for Opinion

I conducted my audits in accordance with Philippine Standards on Auditing (PSAs) and the Standard Audit System for Cooperatives (SASC). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Cooperative in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to my audit of the financial statements in the Philippines, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Framework for Cooperatives 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.

Other Matter

The financial statements of **HPP Employees Multi-purpose Cooperative** for the year ended December 31, 2020, were audited by another auditor who issued an unqualified opinion dated May 28, 2021.

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 assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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.
- 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 27 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

Valid Until June 10, 2024

BOA No. 0605 June 10, 2021 to June 10, 2024

CDA No. 0084 valid from March 31, 2020 to March 30, 2023

TIN No. 133-704-195-000

TAN No. -07-100417-001-2022

Valid from January 24, 2022 until January 23, 2025

PTR No. BCE7670541 January 3, 2022, Pasig City

May 30, 2022

Pasig City

HPP EMPLOYEES MULTI-PURPOSE COOPERATIVE
11 F Intellectual Property Center , Upper McKinley Hill, Fort Bonifacio Taguig City
STATEMENTS OF FINANCIAL CONDITION
AS AT DECEMBER 31, 2021 AND 2020
Amounts in Philippine Pesos

	Notes	2021	2020
ASSETS			
Current Assets			
Cash and Cash Equivalent	4,6	17,076,536.95	11,470,951.22
Loans and Receivable-net	4,7	34,141,898.65	24,462,443.28
Inventory		540,830.59	954,872.70
Other Current Assets		-	1,070.00
Total Current Assets		51,759,266.19	36,889,337.20
Non-Current Assets			
Financial Assets at Cost	4,8	534,439.82	423,059.04
Financial Assets at Amortized Cost	4,9	23,468,578.81	25,704,774.86
Investment Property	4,10	9,366,430.01	9,366,430.01
Property and Equipment-net	4,11	266,640.62	350,658.00
Other Non-Current Assets	4,12	4,411,767.07	4,493,119.93
Total Non-Current Assets		38,047,856.33	40,338,041.84
TOTAL ASSETS		89,807,122.52	77,227,379.04
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Deposit Liabilities	4,13	19,385,936.75	15,170,739.27
Accrued Expense and Other Payable	4,14	183,436.10	47,883.19
Due to Federation/Union	4,15	121,034.75	117,513.87
Interest on Share Capital Payable	4,16,17	2,788,132.50	2,222,125.08
Patronage Refund Payable	4,16,17	380,199.89	361,741.29
Total Current Liabilities		22,858,739.98	17,920,002.70
Non-Current Liabilities			
Finance Lease Payable	4,18	-	312,179.05
Other Non-Current Liabilities	4,19	278,473.41	261,066.38
Total Non-Current Liabilities		278,473.41	573,245.43
TOTAL LIABILITIES		23,137,213.39	18,493,248.13
MEMBERS' EQUITY			
Members' Share Capital	4,20	59,945,000.00	52,451,000.00
Deposit for Share Capital Contribution	4,21	1,676,189.16	1,847,926.63
Statutory Funds	4,22	5,048,719.97	4,435,204.28
TOTAL EQUITY		66,669,909.13	58,734,130.91
TOTAL LIABILITIES AND EQUITY		89,807,122.52	77,227,379.04

See Accompanying Notes to Financial Statements

-

HPP EMPLOYEES MULTI-PURPOSE COOPERATIVE
11 F Intellectual Property Center , Upper McKinley Hill, Fort Bonifacio Taguig City
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Amounts in Philippine Peso)

	Notes	2021	2020
REVENUE			
Income from Credit Operations	4,23	7,195,916.73	5,640,529.19
GROSS REVENUES		7,195,916.73	5,640,529.19
LESS: EXPENSES			
Financing Cost			
Interest Expense on Deposits		177,736.35	140,620.56
General and Administrative Cost	4,24	3,287,623.48	3,070,624.78
TOTAL EXPENSES		3,465,359.83	3,211,245.34
NET SURPLUS FROM OPERATIONS		3,730,556.90	2,429,283.85
Add: Other Income			
Income /Interest from Deposits/Investments		41,623.57	130,995.39
Membership Fees		15,400.00	32,000.00
Miscellaneous		29,687.46	520,812.77
Total Other Income		86,711.03	683,808.16
NET SURPLUS FOR DISTRIBUTION		3,817,267.93	3,113,092.01
DISTRIBUTION:			
Reserve Fund	4,17,22	381,726.79	311,309.20
Education and Training Fund	4,17,22	19,086.34	15,565.46
Due to Federation/Union	4,17,22	19,086.34	15,565.46
Community Development Fund	4,17,22	114,518.04	93,392.76
Optional Fund	4,17,22	114,518.04	93,392.76
Interest on Share Capital Payable	4,17,22	2,788,132.50	2,222,125.08
Patronage Refund Payable	4,17,22	380,199.89	361,741.29
		3,817,267.93	3,113,092.01

See Accompanying Notes to Financial Statements

HPP EMPLOYEES MULTI-PURPOSE COOPERATIVE**11 F Intellectual Property Center , Upper Mckinley Hill, Fort Bonifacio Taguig City****STATEMENTS OF CASH FLOWS****FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020****(Amounts in Philippine Peso)**

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Surplus before distribution		3,817,267.93	3,113,092.01
Adjustment to reconcile net surplus to net cash used in operating activities:			
Depreciation	11	174,255.81	190,044.16
Provision for Probable Losses on Loan	7	600,000.00	700,000.00
Changes in Assets and Liabilities			
Decrease(Increase) in:			
Loans and Receivables	11	(10,279,455.37)	(502,632.95)
Other Current Assets		1,070.00	(1,070.00)
Other Non-Current Assets	12	(705.57)	(72,347.32)
Inventory		414,042.11	(595,905.70)
Increase(Decrease) in:			
Accrued and Other payables	14	135,552.91	18,416.01
Due to Federation	15	(15,565.46)	(10,001.24)
Interest on Share Capital Payable	16	(2,222,125.08)	(1,411,174.37)
Patronage Refund Payable	16	(361,741.29)	(249,030.77)
Net cash used in operating activities		(7,737,404.01)	1,179,389.83
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase)Decrease in:			
Financial Assets at Cost	8	(111,380.78)	-
Financial Assets at Amortized Cost	9	2,236,196.05	(7,909,281.66)
Property and Equipment	11	(8,180.00)	(119,920.73)
Net cash used in investing activities		2,116,635.27	(8,029,202.39)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (Decrease) in:			
Deposit Liabilities	13	4,215,197.48	6,612,602.23
Finance Lease Payable	18	(312,179.05)	(624,358.32)
Other Non-Current Liabilities	19	17,407.03	(5,003.62)
Share Capital	20	7,494,000.00	8,856,000.00
Deposits for Share Capital	21	(171,737.47)	504,440.29
Statutory Funds	22	(16,333.52)	(283,930.00)
Net cash used in financing activities		11,226,354.47	15,059,750.58
NET INCREASE (DECREASE) IN CASH		5,605,585.73	8,209,938.02
CASH AT BEGINNING OF YEAR	6	11,470,951.22	3,261,013.20
CASH AT END OF YEAR		17,076,536.95	11,470,951.22

See Accompanying Notes to Financial Statements

HPP EMPLOYEES MULTI-PURPOSE COOPERATIVE**11 F Intellectual Property Center , Upper McKinley Hill, Fort Bonifacio Taguig City****STATEMENTS OF CHANGES IN EQUITY****FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020****(Amounts in Philippine Pesos)**

	Notes	2021	2020
MEMBERS' SHARE CAPITAL	20		
Authorized 900,000 Common shares at P100.00 par value		90,000,000.00	90,000,000.00
Subscribed and Paid-up Common Shares		59,945,000.00	51,454,000.00
Authorized 10,000 Preferred shares at P100.00 par value		10,000,000.00	10,000,000.00
Subscribed and Paid-up Preferred Shares		997,000.00	997,000.00
		60,942,000.00	52,451,000.00
DEPOSIT FOR SHARE CAPITAL SUBSCRIPTION	21		
Beginning Balance		1,847,926.63	1,343,486.34
Add(less)		(171,737.47)	504,440.29
Total Deposit for Share Capital Subscriptions		1,676,189.16	1,847,926.63
TOTAL MEMBERS' SHARE CAPITAL		62,618,189.16	54,298,926.63
STATUTORY FUNDS			
RESERVE FUND	22		
Beginning Balance		4,047,997.70	3,736,688.50
Add: Allocation for the year		381,726.79	311,309.20
Ending Balance		4,429,724.49	4,047,997.70
EDUCATION AND TRAINING FUND	22		
Beginning Balance		25,566.70	10,001.24
Add: Allocation for the year		19,086.34	15,565.46
Use of Fund		(10,000.00)	-
Ending Balance		34,653.04	25,566.70
COMMUNITY DEVELOPMENT FUND	22		
Beginning Balance		128,406.94	192,314.18
Add: Allocation for the year		114,518.04	93,392.76
Use of Fund		(2,000.00)	(157,300.00)
Ending Balance		240,924.98	128,406.94
OPTIONAL FUND	22		
Beginning Balance		233,232.94	266,470.18
Add: Allocation for the year		114,518.04	93,392.76
Use of Fund		(4,333.52)	(126,630.00)
Ending Balance		343,417.46	233,232.94
TOTAL STATUTORY FUNDS		5,048,719.97	4,435,204.28
TOTAL EQUITY		67,666,909.13	58,734,130.91

See Accompanying Notes to Financial Statements

HPP EMPLOYEES CREDIT COOPERATIVE
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 Framework for Cooperative.

4. 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.

Financial Assets at Cost

Financial asset at cost are investment in cooperatives it is used to classify instruments that do not have a quoted market price in an active market and are recognized at cost.

Financial Assets at Amortized Cost

Financial Assets as amortized cost are investment with BPI Management with interest depending on the market rate and are recognized at fair market value.

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 de-recognition 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 de-recognition of an item of property and equipment as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

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.

Investment property

Investment property represents condominium unit that is held by Cooperative for the subsidized rental for the use of its members as members benefit.

Investment property measured at its cost at initial recognition. The cost of a purchased investment property comprises price and any directly attributable expenditure such as transfer taxes and other transaction cost. If the payment is deferred beyond normal credit terms, the cost is the present value of all future payments.

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.

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.

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 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.

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.

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in accordance with Financial Reporting Framework for Cooperatives 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.

6 CASH AND CASH EQUIVALENT

	2021	2020
Cash n Banks	17,061,536.95	11,458,365.91
Petty Cash Fund	15,000.00	12,585.31
Total	17,076,536.95	11,470,951.22

Cash in Banks represents total deposits by the cooperative under savings and current accounts that earns prevailing market interest rates.

7 LOANS AND OTHER RECEIVABLES-Net

6.1 Loans Receivable-net	2021	2020
Current	23,067,525.30	21,347,643.53
Past Due	2,642,982.02	1,944,631.15
Total Loans	25,710,507.32	23,292,274.68
Less: Allowance for Probable Losses on Loans	(2,114,474.74)	(1,514,474.74)
Total	23,596,032.58	21,777,799.94
6.2 Installment Receivable	96,290.00	36,192.00
Advances to HPP Development Corporation	2,785,929.21	
Other Current Receivables	7,663,646.86	2,648,451.34
Total	34,141,898.65	24,462,443.28

The Cooperative charged interest rate of 1 -2 % per month for various loan products using the outstanding balance method of computing interest on loans with maturity depending on the types of loans as per Cooperative's loan policy.

The other receivables represents collections from HP Inc., Hewlett Packard and DXC Technology for the salary deductions of members loans for remittance to cooperative as of December 31, 2021.

Aging Summary:

	2021	2020
Current	23,067,525.30	21,347,643.53
Past due less than 1 year	767,180.17	962,418.56
Past due more than 1year	1,875,801.85	982,212.59
Total	25,710,507.32	23,292,274.68

Advances to the HPP Development Corporation represents advances made to the subsidiary Corporation were the Cooperative had invested in the amount of P4Million . The Cooperative aim to provide services to their members for their housing and contruction related needs.

8 FINANCIAL ASSETS AT COST

This account consists of the following:

	2021	2020
Investment with St. Peter	174,000.00	114,600.00
Investment with CISP	138,109.76	100,000.00
Investment with Coop Health Management Federation	113,871.02	100,000.00
Investment with NATCCO	108,459.04	108,459.04
Total	534,439.82	423,059.04

The Financial assets at cost represents investment with cooperative in a form of share capital and share certificate that do not have a quoted market price in an active market and are recognized at cost.

9 FINANCIAL ASSETS AT AMORTIZED COST

This account represents Investment with BPI Management amounting to P23,468,578.81 and P25,704,744.8, as of December 31, 2021 and 2020 respectively which earns .75% renewable every month depending on the market rate.

10 INVESTMENT PROPERTY

The investment property consists of two units of Condominium located at Serin West and East Tagaytay Tower in Tagaytay. The Condominium units is also being rented and used by members as part of their benefits with a minimal rental fee to augment the maintenance of the building.

11 PROPERTY AND EQUIPMENT-NET

This account consists of the following:

	December 31, 2020	Additions/ Disposal	December 2021
Condominium Improvements	396,740.20	-	396,740.20
Condominium -Furniture, Fixtures and Equipment	183,298.66	-	183,298.66
Office Equipment	57,071.07	8,180.00	65,251.07
Total	637,109.93	8,180.00	645,289.93
Less: Accumulated Depreciation			
Condominium Improvements	119,014.02	42,462.88	161,476.90
Condominium -Furniture, Fixtures and Equipment	110,366.84	48,988.14	159,354.98
Office Equipment	57,071.07	746.36	57,817.43
Total	286,451.93	92,197.38	378,649.31
Net Book Value	350,658.00	92,197.38	266,640.62

12 OTHER NON-CURRENT ASSET

This account consists of the following:

	2021	2020
Computerization Cost	131,517.20	213,575.63
Other Funds and Deposits	4,280,249.87	4,279,544.30
Total	4,411,767.07	4,493,119.93

The Other funds and deposits were amounts set aside as follows:

Cash in Bank BDO- Reserve Fund	4,016,295.58	4,014,304.54
Cash in Bank UCPB-Optional Fund	263,954.29	265,239.76
Total	4,280,249.87	4,279,544.30

The Other Funds and Deposits are funds set aside as restricted fund for reserve and optional fund in compliance with RA 9520.

13 DEPOSIT LIABILITIES

These accounts consist of the following:

	2021	2020
Savings Deposits	17,000,159.74	13,728,464.15
Time Deposits	2,385,777.01	1,442,275.12
Total	19,385,936.75	15,170,739.27

The Cooperative Provides interest rates at 1 % for savings deposits and 2.5 % for time deposits with maturity of 1-12 months.

14 ACCRUED EXPENSE AND OTHER PAYABLE

These accounts consist of the following:

	2021	2020
Withholding Tax Payable-	168,740.03	11,260.45
Credit Life Insurance Premium Payable	14,696.07	30,903.00
Accrued Expense Payable	-	3,600.00
SSS/ECC /Pag-ibig Premiums Payables	-	2,119.74
Total	183,436.10	47,883.19

15 DUE TO FEDERATION

Due to Unions/Federations is an amount set aside for the education and training fund of APEX organization is 50% of the amount allocated by the cooperative in accordance with the provision of the cooperative's by-laws and the cooperative code. The APEX organization may either be a federation or union of which the cooperative is a member.

16 INTEREST ON SHARE CAPITAL AND PATRONAGE PAYABLE

Interest on capital payable refers to the liability of the cooperative to its members for interest on their share 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.

17 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.
- b. One (1%) 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 fund.
- d. Three percent (3%) 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:

	2021	2020
NET SURPLUS FOR DISTRIBUTION	3,817,267.93	3,113,092.01
DISTRIBUTION:		
Reserve Fund	381,726.79	311,309.20
Education and Training Fund	19,086.34	15,565.46
Due to Union/Federation	19,086.34	15,565.46
Optional Fund	114,518.04	93,392.76
Community Development Fund	114,518.04	93,392.76
Interest on Share Capital Payable	2,788,132.50	2,222,125.08
Patronage Refund Payable	380,199.89	361,741.29
	3,817,267.93	3,113,092.01

18 FINANCE LEASE PAYABLE

This accounts represents the amount of obligation to Avida Land Corporation for the acquisition of the two condominium units located at Serin West and East Tagaytay Tower, Tagaytay under finance lease agreement. Total amount of obligation of the Cooperative amounting to P 0.00 and P 312,179.05 as of December 31, 2021 and 2020.

19 OTHER NON-CURRENT LIABILITIES

This accounts consists of the following:

	2021	2020
Members Benefit Funds Payable	278,473.41	261,066.38
Total	278,473.41	261,066.38

The members benefit fund represents the benefits and incentives given to qualified and good standing members of the cooperative at the end of each year.

20 MEMBERS' SHARE CAPITAL

This accounts consists of the following:

	2021	2020
SHARE CAPITAL-COMMON		
Authorized Share Capital 900,000@Php100 par value	90,000,000.00	90,000,000.00
Subscribed and Paid-up Capital-Common	58,948,000.00	51,454,000.00
SHARE CAPITAL -PREFERRED		
Authorized Share Capital 100,000@Php100 par value	10,000,000.00	10,000,000.00
Subscribed and Paid-up Capital-Preferred	997,000.00	997,000.00
TOTAL MEMBERS' SHARE CAPITAL	59,945,000.00	52,451,000.00

21 DEPOSITS 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.

22 STATUTORY FUNDS

This account consists of the following:

	2021	2020
Reserve Fund	4,429,724.49	4,047,997.70
Community Development Fund	240,924.98	128,406.94
Education and Training Fund-Local	34,653.04	25,566.70
Optional Fund	343,417.46	233,232.94
Total Statutory Funds	5,048,719.97	4,435,204.28

The Cooperative has set aside an amount for the reserve fund and optional fund as per Coop-By Laws for the year ended December 31, 2021 see Notes10

23 INCOME FROM CREDIT OPERATIONS

This account consists of the following:

	2021	2020
Interest Income from Loan	4,115,860.52	4,266,625.36
Processing/Service Fee	2,901,381.31	1,266,169.08
Fines and Penalties	178,674.90	107,734.75
Income from Credit Operations	7,195,916.73	5,640,529.19

24 GENERAL AND ADMINISTRATIVE EXPENSES

This account consists of the following:

	2021	2020
Salaries and Wages	1,685,442.98	1,501,909.56
Provision for Probable Losses on Loans	600,000.00	700,000.00
Members Benefits Expense	306,705.00	210,000.00
Travel and Transportation	176,027.81	126,798.42
Communication	174,827.95	118,613.92
Depreciation and Amortization	174,255.81	190,044.16
Professional and Consultancy Fees	62,000.00	47,600.00
SSS, ECC, Philhealth and Pag-ibig Contributions	36,802.83	52,093.63
Office Supplies	33,027.31	40,494.82
Power, Light & Water	13,953.02	5,119.37
Meetings and Conferences	11,004.00	10,947.00
Taxes, Fees, and Charges	6,841.77	13,230.00
Bank Charges	2,965.00	-
Insurance Expense	1,870.00	3,440.90
Trainings/Seminars	1,000.00	7,300.00
Notarial Fees	900.00	-
Affiliation Fees	-	500.00
Advertising and Promotion	-	34,200.00
Employees Benefits	-	7,200.00
Representation	-	1,133.00
TOTAL	3,287,623.48	3,070,624.78

25 RELATED PARTY DISCLOSURES

The following related party transactions for the year ended December 31, 2021 and 2020.

	2021	2020
Management Staff		
Compensation	1,678,242.98	1,501,909.56
Loans Receivable	140,782.76	92,000.00
Share Capital	345,067.31	236,301.76
Time Deposit	288,796.95	283,302.00
Savings Deposits	51,030.68	38,722.37
Board of Directors, Committee and Officers		
Loans Receivables	2,254,733.28	-
Share Capital	4,021,099.02	3,402,761.41
Time Deposits	40,763.14	-
Savings Deposit	747,054.99	711,538.79

26 EVENTS AFTER REPORTING DATE

The accompanying financial statements were authorized for issue by the Cooperative's Chairman of the Board on May 30, 2022

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

In additions to the disclosures mandated under PFRF and such other standards and/or conventions as maybe as maybe adopted, companies are required by the BIR to provide the notes to the financial statements, certain supplementary information may not necessarily be the same with those amounts disclosed in the financial statements which were prepared in accordance with PFRS.

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) of Internal Revenue (BIR) and the Cooperative Development Authority on February 5, 2010.

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 ten million pesos (Php10,000,000) threshold. This rule, however, applies to cooperatives that have business dealings with non-members.

The Cooperative is entitled to the following tax exemptions and incentives provided by Article 61 of Republic Act No. 9520, as implemented by Section 8 of the Joint Rules and Regulations Implementing Articles 60, 61 and 144 of RA No. 9520 based on the certificate as follows:

1. Exemption from Income tax on income from CDA-registered operations;
2. Exemption from Value-added tax on CDA-registered sales or transactions;
3. Exemption from other Percentage tax;
4. Exemption from Donor's Tax on donations to duly accredited charitable, research and educational institutions, and reinvestment to socio-economic projects within the area of operation of the cooperative;
5. Exemption from Excise tax for which it is directly liable;
6. Exemption from Documentary stamp tax: *Provided, however,* that the other party to the taxable document/transaction who is not exempt shall be the one directly liable for the tax;
7. Exemption from payment of Annual Registration fee of Five hundred pesos (500.00);
8. Exemption from all taxes on transactions with insurance companies and banks, including but not limited to 20% final tax on interest deposits and 7.5% final income tax on interest income derived from a depository bank under the expanded foreign currency deposit system; and

The Cooperative had remitted the required taxes to Bureau in 2021 and 2020. These taxes were not included in the tax exemption certificate the cooperative had obtained as follows.

	2021	2020
a. Withholding Taxes		
Withholding tax on compensation	26,449.07	127,807.44
Expanded withholding tax	0	1,600.00
Total		129,407.44
b. All other taxes (Local and National)		
License and permit	3,831.77	1,165.00
BIR Annual Registration Fee	exempt	exempt
Total	3,831.77	1,165.00