

ANNUAL REPORT 2020



CULION FOUNDATION, INC.

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Corner Roces Avenue, Quezon City 1103
www.culionfoundation.org



MESSAGE FROM THE CHAIRMAN

It is with pleasure, on behalf of the Board of Trustees of the Culion Foundation, that I present to our partners, donors, and communities our Annual Report for 2020. It was a most difficult year as we all know, the world almost coming to a standstill, but as the facts and figures of the Report shows, we were able to mobilize resources, implement projects, and thereby deliver services to our beneficiaries. In some cases, we were even able to surpass our targets.

Even as I say that much work lies ahead to fulfil our vision of an improved quality of life for Filipinos through public health and community development programs, I thank the trustees, officers and staff for their commitment, dedication and perseverance which made our Foundation resilient in the fury of Covid-19.

Let us all hope for better times and more beneficial work in 2021.



RAMON A. PEDROSA
Chairman

MESSAGE FROM THE PRESIDENT

Dear Friends,

We all know how Covid-19 has affected the whole world—and us Non-Government Organizations.

With an island-wide lockdown in Luzon resulting in travel restrictions in the first quarter of 2020, it was a challenge for us to implement our ongoing projects, much more begin or seek new ones. We had to learn new modes and platforms of communicating and updating our stakeholders.

We slowly resumed work only in the second semester of the year. Fortunately, despite the challenges of a heretofore unknown disease and the uncertainties it brought, we were able to implement four projects in health, fisheries conservation, education, and assistance to small enterprises.

Altogether our projects assisted 13,179 beneficiaries, to wit: 7,500 fishers, 3,357 children and students , 327 mothers, 10 marine protected areas, 1,374 ecology warriors, and 400 entrepreneurs. We also began one big and innovative project in tuberculosis control.

In response to displacements caused by the pandemic, on top of our regular programs and projects, we gave relief assistance to displaced 400 affected families in Culion and Coron, as well as 221 displaced drivers and residents in Barangay Paligsahan, where our head office is located.

We are particularly excited about our latest project, the Outsourcing of TB DOTS project, as this is a proof-of-concept prototype initiative we are doing in three hospitals in the cities of Zamboanga, Calapan in Mindoro, and Pagadian in Zamboanga del Sur. Aside from easing hospitals of the burden of reporting to the National TB Program and mitigating their lack of facilities and personnel, the project provides incentives to them through the rental of facilities and reimbursements from Philhealth. If successful, this project, as designed, will be scaled up as a win-win social enterprise benefiting both the host hospital and our Foundation. Of course, it will definitely contribute to easing the TB burden that still plagues the country.

Moreover, despite the lockdowns and restrictions in movements, our ASEDP did not perform poorly as we were resigned to accept. It posted a net income of P514,141 as of December 31, 2020.

Aside from implementing projects, we continued to develop funding proposals to expand current ones or develop new ones, existing ones. In particular we anticipate approval of our proposal for three-year TB Active Case Finding project in the first quarter of 2021. This project intends to find and refer 77,939

patients (Year 1) in Regions IV-A, IV-B and Bicol in support of the efforts of the National TB Control (NTP) program of the Department of Health . It has a proposed Year 1 budget of 36M.

We maintained strategic partnership with and membership in such bodies as the Association of Foundations, Philippine Coalition Against Tuberculosis, and the National Leprosy Technical Working Group.

With our new TB Projects, we have developed cooperation with the Alliance for Improved Health Outcomes (AIHO), an organization of health professionals involved in health research, and the Philippine Society of Public Health Physicians, in which the project lead for our TB projects is the Secretary-General. With these alliances, we hope to establish our research capabilities and conduct more strategic activities in public health. Together, we are looking for means to deliver TB services side by side with Covid-19 mitigation strategies.

We maintained a lean and mean core staff of 11 and we sponsored their online participation in relevant courses to enhance their knowledge and skills.

We were able to extend our PCNC certification for another three years with the license and accreditation we have received from the Department of Social Welfare and Development (DSWD).

It was a difficult year, but with your and the staff's support, we were able to implement projects and contribute to improving the quality of life of Filipinos in fulfillment of our mandate. Thank you, and looking forward to a better performance in 2021 despite the uncertainties in our midst.



ALBERTO A. LIM
President

THE PRESIDENT’S REPORT

In 2020, Culion Foundation, Inc. (CFI) sustained operations despite uncertainties brought about by the Covid-19 pandemic, even as other NGOs and civil society organizations were forced to shut down due to prolonged quarantine to prevent the transmission of the disease. CFI staff carried out their duties and responsibilities under a work-from-home scheme. We resumed regular office routine two and a half months after the start of the Luzon-wide lockdown, with close adherence to mandated health protocols set by the Inter-Agency Task Force on Emerging Infectious Diseases (IATF), the Department of Health (DOH), Department of Labor and Employment (DOLE) and Department of Trade and Industry (DTI). Through e-mails and teleconferences, the Executive Director continually appraised and consulted the Board of Trustees in charting the course of the Foundation toward the New Normal as envisioned by government.

The Foundation anticipated the funding of new programs by local financial institutions in 2020, however, this failed to materialize because many donors deferred plans for project assistance. Nevertheless, we continued to implement ongoing projects, among these the Fish Right 2 Project, the development of Clinical Practice Guidelines for Leprosy, and the procurement of medicines and ointments for the medical mission of the Philippine Dermatological Society. Lastly, the Assistance to Small Enterprise Development (ASEDP) continued to operate well. Despite the lockdown, we received a new project grant from the United Nations’ Stop TB Reach Project for the prototyping of outsourced TB DOTS services for hospitals. As well, we continued with our resource mobilization activities.

The following is a summary of our operations for the year in review.

PROJECT DEVELOPMENT AND IMPLEMENTATION

We continued to implement the following projects: Fish Right, Vitamin A Supplementation, Assistance to Small Enterprise Development Program, Helping Children Adapt to Distance Learning and Support for the Development of Clinical Practice Guidelines for Leprosy. We began a new project entitled, “Prototyping the Provision of Outsourced TB Clinic for Private Hospitals in the Philippines” through a grant from the UN’s Stop TB/TB Reach Wave 8 Project.

FISH RIGHT

This four-year project, which began in 2019, seeks to strengthen local government partners and stakeholders such as Peoples Organizations (POs) and the fishers and their families themselves in managing fisheries resources. This is done chiefly through “rightsizing” or ensuring just the right amount of catch according to established criteria. It is funded by the United States Agency for International

Development (USAID). The NGO principal grantee for the Calamianes Island Group is the Path Foundation Philippines, Inc. while CFI is the grantee for the municipalities of Coron and Culion.



The project marked 2020 as its third year focused on three strategic activities:

1. Scale-up Management Effectiveness of fisheries and coastal resources based on stakeholder agreements;
2. Improve the Policy Environment that enables participatory and equitable governance system, for resilient and ecosystem-based fisheries management; and
3. Enhance participation and leadership of resource users and stakeholders for coastal and marine biodiversity conservation and ecosystem-based fisheries management.

The MOA between CFI and Culion LGU on Review and Adoption of Fisheries Resource Management Plan, MPA Network Design and Coastal and Water Use Plan (technical assistance) shows strengthened partnership to continually implement Fish Right interventions.

1. Three (3) of Coron’s MPA Management Plans were endorsed by the Management Committee for approval and adoption of the Sangguniang Bayan. A committee hearing will be conducted for the review of amendments to ordinances of the respective MPAs.
2. Coron Enforcement Operations Plan. In accordance with the amended
3. CFRMO of Coron: The interim Bantay Dagat groups were initially organized under the Enforcement Unit. The Plan sought to put the enforcement measures in an operational manner and with the right protocols in coordination with various agencies and stakeholders.



At the end of the project year in September, the project had assisted four Marine Protected Areas (MPAs) in Culion and six in Coron at a total cost of PHP13,717.405.

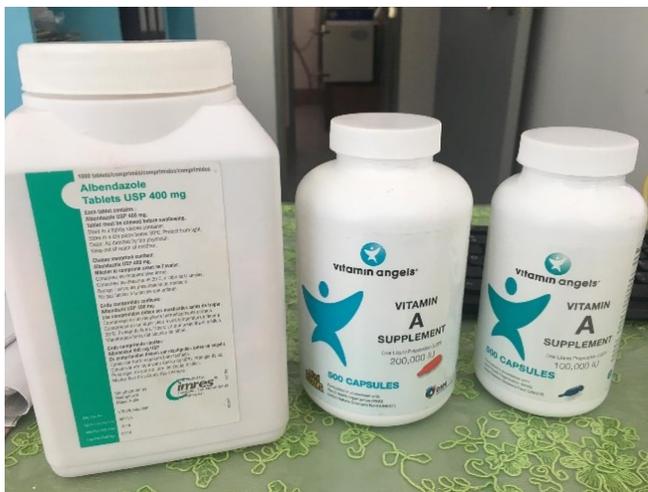
As part of its commitment to the project, the Foundation is actively looking for resources to start and sustain the economic projects being started by the fishers' associations.

VITAMIN A SUPPLEMENTATION

Since 2016, we have been a partner organization of the Vitamin Angels Foundation in the distribution of vitamins to undernourished children and pregnant and lactating mothers. This partnership aims to fill gaps in supply or coverage among eligible beneficiaries. This project is undertaken in collaboration with the Municipal Health and Nutrition Offices of Culion and Coron, headed by Dr Israel and Dr. Alan Guintapan, respectively. Vitamin supplementation is complemented by a deworming program.

For 2020, the project distributed the following number of doses:

| Municipalities | Vitamin A 1 000,000 IU | Vitamin A 200,000 IU | Albendazole | MMS for Pregnant Women |
|----------------|---------------------------|-------------------------|--------------|---------------------------|
| Culion | 150 | 2,094 | 2,000 | 14,400 |
| Coron | 10 | 2,563 | | 40,860 |
| Total | 160 | 4,657 | 2,000 | 55,260 |



Number of mothers and children reached:

| Municipalities | Children | Mothers |
|-----------------------|-----------------|----------------|
| Culion | 2,000 | 80 |
| Coron | 1,287 | 227 |
| Total | 3,287 | 307 |

ASSISTANCE TO SMALL ENTERPRISE DEVELOPMENT PROGRAM (ASEDP)

The Foundation has been assisting small enterprises in Culion and Coron. With the onslaught of the Covid-19 pandemic, such assistance was extended to all ASEDP clients. Rice and grocery items were purchased from our own ASEDP partners. In Culion, there were 229 beneficiaries and in Coron, 171 beneficiaries. Essential food items such as canned goods, rice, noodles etc. were given to the families.



Left photo shows the first batch of rice donations given to Culion municipality on April 1, 2020. CFI donated five sacks of rice each to the LGUs of Culion and Coron as initial and immediate assistance to communities affected by the Luzon-wide lockdown as a result of Covid-19.

The second batch of donations consisting of rice and groceries were distributed to beneficiaries at the municipality of Culion on September 10, 2020. The occasion coincided with the commemoration of the 32nd death anniversary of Fr. Javier Olazabal, one of CFI's founders.



The third batch of donations consisted of rice and groceries which were distributed to beneficiaries at the municipality of Coron in October 2020.



HELPING CHILDREN IN CULION ADAPT TO DISTANCE LEARNING

LEARNING

Through a campaign of Pass It Forward to help children in Culion adapt to distance learning, seventy schoolchildren in the 5th Grade at the Lumber Camp Elementary School in Barangay Carabao, Culion were happy to receive various items such as school supplies, bags, hygiene kits, washable face masks and Vitamin C tablets. These donations were made possible with the sponsorship of Playtech, a partner company of Pass It Forward. Playtech also provided printers and bond paper for the production of learning modules for the students.





CFI Project Team Leader Dolina N. Tabla turned over three printers and copy paper to DepEd Culion teachers.

SUPPORT FOR THE DEVELOPMENT OF *CLINICAL PRACTICE GUIDELINES (CPG) FOR LEPROSY*

Using excess revenue generated from The International Leprosy Conference held in 2019, Iw4 supported the development of *Clinical Practice Guidelines for Leprosy (CPG)*, a first in the history of the National Leprosy Control Program (NLCP) of the Department of Health. The CPG will standardize the diagnosis and management of leprosy cases using evidence-based recommendations. This activity forms part of the NLCP's strategic activity alongside the Manual of Procedures and Mid-term Plan for 2017-2022 towards Zero Leprosy Philippines by 2022. For this purpose, the International Leprosy Association-Philippines (ILA-Philippines), represented by its Vice-President Dr. Francesca C. Gajete, provided a grant of PhP2 million.

The NLCP partnered with the Health Practice and Policy Management (HPPM) to develop the CPG. CFI is a member of the Consensus Panel that assesses the recommendations of the Technical Panels. The six-month project was due for completion by the end of 2020, but activities were interrupted by the Covid-19 pandemic. A no-cost extension has been approved by both the DOH and ILA.

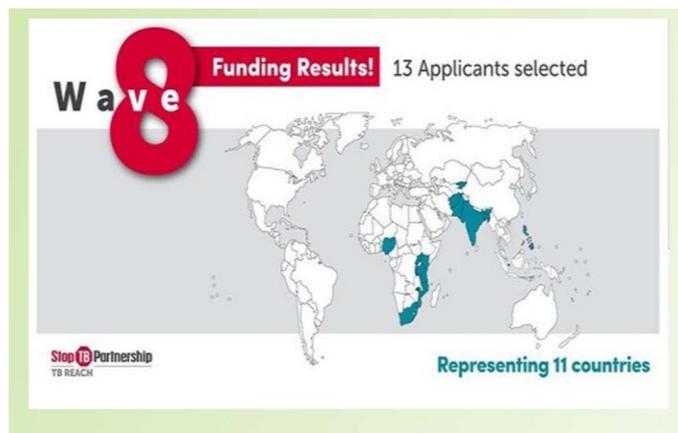
In addition, ILA Philippines , through CFI, also gave a grant of PhP.5 million for the procurement of leprosy medicines and ointments to be used by the Philippine Dermatological Society in its medical missions.



Photo above shows participants of the Coordination Meeting via teleconference of representatives from the DOH, International Leprosy Association, CFI, and the Health Practice and Policy Management (HPPM). Held on August 28, 2020, attendees tackled the creation of a Technical Action Group (TAG) to oversee the development of the CPGs.

PROTOTYPING THE PROVISION OF OUTSOURCED TB CLINIC FOR PRIVATE HOSPITALS IN THE PHILIPPINES

CFI is happy to have been chosen as one of the 13 applicants out of the total of 255 NGOs that competed for Stop TB Partnership's TB Reach Wave 8 Grant.



The grant has allowed the Foundation to work in three selected cities to pilot a new business model which aims to install TB clinics in private hospitals in Calapan City, Pagadian City and Zamboanga City. As of this report, the project has been able to engage one hospital each for two cities, the Pagadian City Medical Center in Pagadian and the Maria Estrella General Hospital in Calapan. Efforts are underway to identify a partner in Zamboanga City.

The project seeks to encourage private hospitals to participate in the National TB Control Program by providing them needed facilities and assisting them in the reporting requirements of the program. These are the two major constraints identified for the lack of participation of private hospitals. We envision this to be a social enterprise project for the Foundation where both the hospital and we generate additional revenue for operations from laboratory fees and Philhealth reimbursements.

OTHER PROJECTS AND ACTIVITIES

DSWD MiMaRoPa Partnership Agreement

The Budgetary Partnership Agreement between the Department of Social Welfare and Development-MIMAROPA and CFI was signed on March 9, 2020 at the DSWD MiMaRoPa office. This partnership will provide oversight and technical assistance to programs and services promotive of children's health and social welfare in the Calamianes Group of islands.



CFI Executive Director signing the Partnership Agreement with DSWD Regional Director

Conduct of Livelihood Training

A two-day training on livelihood development was conducted by CFI on March 12 and 13 in Barangay Baldat, Culion, Palawan prior to the Luzon-wide lockdown. Women from the localities of Baldat were taught bamboo straw and basket making that would provide them with sustainable sources of income. Trainees were identified by the Baldat Women’s Association.

The training was held in collaboration with Margie delos Santos, program specialist of DOT’s MiMaRoPa Development office, Maribel Grezo, president of Bambuhay Handicrafts President, and the barangay officials of Baldat.



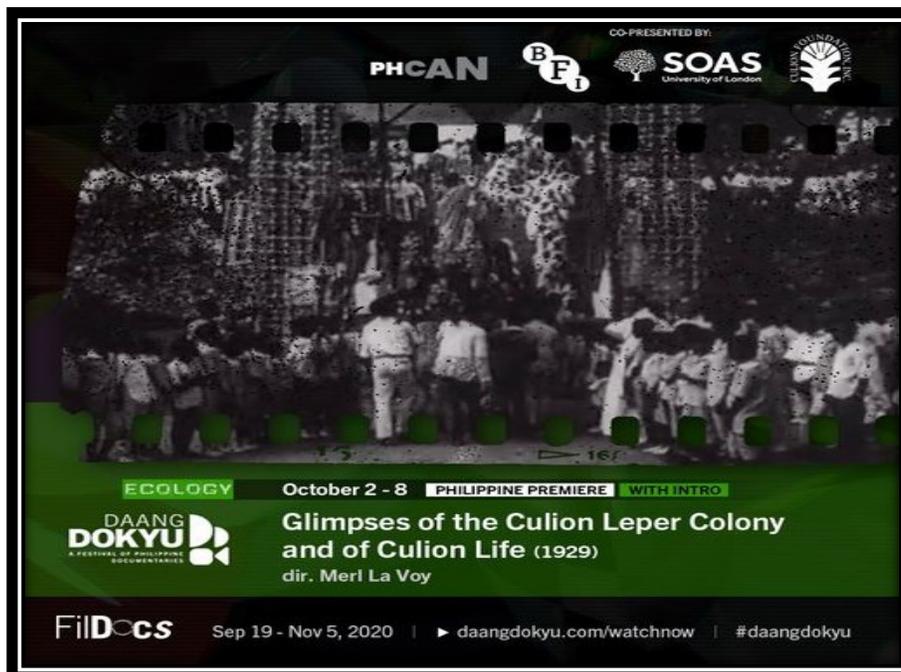
Members of the Baldat Women’s Association attending training

Daang Dokyu Film Showing

Daang Docyu is a festival of documentary films shown on the web. CFI is one of the co-presenters of the documentary, “Glimpses of the” the Culion Leper Colony and Culion Life (1929) filmed by Merl La Voy. Daang Dokyu was streamed on Facebook and the Daang Dokyu’s own website from September 19, 2020 to November 5, 2020. Our Chairman, President, and Executive Director participated in the opening ceremonies.



Our Chairman, Mr. Ramon Pedrosa, participating in the discussions during the Daang Dokyu film showing



GIFTING COMMUNITY RESIDENTS AND TRANSPORT DRIVERS

During Christmas 2020, CFI distributed five kilos of rice each to 20 displaced jeepney drivers who were prevented from plying their regular routes by the prolonged lockdowns. We did this in collaboration with the barangay officials and informal leaders of Barangay Paligsahan, Quezon City, where our office is located.



Drivers receiving their five kilos of rice from CFI Executive Director Eugene Caccam.

The Foundation also gave Christmas tokens to 201 QC residents on December 26, 2020 as shown in photos below.



RESOURCE MOBILIZATION

Even as we implemented projects, we continued to prepare proposals for new ones in fulfillment of our mandate. Our proposal for a 3-year TB Case Finding project worth P130M was approved by the Global Fund/Philippine Business for Social Progress and will be implemented in the second quarter of 2021. Likewise, we continued to follow up the United Nations Development Program (UNDP) on the status of Small Grants -7, which is a follow through of our previous biodiversity-friendly enterprises project. We were advised that the project was on hold as there might be changes in thrust because of the pandemic. Nonetheless we were assured that once the project would be rolled out, we would be invited to participate. We lay low on our proposals on the study on the Carrying Capacity for Tourism of Culion and the Sea Cucumber Ranch project because activities required for both projects required mobility, which were not feasible because of the pandemic.

LINKAGES AND NETWORKING



We maintained its strong partnership and linkages with the Association of Foundations, Philippine Coalition Against Tuberculosis (PhilCAT), and the DOH- National Leprosy Technical Working Group. In addition, with our new TB projects, we have formed cooperation with the Alliance for Improving Health Outcomes (AIHO), a health-research NGO, and the Philippine Society of Public Health Physicians (PSPHP). These alliances will further our visibility in health research and public health practice. We maintained our membership with the Zero Extreme Poverty 2030 Coalition.

GOVERNANCE

The CFI Executive Committee held its first virtual meeting via Zoom on July 21, 2020en restrictions were eased after the hard lock down.



The CFI Executive Committee in its first Zoom meeting. Attendees were (from left to right, top to bottom) Board Chair Pedroso, President Lim, ED Eugene Caccam, and Trustees Dr. Panelo, Dr. Herbosa, Finance Manager Lavarias, and Treasurer Salazar (not in photo).

CFI likewise successfully held its Annual Membership Meeting, Organizational Meeting and Regular Board Meeting on October 16, 2020 via teleconferencing.



OFFICE ADMINISTRATION AND MANAGEMENT

CFI resumed regular face-to-face office transactions on June 1, 2020 after two and a half months the alternative work-from-home scheme. Head office personnel strictly observed the strict health protocols mandated by the IATF and the Interim Guidelines on Workplace Prevention and Control of COVID-19 of the DOT and DOLE.

In the last quarter of 2020, staff were encouraged to enroll in free online courses via Coursera, a global online learning platform endorsed by Department of Science and Technology that offers online training courses. Graduates of the courses receive certificates of completion from prestigious universities abroad.

ED Eugene M. Caccam, HR and Administrative Officer Marla S. Urriza, Resource Mobilization Officer Reginald Alain R. Santos and Antonia M. Villestas completed the Covid-19 Tracing Seminar. Other trainings attended by CFI staff were The Power of Macroeconomics: Economic Principles in the Real World and Initiating and Planning which was successfully completed by Joselito A. Lavarias while the Life of Happiness and Fulfillment course was completed by Villestas.

CONCLUSION AND MOVING FORWARD

Even as CFI calibrates its 2021 Workplan with governmental decrees and directives under the New Normal, it will continue to rely on three planning pillars to enhance its visibility, strengthen its reputation, effectively manage ongoing programs, and develop new ones in line with its vision and mission. At the same time, it will continue to build organizational systems and capabilities to ensure financial sustainability, management expertise, and technological advantage. The three planning pillars and their respective action platforms are the following:

Connect. CFI will continually strengthen partnerships, linkages and strategic alliances such as its membership in networks and participation in collaborative activities. This will enable the Foundation to implement programs utilizing available resources through coordination and resource sharing. In particular, it will:

- Maintain membership with the Association of Foundations and by affiliation, with the Caucus of Development NGOs for organizational strengthening and linkage with resources.
- Maintain membership in local networks such as the Calamianes Resilience Network in Northern Palawan.
- Use to advantage its membership in the Zero Poverty Program of the Catholic Bishops' Conference of the Philippines (also hosted by the Assisi Foundation) to bring more resources to Culion and other areas in Northern Palawan.
- Increase its visibility in the Philippine Coalition Against Tuberculosis (PhilCAT) and the Department of Health's Technical Working Groups on Neglected Tropical Diseases and Leprosy to establish track record and tap opportunities for grants and contracts.

Focus. The Foundation will emphasize:

- Effective management of existing programs and projects: the Fish Right Project, Culion Development Program, Assistance to Small Enterprise Development Program, and Prototyping of Outsourced TB Clinics for Private Hospitals.
- Strategic communications to increase visibility among donors, international organizations, DOH, and other relevant stakeholders.
- Organizational strengthening particularly in the areas of systems development and resiliency planning to respond to the demands of the New Normal.

Innovate. CFI will engage in trailblazing activities such as:

- Explore new programs under the environment of the New Normal such as integrated area development, leprosy research, and biodiversity and marine life/coastal resource management because these significantly impact on the Calamianes

-
- Develop schemes for social amelioration such as food for work
 - Propose innovative mechanisms for improving the delivery of health and nutrition programs in accordance with health protocols

The year 2020 drastically changed CFI's ways of doing things. Others may have lost jobs and opportunities but the Foundation's staff did their best to manage ongoing projects, seek new ones, realign with the New Normal, and meet regulatory obligations. These activities show that CFI has learned, and will continue to learn, the art of resiliency in fulfilling its vision.

Culion Foundation, Inc.
(A Nonstock, Nonprofit Organization)

Financial Statements
December 31, 2020 and 2019

and

Independent Auditor's Report



A member firm of Ernst & Young Global Limited



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BOA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Culion Foundation, Inc.

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Culion Foundation, Inc. (a nonstock, nonprofit organization; the Foundation), which comprise the statements of assets, liabilities and fund balances as at December 31, 2020 and 2019, and the statements of revenues and expenses, statements of changes in fund balances and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the assets, liabilities and fund balances of the Foundation as at December 31, 2020 and 2019, and its revenues and expenses and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standard for Small Entities (PFRS for Small Entities).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation 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 our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS for Small Entities, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.





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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement 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 our 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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Report on the Supplementary Information Required Under Revenue Regulations 34-2020 and 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 34-2020 and 15-2010 in Note 17 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 information is the responsibility of the management of Culion Foundation, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Ma. Genalin Q. Arevalo

Partner

CPA Certificate No. 108517

SEC Accreditation No. 1613-AR-1 (Group A),

November 11, 2019, valid until November 10, 2022

Tax Identification No. 224-024-926

BIR Accreditation No. 08-001998-123-2019,

November 27, 2019, valid until November 26, 2022

PTR No. 8534217, January 4, 2021, Makati City

April 8, 2021



CULION FOUNDATION, INC.
(A Nonstock, Nonprofit Organization)
STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCES

| | Endowment Fund | Operating Fund | Current Projects | ASEDP | Elimination (Note 13) | 2020 Total | 2019 Total |
|---|--------------------|-----------------|-------------------|--------------------|-----------------------|--------------------|--------------------|
| ASSETS | | | | | | | |
| Current Assets | | | | | | | |
| Cash (Note 3) | ₱2,449,559 | (₱752,543) | ₱5,674,102 | ₱1,157,830 | ₱- | ₱8,528,948 | ₱7,892,299 |
| Project advances (Note 4) | - | - | - | 10,654,717 | - | 10,654,717 | 8,234,099 |
| Receivables (Note 5) | 1,085,936 | 1,089,187 | 3,218,839 | 1,753,256 | (6,130,112) | 1,017,106 | 461,193 |
| Funds handled by investment managers (Note 6) | 26,498,400 | 194,672 | - | - | - | 26,693,072 | 27,659,695 |
| Investment in bonds (Note 7) | 12,308,047 | - | - | - | - | 12,308,047 | 12,308,047 |
| Total Current Assets | 42,341,942 | 531,316 | 8,892,941 | 13,565,803 | (6,130,112) | 59,201,890 | 56,555,333 |
| Noncurrent Assets | | | | | | | |
| Office equipment (Note 8) | - | 196,330 | - | 84,532 | - | 280,862 | 299,875 |
| Security deposits - noncurrent portion (Note 9) | - | 153,680 | - | - | - | 153,680 | 153,680 |
| Total Noncurrent Assets | - | 350,010 | - | 84,532 | - | 434,542 | 453,555 |
| TOTAL ASSETS | ₱42,341,942 | ₱881,326 | ₱8,892,941 | ₱13,650,335 | (₱6,130,112) | ₱59,636,432 | ₱57,008,888 |

(Forward)



| | Endowment Fund | Operating Fund | Current Projects | ASEDP | Elimination (Note 13) | 2020 Total | 2019 Total |
|---|----------------|----------------|------------------|-------------|-----------------------|-------------|-------------|
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Current Liability | | | | | | | |
| Accrued expenses and other payables (Note 10) | ₱387,029 | ₱1,782,715 | ₱8,437,569 | ₱3,994,914 | (₱6,130,112) | ₱8,472,115 | ₱4,560,252 |
| Noncurrent Liability | | | | | | | |
| Retirement benefit obligation (Note 11) | — | 1,421,267 | 157,509 | 422,064 | — | 2,000,840 | 1,611,709 |
| Total Liabilities | 387,029 | 3,203,982 | 8,595,078 | 4,416,978 | (6,130,112) | 10,472,955 | 6,171,961 |
| Fund Balances | | | | | | | |
| Restricted (Note 14) | 41,954,913 | — | — | — | — | 41,954,913 | 41,806,301 |
| Unrestricted | — | (2,322,656) | 297,863 | 9,233,357 | — | 7,208,564 | 9,030,626 |
| Total Fund Balances | 41,954,913 | (2,322,656) | 297,863 | 9,233,357 | — | 49,163,477 | 50,836,927 |
| TOTAL LIABILITIES AND FUND BALANCES | ₱42,341,942 | ₱881,326 | ₱8,892,941 | ₱13,650,335 | (₱6,130,112) | ₱59,636,432 | ₱57,008,888 |

See accompanying Notes to Financial Statements.



CULION FOUNDATION, INC.
(A Nonstock, Nonprofit Organization)
STATEMENTS OF REVENUES AND EXPENSES

| | Endowment | Operating Fund | Current Projects | ASEDP | 2020 Total | 2019 Total |
|---|------------------|------------------|------------------|------------------|-------------------|-------------------|
| REVENUES | | | | | | |
| Grants and donations | ₱- | ₱1,500,000 | ₱6,528,308 | ₱- | ₱8,028,308 | ₱20,556,562 |
| Interest income (Notes 3, 4, and 6) | 1,597,370 | 6,070 | 269 | 2,471,524 | 4,075,233 | 4,881,276 |
| Processing fees and others | - | - | - | 342,746 | 342,746 | 1,403,773 |
| | 1,597,370 | 1,506,070 | 6,528,577 | 2,814,270 | 12,446,287 | 26,841,611 |
| EXPENSES | | | | | | |
| Programs and projects (Note 15): | | | | | | |
| Direct project costs: | | | | | | |
| W8 TB | - | - | 3,172,107 | - | 3,172,107 | - |
| Fish Right Expenses | - | - | 2,225,305 | - | 2,225,305 | 2,543,248 |
| CPG & Medicine | - | - | 1,032,720 | - | 1,032,720 | - |
| PIF-School Supplies | - | - | 98,176 | - | 98,176 | - |
| Planning and administration | - | - | - | - | - | 7,676,171 |
| Administration and management | - | - | - | - | - | 3,445,352 |
| Human resource | - | - | - | - | - | 3,394,023 |
| Local personnel | - | - | - | - | - | 1,322,234 |
| Others | - | - | - | - | - | 582,133 |
| Indirect project costs | - | 1,776,029 | - | 2,300,129 | 4,076,158 | 605,986 |
| | - | 1,776,029 | 6,528,308 | 2,300,129 | 10,604,466 | 19,569,147 |

(Forward)



| | Endowment | Operating Fund | Current Projects | ASEDDP | 2020 Total | 2019 Total |
|---|-------------------|---------------------|------------------|------------------|---------------------|-------------------|
| General and administrative expenses (Note 12) | ₱432,854 | ₱3,078,035 | ₱- | ₱- | ₱3,510,889 | ₱3,773,542 |
| Other (income) expenses | - | - | - | - | - | (312,285) |
| Reversal of allowance for impairment losses (Note 4) | - | - | - | - | - | - |
| Decline in market value of funds held by investment managers (Note 6) | 15,320 | - | - | - | 15,320 | 732,450 |
| Foreign exchange loss | 584 | 1,749 | - | - | 2,333 | - |
| | 448,758 | 4,855,813 | 6,528,308 | 2,300,129 | 14,133,008 | 23,762,854 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES | ₱1,148,612 | (₱3,349,743) | ₱269 | ₱514,141 | (₱1,686,721) | ₱3,078,757 |

See accompanying Notes to Financial Statements.



CULION FOUNDATION, INC.
(A Nonstock, Nonprofit Organization)
STATEMENTS OF CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

| | Endowment | Operating Fund | Current Projects | ASEDP | Total |
|---|--------------------|---------------------|------------------|-------------------|--------------------|
| Balances at January 1, 2019 | ₱42,218,586 | (₱939,970) | ₱172,894 | ₱6,306,660 | ₱47,758,170 |
| Fund transfers during the year | (2,073,285) | 3,772,940 | (1,699,655) | - | - |
| Excess (deficiency) of revenues over expenses | 1,661,000 | (2,819,154) | 1,824,355 | 2,412,556 | 3,078,757 |
| Balances at December 31, 2019 | 41,806,301 | 13,816 | 297,594 | 8,719,216 | 50,836,927 |
| Fund transfers during the year | (1,000,000) | 1,013,271 | - | - | 13,271 |
| Excess (deficiency) of revenues over expenses | 1,148,612 | (3,349,743) | 269 | 514,141 | (1,686,721) |
| Balances at December 31, 2020 | ₱41,954,913 | (₱2,322,656) | ₱297,863 | ₱9,233,357 | ₱49,163,477 |

See accompanying Notes to Financial Statements.



CULION FOUNDATION, INC.
(A Nonstock, Nonprofit Organization)
STATEMENTS OF CASH FLOWS

| | Years Ended December 31 | |
|---|-------------------------|-------------------|
| | 2020 | 2019 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Excess (deficiency) of revenues over expenses | (P1,686,721) | P3,078,757 |
| Adjustments for: | | |
| Interest income | (4,075,233) | (4,881,276) |
| Retirement benefit expense (Note 11) | 389,131 | 333,012 |
| Depreciation (Note 8) | 117,753 | 72,707 |
| Decline in market value of funds held by investment managers (Notes 6 and 12) | 15,320 | 732,450 |
| Unrealized foreign exchange loss | 2,334 | 30,898 |
| Provision (reversal) for impairment losses on project advances (Note 4) | - | (312,285) |
| Project advances written-off | - | (61,360) |
| Operating loss before working capital changes | (5,237,416) | (1,007,097) |
| Decrease (increase) in: | | |
| Project advances | (2,422,018) | (2,661,147) |
| Receivables | (555,913) | (284,909) |
| Increase in accrued expenses and other payables | 3,911,863 | 3,026,451 |
| Net cash used in operations | (4,303,484) | (926,702) |
| Interest received | 2,476,856 | 3,314,833 |
| Net cash flows from (used in) operating activities | (1,826,628) | 2,388,131 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 1,599,777 | 1,605,985 |
| Decrease in funds handled by investment managers | 951,303 | 6,351,868 |
| Additions to office equipment (Note 8) | (98,740) | (319,793) |
| Additions in fund balances | 13,271 | - |
| Payments for investment in bonds | - | (5,000,000) |
| Net cash flows from investing activities | 2,465,611 | 2,638,060 |
| NET INCREASE IN CASH | 638,983 | 5,026,191 |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH | (2,334) | (30,898) |
| CASH AT BEGINNING OF YEAR | 7,892,299 | 2,897,006 |
| CASH AT END OF YEAR | P8,528,948 | P7,892,299 |

See accompanying Notes to Financial Statements.



OUR TEAM

Board of Trustees

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Alberto A. Lim – President

Gil T. Salazar – Treasurer

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Anthony Charlemagne C. Yu

Secretary

Reginaldo L. Hernandez

Executive Director

Eugenio M. Caccam, Jr.

HEAD OFFICE: QUEZON CITY

Joselito A. Lavarias – Finance Manager

Reginald Alain R. Santos – Resource Mob. Officer

Marla S. Urriza – Human Resource & Admin Ofcr.

Alberto M. Ong – Stop TB Team Lead

Jonathan A. Nebril – Stop TB Project Manager

Antonia M. Villestas – Junior Accountant

William G. Asuncion – Administrative Aide

FIELD OFFICES: CULION & CORON

Dolina N. Tabla – Project Team Leader

Ida M. Arcega – Fish Right Project Manager

Noli D. Llavan – Fish Right Project Officer

Rechie G. Caballes – Fish Right Community
Organizing Officer

Danny P. Datanagan – Project Assistant

Karen M. Gabad – Project Assistant

Teresa G. Vasquez – Project Assistant

CLINICS: PAGADIAN & CALAPAN

Franco R. Morales – Stop TB Project Coordinator

Edelyn E. Micabalo – Nurse Manager

Denahlen Angele A. Revilla – Nurse Manager