2024 ANNUAL REPORT

RAFI

RAMON ABOITIZ FOUNDATION INC

Weaving Tomorrow Together

ABOUT THE COVER

The cover of the 2024 Annual Report embodies the theme "Weaving Tomorrow Together" through the image of a hablon weaver from Argao, Cebu. The act of weaving symbolizes collaboration, unity, and growth among partners, highlighting the weaver's hands in motion, creating a vibrant tapestry that reflects collective effort.

The image highlights three key elements: the Pattern, representing the foundation's blueprint that guides our programs and direction; the Threads, symbolizing the collaboration and connection among internal and external stakeholders; and the Weaver, embodying the people who bring it all together. These elements reflect the active, shared effort in shaping a brighter future for communities in Cebu and beyond.

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MESSAGE FROM THE CHAIRMAN

2024 was a year of reflection and planning for the future. After dedicating significant Board and staff time to understand the different issues our country and communities face, to reflect on our past work, and to define our goals and priorities for the future, the Board approved RAFI's 2030 strategy.

This strategy renews our commitment to our mission and vision of improving the well-being of communities in Cebu and is anchored on four key pillars: Social Change, Sustainability and Resilience, Performance Excellence, and Culture and People.

Through Social Change, we strive to amplify advocacies, empower communities, and find innovative solutions that lead to inclusive and transformative progress. With Sustainability and Resilience, we champion responsible resource stewardship, strengthen systems to withstand emerging risks, and proactively prepare the organization and the communities we serve for the complex challenges of a rapidly changing world.

In pursuing Performance Excellence, we hold ourselves to the highest standards of impact, accountability, and continuous improvement to ensure that our programs not only reach but elevate the lives of those we serve. And through Culture and People, we invest deeply in our greatest strength: the passion, integrity, and ingenuity of our people, creating a dynamic and nurturing environment where every individual can thrive and lead.

This year's achievements are a testament to the agility of our team and the commitment of our partner communities who have trusted and worked with us to address complex development challenges. As we look ahead, we remain steadfast in our vision to shape a brighter future for the generations of today and tomorrow.

Mikel Alberto Aboitiz
Chairman of the Board of Trustees

MESSAGE FROM THE PRESIDENT AND CEO

Our work in 2024 can be captured by the Ghanaian word "Sankofa", which means "go back and fetch it." This concept, often represented by a bird with its head turned backwards while its feet face forward carrying a precious egg in its mouth, teaches us that we must look back at our past and learn from it for us to successfully move forward into the future.

Inspired by Sankofa, we face the future firmly rooted in our core values, in our commitment to our role as "Architects of Change", and in collaborating with diverse stakeholders to improve the well-being of communities in the Province of Cebu.

While we remain committed to addressing key challenges in the following sectors — Early Childhood Care and Development, Basic Education, Culture and Heritage, Youth Civic Engagement, Health, and Disaster Resilience — we do so with new transformative programs that apply a new approach developed and piloted in 2024. I invite you to learn more about our new way of working on pages 12-25 of this report.

We are grateful to the leaders, communities and other stakeholders who partnered with us to implement our pilot projects. Together with them, we were able to reach 186,782 people and touch the lives of 35,411 individuals — some whose stories are included in this year's report. Just as important were the lessons learned, which will be applied to improve and implement these programs on a wider scale to benefit more people in the future.

I would like to thank the RAFI team for their resilience, their passion and their dedication to our mission. We move forward committed to collaboration, learning, and to bringing about change that is strategic and human centered. We are excited to expand our work, to find more partners — leaders, organizations and communities — who share our vision. Together, we hope not just to respond to the challenges of today, but to build strong foundations for a better future.

Amaya Cristina Aboitiz - Fansler
President and CEO

ABOUT RAFI

The Ramon Aboitiz Foundation, Inc. (RAFI) is a Cebu-based non-stock, non-profit organization established in 1966. RAFI sees its role as a social development organization in providing the architecture of participation - setting the stage for partnerships, coalitions, and project management by working with local government and civic society to bring about positive change. It works closely with communities and partners in the development and implementation of programs and projects.

VISION

Touching People, Shaping the Future
Enabling Resilient, Prosperous and Vibrant Communities

MISSION

Upholding the dignity of man by working with communities to elevate their well-being.

CORE VALUES

The core values define who we are as a foundation and allow us to achieve and deliver our Mission and Vision. These are culled from the Aboitiz family values.

God-Centeredness
Integrity
Respect
Service

TRANSFORMATIVE PROGRAMS

RAFI continues its mission of “upholding the dignity of man by working with communities to elevate their well-being” through new transformative programs designed to strengthen communities, one LGU at a time. These initiatives, implemented across LGUs in Cebu, align with RAFI’s new five-year strategy and its 2030 vision of building resilient, prosperous, and vibrant communities.

	PROGRAM	GOAL
Disaster Resilience	BRAVE	Disaster-resilient Cebuano communities
	GREENER CEBU	Empowered communities living harmoniously in a balanced ecosystem
Health	CARES — Cebuano communities Access to Relevant and Equitable primary healthcare Services	Healthier lives for Cebuanos
Early Childhood Care and Development	SINAG — Sustainable Interventions for Nutrition and Growth	Every child in Cebu is happy, healthy and ready to achieve their full potential by age 5
Basic Education	TALINO	Every learner in Cebu is literate and numerate by the end of Grade 3
Youth Civic Engagement	BAI — Bayanihan Actions for Impact	Every youth in Cebu is actively engaged in nation-building
Culture and Heritage	CeBloom	Vibrant Cebuano communities enabled by their culture

OUR RESULTS

2024 AT A GLANCE

35,400 LIVES TOUCHED

186,800 LIVES REACHED

INSPIRING ACTIONS

We inspire action among the people and communities we serve, to envision a better future for all.

15	Certificates of Accreditation
9	Memoranda of Understanding
17	Letters of Intent
26	Resolutions
362	Advocacy Activities
20,400	Individuals Reached (Advocacy)
11	LGU Profiling Reports
1,100	Individuals Attended (Meetings)
15	LGU Project Teams Established

ENABLING COMMUNITIES

We build capabilities and capacities of the leaders and members of the community to take greater control of their own future and contribute to local development.

46	Local Action Plans Enhanced
12	Memoranda of Agreement
17	LGU Project Charter Briefs
45	Workshops Conducted for Leaders
458	Leaders Participated
68	Workshops Conducted for Community Workers
987	Community Workers Participated

TAKING ACTIONS

We work with communities and partners who share our vision and values through holistic, transformative, and innovative programs and services to achieve a wider and more sustainable impact.

9	Communities (Interventions) Reached
1,000	Individual Lives Touched
5	Mission-Aligned Programs, Projects and Activities Implemented

The weaving of the tapestry of the vision of tomorrow is set before the shuttle sails across the loom, on its trail each of our thread, RAFI's and partners' contribution to the "big picture".

2024 AT A GLANCE

Strategic Internal Partners

RAFI seeks to continually maintain a high standard of organizational excellence and is committed to providing high quality services to individuals and communities.

STEWARDSHIP & SUSTAINABILITY

Build empowering relationships with partners and stakeholders

16.4M Partners Impact Value

4.1 Partnership Health Index

95% Satisfaction Rating

87% Key Supplier Performance Rating

Achieve Sustainability of the Foundation

6% Yield from Active Investment

Drive responsible and sustainable use and management of resources

87% Program Expense Ratio

INTERNAL PROCESSES

Enable value-adding audit services and actionable insights

97% Audit Engagement Performance Rating

86% Internal Audit Rating

92% Audit Client Survey

Streamline core and support processes

95% SLA Compliance

Enable data-driven and factual approach to decision-making

2 Data Maturity Level

Enable principled performance through integrated GRC

100% Compliance Rating

77% Risk Peer Audit Score

Drive organizational and performance excellence

97% Portfolio Performance

86% Operational Excellence Score

573 Organizational Excellence Score

Leverage on technology as accelerator of transformation

99% DX Projects Completion

83% Security Score

88% Service Availability

52% Digital Wellbeing Score

ORGANIZATIONAL CAPACITY

Create happy and high-performance culture

63 Employment Promoter Score

4.2 Engagement Gallup Score

3.2 Achievement of Goals

Inspire unity of purpose and direction

99% Passing Rate for Strategy Knowledge Test

95% of Employees Attended the Mission-Vision-Values / Strategy Cascades

Develop and capacitate our people

82% Competency Level

Enable creativity, innovation and organizational learning

LEVEL 2 Knowledge Management Maturity

36 Knowledge Products

17 Innovation Projects

Create safe and conducive green work environment

97% Maintenance Schedule Compliance

94% Timely Completion of Infrastructure Development, Facilities, and Assets Projects

DISASTER RESILIENCE

Weaving disaster resilience through BRAVE threads

Resilience begins with the smallest threads, woven tightly to form the strong fabric of community preparedness. RAFI took meaningful strides in building disaster resilience among Cebu's communities with the implementation of Project BRAVE (Building Resilience and Adaptation in Vulnerable Ecosystems), which is set to become a force for change in Cebu, nurturing disaster-resilient Cebuano communities.

Disaster Risk Reduction Hubs

Project BRAVE's inaugural year celebrated many milestones thanks to its pilot implementation in the Municipality of Boljoon, Cebu. The program institutionalized 38 *puroks* as disaster risk reduction hubs, equipping 433 leaders with training on preparedness strategies. The program also introduced a Disaster Resilience Scorecard for local government units, providing practical tools for assessing and improving community readiness.

Central to Project BRAVE are the *puroks*—small clusters of communities within the barangay who function as weavers of resilience. These small communities intertwine efforts and build patterns of collaboration that strengthen their ability to respond to and recover from disasters.

"*Mao tong pagkakaron hapsay na siya kay maklaro na namo kung kinsa among mga sakop dayon mailhan na namo kung pila gyod mi kabuok didto. Na-identify na gyod siya ug klaro na karon nga gitabangan mi sa RAFI. Maklaro na gyod ang among tumong sa purok nga magkahiusa mi ug padayon lang gyod,*" said Clarita Manano, Purok Leader of Purok Inahan sa Kanunayng Panabang, Barangay Lunop, Boljoon, Cebu.

ANDAM Boljoon

To celebrate BRAVE's strides in Boljoon, RAFI and the local government of Boljoon hosted its first-ever Purok Day. The event recognized the accomplishments of all *puroks* in building disaster-ready and resilient communities and featured the official oathtaking of *purok* officers. The event also launched the ANDAM (Alerto ug Nagkahiusang komunidad Dinuyogan sa Aktibong Miyembro) Boljoon campaign, which strengthened the municipality's commitment to disaster readiness.

"*Kita diri sa Boljoon,* prone *kaayo ta sa mga sakuna.* At least *karon, kahibaw na ta asa ta magsugod kung naay mga [sakuna] pareho sa Odette. Karon naa na ta'y* standard procedures *kung unsa atong dapat buhaton*," said Boljoon Mayor Jojie Derama at the Purok Day celebration.

DRM Leader in Cebu

While the Philippines continues to be vulnerable to disasters due to environmental shifts, RAFI remains committed to addressing the disaster vulnerabilities of communities through policy and strategy application and disaster management. RAFI's partnerships with government agencies and partner organizations enable it to deliver extensive relief response and recovery efforts to affected communities.

RAFI's Disaster Risk Management (DRM) initiative provided ₱933,000 in disaster relief to 827 beneficiaries affected by disasters. The foundation also responded to 1,265 hotline inquiries for emergency assistance and completed 88 ambulance dispatches in partnership with the Radio Emergency Assistance Volunteer Organization (REAVO) Emergency Operations Center.

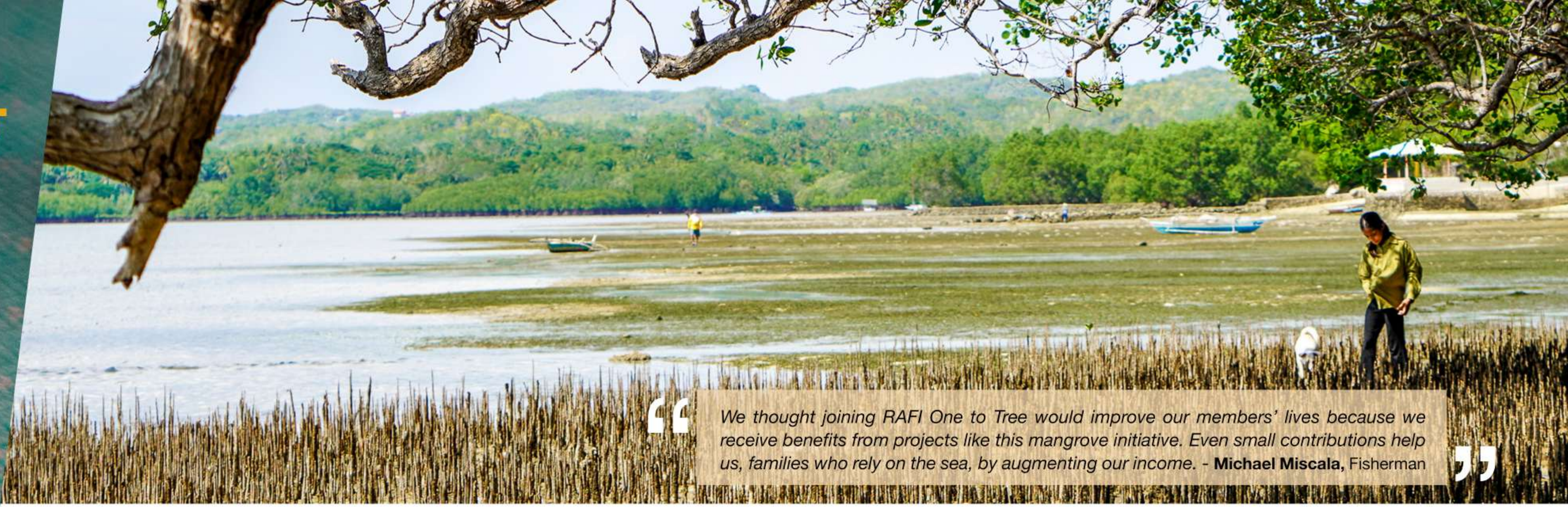
At the end of 2024, RAFI received the Gawad KALASAG Special Award in the Civil Society Organization (CSO) Category for Best Practices in Disaster Risk Reduction and Management and Humanitarian Assistance from the Regional Disaster Risk Reduction and Management Council VII, further solidifying its role as a leader in disaster response and community resilience.

While the work of strengthening disaster resilience among communities remains vast, RAFI's work threads together innovative strategies, meaningful partnerships, and the collective strength of every Cebuano. Through RAFI's DRM initiative, the foundation creates patterns of preparedness and adaptability, crafting a future where resilience is not just a response, but a way of life.

> "*Mao tong pagkakaron hapsay na siya kay maklaro na namo kung kinsa among mga sakop dayon mailhan na namo kung pila gyod mi kabuok didto. Na-identify na gyod siya ug klaro na karon nga gitabangan mi sa RAFI. Maklaro na gyod ang among tumong sa purok nga magkahiusa mi ug padayon lang gyod.*"
>
> **Clarita Manano,** Purok Leader

ENVIRONMENT

Cultivating a Greener Future, Sowing Resilience



We thought joining RAFI One to Tree would improve our members' lives because we receive benefits from projects like this mangrove initiative. Even small contributions help us, families who rely on the sea, by augmenting our income. - **Michael Miscala,** Fisherman

In 2024, RAFI solidified its commitment to environmental resilience and sustainability, advancing its mission of improving forest ecosystem services to support resilient Cebuano communities.

Cebu faces critical challenges from climate change and forest cover loss, with less than 2% of its land covered by forests. The province's vulnerability to natural disasters and climate-related risks underscores the urgent need for collective action.

Through RAFI One to Tree (OTT) and the foundation's new transformative program, Greener Cebu, these challenges are tackled head-on by establishing new approaches and a united effort to weave together resources, expertise, and action from all sectors of society.

In 2024, RAFI One to Tree planted 492,679 seedlings in Cebu and Batangas, covering 293 hectares. Despite the challenges posed by El Niño, typhoons and volcanic degassing in our project areas, it maintained an average of 85% survival rate among seedlings planted.

Threads of Partnership and Impact

The program engaged with corporate clients, amplifying the program's impact across Cebu, Davao, and Batangas. It also expanded its tree-growing efforts in Batangas through private and public sector partnerships.

OTT engaged with Fluor Daniel Inc. to promote agroforestry by planting and growing 20,000 coffee, cacao, and native timber seedlings, with support from the Sorosoro Ibaba Development Cooperative, Provincial Government of Batangas and the Municipalities of Rosario and Taysan. This collaborative effort aimed to establish sustainable agroforestry in Batangas while supporting local livelihoods.

RAFI teamed up with Aboitiz Construction, Inc. for the mangrove forest enhancement project in Brgy. Lumaniag, Lian, Batangas. It also partnered with the Provincial Government of Batangas and Municipality of Lobo, Batangas for community-led tree-growing engagements, which later paved the way to the planting of 1,000 seedlings by volunteers from corporate partner Wells Fargo – Philippines.

Empowering Communities

Ultimately, at the heart of the programs are RAFI's partner farmers and fisherfolk. In 2024, RAFI engaged with 391 farmers and fisherfolks from 12 People's Organizations. They work tirelessly in nurturing seedlings into trees, ensuring that RAFI's efforts translate into lasting environmental and economic benefits. These partners were honored at the second Ka-Treebu Assembly, an event that celebrated their vital role in caring for the environment.

RAFI's tree-growing undertakings not only plant the seeds for a more vibrant future but also enhance the lives of its partner farmers and fisherfolk who nurture seedlings into trees.

Michael Miscala, a fisherman from San Remigio, Cebu and a member of the Victoria Community-based Resource Management Association, shared how the mangrove-growing initiative transformed his community. "We thought joining RAFI One to Tree would improve our members' lives because we receive benefits from projects like this mangrove initiative. Even small contributions help us, families who rely on the sea, by augmenting our income," he noted.

RAFI's bold vision of empowered communities living harmoniously in a balanced ecosystem goes beyond planting trees—it plants hope for a greener, more vibrant future, nurturing resilience and fostering lasting change in the communities it serves.

With each seedling planted and each partnership nurtured, Greener Cebu and RAFI One to Tree seamlessly weave threads of hope into the larger tapestry of a greener future for Cebu and beyond.

HEALTH

Transforming Health Through CARES, Cancer Support

Health is a vital thread that binds communities together, enabling individuals and families to thrive. In 2024, RAFI launched its new transformative program, CARES (Cebuano Communities with Access to Relevant and Equitable Primary Healthcare Services), to help nurture healthier lives for Cebuanos.

CARES represents an evolution in RAFI's healthcare strategy, extending Eduardo J. Aboitiz Cancer Center's (EJACC) impactful legacy into a comprehensive, system-wide approach. Aligned with the Health Sector Strategy vision for Better, Equitable Health Outcomes and Responsive Health Systems, CARES equips LGUs to implement the Universal Health Care Act, empowering local communities to strengthen their Primary Health Care Systems.

Transforming Local Healthcare

Private and public sector partnerships have been critical threads in achieving the health program's milestones during the transformative program's first year. Among the program's highlights is the partnership with the Municipality of Alcantara for the launch and implementation of Alcantara CARES—a focused initiative addressing critical gaps in healthcare access within the coastal municipality.

Since launching Alcantara CARES, the municipality has accomplished several key milestones, including the designation of Alcantara's Rural Health Unit as a Primary Care Facility, the orientation of barangay health workers, and the engagement of 1,378 community members in PhilHealth and First Patient Encounter sessions.

In its first year, the CARES program provided health services to 1,632 individuals across nine communities, focusing on maternal and child health, Universal Health Care system integration, and capacity-building for local health leaders and workers. RAFI also trained 296 community health workers and introduced IClinicSys in health centers to improve efficiency, ensuring healthcare services reach the most vulnerable.

Supporting Cancer Patients

RAFI carried forward EJACC's legacy of bringing cancer treatment and support closer to communities through its holistic approaches to supporting and empowering cancer patients. EJACC supported cancer patients through education and advocacy, screening, treatment and survivorship, and psycho-social support. Activities like KanServe Meals with Chef B.R. offered cancer patients and their guardians the chance to learn practical, nutritious cooking tips, while a psycho-social art workshop in collaboration with The Kabilin Center provided cancer patients with a creative outlet to express emotions through art.

The program also hosted the inspiring Liwanag at Pag-asa (Light and Hope) event, where over 150 cancer patients, survivors, and their families gathered to celebrate life, resilience, and courage.

Delivery of Inclusive Care

RAFI strengthened its health services through meaningful partnerships. Collaborations with the Vicente Sotto Memorial Medical Center's Physical Rehabilitation Medicine Department and The Church of Jesus Christ of Latter-day Saints achieved meaningful results, including the distribution of 560 wheelchairs under the Wheelchair Provisioning Program.

With the launch of RAFI CARES, the program reflects the organization's continued work in the health sector — integrating decades of experience with a bold vision to help address healthcare challenges and enable communities to thrive.

"It's hard to put into words how happy I am. Now, I can go far as long as the path is good. I can participate in activities and visit my friends and relatives. Back then, I often stumbled, especially when I lost my balance. I got hurt many times. That's how hard it was, which is why I'm very grateful that I now have a wheelchair," said wheelchair beneficiary Teodoro Briones.

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Teodoro Briones
Wheelchair Beneficiary

EARLY CHILDHOOD CARE AND DEVELOPMENT

Project SINAG: Healthy Beginnings, Brighter Tomorrows for Cebu's Children

One in every three Filipino children under five does not get adequate nutrition. Born into poor families, they go without food or miss out on essential nutrients. As a result, some 600,000 children in recent years fell short on normal growth indices, or were wasted, dangerously thin from severe malnutrition. In Cebu, the situation slightly improved in 2024, with stunting reportedly manifesting in only 38,080 children from 2023's 47,842 and wasting in only 7,118 from 9,473 in 2023.

These statistics, which remain significant in spite of reported gains, and the objective of ensuring children's health for optimal growth and development, drive RAFI's program focusing on Early Childhood Care and Development (ECCD).

Its ECCD focus, administered under the Dolores Aboitiz Children's Fund, shifted into implementation as Project SINAG (Sustainable Interventions in Nutrition and Growth) in 2024, co-creating change with communities and partners, aspiring to a time when every child in Cebu is happy, healthy and ready to achieve their full potential by age five. Project SINAG is aligned with the National Early Years First Strategic Plan.

Scaling Up Early Childhood Health and Nutrition

There were significant outcomes realized in RAFI's focus on Early Childhood Health and Nutrition (ECHN). The program launched in the Municipality of Bantayan with its Beautiful Bantayan Program benefited 5,785 individuals in 25 communities. The campaign graduated 344 nutrition frontliners, enabling them to lead 21 advocacy activities promoting five Banner Nutrition Programs. The SINAG-ECHN also expanded to Barangays Mambaling, Carreta and Sambag II in the City of Cebu through collaboration with the Zuellig Family Foundation, Glory Reborn, Southwestern University PHINMA and the Cebu City Nutrition Network.

Building Local Capacity for Early Childhood Education

The collaboration with local governments was also brought to the Municipalities of Naga and Cordova where Project SINAG ECE (Early Childhood Education) Lite engaged local champions for team development, leadership training and advocacy activities, including distribution of the Tigum Panglawas booklets and Pinggang Pinoy placemats, guides for early childhood nourishment. Deeper ECCD implementation, including valuable childhood learning opportunities, is assured in the years to come, as plans for the construction of child development centers in these barangays were completed in 2024 and are scheduled for launching in 2025.

On a broader scale, Project SINAG facilitated the active sharing of best practices during an ECCD Convergence held on December 5, 2024. The conference engaged 100 child development champions in a lively exchange of ideas and actions in support of ECCD.

"Healthy children are also good learners, which allows them to be productive members of the workforce and good parents in the future — in turn, their children will be in a better position too," the Municipality of Bantayan stated in its commitment during the event.

By actively engaging partners and collaborators as co-weavers of the ECCD tapestry, Project SINAG is well on the way to helping lower stunting and wasting rates and promoting kinder-readiness among young children, and thus contributing to RAFI's 2030 vision of transformed local communities.

> *Healthy children are also good learners, which allows them to be productive members of the workforce and good parents in the future — in turn, their children will be in a better position too.*
>
> **Municipality of Bantayan**

BASIC EDUCATION

Together for Education: Bridging Gaps, Building Futures

A strong foundation in literacy and numeracy empowers future nation-builders, yet many Filipino learners still face significant learning gaps. In the 2022 PISA assessment by the OECD, the Philippines ranked 77th out of 81 countries in reading, mathematics, and science.

While challenges remain, there is great potential to uplift learning outcomes. Education has always been one of RAFI's key focus areas, and the organization remains committed to strengthening basic education through Project TALINO (Transformative Actions for Literacy and Numeracy Outcomes), its transformative program designed to help every learner in Cebu become literate and numerate by the end of Grade 3.

In 2024, groundwork began for the pilot implementation of Project TALINO in the municipalities of Bantayan and Oslob where the program team conducted five leadership workshops, engaging 64 school leaders in co-creating development plans. This pilot rollout establishes a strong foundation for expanding the program to other municipalities, supporting RAFI's 2030 vision.

It Takes a Village: Partnerships for Progress

To boost learning outcomes and help advance the goals of Project TALINO, RAFI collaborates with diverse education stakeholders including local governments, private sector partners, and school boards through grants and strategic partnerships.

To ensure long-term success and system-level integration, RAFI launched *Kita ang Pagbag-o* (KAP)*:* Sustainability at the Right Level, a continuity initiative embedding the literacy program as a core after-school remediation strategy. It reached nearly 3,000 Grades 3 to 6 learners across all 69 elementary schools in Cebu City.

The program empowers KAP champions — teacher leaders, school heads, and division supervisors — to lead implementation at the school level. Supported by the Cebu City Schools Division Office, it aims to improve foundational literacy and numeracy through sustained, school-led interventions.

By the end of its implementation cycle, the program envisions a stronger model of holistic after-school remediation, with fewer remediation students, wider adoption of KAP methods in schools, and greater teacher confidence and ownership. This sustainability approach ensures that the program transitions from pilot to a fully integrated, division-wide solution for improving learner outcomes in Cebu City.

RAFI also partnered with Alchemy Education Solutions to implement EmpowerED, a program that delivers self-paced learning content aligned with DepEd's Learning Action Cells. Designed to strengthen teacher capacity and learning communities, the initiative served 50 schools, supported 1,965 educators, and reached approximately 60,000 learners across the Cebu City and Cebu Province Divisions.

"An empowered teacher can do so many things. They can engage with their students, motivate and inspire the learners, and encourage their co-teachers. They can also develop themselves professionally and harness skills for them to be effective," said Angelie Guangco, Principal of Sangat Elementary School in San Fernando, Cebu.

> *"An empowered teacher can do so many things. They can engage with their students, motivate and inspire the learners, and encourage their co-teachers and their learners. They can also develop themselves professionally and harness skills for them to be effective."*

Education remains a cornerstone of resilient, prosperous and vibrant communities, equipping young learners with the tools and skills they need to succeed. Through Project TALINO and its broader education efforts, RAFI continues to weave together education partners and communities to build stronger support systems for educators and learners, helping the latter with the end of producing literate and numerate learners, and contribute meaningfully to nation-building.

CULTURE & HERITAGE

Weaving Vibrant Cebuano Communities Through Culture

In a fast-paced and ever-changing world, culture and heritage serve as anchors, nurturing identity, pride of place, and a shared sense of belonging in our communities.

In 2024, RAFI's commitment through Culture and Heritage moved with renewed purpose toward building vibrant Cebuano communities empowered by their culture as its new transformative program on culture, CEBloom, took shape. It began by laying the groundwork for realizing the vision of "vibrant Cebuano communities drawn together and enabled by their culture."

Among the year's milestones was the signing of a Memorandum of Understanding with the International Council on Monuments and Sites Philippines, Inc. (ICOMOS PH) in March. Through this partnership, RAFI and ICOMOS PH will co-create and co-implement key projects aimed at safeguarding Cebu's tangible and intangible cultural assets.

"From the very beginning we recognize the potential of working hand in hand. As we move forward, let's keep our lines of communication open, listen and learn. Our partnership is not just about heritage conservation but also about shared dreams, resilience, and the pursuit of excellence for the well-being of our country and our people," said Dr. Cheek S. Fadriquela, Chairman and President of ICOMOS PH.

Inspiring Partners and Communities

As part of ongoing efforts to elevate and expand the cultural experience of communities, RAFI served as the Secretariat of the Cebu City Heritage District Council and actively participated in its events and activities in 2024. RAFI's CEBloom team joined the Cebu City World Heritage Forum, which helped boost knowledge and expertise in heritage conservation.

Project Management Teams were also formed in the barangays of Pari-an and Tinago in preparation for local resource mapping in the barangays, while community initiatives, like the Pasko sa E. Aboitiz Street, strengthened ties with heritage district residents.

Sustained Commitment to Culture and Heritage

Carrying forward its Culture and Heritage initiatives, RAFI organized the annual Gabii sa Kabilin (GSK), featuring 22 museums and heritage sites across Cebu, Mandaue, Lapu-Lapu, and Talisay, and drew more than 7,000 participants. With the theme, "Beloved Bisaya," GSK 2024 invited reflection on Cebuano identity, inspired by Fr. Francisco Ignacio Alcina, the 17th-century Jesuit missionary who once referred to the Visayans as "my beloved Bisaya."

In January, The Kabilin Center launched "Saulog: Encounter, Pilgrimage, Transformation," an exhibit featuring avant-garde works by artist Steve de Leon. His large-scale textile installations powerfully captured the Filipino journey through Christianity. Casa Gorordo Museum, on the other hand, showcased its house traditions, guided tours, and mounted the "Reminders of Lives Past: Parian in the 1600s" exhibition, which ran from May to July.

Another exhibition, "Handurawang Kinamot," opened at The Kabilin Center in October, in collaboration with the Cebu Furniture Industries Foundation Inc., as well as local artisans and designers. The exhibit highlighted the talents of local craftmakers, provided a platform to share practices and methodologies,

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>
> **Dr. Cheek S. Fadriquela**
> Chairman and President of ICOMOS PH

and sparked vital conversations around mentorship and sustainability in the craft and design sectors. It was also accompanied by talks and workshops with artisans.

Through partnerships and its longstanding Culture and Heritage initiatives, RAFI continued to nurture pride of place and widen public access to Cebu's rich cultural heritage. Like threads in a vibrant tapestry, these efforts weave together meaningful cultural experiences, laying a strong foundation for a future where Cebuano culture drives inclusive and sustainable development.

YOUTH CIVIC ENGAGEMENT

Threading the Gap: Youth Civic Engagement in Action

Youth civic engagement presents a huge gap in the tapestry of economic productivity and nation-building in the Philippines. With opportunities for participation in quality civic development and leadership programs sorely lacking, only 24% of young people join social groups or organizations. Of this number, 54% avoid leadership roles and only 5% implement projects. Thus, 50% of young Filipinos are either unwilling or denied the chance to participate in advocacy-based initiatives.

In 2024, the RAFI Center for Leaders (CFL) reached 2,896 young people through programs focused on civic participation and nation-building, designed to cultivate the head, heart and hands for meaningful civic service.

At the heart of youth civic engagement in 2024 were initiatives like AYCEstorya, a space where young people can engage in civic conversations and dialogue on social issues, and the launch of RAFI's transformative Youth Development program, Project BAI (Bayanihan Actions for Impact).

In February, AYCEstorya: Conversations for Change reignited young people's passion for community service. Titled Hearts to Hands: Reigniting the Youth's Love for Community through Civic Engagement, the session emphasized how love for one's community inspires lasting dedication and impact. AYCEstorya Session 1 gathered 217 participants and 88 from the Virtual Learning Session (VLS).

RAFI also participated in key youth engagement activities with the Department of Education's (DepEd) Learners' Convergence, and Supreme Secondary Learner Government (SSLG) and Supreme Elementary Learner Government (SELG) Leadership Courses, alongside initiatives like Early Childhood Nutrition (ECN) Youth Matters, 4R's Coffee Talk in the Municipality of Bantayan, and the Department of the Interior and Local Government's Batang Kaparis ni Rizal (BATARIZ) Program.

"My participation [with Center for Leaders] was impactful because I learned a lot, not only through (speaking) but also through actions. CFL emphasizes fostering collaboration . . . helps us identify community problems that need to be solved and areas where our participation is needed," said Divine Cordeta, an AYCEstorya participant.

RAFI's partnership with DepEd immersed 160 representatives of various Supreme Secondary and Elementary Learner Governments from all over Cebu in RAFI CFL's Personal Leadership Course. The program aims to bolster students' leadership qualities, including building better peer-to-peer connections.

During DepEd's Learners' Convergence, 1,827 young people from 17 regions across the Philippines reflected on their leadership journeys and fostered collaboration with the help of RAFI CFL's *Galing ng Isa, Galing ng Lahat* Bootcamp, which included mindsetting and experiential activities.

> *"My participation [with Center for Leaders] was impactful because I learned a lot, not only through speaking but also through actions. CFL emphasizes fostering collaboration . . . helps us identify community problems that need to be solved and areas where our participation is needed."*
>
> **Divine Cordeta**
> AYCEstorya participant

Project BAI: Shaping Cebuano Youth

2024 marked the beginning of RAFI's transformative program, Project BAI, which focuses on developing the capacity of youth to lead impactful change in their communities. The program took its first steps in the City of Mandaue and the Municipality of Boljoon with the Project BAI team also completing their Positive Youth Development and Bridging Leadership Certification.

In Mandaue, through the Mandaue Youth Development Council, Project BAI engaged 824 young people in trainings on disaster resilience, health management, basic education, civic development, and culture and heritage.

As RAFI moves forward with its 2030 strategy, it will continue collaborating with local partners to deepen its impact and strengthen the civic fabric of youth communities across the Philippines, with the goal of making sure every youth in Cebu is actively engaged in nation-building.



RAFI DEVELOPMENT ACADEMY

Weaving Change, Empowering Communities

The secret to a beautifully woven tapestry lies not just among the skillful weavers, but within the pattern and the threads that help bring the vision to life. The RAFI Development Academy (RDA) embodies this philosophy by seamlessly intertwining expertise, collaboration among stakeholders, and inspiring action to achieve a shared vision.

As a cornerstone of RAFI's 2030 vision, RDA plays a key role in Pillar 2 (Enabling Communities) of the foundation's new framework. Through its innovative approach to learning and engagement, RDA empowers community workers and leaders.

The RDA was born out of a recognized need for a centralized capacity building approach across RAFI programs. The Academy champions and institutionalizes capability development initiatives of RAFI, leveraging core competencies and synergy among RAFI programs, partners, and networks.

As the focal team for all capability building training for RAFI's Transformative Programs, the RDA launched its Leadership and Governance Modules in 2024. These structured pathways, composed of six highly integrated modules, were designed to equip community leaders and workers with the skills, tools, and confidence needed to recognize and address local challenges and co-create sustainable solutions.

"Before community leaders and workers can act on the problems they identified, they must have the capability to do so. The importance of capability building is to ensure they are equipped and ready through tooling and upskilling. Aside from having good intentions for their communities, capability building is important for community leaders and workers so that they have competent hands to do the dirty work," says Dr. Bonifer Nacorda, Director of the RAFI Development Academy.

Weaving threads for collaboration and connection

Central to RDA's approach is its principle of co-creation. "Learning is a vehicle to engage, a vehicle for community engagement," Nacorda emphasizes.

Each learning engagement is co-designed with RAFI's Transformative Programs to ensure relevance and alignment with community needs. In its pilot year, RDA facilitated workshops for 45 community leaders and 68 community workers, creating spaces for collaboration and engagement.

RDA's success is by skillfully weaving the collaborative efforts of both internal and external stakeholders. The development of the Leadership and Governance Modules was a multi-team endeavor, involving input from RAFI's Chief Operating Officer, Program Development Team, Center for Research, and external partners such as the Zuellig Family Foundation. This collaborative effort reflects the interconnected threads that strengthen RAFI's initiatives and enable partner communities to achieve impactful outcomes.

The first integrated "Coming Together" module was launched in Bantayan for the Talino and Early Childhood Education Project Management Team, focusing on fostering synergy and collaboration among stakeholders. These efforts laid the groundwork for future modules, creating clear deliverables and actionable outcomes.

"Looking forward to the next module, excited to learn another topic," said an ECCD member of LGU Bantayan who participated in the session. A DepEd Master Teacher echoed this, saying, "More trainings and sessions for future development."

One of RDA's greatest accomplishments is its ability to create spaces for meaningful

> *"Our learning engagements gave sectors—some previously untapped — a platform where their voices matter."*
>
> **Dr. Bonifer Narcoda**
> RAFI Development Academy Director

engagement. "Our learning engagements gave sectors—some previously untapped—a platform where their voices matter," Nacorda shares. Through these spaces, stakeholders actively contribute to addressing community challenges and shaping their collective future.

Weaving for the future

As RAFI's new approaches continue to evolve following a year of pilot programs and milestones, RDA has firmly established itself as a central force in RAFI's mission to enable communities. The Academy's innovative approach, combined with its commitment to collaboration and co-creation, ensures that its learning engagements not only strengthen individual capabilities but also weave a stronger, more resilient community fabric.

Through its centralized focus, structured pathways, and unwavering dedication, the RAFI Development Academy is transforming the way community workers and leaders are trained—one thread, one pattern, and one weaver at a time.

KOOL ADVENTURE CAMP

Tapestry of Purpose: 25 Years of Transforming Leaders

25 YEARS OF ADVENTURES IN LEARNING AND GROWTH

For the last 25 years, Kool Adventure Camp (KAC) has been woven into the stories of youth leaders and professionals all over the country.

What began as a bold vision by then RAFI President Roberto "Bobby" E. Aboitiz as a leadership formation program for public school students in 1999, has flourished into a vibrant camp that has inspired young leaders and professionals over the past quarter century.

Empowering the Youth of Cebu

KAC's journey began in 1999, after Aboitiz executives and RAFI leaders participated in an outdoor experiential training program at the newly installed Challenge Ropes Course in Punta Engaño, Lapu-Lapu City. Recognizing its potential impact on public school students, Mr. Bobby urged RAFI to use the course as a tool to uplift young students in Cebu.






From a humble beginning with a three-member team, KAC has since evolved into a thriving camp operated by internationally accredited facilitators committed to delivering safe and powerful learning experiences. In 2014, it inaugurated its 14-hectare adventure education facility in Balamban, Cebu, welcoming learners eager to unlock their leadership potential.

"KAC is a serious attempt to build leadership attributes in the Filipino youth. The Center will offer programs that are designed to be fun, but in the purpose to promote self-confidence, trust, optimism, positive attitude, courage, respect for others, and the assumption of one's responsibilities for one's own future," said Mr. Bobby during the 2014 inauguration of Kool Adventure Camp.

Expansion and growth

Over the years, KAC has a woven a rich tapestry of history and impact among the youth. Backed by extensive experience and a dedicated team of facilitators, it quickly adapted to the evolving needs of learners and communities. KAC expanded its operations from serving public school students to leaders from the private sector, academe, and government. Strategic in strengthening the learning outcomes of different schools, KAC began offering curriculum integrated courses in 2009. On its 20th anniversary, KAC gave birth to the RAFI Center for Leaders, a program dedicated to strengthening the youth's civic engagement.

KAC's 25-year journey embodies resilience and a steadfast sense of purpose. While it has witnessed many transitions, its mission remains unwavering.

"We've weathered the times," says Daphne Dia, Camp Operations Head of KAC. "We are keeping the dream (of Mr. Bobby) alive…We are not forgetting the purpose why this was built and why Mr. Bobby gave this center as a gift to RAFI. We take that accountability very seriously. We make sure that we do well, and we do the mission."

Weaving a new tapestry

As RAFI embarked on its 2030 Vision in 2024, KAC embraced significant changes to support the foundation's Transformative Programs and new direction. Collaborating with the RAFI Development Academy, KAC now delivers adventure-based learning initiatives designed to build leadership capabilities in partner communities, empowering individuals to create meaningful change. This new strategic approach marks a new era for KAC in changing the lives of leaders across Cebu.

> *"We are committed to continue with the work to touch more leaders... to make a difference."*

"We are going to be more in touch in terms of the different programs of RAFI to ensure that the program we provide them is really connected to what is needed by the LGU and what is needed by RAFI," says Dia.

In 2024, these efforts were recognized with a 4.9 customer service satisfaction rating for its Powerful Learning Courses, alongside a camp utilization rate of 68.67%, exceeding its 60% target.

Making a difference, today and tomorrow

At the heart of KAC is the belief that lasting impact is built on collaboration. Its 25-year legacy is woven from the dedication of RAFI, its internal teams, external partners, stakeholders, and the leaders it has inspired. This collective effort has created a rich and resilient fabric — one that holds the dreams, efforts, and aspirations of many, coming together to make a difference now and tomorrow.

"We are committed to continue the work to touch more leaders, not just youth leaders, and provide them with powerful experiences that will unlock their potential and help them see what they can do to make a difference. We are also committed to continuing to work with others, with our partners in social development towards touching people through powerful learning experiences and shaping their future and that of our community," said Amaya Aboitiz-Fansler, President and Chief Executive Officer of RAFI, at KAC's 25th Anniversary Celebration.

As KAC marks its 25th year of empowering Filipino leaders, it stands as a testament to the transformative power of collaboration and vision. Together with RAFI, KAC continues to take bold strides in weaving resilient, prosperous, and vibrant communities in Cebu — creating lasting impact for generations to come.

TESTIMONIALS

Stories and Lessons from the Adventure

I believe the next generation is incredibly important—they hold the future, and they are the ones who will carry things forward. The goal is to develop young people who can confidently say, "I've been there—I'm an alumnus of Kool Camp." That's what Mr. Bobby and I envisioned a long time ago when we decided to invest in Kool Camp and its new facility. We saw the value in building something that could truly shape future leaders, even if it meant starting small.

Anthony "Whitefire" Ocampo
Pioneering KAC Employee;
KAC Program Coordinator (1999-2010)

Being part of an activity in KAC, you learn to trust somebody, and you learn how to communicate well. For leaders, having the opportunity to lead an activity on the spot is better than reading a book on how to become a good leader. With the opportunity KAC gave me I was able to build a strong foundation for who I am today. They helped me understand how adventure and experiential education can truly transform lives. If I wasn't shown a different way of learning—or if I never had the chance just to be there, to listen to mentors and people with more experience than I had—I honestly don't know if I would've become the person I am now.

Al Niño "Bro" Capangpangan
Participant and Camper,
KAC YDP Program (2004)

Everywhere I go, whenever I try new things, and especially if I am given a difficult task, the lessons from KAC always come to the surface. There's one key take-away I got: to give myself a chance to succeed. In every dragon faced in my experience with KAC, fear always stood in my way. So instead of backing down and giving up, KAC taught me to practice 'challenge by choice' and learn despite my discomfort.

Mary Jedde "Rukiya" Busa
KAC Camper 2011

KAC unlocked my full potential and helped me embrace my true self. KAC went beyond traditional classroom and textbook definitions of leadership. It immersed me in unpredictable real-world scenarios where emotions, relationships, and adaptability held equal importance to strategic planning. This transformative experience honed my leadership abilities by instilling empathy, active listening, and composure in the face of uncertainty. Moreover, it revealed that leadership is not about having all the answers but rather about creating an environment that encourages others' flourishing, innovation, and growth.

Alyx Sandrah "Rocker" "JD" Manatad
Mandaue Youth Leader, KAC Camper 2013 & 2024

BEHIND THE SCENES: PEOPLE & ORGANIZATION

Building RAFI's Vision Through Organizational Alignment

Much like the timeless craft of weaving, RAFI's journey in 2024 has been a story of intricate patterns, taut threads, and skilled weavers. The Human Capital (HC) team played a pivotal role in bringing these elements together, helping RAFI create a vibrant tapestry of an organization primed to achieve its 2030 Vision.

A year of transformation

2024 was a pivotal year for RAFI as it embarked on its new direction, which redefined the operation in significant ways. RAFI embraced a new Agile Workforce structure with the goal of achieving greater impact, efficiency, and flexibility. While the transitions seemed like a massive task, HC was ready to support each employee in this new organizational alignment.

To set the path during RAFI's organizational change, Human Capital evolved into People and Culture (P&C), serving as a meaningful example towards aligning with RAFI's new framework and leading the way for workforce and workplace excellence. As P&C, the team commits to nurturing mission-aligned and values-driven RAFInians, ensuring to build an environment where every employee excels in whatever role they find themselves in.

"Structure must change because we need to support the direction of the organization. It is not easy for everybody. We collaborated with each team and every department, and it was important that every RAFInian is mission-aligned and committed to the strategies of the organization. And more importantly, we made sure that everyone is taken care of — nobody is left behind," said Michael Godinez, Chief People and Culture Officer.

People and Culture Focus

For 2024, RAFI strengthened its commitment to nurturing the well-being of its employees by championing physical, mental, and social well-being initiatives.

P&C worked to provide more comprehensive and flexible employee benefit packages that not only benefited employees but immediate family members as well.

The Integrated Facilities Management (IFM) team completed RAFI's Covered Multipurpose Court within the compound, providing employees with an open-air venue for sports and community events.

This strengthened People and Culture focus is best demonstrated by the 95.15% workforce participation in the mission, vision, and strategy cascades, ensuring that every employee is aligned with RAFI's goals and values. At the end of 2024, RAFI's workforce stood at 275 employees with a strong retention rate of 90.46%.

Driving Engagement and Impact

Helping drive RAFI's success further was IFM's completion of Geo-Mapping all of the foundation's infrastructure projects across Cebu's mainland and islets. The Geo-Mapping covered 23 local government units (LGUs) of RAFI's child development center projects and 42 LGUs of the foundation's school rehabilitation project. This comprehensive database will serve as a valuable reference for RAFI's future project planning and presentations to local government units.

"The map will show the coverage of our infrastructure programs and which LGUs and districts have the most projects. It will show the current conditions the projects are in... This geo-map data is essential for future research and planning, like when we pitch projects to local chief executives, and other critical program activities," said Rowin Toribio, IFM Director.

The foundation of RAFI's achievements lies in the organization's ability to adapt and innovate, setting clear patterns and blueprints for success. Key to the foundation's success are its employees — the skilled weavers of the rich tapestry RAFI creates with partners. Armed with a stronger, more vibrant organizational structure and processes, RAFI is set to bring its vision to life.

BEHIND THE SCENES: COMMUNICATIONS, ADVOCACY AND PARTNERSHIPS

Celebrating Connections and Collaboration

At the heart of RAFI's work are the partners who help weave a brighter future for Cebu. RAFI's partners—government, private sector, academe, non-profit, and community organizations—each contribute a distinctive thread to the beautiful tapestry of a more resilient, vibrant, and prosperous Cebu.

Playing a pivotal role in strengthening RAFI's ability to inspire action, foster meaningful connections, and achieve its transformative mission among stakeholders is the Communications, Advocacy, and Partnerships (CAP) team.

In 2024, the CAP team worked towards setting the stage for 2025-2030 strategies. In parallel with the organizational strategic planning, CAP established a strategic communications campaign to bring everyone onboard the 2030 boat, piloted the advocacy framework in the community, and established the Partnerships Policy and guidelines to build effective partnerships that enable meaningful connections in achieving the 2030 goals.

A Publications policy and guidelines, as well as the External Communcations policy, were also crafted, to establish systems and processes that support big communication initiatives.

The "Dungan Ta!" campaign was launched internally as a battle cry for all RAFInians to move together towards the 2030 vision. The Communications and Branding team released a series of leadership communications through storytelling by the CEO and launched RAFI TV to amplify the stories on the ground related to RAFI's advocacies. It also strengthened the internal brand in partnership with People and Culture's Training and Development Institute by institutionalizing the deep-dive cascade of the RAFI Brand, ensuring that every RAFInian is aligned with the brand and its purpose, reaching a total of 125 employees.

The Advocacy team established the "Advocado Campaign" to enable RAFInians to effectively engage in advocacy work. In partnership with University of the Philippines Diliman's College of Social Work and Community Development (UP CSWCD), 42 employees were trained on "Engaging in Advocacy" and 35 joined the workshop for the Advocacy Playbook. The team, along with program-based advocacy officers, applied these theories and piloted three successful community campaigns in three LGUs: ANDAM Boljoon, Beautiful Children in Bantayan, and Bahandi in Alcantara.

The Partnership team strengthened value maximization in partnerships by establishing a distinct partnering cycle that fosters healthy collaboration among multisectoral stake-holders. In 2024, a total of 34 partnerships were forged, with 15% from National Government Agencies (NGAs), 11% from Local Government Units (LGUs), 9% from the academe, 9% from CSOs, 9% from network memberships, and 47% from the private sector. These diverse portfolios of partners contributed to an impact value of Php 16.4 million, a combination of monetized and in-kind donations. These partnerships are nurtured through regular stakeholder engagement activities, consultations and participation. For 2024, the Partnerships Health Index stood at 4.1 versus the annual target of 4.0

CAP's work throughout the year highlighted its critical role as the nurturer of weavers in RAFI's 2030 vision. Every campaign, partnership, and engagement added a critical thread to RAFI's tapestry, connecting communities, amplifying voices, and building a resilient, collaborative future for Cebu and beyond.

BEHIND THE SCENES: SYSTEMS AND PROCESSES

Blueprint for Impact: Stronger Systems and Processes in 2024

Systems and processes form the critical pattern that acts as a blueprint for the foundation in its mission to shape a brighter future for Cebu. In 2024, three integral teams—the Information Technology Unit (ITU), Organizational Excellence - Measurement, Analysis and Knowledge (OEX-MAK) Team, and the Office of Strategy Management (OEX - OSM)—brought their unique threads of expertise to RAFI's vibrant tapestry, propelling the foundation toward its transformative 2030 vision.

Articulating the Vision

The OSM laid the foundational patterns for shaping RAFI's 2030 vision. To strengthen the foundation's execution strategies and organizational excellence, the team launched Project SUGOD and integrated key initiatives: Project Grow, empowering strategic leaders; Project Superhero, equipping project managers for high-impact delivery; and Project Butterfly, enabling continuous improvement across the organization.

The team also launched the Enterprise Portfolio Management Office, which strengthens governance and synergy across the foundation's projects. By aligning initiatives with long-term goals, OSM wove a blueprint for sustained impact across RAFI's transformative programs.

Threading Research and Knowledge

OEX-MAK added important threads to RAFI's roadmap, creating a clearer picture of the 2030 vision. Through enhanced research integration and knowledge generation, the team played a pivotal role in enhancing RAFI's performance and driving organizational transformation. It strengthened the integration of research into program design development through situational analysis and impact gap assessments across RAFI's transformative programs and empowered over 60 community-based researchers in knowledge generation.

The team developed groundbreaking tools, such as the Sectoral Scorecards and Cebu Statistics Dashboard, which provided vital data that informed strategic decisions and amplified outcomes.

"Through these interconnected efforts, the OEX-MAK teams collectively strengthened RAFI's capacity for evidence-based decision-making, continuous learning, and impactful program implementation, ensuring that transformation is both strategic and sustainable," said Christian Anuta, Director of OEX-MAK.

Weaving Innovation and Technology

Meanwhile, the ITU helped power the technology critical to the foundation's operational efficiency. Throughout 2024, the team delivered innovative solutions, enhanced connectivity, and strengthened cybersecurity. Boosting the foundation's ability to serve internal and external stakeholders, the ITU also enhanced RAFI's business-as-usual activities, such as booking management, storage management, and events management systems.

The team completed digital solutions to support and streamline financial operations, automate processes, and improve reporting accuracy. By achieving key milestones like a 97.1% Digital Experience Score and an 83% Security Posture, the ITU ensured resilience and reliability, enabling RAFI's operations to thrive.

Together, the ITU, OEX - MAK, and OSM teams contribute important threads to the vibrant tapestry of RAFI's operations. Their collective efforts in 2024 strengthened the fabric of RAFI's mission, fostering resilient, prosperous, and vibrant communities across Cebu.

BEHIND THE SCENES: RESILIENCE AND SUSTAINABILITY

Strengthening RAFI's Foundations in 2024

RAFI's stewardship and financial governance efforts continue to strengthen its long-term sustainability and operational efficiency, weaving a future of greater impact. In 2024, three key teams—Governance, Risk, and Compliance (GRC), Internal Audit Group (IAG), and Integrated Resource Stewards (IRS)—strengthened the loom that helps the foundation achieve its transformative 2030 vision.

Driving Innovation in Resource Management

The Finance and Procurement Group, rebranded into the IRS, emphasizing their responsibility toward the sustainable and efficient use of resources. Through strategic budget monitoring, the team achieved notable cost savings and seamlessly transitioned the foundation to the new Financial Dimension (FINDIM) structure at year-end. Their milestones streamlined financial management and positioned RAFI for long-term growth.

As financial stewards, the IRS achieved a 5.93% return year-to-date on its investment portfolio, surpassing the 4.25% target. Its balanced allocation strategy—80% in equities, 15% in fixed income, and 5% in other assets—enabled RAFI to navigate market volatility effectively.

As a key strategic partner to RAFI's Transformative Programs, the IRS strengthened its commitment to financial transparency, accuracy, and compliance. By implementing automation tools like PowerBI and the MIS dashboard, the team streamlined financial reporting and enabled effective monitoring of the financial health of RAFI's programs.

With suppliers as key threads to RAFI's operations, the team also strengthened relationships through the Supplier Data Hub. Automated processes facilitated the seamless handling of a record volume of procurement requests, ensuring efficient support for program teams and operational needs.

IAG: A Strategic Partner

Meanwhile, the IAG continued to be a driving force behind strengthening governance and operational effectiveness throughout 2024. The team successfully completed all planned audit engagements and finalized updates to key charters.

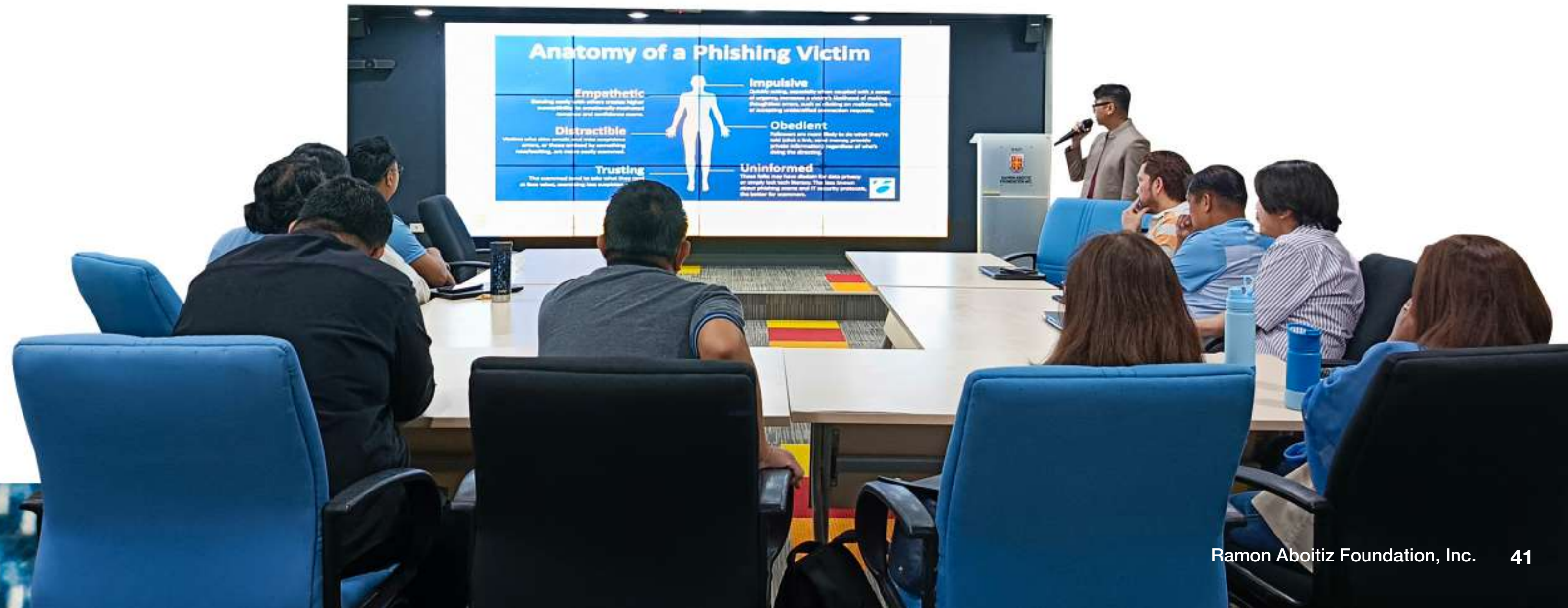
The team provided valuable resources for RAFI staff by uploading the Audit of Program Enterprise Manual for Engagement Procedures, Road Map, Work Instructions and related templates to RAFI's knowledge management system.

Championing Governance, Risk, and Compliance

The GRC team continued to build a strong culture of risk and compliance among internal and external RAFI stakeholders through strategic knowledge sharing initiatives. It hosted RAFI's first GRC forum in partnership with RAFI Micro Finance, Inc., with 80 participants from various partner organizations and microentrepreneurs.

With a strong compliance focus, RAFI completed its Annual Compliance Exam and achieved a 95% passing rate. Thanks to the stringent work of the GRC, RAFI achieved compliance with all necessary government and regulatory bodies.

Together, the GRC, IAG, and IRS teams established a strong foundation for RAFI as it embarked on its 2030 vision. Each accomplishment added a unique thread to the fabric of RAFI's mission, fostering operational efficiency, financial stewardship, and impactful governance.



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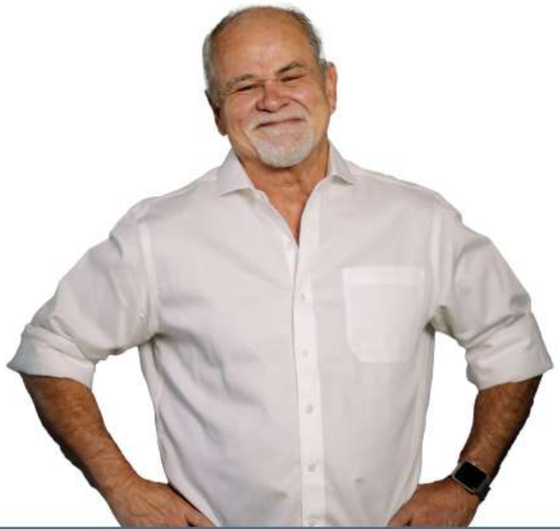

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Member (ex-officio), Risk Management and Compliance Committee

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Member, Investment Committee

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Chief Operating Officer

MARIE SOL GONZALVO
Executive Director
Social Well-being Cluster

MIRAFLOR ENECIO
Executive Director
Physical Well-being Cluster

JENNY LEA MENCHAVEZ
Program Head
Dolores Aboitiz Children's Fund

PET JOHN ROM
Program Head
Disaster RIsk Management

DAPHNE DIA
Camp Operations Head
RAFI Kool Adventure Camp

SHEERENE ABREA
Program Director
Education Development

DESIREE GESTIADA
Program Director
Culture & Heritage

BONIFER NACORDA
Program Director
RAFI Center for Leaders and RAFI Development Academy

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EMMANUEL ENOPIA
Strategy, Portfolio and Performance Director

ROWIN REY TORIBIO
Integrated Facilities Management Director

CHRISTIAN ANUTA
Measurement Analysis and Knowledge Management Director

INSPIRING ACTION

We inspire action among the people and communities we serve, including the civil society organizations, private sector, and the government, to envision a better future for all.

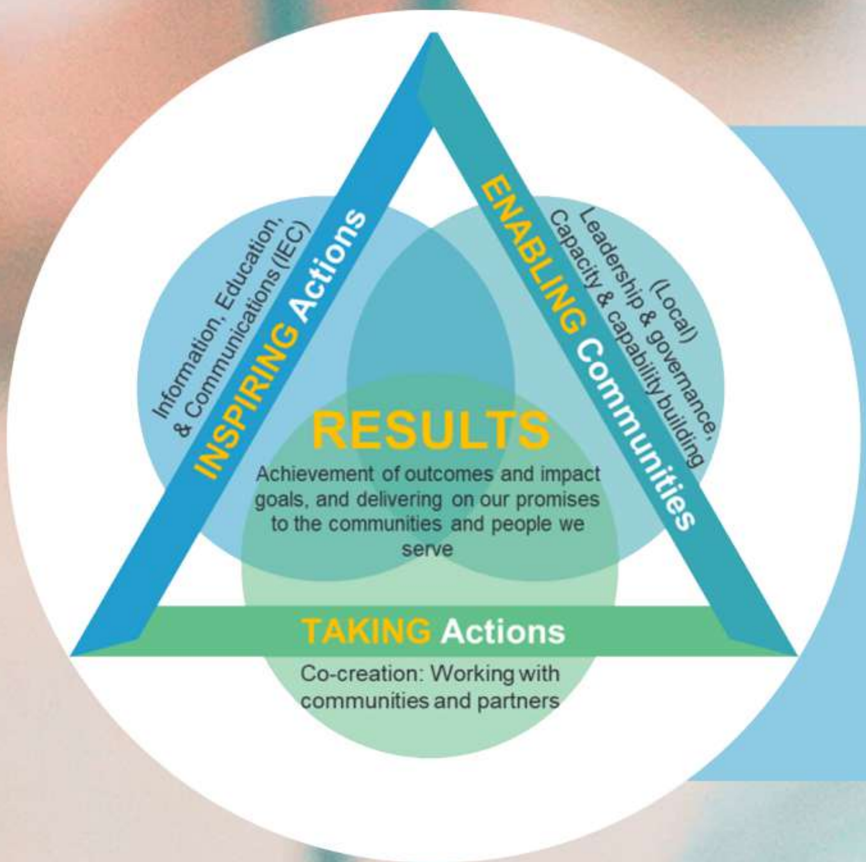
Through our advocacy campaigns, we aim to increase their awareness, interest and ultimately participation towards our focus areas through changes in actions, policies and practices/norms.

ENABLING COMMUNITIES

We build capabilities and capacities of the members and leaders of the community, especially the poorest and the most disadvantaged, to take greater control of their own future and contribute to local development.

TAKING ACTIONS, CREATING IMPACT

We work with communities and partners who share our vision and values through holistic, transformative, and innovative programs and services to achieve a wider and more sustainable impact.



Guided by its 2030 vision, RAFI has adopted the Transformation Framework, also known as the Three-Pillar Approach, to deepen its commitment to working with communities to elevate their lives and achieve its long-term goals.

This framework is inspired by RAFI's Brand Idea, Architect of Change, by the Bridging Leadership Framework, and on RAFI's wins in the past through principles of ownership, co-ownership, and co-creation.

Central to our social change and development approaches and efforts, we put leadership and governance as a key enabler in bringing about sustainable change and inclusive local development.

KPMG

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REPORT OF INDEPENDENT AUDITORS

The Board of Trustees
Ramon Aboitiz Foundation, Inc.
35 Eduardo Aboitiz St.
Tinago, Cebu City, Philippines

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ramon Aboitiz Foundation, Inc. (the Foundation), which comprise the statement of financial position as at December 31, 2024, and the statements of activities and other comprehensive loss, changes in fund balance and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditors' 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.

KPMG

Other Matter

The accompanying financial statements of the Foundation as at and for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on April 3, 2024.

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 Accounting Standards, 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.

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

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

Report on the Supplementary Information Required Under Revenue Regulations (RR) No. 15-2010 and RR No. 34-2020 of the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 24 to the basic 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. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

R.G. MANABAT & CO.

TIRESO RANDY F. LAPIDEZ
Partner
CPA License No. 0092183
Tax Identification No. 162-411-175
BIR Accreditation No. 08-001987-034-2023
Issued May 25, 2023; valid until May 24, 2026
PTR No. MKT 10467182
Issued January 2, 2025 at Makati City

April 4, 2025
Makati City, Metro Manila

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REPORT OF INDEPENDENT AUDITORS TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE BUREAU OF INTERNAL REVENUE

The Board of Trustees
Ramon Aboitiz Foundation, Inc.
35 Eduardo Aboitiz St.
Tinago, Cebu City, Philippines

We have audited the financial statements of Ramon Aboitiz Foundation, Inc. (the Foundation) as at and for the year ended December 31, 2024, on which we have rendered our report dated April 4, 2025.

In compliance with Revenue Regulations V-20, we are stating that no partner of our firm is related by consanguinity or affinity to the chairman or any members of the board of trustees of the Foundation.

R.G. MANABAT & CO.

TIRESO RANDY F. LAPIDEZ
Partner
CPA License No. 0092183
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April 4, 2025
Makati City, Metro Manila

RAMON ABOITIZ FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION

	Note	December 31 2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents	*4, 21*	**P866,005,655**	P1,197,929,836
Accounts receivable	*5, 21*	**22,138,929**	30,377,660
Financial assets at fair value through profit and loss	*6, 21*	**1,633,878,854**	1,424,051,998
Other current assets	*3*	**197,957**	671,202
Total Current Assets		**2,522,221,395**	2,653,030,696
Noncurrent Assets			
Financial assets at fair value through other comprehensive income	*7, 21*	**15,281,179,887**	19,659,940,464
Financial assets at amortized cost	*8, 21*	**1,249,720,817**	849,720,817
Property and equipment - net	*3, 9*	**473,373,791**	468,144,990
Intangible assets - net	*3, 10*	**889,577**	2,920,591
Trust funds	*13, 21*	**35,759,901**	33,381,242
Other noncurrent assets	*3, 11*	**35,644,905**	36,941,558
Total Noncurrent Assets		**17,076,568,878**	21,051,049,662
		P19,598,790,273	P23,704,080,358
LIABILITIES AND FUND BALANCE			
Current Liabilities			
Accounts and other payables	*12, 21*	**P75,336,118**	P77,255,444
Deferred grants	*13, 21*	**35,712,274**	33,381,242
Income tax payable	*20*	**12,272**	-
Total Current Liabilities		**111,060,664**	110,636,686
Noncurrent Liability			
Retirement benefits liability	*19*	**37,063,183**	26,281,100
Total Liabilities		**148,123,847**	136,917,786
Fund Balance			
General fund		**5,548,647,556**	5,238,273,880
Retirement benefits reserve	*19*	**(43,130,488)**	(33,303,699)
Fair value reserve		**13,945,149,358**	18,362,192,391
Total Fund Balance		**19,450,666,426**	23,567,162,572
		P19,598,790,273	P23,704,080,358

See Notes to the Financial Statements.

RAMON ABOITIZ FOUNDATION, INC.
STATEMENTS OF ACTIVITIES AND OTHER COMPREHENSIVE LOSS

	Note	Years Ended December 31 2024	2023
SUPPORTS AND OTHER GAINS			
Dividend income	*15*	**P663,509,141**	P675,479,667
Interest income	*15*	**164,730,807**	98,110,686
Donations	*14*	**45,207,645**	69,877,210
Other income	*15*	**18,303,826**	41,903,731
		891,751,419	885,371,294
EXPENSES			
Project utilization	*16*	**496,281,202**	395,837,096
General and administrative	*17*	**85,094,339**	41,185,130
		581,375,541	437,022,226
EXCESS OF SUPPORTS AND OTHER GAINS OVER EXPENSES BEFORE INCOME TAX EXPENSE		**310,375,878**	448,349,068
INCOME TAX EXPENSE	*20*	**2,202**	23,747
NET EXCESS OF SUPPORTS AND OTHER GAINS OVER EXPENSES		**310,373,676**	448,325,321
OTHER COMPREHENSIVE LOSS			
Items not subsequently reclassified to statement of activities			
Unrealized loss on fair value changes of financial assets at fair value through other comprehensive income	*7*	**(4,417,043,033)**	(5,877,891,799)
Actuarial loss on retirement benefits	*19*	**(9,826,789)**	(23,846,170)
		(4,426,869,822)	(5,901,737,969)
TOTAL COMPREHENSIVE LOSS		**(P4,116,496,146)**	(P5,453,412,648)

See Notes to the Financial Statements.

RAMON ABOITIZ FOUNDATION, INC.
STATEMENTS OF CHANGES IN FUND BALANCE

Years Ended December 31

	General Fund	Retirement Benefit Reserve (Note 19)	Fair Value Reserve (Note 7)	Total
Balance at January 1, 2024	**P5,238,273,880**	**(P33,303,699)**	**P18,362,192,391**	**P23,567,162,572**
Total Comprehensive Loss				
Net excess of supports and other gains over expenses	**310,373,676**	**-**	**-**	**310,373,676**
Remeasurement of net retirement liability	**-**	**(9,826,789)**	**-**	**(9,826,789)**
Net change in financial assets at fair value through other comprehensive income	**-**	**-**	**(4,417,043,033)**	**(4,417,043,033)**
	310,373,676	**(9,826,789)**	**(4,417,043,033)**	**(4,116,496,146)**
Balance at December 31, 2024	**P5,548,647,556**	**(P43,130,488)**	**P13,945,149,358**	**P19,450,666,426**
Balance at January 1, 2023	P4,789,948,559	(P9,457,529)	P24,240,084,190	P29,020,575,220
Total Comprehensive Loss				
Net excess of supports and other gains over expenses	448,325,321	-	-	448,325,321
Remeasurement of net retirement liability	-	(23,846,170)	-	(23,846,170)
Net change in financial assets at fair value through other comprehensive income	-	-	(5,877,891,799)	(5,877,891,799)
	448,325,321	(23,846,170)	(5,877,891,799)	(5,453,412,648)
Balance at December 31, 2023	P5,238,273,880	(P33,303,699)	P18,362,192,391	P23,567,162,572

See Notes to the Financial Statements.

RAMON ABOITIZ FOUNDATION, INC.
STATEMENTS OF CASH FLOWS

	Note	2024	2023
		Years Ended December 31	
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of supports and other gains over expenses before income tax expense		**P310,375,878**	P448,349,068
Adjustments for:			
Depreciation and amortization	*9,10*	**44,560,781**	44,523,810
Loss on sale of property and equipment		**1,800,740**	550,325
Loss on disposal of intangible assets		**1,641,419**	-
Interest income	*15*	**(164,730,807)**	(98,110,686)
Dividends income	*15*	**(663,509,141)**	(675,479,667)
Retirement benefits expense	*18, 19*	**14,659,121**	8,067,730
Fair value loss on financial assets - net		**(8,357,109)**	(31,950,565)
		(463,559,118)	(304,049,985)
Changes in:			
Accounts receivable		**13,764,693**	1,058,802
Other current assets		**520,100**	200,570
Trust funds		**(2,378,523)**	(1,588,517)
Other noncurrent assets		**(2,101,504)**	(26,905,393)
Accounts and other payables		**(1,919,327)**	25,207,772
Deferred grants		**2,331,032**	1,588,517
		(453,342,647)	(304,488,234)
Dividend received	*15*	**663,509,141**	675,479,667
Interest received		**162,603,002**	95,848,704
Contribution to retirement fund	*19*	**(13,703,827)**	(8,900,000)
Income tax paid		**(36,920)**	(47,290)
Net cash provided by operating activities		**359,028,749**	457,892,847
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment, and intangible assets	*9, 10*	**(52,559,941)**	(67,207,874)
Proceeds from disposal of property and equipment		**1,359,214**	3,386,139
Acquisition of financial assets at fair value through other comprehensive income		**(38,282,456)**	(45,951,304)
Acquisition of financial assets at fair value through profit and loss		**(304,371,053)**	(189,425,637)
Acquisition of financial assets at amortized cost		**(400,000,000)**	(849,720,817)
Net disposal of financial assets at fair value through other comprehensive income		**-**	2,369,518
Net disposal of financial assets at fair value through profit and loss		**103,009,165**	138,810,000
Net disposal of financial assets at amortized cost		**-**	30,402,093
Net cash used in investing activities		**(690,845,071)**	(977,337,882)

Forward

	Note	Years Ended December 31 2024	2023
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(P331,816,322)**	(P519,445,035)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	*15*	**(107,859)**	14,757
CASH AND CASH EQUIVALENTS BALANCE AT BEGINNING OF YEAR	*4*	**1,197,929,836**	1,717,360,114
CASH AND CASH EQUIVALENTS BALANCE AT END OF YEAR	*4*	**P866,005,655**	P1,197,929,836

See Notes to the Financial Statements.

RAMON ABOITIZ FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS

1. Reporting Entity

Ramon Aboitiz Foundation, Inc. (the Foundation) was organized and registered with the Philippines Securities and Exchange Commission (SEC) on December 14, 1966 as a nonstock, nonprofit foundation. The Foundation is primarily a socio-economic assistance body; as such it operates by extending financial aid, technical aid, or both to pre-qualified deserving service agencies or communities. It believes that a strong collaboration between its partners, whether government or non-government organizations, and itself is key to the success of its different socio-economic assistance projects. It is governed by a board of trustees (BOT) whose members do not receive any compensation.

The Foundation is committed to fostering sustainable social change and enhancing the well-being of communities in Cebu (see Note 16).

The Foundation is a donee institution in accordance with revenue laws, rules and regulations (see Note 14).

The Foundation's registered office is at 35 Eduardo Aboitiz St., Tinago, Cebu City, Philippines.

2. Basis of Preparation

Basis of Accounting
These financial statements have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) Accounting Standards. They were authorized for issue by the Foundation's BOT on April 4, 2025.

Details of the Foundation's material accounting policies are included in Note 23.

Basis of Measurement
These financial statements have been prepared under historical cost basis except for the following items, which are measured on alternative basis on each reporting date:

Items	Measurement Basis
Financial assets at fair value through profit and loss (FVTPL)	Fair value
Financial assets at fair value through other comprehensive income (FVOCI)	Fair value
Retirement liability	Present value of the defined benefits obligation (DBO) less fair value of plan assets (FVPA)

Functional and Presentation Currency
These financial statements are presented in Philippine peso, which is the Foundation's functional and presentation currency. All amounts have been rounded to the nearest Philippine peso, unless otherwise indicated.

3. Use of Judgment and Estimates

In preparing these financial statements, management has made judgment, estimates and assumptions that affect the Foundation's application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Judgment
In the process of applying the Foundation's accounting policies, management has made the following judgment, apart from those involving estimations and assumptions, which have the most significant effect on the amounts recognized in the financial statements:

Classification of Financial Instruments
The Foundation exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and the definition of a financial asset, financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statement of financial position.

Assumptions and Estimation Uncertainties
Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is as follows:

Impairment of Financial Assets
The Foundation assesses the expected credit losses associated with its financial asset carried at amortized cost and FVTPL on a forward-looking basis. The impairment methodology applied depends on when there has been a significant increase in credit risk.

The Foundation applies the general approach to providing for expected credit losses. The general expected credit loss model requires the calculation of '12 month expected credit losses' (losses based on defaults which are possible within 12 months of the reporting date) for financial assets, unless the asset at the reporting date is not considered to be 'low credit risk' and is deemed to have had a 'significant increase in credit risk' since initial recognition, in which case lifetime expected credit losses should be recorded.

The Foundation considers amounts classified as debt instruments to have 'low credit risk' when they have a low risk of default and the issue has a strong capacity to meet its contractual cash flow obligations in the short term.

Further details on the carrying amounts of financial assets are disclosed in Notes 4, 5, 6, 7, 8, 13 and 21.

Estimating Useful Lives of Property and Equipment and Intangible Assets
The Foundation estimates the useful lives of its property and equipment and intangible assets based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed at each reporting date and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of these assets is based on the collective assessment of industry practice, internal technical evaluation and experience with similar assets.

It is possible that future results of operation could be materially affected by changes in these estimates brought about by changes in factors mentioned. The amounts and timing of recording of expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property and equipment and intangible assets would increase depreciation and amortization expense and decrease noncurrent assets.

There has been no change in the Foundation's estimate of useful lives of property and equipment and intangible assets.

Retirement Benefits
The determination of the retirement benefits liability and expense is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rates and rates of compensation increase. The Foundation's assumptions are believed to be reasonable and appropriate. Significant differences in actual experience or significant changes in assumptions may materially affect the Foundation's retirement benefits liability and expense.

The Foundation's retirement expense is recognized in the statement of activities and other comprehensive loss using the projected unit credit method. This method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Further details on the carrying amount of retirement liability are disclosed in Note 19.

Impairment of Nonfinancial Assets
The Foundation assesses at each reporting date whether there is an indication that the carrying amount of nonfinancial assets may be impaired. If such indication exists, the Foundation makes an estimate of the asset's recoverable amount. Though management believes that the assumptions used in the estimation of the recoverable amounts reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the results of operations of the Foundation.

The factors that the Foundation considers important which could trigger an impairment review include the following:

- significant underperformance relative to the expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

Carrying values of nonfinancial assets are as follows:

	Note	2024	2023
Other current assets		**P197,957**	P671,202
Property and equipment - net	*9*	**473,373,791**	468,144,990
Intangible assets - net	*10*	**889,577**	2,920,591
Other noncurrent assets	*11*	**35,644,905**	36,941,558

Fair Value Measurement on Financial Instruments
If the financial instruments are not traded in an active market, the fair value is determined using valuation techniques. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel, independent of the area that created them.

All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair values of financial instruments.

The specific methods and assumptions used by the Foundation in estimating fair values of its financial instruments are disclosed in Note 21.

4. Cash and Cash Equivalents

This account consists of:

	Note	2024	2023
Cash equivalents		**P804,705,862**	P1,043,768,846
Cash in banks		**61,257,793**	154,118,990
Cash on hand		**42,000**	42,000
	21	**P866,005,655**	P1,197,929,836

Cash equivalents are short-term money market placements with terms ranging from 32 to 90 days. Cash equivalents earn annual interest ranging from 4.65% to 6% in 2024 and 5.50% to 7.13% in 2023.

Cash in banks represent current accounts, which do not earn interest, and savings accounts, which earn interest at the respective banks' deposit rates and are unrestricted and immediately available for use in current operations.

Cash on hand consists of petty cash and other cash funds.

Interest income earned on cash and cash equivalents amounted to P72.64 million and P57.50 million in 2024 and 2023, respectively (see Note 15).

5. Accounts Receivables

This account consists of:

	Note	2024	2023
Receivables from program partners		**P9,555,146**	P21,008,444
Accrued interest receivable		**6,616,012**	4,488,207
Current portion of advances to officers and employees		**4,948,368**	3,479,511
Other receivables		**1,019,403**	1,401,498
	21	**P22,138,929**	P30,377,660

Receivables from program partners consist of receivables from project proponents for project monitoring expenses paid by the Foundation on their behalf.

Accrued interest receivable refers to interest earned on short-term investments and investments at amortized cost but not yet received.

Current portion of advances to officers and employees pertain to the advances for the Foundation's operation and personal advances subject to liquidation and payroll deductions.

6. Financial Assets at FVTPL

This account consists of:

	Note	2024	2023
Government debt securities		**P815,353,614**	P515,604,220
Equity securities		**454,629,354**	444,675,929
Mutual funds		**290,375,822**	388,170,915
Corporate debt securities		**67,922,752**	46,199,782
Time deposits		**5,597,312**	29,401,152
	21	**P1,633,878,854**	P1,424,051,998

Investments in government and corporate debt securities earn annual interest ranging from 3.82% to 8.13% in 2024 and 2.38% to 8% in 2023.

Investments in equity securities represent the Foundation's holdings in the shares of other entities, acquired with the intention of generating returns through dividends and capital appreciation.

Mutual funds represent pooled investment vehicles managed by the Foundation's fund managers.

Investment income earned from financial assets at FVTPL are as follows:

	Note	2024	2023
Interest income		**P33,182,633**	P27,574,205
Dividend income		**43,858,517**	22,763,450
Fair value changes		**13,440,625**	37,799,520
	15	**P90,481,775**	P88,137,175

7. Financial Assets at FVOCI

This account consists of:

	Note	2024	2023
Equity securities - traded		**P15,268,034,887**	P19,646,795,464
Equity securities - not traded		**13,145,000**	13,145,000
	21	**P15,281,179,887**	P19,659,940,464

Dividend income from equity securities classified by the Foundation as financial assets at FVOCI amounted to P619.65 million and P652.72 million in 2024 and 2023, respectively (see Note 15).

The Foundation recognized unrealized loss on the changes of fair value of financial assets at FVOCI amounting to P4.42 billion and P5.88 billion in 2024 and 2023, respectively.

8. Financial Assets at Amortized Cost

This account consists of:

	Note	2024	2023
Corporate debt securities		**P600,000,000**	P600,000,000
Time deposits		**649,720,817**	249,720,817
	21	**P1,249,720,817**	P849,720,817

Time deposits are interest bearing and have terms of 3-5 years.

Financial assets at amortized cost have annual interest rates which ranged from 6.48% to 6.80% in 2024 and 6.48% to 6.68% in 2023.

Interest income earned on financial assets at amortized cost amounted to P58.91 million and P13.04 million in 2024 and 2023, respectively (see Note 15).

9. Property and Equipment

The balances and movements in this account are as follows:

	As at December 31, 2024						
	Land	**Buildings**	**Building Improvements**	**Transportation Equipment**	**Office Equipment, Furniture and Fixtures**	**Tools and Equipment**	**Total**
Cost							
Balance at beginning of year	**P132,952,904**	**P459,752,865**	**P246,137,314**	**P22,051,400**	**P215,226,597**	**P9,830,232**	**P1,085,951,312**
Additions	**-**	**-**	**32,785,647**	**3,068,675**	**16,237,589**	**468,030**	**52,559,941**
Disposals	**-**	**(1,356,245)**	**(1,659,578)**	**(616,350)**	**(7,748,454)**	**(1,916,789)**	**(13,297,416)**
Balance at end of year	**132,952,904**	**458,396,620**	**277,263,383**	**24,503,725**	**223,715,732**	**8,381,473**	**1,125,213,837**
Accumulated Depreciation							
Balance at beginning of year	**-**	**351,443,529**	**97,078,772**	**17,319,028**	**143,582,518**	**8,382,475**	**617,806,322**
Depreciation for the year	**-**	**8,560,908**	**10,887,352**	**1,233,891**	**23,098,959**	**390,075**	**44,171,185**
Disposals	**-**	**(882,370)**	**(191,214)**	**(588,971)**	**(6,558,117)**	**(1,916,789)**	**(10,137,461)**
Balance at end of year	**-**	**359,122,067**	**107,774,910**	**17,963,948**	**160,123,360**	**6,855,761**	**651,840,046**
Carrying Amount	**P132,952,904**	**P99,274,553**	**P169,488,473**	**P6,539,777**	**P63,592,372**	**P1,525,712**	**P473,373,791**

	As at December 31, 2023						
	Land	Buildings	Building Improvements	Transportation Equipment	Office Equipment, Furniture and Fixtures	Tools and Equipment	Total
Cost							
Balance at beginning of year	P132,952,904	P459,774,465	P212,407,646	P22,378,101	P197,029,002	P8,919,775	P1,033,461,893
Additions	-	-	37,075,114	4,060,145	24,728,767	1,341,885	67,205,911
Disposals	-	(21,600)	(3,345,446)	(4,386,846)	(6,531,172)	(431,428)	(14,716,492)
Balance at end of year	132,952,904	459,752,865	246,137,314	22,051,400	215,226,597	9,830,232	1,085,951,312
Accumulated Depreciation							
Balance at beginning of year	-	343,728,250	88,078,732	19,549,263	124,609,988	8,623,653	584,589,886
Depreciation for the year	-	7,736,879	9,119,653	1,520,611	25,429,071	190,249	43,996,463
Disposals	-	(21,600)	(119,613)	(3,750,846)	(6,456,541)	(431,427)	(10,780,027)
Balance at end of year	-	351,443,529	97,078,772	17,319,028	143,582,518	8,382,475	617,806,322
Carrying Amount	P132,952,904	P108,309,336	P149,058,542	P4,732,372	P71,644,079	P1,447,757	P468,144,990

Depreciation is allocated as follows:

	2024	2023
Project utilization	**P37,702,933**	P39,848,055
General and administrative	**6,468,252**	4,148,408
	P44,171,185	P43,996,463

There were no property and equipment pledged as collateral as at December 31, 2024 and 2023.

10. Intangible Assets

The balances and movements in this account are as follows:

	2024	2023
Cost		
Beginning balance	**P5,273,962**	P5,271,999
Additions	**-**	1,963
Disposals	**(3,898,105)**	-
Ending balance	**1,375,857**	5,273,962
Accumulated Amortization		
Beginning balance	**2,353,371**	1,826,024
Amortization	**389,596**	527,347
Disposals	**(2,256,687)**	-
Ending balance	**486,280**	2,353,371
Carrying Amount	**P889,577**	P2,920,591

Amortization is allocated as follows:

	2024	2023
Project utilization	**P332,545**	P477,624
General and administrative	**57,051**	49,723
	P389,596	P527,347

11. Other Noncurrent Assets

This account consists of:

	Note	2024	2023
Advances to officers and employees - net of current portion		**P21,198,116**	P22,357,595
Museum shop inventory and other supplies		**5,696,159**	6,784,761
Advances to contractors and suppliers		**4,677,232**	3,398,157
Deferred tax asset (DTA) - minimum corporate income tax (MCIT)	*20*	**109,447**	47,627
Income tax refundable		**-**	2,050
Others		**3,963,951**	4,351,368
		P35,644,905	P36,941,558

Advances to contractors and suppliers are down payments applicable against billings for job done or deliveries.

12. Accounts and Other Payables

This account consists of:

	Note	2024	2023
Accounts payable		**P57,077,228**	P65,047,282
Other payables		**18,258,890**	12,208,162
	21	**P75,336,118**	P77,255,444

Accounts payable consists of suppliers' credits with terms ranging from 30 to 60 days.

Other payables pertain to dues to statutory agencies and partners' restricted fund intended for project and implementation in accordance with the scheduled timeline.

13. Deferred Grants

Deferred grants represent donations or funds received by the Foundation that are subject to specific conditions or restrictions imposed by the donors. These funds are accounted for initially as trust funds and are released from the restrictions upon the occurrence of the events specified by the donors. The restrictions typically require that the funds be utilized for predetermined purposes or upon the occurrence of specific events. Until these conditions are met, the grants are classified as deferred income and are not recognized as part of the Foundation's supports and other gains.

The balance and movements in this account are as follows:

	Note	2024	2023
Balance at beginning of year		**P33,381,242**	P31,792,725
Additional donations and funds		**6,450,675**	-
Recognized grants		**(5,690,452)**	-
Interest income		**1,570,809**	1,588,517
Balance at end of year	21	**P35,712,274**	P33,381,242

14. Donations

The Foundation is duly accredited by the Philippine Council for NGO Certification (PCNC) as a donee institution. The accreditation is valid until October 26, 2026.

On December 7, 2023, the Bureau of Internal Revenue (BIR) issued a certificate of registration to the Foundation as a donee institution in accordance with the provisions of Revenue Regulations (RR) No. 13-98. Donations received by the Foundation shall entitle the donors to full or limited deduction pursuant to Section 34(H)(1) and (2) an exemption from donor's tax pursuant to Section 101(A)(3) of the National Internal Revenue Code of 1997. The certificate of registration shall be valid until December 7, 2026 unless sooner revoked for violation of any provisions of RR No. 13-98, or upon withdrawal of the accreditation by the PCNC.

Donations amounted to P45.21 million and P69.88 million in 2024 and 2023, respectively.

15. Other Supports and Gains

Sources of dividend income are as follows:

	Note	2024	2023
Financial assets at FVOCI	7	**P619,650,624**	P652,716,217
Financial assets at FVTPL	6	**43,858,517**	22,763,450
		P663,509,141	P675,479,667

Sources of interest income are as follows:

	Note	2024	2023
Cash and cash equivalents	4	**P72,640,133**	P57,496,773
Financial assets at FVTPL	6	**33,182,633**	27,574,205
Financial assets at amortized cost	8	**58,908,041**	13,039,708
		P164,730,807	P98,110,686

Other income consists of:

	Note	2024	2023
Fair value changes of financial assets at FVTPL	6	**P13,440,625**	P37,799,520
Museum shop sales		**4,755,342**	4,118,968
Foreign exchange gain (loss)		**107,859**	(14,757)
		P18,303,826	P41,903,731

16. Project Utilization

The Foundation is committed to fostering sustainable social change and enhancing the wellbeing of communities in Cebu. Guided by its mission to uphold the dignity of man and its vision of "Touching People, Shaping the Future," the Foundation's 2030 Strategic Plan aims to enable resilient, prosperous, and vibrant communities by addressing key challenges though the following transformative programs:

- Disaster Resilience Program - aims to enhance disaster resilience through community-based disaster risk management and reduction, ecosystem restoration, including climate-smart solutions underlining climate change adaptation.

- Health Development Program - aims to improve healthcare access and quality by working with the local communities through capacity building, health education, and co-created development projects.

- Early Childhood Care and Development - focuses on working with the local communities and partners in improving nutrition support, early learning programs, parental education, and child health screenings to ensure that every child in Cebu is happy, healthy, and kindergarten-ready by age 5.

- Education Development Program - aims to improve literacy and numeracy outcomes by working with communities and partners through leadership capability building, teacher training, curriculum enhancement, supplementary learning materials, and other learning loss recovery programs.

- Youth Leadership Development Program - aims to empower youth through leadership training, community service projects, youth networks, and advocacy and awareness campaigns.

- Culture and Heritage Program - aims to develop a strong sense of cultural identity among local communities by promoting awareness of their heritage and enabling them to articulate their stories through cultural preservation projects, heritage site conservation, educational programs, including community festival and events.

These transformative programs are implemented following a holistic and integrated approach focusing on three key pillars of change: (1) Inspiring Actions, (2) Enabling Communities, and (3) Taking Actions, Making Impact Implementation.

Costs and expenses incurred during the year are as follows:

	2024	2023
Disaster resilience program	**P130,784,236**	P119,104,556
Youth leadership development program	**124,073,653**	73,826,307
Culture and heritage program	**87,673,902**	72,636,789
Early childhood care and development	**61,053,438**	28,532,111
Health development program	**48,717,595**	30,392,637
Education development program	**43,978,378**	71,344,696
	P496,281,202	P395,837,096

17. General and Administrative

This account consists of:

	2024	2023
Information technology unit	**P36,190,663**	P5,608,900
People and culture	**19,192,474**	3,017,063
Governance, risk and compliance	**11,460,259**	5,164,844
Integrated resource stewards	**8,719,110**	4,777,768
Communications, advocacy and partnerships	**5,289,972**	18,798,077
Audit	**4,241,861**	3,818,478
	P85,094,339	P41,185,130

18. Personnel Costs

This account consists of:

	Note	2024	2023
Salaries and wages		**P146,425,077**	P114,330,577
Retirement benefits expense	19	**14,659,121**	8,067,730
Other employee benefits		**46,349,509**	35,654,331
		P207,433,707	P158,052,638

Personnel costs are charged to the following:

	2024	2023
Project utilization	**P177,057,940**	P92,340,162
General and administrative	**30,375,767**	65,712,476
	P207,433,707	P158,052,638

19. Retirement Benefits

The Foundation has a funded, noncontributory, defined benefit plan (the Plan) providing for retirement, death and disability benefits to permanent and regular employees in accordance with Republic Act (RA) No. 7641, *Retirement Pay Law*. Retirement benefits under the Plan is equal to 100% of final monthly salary for every year of service for services rendered prior to January 1, 2006 and 150% of final monthly salary for every year of service rendered starting January 1, 2006. Benefits are paid in lump-sum upon retirement or separation in accordance with the terms of the Plan. Annual cost is determined using the projected unit credit method. The most recent actuarial valuation of the Company was carried out as at December 31, 2024 by a qualified independent actuary.

The Plan is registered with the BIR as a tax-qualified Plan under RA No. 4917, As Amended, otherwise known as *An Act Providing that Retirement Benefits of Employees of Private Firms shall not be subject to Attachment, Levy, Execution, or any Tax whatsoever.*

The following tables show the reconciliation from the opening balances to the closing balances of retirement benefits liability and its components:

	DBO		FVPA		Retirement Benefits Liability	
	2024	2023	**2024**	2023	**2024**	2023
Beginning balance	**P78,139,978**	P42,149,204	**(P51,858,878)**	(P38,882,004)	**P26,281,100**	P3,267,200
Included in Statement of Activities						
Current service cost	**12,942,965**	7,815,829	**-**	-	**12,942,965**	7,815,829
Interest cost (income)	**5,102,541**	3,249,704	**(3,386,385)**	(2,997,803)	**1,716,156**	251,901
	18,045,506	11,065,533	**(3,386,385)**	(2,997,803)	**14,659,121**	8,067,730
Included in Other Comprehensive Loss						
Remeasurement losses (gains):						
Actuarial losses (gains) arising from:						
Changes in financial assumptions	**4,585,078**	8,916,932	**-**	-	**4,585,078**	8,916,932
Changes in experience adjustments	**1,607,400**	11,930,971	**-**	-	**1,607,400**	11,930,971
Return on plan assets excluding interest income	**-**	-	**3,634,311**	2,998,267	**3,634,311**	2,998,267
	6,192,478	20,847,903	**3,634,311**	2,998,267	**9,826,789**	23,846,170
Others						
Contributions	**-**	-	**(13,703,827)**	(8,900,000)	**(13,703,827)**	(8,900,000)
Net acquired assets due to employee transfers	**1,499,765**	4,077,338	**(1,499,765)**	(4,077,338)	**-**	-
Benefits paid	**(3,202,636)**	-	**3,202,636**	-	**-**	-
	(1,702,871)	4,077,338	**(12,000,956)**	(12,977,338)	**(13,703,827)**	(8,900,000)
Ending balance	**P100,675,091**	P78,139,978	**(P63,611,908)**	(P51,858,878)	**P37,063,183**	P26,281,100

The Foundation's plan assets amounting to P63.61 million and P51.86 million as at December 31, 2024 and 2023, respectively, consist of cash and cash equivalents and financial assets at amortized cost with investment yield of 7% per annum in 2024 and 2023.

The Foundation recognized retirement benefits expense amounting to P14.66 million and P8.07 million for the year ended December 31, 2024 and 2023, respectively. These were presented as part of the "Personnel Costs" account (see Notes 18).

The principal actuarial assumptions used to determine the DBO and retirement cost as at and for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Discount rate	**6.07%**	6.53%
Future salary rate increases	**7.00%**	7.00%
Mortality rate	2017 Philippine Intercompany Mortality Table	
Disability rate	1952 Disability Study, Period 2, Benefit 5	

Maturity analysis of the benefit payments:

		DBO			
	Carrying Amount	Contractual Cash Flows	Within 1 Year	Within 1 - 5 Years	More than 5 Years
2024	**P100,675,091**	**P100,675,091**	**P3,271,150**	**P30,111,578**	**P67,292,363**
2023	P78,139,978	P78,139,978	P4,098,603	P16,484,732	P57,556,643

The average duration of the expected benefits payments is 13.83 years and 13.65 years as at December 31, 2024 and 2023, respectively.

Sensitivity Analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions was prepared by remeasuring the DBO at the reporting date after first adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The sensitivities were expressed as the corresponding change in DBO, holding other assumptions constant, would have affected the DBO by the amounts shown below.

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable.

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected DBO by the amounts shown below:

	DBO	
2024	**Increase**	**Decrease**
Discount rate (1% movement)	**(P91,012,156)**	**P111,839,493**
Future salary rate (1% movement)	**112,085,738**	**(90,630,439)**

	DBO	
2023	Increase	Decrease
Discount rate (1% movement)	(P70,456,557)	P87,030,036
Future salary rate (1% movement)	87,261,501	(70,128,027)

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which changes other than those assumed may be deemed to be more reasonable. The trustee has no specific matching strategy between the plan assets and the plan liabilities.

The Plan exposes the Foundation to actuarial risks, such as interest rate risk, and market (investment) risk.

20. Income Tax

The Foundation is a nonstock, nonprofit foundation organized and operated exclusively to provide financial aid and technical aid to prequalified deserving service agencies or communities. It is exempt from income tax pursuant to Section 30 of RA No. 8424, *Tax Reform Act of 1997*. However, income derived from its properties, real or personal, or from any of its activities conducted for profit regardless of the disposition made of such income, is subject to tax. On December 7, 2023, the BIR issued a tax exemption certificate to the Foundation valid for three (3) years from the date of issuance.

The components of the income tax expense are as follows:

	2024	2023
Current	**P64,022**	P36,129
Deferred	**(61,820)**	(12,382)
	P2,202	P23,747

The reconciliation of the income tax expense computed at the statutory rate and to the income tax expense recognized in the statement of activities and other comprehensive loss as at December 31 is as follows:

	2024	2023
Excess of supports and other gains over expenses before income tax expense	**P310,375,878**	P448,349,068
Income tax at statutory tax rate of 25%	**P77,593,970**	P112,087,267
Tax effects of:		
Nondeductible expense	**102,697,237**	110,231,359
Addition of MCIT	**64,022**	36,129
Interest income subject to final tax	**(165,647,990)**	(193,397,588)
Nontaxable income	**(14,705,037)**	(28,933,420)
	P2,202	P23,747

The components of DTA - MCIT that is creditable against regular corporate income tax within the three immediately succeeding taxable years are as follows:

Year Incurred	Expiry Date	As at December 31, 2023	Addition	Expiration/ Application	**As at December 31, 2024**
2024	2027	P -	P64,022	P -	**P64,022**
2023	2026	36,129	-	-	**36,129**
2022	2025	9,296	-	-	**9,296**
2021	2026	2,202	-	2,202	**-**
		P47,627	P64,022	P2,202	**P109,447**

The details of the unrecognized net operating loss carry-over (NOLCO) are as follows:

Year Incurred	Expiry Date	As at December 31, 2023	Addition	Expiration/ Application	**As at December 31, 2024**
2024	2027	P -	P4,936,360	P -	**P4,936,360**
2023	2026	6,366,978	-	-	**6,366,978**
2022	2025	2,777,255	-	-	**2,777,255**
2021	2026	4,773,178	-	-	**4,773,178**
2020	2025	4,382,580	-	-	**4,382,580**
		P18,299,991	P4,936,360	P -	**P23,236,351**

DTA on NOLCO has not been recognized as realization of tax benefit from NOLCO is doubtful.

21. Financial Risk, Policies and Objectives and Capital Management

Risk Management Structure
The BOT is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Organization. It also has the overall responsibility for the development of risk strategies, principles, frameworks, policies and limits. It establishes a forum of discussion of the Organization's approach to risk issues in order to make relevant decisions.

Risk Management Committee
Risk Management Committee is responsible for the comprehensive monitoring, evaluation and analysis of the Organization's risks in line with the policies and limits set by BOT.

Financial Risks Management Policies and Objectives
The Foundation is exposed to a variety of risks arising from financial instruments which are from its operating and investing activities.

The main risks arising from the Foundation's financial instruments are equity price risk on its traded equity instruments, credit risk involving possible exposure to counter-party default by debtors and on its cash investments and trust funds and liquidity risk in terms of proper matching of financing for its projects and programs.

Equity Price Risk
Equity price risk is the risk that the fair value of traded equity instruments decreases as the result of the changes in the levels of equity indices and the value of the individual stocks.

The Foundation is exposed to equity price risk on its equity investments classified under financial assets at FVOCI. It manages this risk by constantly monitoring the changes of the market price of these investments.

The observed volatility rates of the fair value of the Foundation's investments held at fair value and their impact on the fund balance are as follows:

	Volatility Rate		Effect on Fund Balance	
	Increase	Decrease	Increase	Decrease
Equity securities listed in the Philippines				
2024	**10%**	**5%**	**P1,528,117,989**	**(P764,058,994)**
2023	10%	5%	1,965,994,046	(982,997,023)

Credit Risk
Credit risk is the risk that one party of a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risks arising from debtors are mitigated by subjecting debtors to credit verification and setting of credit limits. Furthermore, the Foundation monitors receivables continuously.

Definition of default
The Foundation considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Foundation may also consider a financial asset to be in default when internal or external information indicates that the Foundation is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Foundation.

Receivables of the Foundation that are neither past due nor impaired and are of standard credit quality amounted to P26.82 million and P33.78 million as of December 31, 2024 and 2023, respectively.

Credit risk from other financial assets, which comprise mainly of cash and cash equivalents, debt investments at amortized cost and trust funds, is mitigated by maintaining depository accounts and cash investments with financial institutions of high credit rating. Cash and cash equivalents, financial assets at amortized cost, and trust funds amounted to P2.15 billion and P2.08 billion as of December 31, 2024 and 2023, respectively.

Liquidity Risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

To manage this risk, the Foundation regularly monitors its projected and actual cash flows information. Any excess cash is invested in short term placements.

The following table presents the Foundation's assets and liabilities by contractual maturities and settlement dates:

As of December 31, 2024

	Contractual Undiscounted Collections				
Financial Assets	**Less Than 1 Year**	**1 to 5 Years**	**> 5 Years**	**Total**	**Total Carrying Value**
Cash and cash equivalents	**P866,005,655**	**P -**	**P -**	**P866,005,655**	**P866,005,655**
Accounts receivable	**22,138,929**	**-**	**-**	**22,138,929**	**22,138,929**
Financial assets at FVTPL	**1,633,878,854**	**-**	**-**	**1,633,878,854**	**1,633,878,854**
Financial assets at FVOCI	**15,281,179,887**	**-**	**-**	**15,281,179,887**	**15,281,179,887**
Financial assets at amortized cost	**1,249,720,817**	**-**	**-**	**1,249,720,817**	**1,249,720,817**
Trust funds	**35,759,901**	**-**	**-**	**35,759,901**	**35,759,901**
	P19,088,684,043	**P -**	**P -**	**P19,088,684,043**	**P19,088,684,043**

	Contractual Undiscounted Collections				
Financial Liabilities	**Less Than 1 Year**	**1 to 5 Years**	**> 5 Years**	**Total**	**Total Carrying Value**
Accounts and other payables	**P75,336,118**	**P -**	**P -**	**P75,336,118**	**P75,336,118**
Deferred grants	**35,712,274**	**-**	**-**	**35,712,274**	**35,712,274**
	P111,048,392	**P -**	**P -**	**P111,048,392**	**P111,048,392**

As of December 31, 2023

	Contractual Undiscounted Collections				
Financial Assets	Less Than 1 Year	1 to 5 Years	> 5 Years	Total	Total Carrying Value
Cash and cash equivalents	P1,197,929,836	P -	P -	P1,197,929,836	P1,197,929,836
Accounts receivable	30,377,660	-	-	30,377,660	30,377,660
Financial assets at FVTPL	1,424,051,998	-	-	1,424,051,998	1,424,051,998
Financial assets at FVOCI	19,659,940,464	-	-	19,659,940,464	19,659,940,464
Financial assets at amortized cost	849,720,817	-	-	849,720,817	849,720,817
Trust funds	33,381,242	-	-	33,381,242	33,381,242
	P23,195,402,017	P -	P -	P23,195,402,017	P23,195,402,017

	Contractual Undiscounted Collections				
Financial Liabilities	Less Than 1 Year	1 to 5 Years	> 5 Years	Total	Total Carrying Value
Accounts and other payables	P77,255,444	P -	P -	P77,255,444	P77,255,444
Deferred grants	33,381,242	-	-	33,381,242	33,381,242
	P110,636,686	P -	P -	P110,636,686	P110,636,686

Capital Management
The primary objective of the Foundation's capital management is to ensure the ability of the Foundation to continue as a going concern so that the Foundation can continue to support its projects and programs and thus achieve the purpose for which it was created.

The Foundation manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Foundation may sell its investments. No changes were made in the objectives, policies or processes in 2024 and 2023.

The Foundation's financial assets and financial liabilities consist of:

	Note	2024	2023
Financial Assets			
Cash and cash equivalents	4	**P866,005,655**	P1,197,929,836
Accounts receivable	5	**22,138,929**	30,377,660
Financial assets at amortized cost	8	**1,249,720,817**	849,720,817
Trust funds	13	**35,759,901**	33,381,242
		2,173,625,302	2,111,409,555
Financial assets at FVTPL	6	**1,633,878,854**	1,424,051,998
Financial assets at FVOCI	7	**15,281,179,887**	19,659,940,464
		P19,088,684,043	P23,195,402,017
Financial Liabilities			
Accounts and other payables	12	**P75,336,118**	P77,255,444
Deferred grants	13	**35,712,274**	33,381,242
		P111,048,392	P110,636,686

Fair Value of Financial Assets and Financial Liabilities
As of December 31, 2024 and 2023, all of the Foundation's financial instruments have carrying values that approximate their fair values.

The methods and assumptions used to estimate the fair value of each class of financial instrument are as follows:

Cash and Cash Equivalents, Accounts Receivable, Trust Funds, Accounts and Other Payables, and Deferred Grants
Carrying amounts approximate their fair values due to the relatively short-term maturities of these financial instruments.

Financial Assets at FVTPL and Financial Assets at FVOCI
Fair values of listed shares are based on quoted prices published in markets. Fair value of unlisted shares could not be reliably determined due to the unpredictable nature of cash flows and the lack of suitable methods of arriving at a reliable fair value. Unlisted shares are carried cost at less of any impairment losses.

Interest Bearing Financial Assets at Amortized Cost
Variable rate. Where the repricing of variable rate interest bearing financial asset is frequent (i.e. monthly or quarterly), the carrying value approximates the fair value. Otherwise, the fair value is determined by discounting the principal plus the known interest using current market rates.

Fixed Rate. The fair value of fixed rate interest bearing financial asset is based on the discounted value of future cash flows using current market rates of similar types of borrowings.

Fair Value Hierarchy
The Foundation's financial assets at FVTPL amounting to P1.63 billion and P1.42 billion as of December 31, 2024 and 2023, respectively, are measured using Level 1 and Level 2 valuation technique. Financial assets at FVTPL measured using Level 1 and Level 2 valuation technique amounted to P1.63 billion and P5.60 million, respectively, in 2024 and P1.39 billion and P29.40 million, respectively, in 2023.

The Foundation's financial assets at FVOCI amounting to P15.28 billion and P19.66 billion as of December 31, 2024 and 2023, respectively, are measured using Level 1 and Level 3 valuation technique. Financial assets at FVOCI measured using Level 1 and Level 3 valuation technique amounted to P15.27 billion and P13.15 million, respectively, in 2024, and P19.65 billion and P13.15 million, respectively, in 2023.

During the year ended December 31, 2024 and 2023, there were no transfers between Level 1 Level 2 and Level 3 fair value measurements.

22. Change in Accounting Policy

The Foundation has changed from the direct method to the indirect method for reporting cash flows from operating activities starting January 1, 2024. This change was made to improve the comparability of the cash flow statement with other organizations in the industry. The change had no material effect on the net cash flow from operating activities.

23. Summary of Material Accounting Policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements except for the changes in accounting policies as explained below.

Adoption of Amendments to Standards
The Company has adopted the following amendments to standards starting January 1, 2024 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption did not have any significant impact on the Company's financial statements.

- Lease Liability in a Sale and Leaseback (Amendments to PFRS 16, *Leases*). The amendments confirm the following:

  - On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.

  - After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains.

  A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. For example, the seller-lessee could determine the lease payments to be deducted from the lease liability as expected lease payments or as equal periodic payments over the lease term, with the difference between those payments and amounts actually paid recognized in profit or loss.

The amendments are applied retrospectively in accordance with Philippine Accounting Standards (PAS) 8, *Accounting Policies, Changes in Accounting Estimates and Errors* to sale-and-leaseback transactions entered into after the date of initial application of PFRS 16.

- Classification of Liabilities as Current or Noncurrent - 2020 amendments and Non-Current Liabilities with Covenants - 2022 amendments (Amendments to PAS 1, *Presentation of Financial Statements*). To promote consistency in application and clarify the requirements on determining whether a liability is current or noncurrent, the amendments:

  - removed the requirement for a right to defer settlement of a liability for at least twelve months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;

  - clarified that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current and covenants with which the entity must comply after the reporting date do not affect a liability's classification at that date;

  - provided additional disclosure requirements for non-current liabilities subject to conditions within twelve months after the reporting period to enable the assessment of the risk that the liability could become repayable within twelve months; and

  - clarified that settlement of a liability includes transferring an entity's own equity instruments to the counterparty, but conversion options that are classified as equity do not affect classification of the liability as current or noncurrent.

- Supplier Finance Arrangements (Amendments to PAS 7 Statement of Cash Flows and PFRS 7 Financial Instruments: Disclosures). The amendments introduce new disclosures about a company's supplier finance arrangements that would enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, a company discloses in aggregate for its supplier finance arrangements:

  - the terms and conditions of the arrangements;

  - beginning and ending carrying amounts and associated line items of the financial liabilities that are part of a supplier finance arrangement, distinguishing those for which suppliers were already paid, and range of payment due dates including those for comparable trade payables not part of a supplier finance arrangement; and

  - the type and effect of non-cash changes in the carrying amounts.

  The amendments also add supplier finance arrangements as an example to the existing disclosure requirements on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities.

  A company is not required to disclose comparative information for any prior reporting periods, information on carrying amounts for which suppliers already received payment and range of payment due dates as at the beginning of the annual reporting period the company first applies the amendments, and information for any interim period within the annual reporting period in which the company first applies those amendments.

- International Tax Reform - Pillar Two Model Rules (Amendments to PAS 12 Income Taxes). The amendments provide a temporary mandatory exception from accounting for deferred tax that arises from legislation implementing the Pillar Two model rules published by the Organization for Economic Co-operation and Development, including tax law that implements qualified domestic minimum top-up taxes described in those rules. Under the relief, a company:

  - discloses that it has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes;

  - discloses separately its current tax expense (income) related to Pillar Two income taxes; and

  - in periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, discloses known or reasonably estimable information that helps users of financial statements understand the entity's exposure to Pillar Two income taxes arising from that legislation.

<u>Financial Assets and Liabilities</u>
Recognition and Measurement
The Foundation initially recognizes financial assets and financial liabilities when the Foundation becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Classification
Financial Assets
On initial recognition, a financial asset is measured at: amortized cost, FVOCI or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective the is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Foundation may irrevocably elect to present subsequent changes in investment's fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Foundation may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business Model Assessment
The Foundation makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any liabilities or expected sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Foundation's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and

- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether Contractual Cash Flows are Solely Payments of Principal and Interest
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Foundation considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Foundation considers:

- contingent events that would change the amount and timing of cash flows;

- prepayment and extension terms; and

- terms that limit the Foundation's claim to cash flows from specified assets (e.g. non-recourse asset arrangements).

Reclassifications
Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Foundation changes its business model for managing financial assets.

Subsequent Measurement and Gains and Losses

- Financial assets at FVTPL - Measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss;

- Financial assets at amortized cost - Measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss;

- Debt securities at FVOCI - Measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss; and

- Equity investments at OCI - Measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Derecognition
Financial Asset
The Foundation derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Foundation neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI is recognized in profit or loss.

In transactions in which the Foundation neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Foundation continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

Financial Liabilities
The Foundation derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired.

Impairment of Nonderivative Financial Assets
The Foundation recognizes loss allowances for expected credit losses (ECLs) on:

- financial assets that are debt instruments;
- lease receivables;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognized on equity investments.

The Foundation measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECLs.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognized are referred to as 'Stage 1 financial instruments'.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognized but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

Measurement of ECL
ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Foundation expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Foundation if the commitment is drawn down and the cash flows that the Foundation expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Foundation expects to recover.

Restructured Financial Assets
If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset; and
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired Financial Assets
At each reporting date, the Foundation assesses whether financial assets carried at amortized cost and finance lease receivables are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Foundation on terms that the Foundation would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of Allowance for ECL in the Statement of Financial Position
Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision;

- where a financial instrument includes both a drawn and an undrawn component, and the Foundation cannot identify the ECL on the loan commitment component separately from those on the drawn component: the presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and

- debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognized in the fund balance.

Fair Value Measurement
A number of the Foundation's accounting policies and disclosures require the determination of fair value, for both financial and nonfinancial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants under current market conditions (i.e., an exit price) at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Foundation.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to a market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Current Versus Noncurrent Classification
The Foundation presents assets and liabilities in the statement of financial position based on current/noncurrent classification. An asset is current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle;

- held primarily for the purpose of trading;

- expected to be realized within twelve months after the reporting period; or

- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- it is expected to be settled in the normal operating cycle;

- it is held primarily for the purpose of trading;

- it is due to be settled within twelve months after the reporting period; or

- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Property and Equipment
Property and equipment are carried at cost less accumulated depreciation and impairment losses, if any.

Initially, an item of property and equipment is measured at its cost, which comprises its purchase price and any directly attributable costs of bringing the asset to the location and condition for its intended use. Subsequent costs that can be measured reliably are added to the carrying amount of the asset when it is probable that future economic benefits associated with the asset will flow to the foundation. The costs of day-to-day servicing of an asset are recognized as an expense in the period in which they are incurred.

Construction-in-progress, which represents properties under construction, is stated at cost and is depreciated only when relevant assets are completed and put into operational use. Upon completion, these properties are classified to the specific property and equipment account.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Annual depreciation rates are as follows:

	Annual rates (%)
Buildings	5%
Building improvements	5%
Transportation equipment	20%
Office equipment, furniture and fixtures	20%
Tools and equipment	20%

Depreciation methods, useful lives and estimated residual values, if any, are reviewed and adjusted, if appropriate, at each reporting date to ensure that these are consistent with the expected pattern of economic benefits from those assets.

When an asset is disposed of or is permanently withdrawn from use and no future economic benefits are expected from its disposal, the cost and accumulated depreciation and impairment losses, if any, are removed from the accounts and any resulting gain and losses, arising from the retirement or disposal is recognized in the statement of activities and other comprehensive loss.

Trust Funds and Deferred Grants
Donations that are restricted by the donors for specific purposes are initially recognized upon receipt as trust funds and credited to deferred credits. Upon the occurrence of the events specified by donors, the trust fund utilization and the deferred credits is deemed donated and reported in the statement of operations.

Grants received to fund the acquisition of depreciable assets are likewise recognized as deferred credits. Deferred credits are recognized in the statement of operations under grants and sub-grants over the periods and in proportion to the depreciation charged for the period for the depreciable assets.

Impairment of Nonfinancial Assets
At each reporting date, the Foundation assesses whether there is any indication of impairment on other current assets, property and equipment, intangible assets and other noncurrent assets or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Foundation makes a formal estimate of the net recoverable amount.

The net recoverable amount is the higher of an asset's (or Cash Generating Unit (CGU)'s) fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the net recoverable amount is assessed as part of the CGU to which it belongs.

Value in use is the present value of future cash flows expected to be derived from an asset or CGU while fair value less cost of disposal price that would be received to sell an asset in an orderly transaction between market participants at the measurement date less any incremental costs directly attributable to disposal. Where the carrying amount of an asset (or CGU) exceeds its net recoverable amount, the asset (or CGU) is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU).

An impairment loss is charged against operations in the period in which it arises. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the net recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's net recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its net recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such a reversal is recognized in the statement of activities. After such reversal, the depreciation and amortization is adjusted in future years to allocate the asset's (or CGU) revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Fund Balance
Fund balance is composed of general fund, retirement benefits reserve and fair value reserve.

General fund comprises the net excess of net excess of supports and other gains over expenses.
Retirement benefits reserve pertains to the cumulative amount of remeasurement of retirement benefits liability arising from actuarial gains and losses due to experience and demographic assumptions.

Fair value reserve pertains to the cumulative amount of unrealized gains and losses of financial assets at FVOCI.

Revenue Recognition
Donations are recognized as revenue when no significant uncertainty to its collection exists. Donations in kind are measured at the recoverable amount of the items received.

Grants are recognized as revenue over periods to match them with the related costs which they are intended to compensate.

Interest is recognized as income using the effective interest method.

Dividends are recognized as income when the Foundation's right to receive payment is established.

Other supports and gains are recognized when earned.

Interest Income
Interest income is recognized in statement of activities using the effective interest method. The effective interest rate is the rate that discounts the estimated future cash receipts through the expected life of the financial asset to the carrying amount of the financial asset. The effective interest rate is established on initial recognition of the financial asset and is not revised subsequently.

The calculation of the effective interest rate includes all fees, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition or disposal of a financial asset.

Interest income presented in income and expenses includes interest on financial assets at amortized cost and financial asset at FVOCI on an effective interest basis. When the related financial asset becomes impaired, the carrying value is reduced due to an impairment loss and interest income is continued to be recognized using the original effective interest rate applied to the new carrying amount.

Costs and Expenses Recognition
Project utilization consists of costs and expenses incurred by the Foundation for activities in connection with its projects and programs.

General and administrative expenses consist of costs and expenses incurred relating to administration and other operating expenses.

Foreign Currency Transactions and Translations
Transactions in foreign currencies are translated into Philippine peso using the exchange rates prevailing at the time of such transactions. Monetary assets and liabilities denominated in foreign currencies are translated using exchange rates prevailing at reporting date. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in income and expenses.

Income Taxes
Income tax expense for the year comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in OCI, in which case it is recognized in equity or OCI, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Final tax is a kind of withholding tax which is prescribed on certain income payments and is not creditable against the income tax due of the payee on the other income subject to regular rates of tax for the taxable year. Tax withheld constitutes the full and final payment of the tax due from the payee on the particularly income subjected to final withholding tax.

Deferred tax is provided using the balance sheet liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The deferred tax asset is reviewed at each reporting date and reduced, if appropriate.

The Foundation offsets deferred tax assets and deferred tax liabilities if the Foundation has a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Retirement Benefits
The Foundation has a funded, noncontributory, defined benefit plan covering all of its permanent employees. Contributions and costs are determined in accordance with the actuarial studies made for the Plan. Annual cost is determined using the projected unit credit method. Under this method, the current service cost is the present value of retirement liability in the future with respect to services rendered in the current year.

The projected unit credit method reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive loss. Such actuarial gains and losses are also immediately recognized in equity and are not reclassified to profit or loss in subsequent period.

The retirement liability is the aggregate of the present value of the amount of future benefit that employees have earned in return for their service in the current and prior periods.

Defined benefit costs comprise the following:

- service costs;
- net interest on the defined benefit retirement liability; and
- remeasurements of defined benefit retirement liability.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the defined benefit retirement liability is the change during the period as a result of contributions and benefit payments, which is determined by applying the discount rate based on the government bonds to the defined benefit retirement liability. Net interest on the defined benefit retirement liability is recognized as expense or income in statement of comprehensive income.

Remeasurements of DBO comprising actuarial gains and losses are recognized immediately in OCI in the period in which they arise under "Actuarial gain (loss) on retirement benefits", net of income tax effect.

Provisions
Provisions are recognized when the Foundation has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

Contingencies
Contingent assets are not recognized in the financial statements but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Events After Reporting Date
The Foundation identifies post-yearend events as events that occurred after reporting date but before the date when the financial statements were authorized for issue. Any post-yearend events that provide additional information about the Foundation's financial position or performance at the end of a reporting period (adjusting events) are recognized in the financial statements. Events that are not adjusting events are disclosed in the notes to the financial statements when material.

New Standard and Amendments Issued But Not Yet Adopted
A number of new standard and amendments to standards are effective for annual period beginning after January 1, 2025 and earlier application is permitted; however, the Foundation has not early adopted these new standard and amendments to standards in preparing these financial statements. The following new standard and amendments to standards are not expected to have significant impact on the Foundation's financial statements.

To be Adopted on January 1, 2026

- *Amendments to the Classification and Measurement of Financial Instruments (Amendments to PFRS 9 Financial Instruments and PFRS 7 Financial Instruments: Disclosures).* The amendments relate to the date of recognition and derecognition, classification of financial assets, contractually linked instruments and non-recourse features, and disclosures on investments in equity instruments.

  Date of recognition and derecognition. The amendments clarified that:

  - a financial asset or financial liability is recognized on the date on which the entity becomes party to the contractual provisions of the instrument unless the regular way exemption applies;

  - a financial asset is derecognized on the date on which the contractual rights to cash flows expire or the asset is transferred; and

  - a financial liability is derecognized on the settlement date, which is the date on which the liability is extinguished because the obligation specified in the contract is discharged or cancelled or expires or the liability otherwise qualifies for derecognition.

  However, the amendments provide an exception for the derecognition of financial liabilities where an entity may choose to derecognize a financial liability that is settled using an electronic payment system before the settlement date if, and only if, the entity has initiated the payment instruction that resulted in:

  - the entity having no practical ability to withdraw, stop or cancel the payment instruction;

  - the entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

  - the settlement risk associated with the electronic payment system is insignificant.

  Entities may choose to apply the exception on a system-by-system basis.

  Classification of financial assets. The amendments related to classification of financial assets introduces an additional test to assess whether the solely payments of principal and interest (SPPI) criterion is met for financial assets with contingent features that are not related directly to a change in basic lending risks or costs.

  The amendments clarified that when a contingent feature gives rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs, the financial asset has contractual cash flows that are SPPI if, and only if, in all contractually possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

  Additional disclosures are required for all financial assets and financial liabilities that have certain contingent features that are not related directly to a change in basic lending risks or costs and are not measured at fair value through profit or loss.

  Contractually linked instruments and non-recourse features. The amendments clarify the key characteristics of contractually linked instruments (CLIs) and how they differ from financial assets with non-recourse features. The amendments also include factors that a company needs to consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test). For example, it clarifies that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets; that CLIs have non-recourse features, but not all financial assets with non-recourse features are CLIs; and that the underlying pool of instruments of CLIs may include financial assets outside the scope of IFRS 9.

  Disclosures on Investments in Equity Instruments. The amendments require additional disclosures for investments in equity instruments that are measured at FVOCI. The entity discloses for each class of investment the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognized during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period. It also discloses any transfers of the cumulative gain or loss within equity during the reporting period related to investments derecognized during that reporting period.

  The amendments apply for reporting periods beginning on or after January 1, 2026. Earlier application is permitted. Entities may choose to early-adopt the amendments for the recognition and derecognition of financial assets and financial liabilities separately from the other amendments.

To be Adopted on January 1, 2027

- *Lack of Exchangeability (Amendments to PAS 21 The Effects of Changes in Foreign Exchange Rates).* The amendments clarify that a currency is exchangeable into another currency when a company is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

  When a currency is not exchangeable, a company needs to estimate a spot rate.

The objective in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments do not specify how to estimate the spot exchange rate to meet the objective and an entity can use an observable exchange rate without adjustment or another estimation technique.

The amendments require new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements, including the nature and financial impacts of the currency not being exchangeable, the spot exchange rate used, the estimation process, and risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted. Comparative information is not restated and the effect of initially applying the amendments are adjusted to the opening balance of retained earnings, or to the cumulative amount of translation differences if the company uses a presentation currency other than its functional currency.

- *PFRS 18, Presentation and Disclosure in Financial Statements will Replace PAS 1 and Aims to Provide Greater Consistency in Presentation of the Income and Cash Flow Statements, and more Disaggregated Information.*

  - A more structured income statement. PFRS 18 promotes a more structured income statement. It introduces a newly defined 'operating profit or loss' and 'profit or loss before financing and income tax' subtotals, and a requirement for all income and expenses to be classified into three new distinct categories - operating, investing, and financing - based on a company's main business activities. PFRS 18 also requires companies to analyze their operating expenses directly on the face of the income statement - either by nature, by function or on a mixed basis. Companies need to choose the presentation method that provides the 'most useful structured summary' of those expenses. New disclosures apply if any operating expenses are presented by function.

  - Management-defined performance measures. PFRS 18 provides a definition for management-defined performance measures (MPMs) and introduces specific disclosure requirements. MPMs are subtotals of income and expenses that are used in public communications outside the financial statements, communicate management's view of an aspect of the financial performance of the entity as a whole and are not a required subtotal or a common income and expense subtotal listed in PFRS 18. For each MPM presented, companies will need to explain in a single note to the financial statements why the measure provides useful information and how it is calculated, and to reconcile it to an amount determined under PFRS Accounting Standards.

  - Greater disaggregation of information. PFRS 18 provides enhanced guidance on how companies group information in the financial statements, including newly defined roles of the primary financial statements and the notes, principles of aggregation and disaggregation based on shared and non-shared characteristics, and specific guidance for labelling and describing items in a way that faithfully represents an item's characteristics.

  PFRS 18 also now require goodwill to be presented as a line item in the statement of financial position.

  Consequential amendments to PAS 7, Statement of Cash Flows requires the use of the operating profit or loss subtotal as the starting point when presenting operating cash flows under the indirect method and eliminate the options for classifying interest and dividend cash flows.

  PFRS 18 also amends PAS 33, Earnings per Share to permit companies to disclose additional amounts per share using as numerator a required income and expenses total or subtotal, a common subtotal listed in PFRS 18 or an MPM disclosed by the entity.

  PFRS 18 applies for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. It applies retrospectively in accordance with PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. Specific reconciliations are required to be disclosed. Eligible entities including venture capital organizations, mutual funds and some insurers will be allowed to change their election for measuring investments in associates and joint ventures from equity method to fair value through profit or loss.

- *PFRS 19 Subsidiaries without Public Accountability: Disclosures* permits a subsidiary to apply the requirements of PFRS Accounting Standards with the reduced disclosure requirements of PFRS 19 in its consolidated, separate or individual financial statements provided that, at the reporting date:

  - it does not have public accountability, and

  - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with PFRS Accounting Standards.

  Eligible subsidiaries may apply the standard for reporting periods beginning on or after January 1, 2027. Earlier application is permitted.

- Deferral of the local implementation of Amendments to PFRS 10 and PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to PFRS 10, Consolidated Financial Statements and PAS 28, Investments in Associates and Joint Ventures).* The amendments address an inconsistency between the requirements in PFRS 10 and in PAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

  The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

  Originally, the amendments apply prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. However, on January 13, 2016, the Financial Reporting Standards Council decided to postpone the effective date of these amendments until the International Accounting Standards Board has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

24. Supplementary Information Required Under RR No. 15-2010 and RR No. 34-2020 of the BIR

In addition to the disclosures mandated under PFRS Accounting Standards, and such other standards and/or conventions as may be adopted, the Foundation is required under BIR revenue regulations to provide in the notes to the financial statements, certain supplementary information for the taxable year. The amounts relating to such information may not necessarily be the same with those amounts disclosed in the financial statements which were prepared in accordance with PFRS Accounting Standards. The following is the supplementary tax information required for the taxable year ended December 31, 2024:

Based on RR No. 15-2010

A. Value-Added Tax (VAT)

Output VAT	
Basis of the Output VAT	
Zero-rated sales	**P -**
Vatable sales	**4,755,342**
	P4,755,342

Input VAT	
Beginning of the year	**P671,363**
Current year's domestic purchases:	
Domestic purchases of goods other than capital goods	**39,172**
Domestic purchases of services	**58,225**
	97,397
Total	**768,760**
Input VAT written off	**-**
Less: Input VAT applied for the year	**570,803**
Balance at the end of the period	**P197,957**

B. Withholding Taxes

Withholding tax - compensation	**P18,851,692**
Withholding tax - expanded	**4,003,466**
Fringe benefit tax	**1,438,095**
Withholding tax - final	**582,558**
	P24,875,811

C. All Other Taxes (Local and National)

Other taxes paid during the year recognized under General and Administrative	
Fringe benefit tax	**P1,438,096**
Real property tax	**77,568**
License and permit fees	**57,043**
Documentary stamp tax	**290**
Others	**625,227**
	P2,198,224

D. Deficiency Tax Assessments Tax Cases

The Foundation has no tax cases as at taxable year ended December 31, 2024.

Based on RR No. 34-2020

In relation to Section 4 of BIR RR No. 34-2020, the Foundation is not covered by the prescribed requirements and procedures for the submission of BIR form No. 1709, *Information Return on Related Party Transactions*, Transfer Pricing Documentation and other supporting documents.

ABOUT THE THEME

In 2024, RAFI set sail toward its 2030 vision which involved revisiting its plans and strategies, recalibrating programs, strengthening capabilities, and piloting new initiatives to meet the evolving needs of the communities it serves. This commitment continues to fuel its journey of growth and transformation.

Weaving, a valued cultural tradition in the Philippines, symbolizes connection, resilience, and creativity. In the same way, building a better future demands thoughtful planning, strong collaboration, and heart. Each thread, representing the contributions of RAFI and its partners, is woven together to create the vibrant tapestry of a shared vision for a resilient, prosperous, and vibrant tomorrow.

Touching People, Shaping the Future

RAFI is a non-stock, non-profit organization (SEC Registration 31083) founded in 1966 with a mission to uphold the dignity of man by working with communities to elevate their well-being. It is accredited by the Philippine Council for NGO Certification (PCNC no. 20211027114) and a member of the Association of Foundations.

The digital copy of RAFI's 2024 Annual Report is available at www.rafi.org.ph.

RAFI
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