



ANNUAL REPORT 2020

Thirty Five Years in Service to the Community



Surigao Economic Development
and Microfinance Foundation, Inc.



Our Vision

The leading Civil Society Organization in poverty reduction and development initiatives for sustainable and resilient communities in Caraga and neighboring region

Our Mission

We shall uplift the lives of the marginalized by nurturing micro-entrepreneurs and transforming their communities to be sustainable and resilient.

Our Goals

To improve income and growth of assets /capital of beneficiaries /clients

To attain sustainable development of resources through constructive engagements with POs, CSOs, LGUs and Line Agencies

To align SEDMFI's performance and quality of service to industry standards

To expand our outreach throughout CARAGA and neighboring regions

Core Values

InSPIRE

INTEGRITY

SOLIDARITY

PRO-ENVIRONMENT

INNOVATIVENESS

RESPONSIVENESS

EXCELLENCE

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BOARD OF TRUSTEES



LEONEL A. SANTOS
President



JUANITO M. MENDOZA III
Corporate Treasurer



FERDINAND E. SEMBRANO
Vice President



ALICIA V. EUSEÑA
Trustee



BIENVENIDO C. ILANO
Corporate Secretary

The COVID-19 pandemic made 2020 the most challenging year for SEDMFI. Lockdowns and health protocols imposed to control transmission of the virus that restricted mobility of people and merchandise adversely affected business including livelihood activities of micro-entrepreneurs who are clients and beneficiaries of our Micro-Entrepreneurs Development Program (MEDP).

Since the vaccines needed to attain herd immunity were not available in 2020, lockdowns and health protocols became the new normal.

Caraga Region's -7.2% Gross Domestic Product (GDRP) growth rate in 2020, from +5.4% in 2019, shows the depth of the economic crisis in the region.

Some adjustments made in response to the new normal were as follows:

- Postponed expansion of MEDP to Region X and the establishment of a mutual benefit association
- Added health assistance to our projects
- Cost reduction

In spite of the pandemic, implementation of Micro-entrepreneurs Development Program (MEDP) and Sustainable and Resilient Communities Program (SuReCom) was continued to support our served communities during the crisis. The Children's Library and Activity (SCLA) Center was temporarily closed due to suspension of face to face classes. School children were made to stay at home for their online or modular classes.

In behalf of the Board of trustees, I would like to express our gratitude to all our partners in government and private sectors for their support to SEDMFI in the past thirty five (35) years.



LEONEL A. SANTOS
President

The foundation is now **thirty five (35) years** in service to the community; three (3) and a half decades of continuing commitment and effort in providing financial products and services primarily to increase the family income in the rural communities of Caraga region.

For thirty five (35) years, the foundation has successfully served the under-resourced communities of the region particularly in providing quick access to viable financial products and services. It has reached out to **811** barangays in **64** municipalities and **5** cities and, established **12** branches/field offices across the region.

Upholding its commitment to poverty reduction, the MEDP aimed to expand this year to Region 10. However, due to the onset of the COVID-19 Pandemic and strict protocols set by the Government, the foundation postponed the said expansion plan.

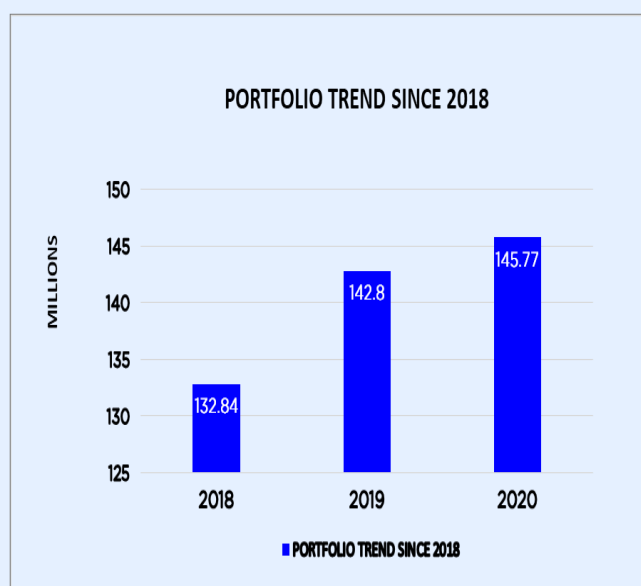
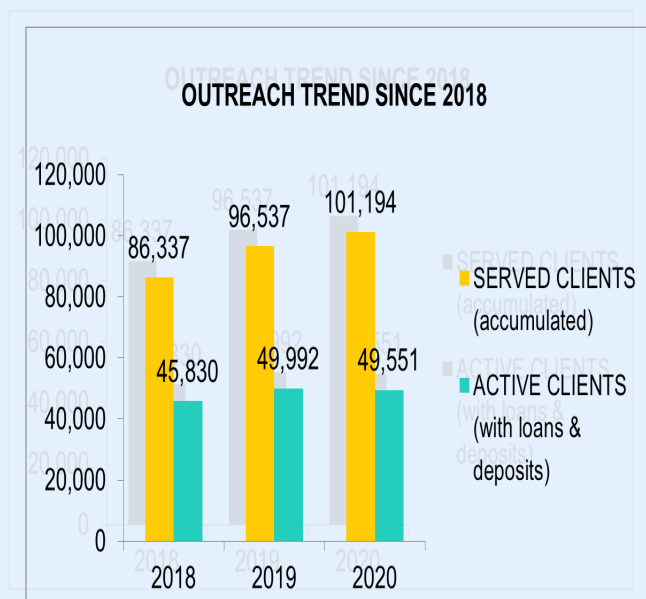
The foundation tried its best to sustain the operation of MEDP primarily in fostering more outreach and continuous delivery of financial products and services in the community to clients in need amidst the risks due to the Pandemic.

4.82 PERCENT INCREASE IN OUTREACH

As of December 2020, a total of **4,657 new** clients were accredited and engaged in the program; a 4.82% increase compared to year 2019.

While the increase in outreach is lower than in the past two (2) years, the foundation appreciates the efforts of the MEDP personnel considering the difficulty of the situation.

At year end, MEDP recorded a total outreach of **101,194** clients of which **49,551** are active and being served with various financial products and services of the program. However, some clients were seriously affected by the Pandemic forcing them to withdraw from the program.



As a result, MEDP Active Clients decreased by 0.88% or a total of 441 clients, lesser compared to 2019.

GROWTH IN LOAN PORTFOLIO AND CLIENTS' CBU/BCD/PANGARAP SAVINGS

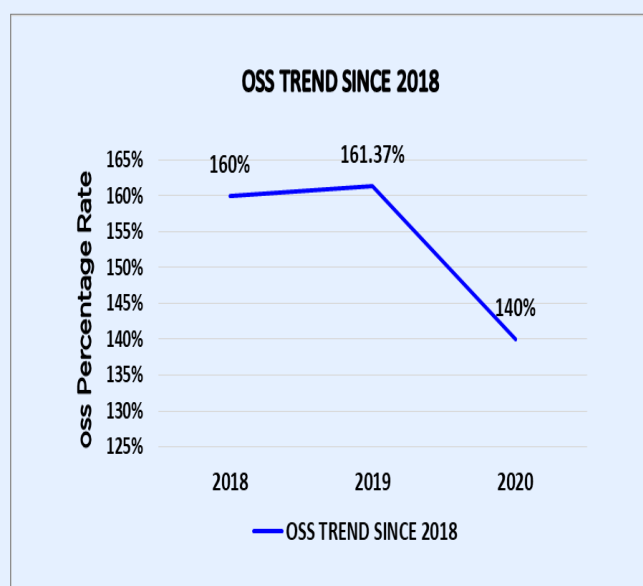
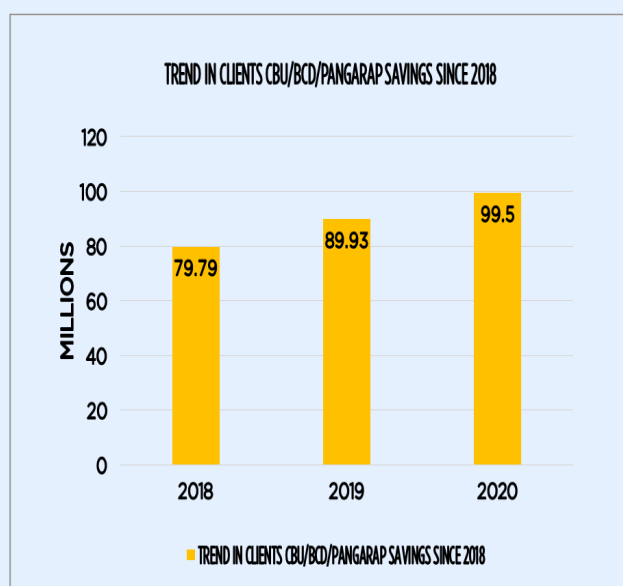
The program's Loan Portfolio increased by 2% compared to year 2019. As of December 2020, MEDP's loan portfolio have reached **₱145,773,424.31**; an increase of **₱2,973,424.31**.

The growth in loan portfolio is minimal compared to last two (2) years performance of the program. It was seriously affected by the series of community lockdowns and collection moratoriums issued by the Government in combating the COVID-19 pandemic. Thus, delivery of financial products and services in the community were hampered.

However, Clients' CBU/BCD and Pangarap Savings generation increased by 10.63% from year 2019. The foundation succeeded in campaigning to its clients the benefits and value of CBU/BCD/Savings. As of December 2020, a total of **₱99,496,736.12** clients' CBU/BCD/ and Pangarap Savings was generated; an increase of **₱9,562,736.12**.

Considering the growth in outreach, loan portfolio and CBU/Savings, the foundation somehow was able to manage the operation of MEDP amidst the COVID19 pandemic. Although, MEDP's 140% Operational Self Sufficiency (OSS) ratio is lower this year, it still shows that the financial capacity of the foundation is sufficient to carry out its programs and services to the community as well as for other operational needs of the foundation.

Thanks to all the staff who creatively found ways and courageously took the risks in reaching out to clients during the pandemic in order to continually be of service to the community.



MEDP CLIENTS POVERTY PROBABILITY INDEX (PPI)

The foundation initiated this year the poverty probability index survey among its clients. This was conducted to measure the poverty likelihood of MEDP members per branch. The survey was made from January – December 2020 with a total of 3,354 client-respondents from all branches.

This PPI survey gives information on the kind of sector we are serving in terms of economic status. The survey results can be useful in formulating activities and/or services to address the needs of our partners.

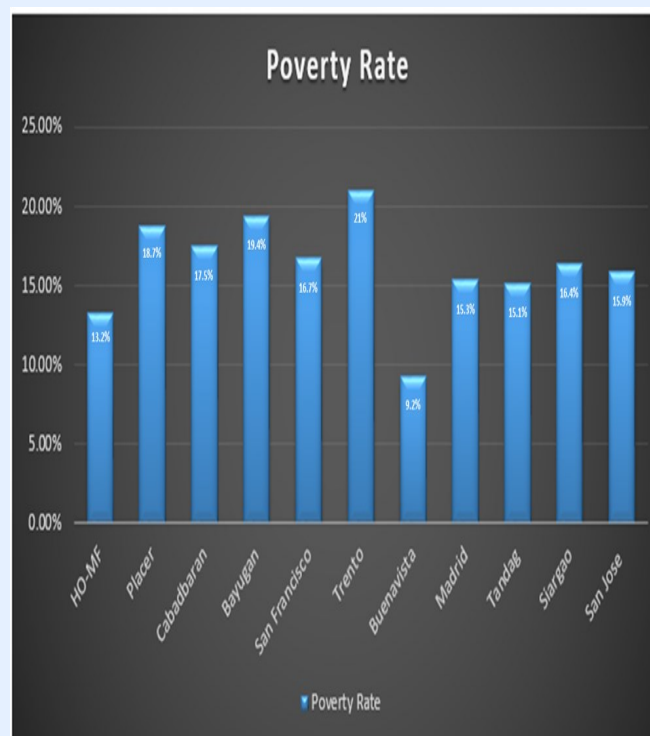
The charts present the poverty rates of each branch. This poverty rate is the measure of MEDP clients who are likely to be poor.

Also, it represents the incidence of poverty among clients per branch. The higher the poverty rate, the more likely to be poor.

Moreover, Trento Branch has the highest poverty rate. Meaning, 21% of their clients are living in survival level and/or below. And the Buenavista branch got the lowest poverty rate, approximately 9.2% of its clientele are likely to be poor.

The poverty rates have no direct correlation to clients' performance in attending weekly obligations.

Branch	Poverty Rate
HO-MF	13.2%
Placer	18.7%
Cabadbaran	17.5%
Bayugan	19.4%
San Francisco	16.7%
Trento	21%
Buenavista	9.2%
Madrid	15.3%
Tandag	15.1%
Siargao	16.4%
San Jose	15.9%





The newly constructed Office Building of San Jose Branch at Purok 2 Don Ruben, Municipality of San Jose, Province of Dinagat Islands

SAN JOSE BRANCH NEW OFFICE BUILDING

San Jose Branch has a new office building constructed this year. It is located at Purok 2 Barangay Don Ruben, Municipality of San Jose, Province of Dinagat Islands.

The new office is a single-storey building costing about 2.4 million pesos. It is constructed in a 134 sq. meter lot owned by the foundation.

San Jose branch has a total of eleven (11) staff serving a total of 4,830 clients across the Province of Dinagat Islands,



PRODUCTS AND SERVICES

For thirty five (35) years of serving the communities, the foundation was able to sustain its commitment in providing social credit services particularly to far flung-rural communities of Caraga region. The foundation, in spite of the challenges post by the COVID 19 Pandemic, had continually extended viable financial services to many micro-entrepreneurs/individuals of its served communities.



Agri-Micro Loan

A loan facility intended for farmers and fisherfolks that needs an additional working capital for their agri-enterprise venture. Its maximum loanable amount is 150,000.00 depending on the crop and commodity.

A total of ninety three (93) client fisherfolks and farmers had availed the product as of December 2020.



Business Asset Acquisition Loan

A Loan facility granted to selected clients, with at least five (5 years) in the program and no history of delinquency, for a maximum loanable amount of 75,000.00.

A total one (1) client had availed the loan as of December 2020.



Individual Loan

A modified credit facility to borrowers with greater and bigger needs of financial back-ups to sustain their businesses or special projects; its maximum loanable amount is 150,000.00

A total of 401 clients had availed the loan as of December 2020.



College Educational Loan

An incentive loan granted to deserving clients having excellent credit performance. This includes payments of tuition fees and review for board exam in Accountancy, Nursing, Engineering, Seaman, Teachers and Bar exam. The maximum loanable amount is 35,000.00.

Eight (8) clients had availed the loan as December 2020.



Minor House Repair Loan

A loan facility with a maximum loanable amount of 15,000.00, granted to selected clients having at least three (3) years, in the program and no history of delinquency.

A total of 93 clients had availed the loan as of December 2020



ASAP Loan

A short term incentive loan granted to meritorious borrowers having immediate needs for medicines, payments for electric & water bills and any local festive events. The maximum loanable amount is 10,000.00.

A total of 1,130 clients had availed the loan as of December 2020.



Back to Back Loan

An incentive loan granted to selected members having outstanding Borrowers Capital Deposit (BCD), no history of delinquency and at least three (3) years in the program.

Its maximum loanable amount is Php10,000.00.



Group Lending

A micro-credit facility available to individuals, who are residents of the same area consenting to bind each other as a group, at least five (5) in a group, and form a "Center" of at least twenty(20) members having common goals of uplifting each other: financially, socially and spiritually.

A total of 15,980 clients had availed the loan as of December 2020.



Water Access, Sanitation and Hygiene (WASH Loan)

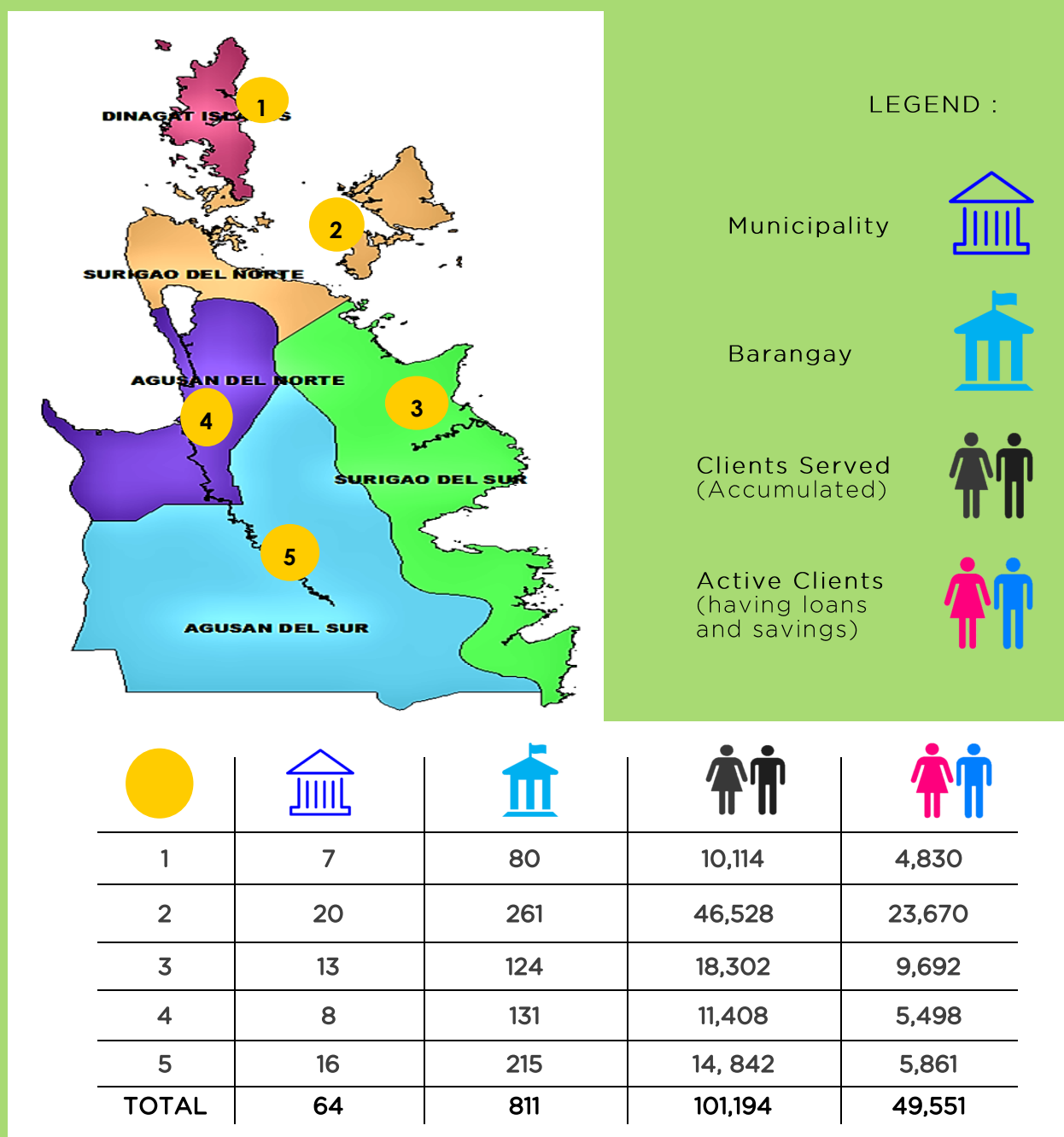
Water Access, Sanitation, and Hygiene (WASH) Loan provides affordable loans to clients to have better access to clean water or build/renovate their toilets for the convenience and welfare of their families.

A total of 121 clients had availed the loan product as of December 2020

SERVED COMMUNITIES ACROSS CARAGA REGION

As of December 2020

True to our mission, “to continually expand our outreach throughout the region”, we have reached more communities particularly those far flung barangays having limited access to viable financing services.





The Bantay Lasang Volunteer of the Can-agtiw Watershed, Malimono, Surigao del Norte during the tree planting activity in the watershed area on September 2020

For Thirty Five years, the foundation has been faithful to its commitment for Social, Economic and Environment Development. Our program for Sustainable and Resilient Communities (SuReCom) has continually implemented various projects and community-based initiatives primarily in the communities we served and, established several partnerships and networks among various stakeholders.

Similar to MEDP, the operation of SuReCom program this year was also disrupted by series of community lockdowns and strict health protocols for the COVID-19 pandemic.

Most of the activities implemented were focused on advocacy and networking, providing support/assistance to CSOs and partner LGUs and, community outreach services. Series of capacity building activities for the MEDP staff were also conducted even before the onset of the pandemic.

YEAR THREE (3) IMPLEMENTATION OF THE ADOPT A WATERSHED PROJECT IN MALIMONO, SURIGAO DEL NORTE

The project in the watershed has successfully initiated series of tree planting activities in the watershed area since it was launched in February 2018. However, because of the pandemic, only the Bantay Lasang Volunteers did all the planting activities in the said watershed area.

As of December 2020, a total of 15 hectares of the Can-agtiw Watershed area were already planted and covered with 6,000 Endemic Trees; already 60% of the total target area which is 25 hectares.



The Endemic Trees Nursery in Barangay Binocaran, Malimono, Surigao del Norte

The project also provided some logistics and financial support to the Bantay Lasang Volunteers such as complete sets of uniform and a subsidy of ₱23,400.00 for the honoraria of the three (3) said volunteers.

Furthermore, the LGU of Malimono have started preparatory activities for the watershed area legitimization process. A field-based investigation in the IP community in Brgy. Binocaran, Malimono, Surigao del Norte was conducted for the issuance of Certification of Pre-condition as pre-requisite for the Watershed Biological Profiling.

ENDEMIC TREES NURSERY OPERATION AND MAINTENANCE

For seven (7) years since it was established in 2014, the nursery has financially helped the IP communities of Binocaran, Malimono, Surigao del Norte. It provided them income from the daily operation and maintenance of the nursery.

For this year, a total of ₱15,000.00 was earned by the families of the said IP Community in the propagation of the endemic tree wildlings and a total of ₱26,000.00 honorarium earned by the IP Nursery Caretaker.

The nursery was instrumental in the many tree planting initiatives of the foundation primarily in the Adopt a Watershed Project in Malimono, Surigao del Norte. It had already supplied a total of 6,000 endemic tree wildlings to the various tree planting activities of the project. It has also supplied endemic tree wildlings to the Surigao Rotary Club tree planting activity in Pili, Malimono, Surigao del Norte on November 27, 2020.

As of December 2020, the nursery produced a total of 2,400 endemic tree wildlings.



Salvacion Fisherfolks Association (SAFA) on Mudcrab Culture Refresher Course on February 13, 2020 at Brgy. Salvacion, Pilar, Surigao del Norte

CRAFTING OF LGU SAN FRANCISCO MUNICIPAL DISASTER RISK REDUCTION MANAGEMENT PLAN (MDRRMP)

The program has successfully facilitated the crafting of the LGU San Francisco Municipal Disaster Risk Reduction Management Plan (MDRRMP) after a series of workshops and community assessments conducted in 2019 through the project: Enhancing Capacities of the Local Communities on Disasters Risk Reduction Management and Climate Change Adaptation.

The Five (5)-year plan was approved by the Sangguniang Panlungsod on September 10, 2020 thru a Resolution No. 10, series of 2020.

LIVELIHOOD SUPPORT TO CSOs/POs

We strengthened our support to our partner CSOs/POs this year. We provided them technical and financial support for the development of their livelihood projects and organizations as well.

Among the beneficiary POs are the SAFA, SC-FGVA and SAFFAC.

- THE SALVACION FISHERFOLKS ASSOCIATION (SAFA) OF BARANGAY SALVACION, PILAR, SURIGAO DEL NORTE

The Association was granted additional capital of ₱60,000.00 for their Mud Crab Culture Livelihood Project with no interest but service charge of 3% only and payable within one (1) year.

They were also given a refresher course in Mudcrab Culture on February 13, 2020 in Barangay Salvacion, Pilar, Surigao del Norte with Tony Perral of the Provincial Agriculture Office as resource person. A total of 30 SAFA members participated.

- *THE SAN FRANCISCO FARMERS AGRICULTURE COOPERATIVE (SAFFAC)*

The cooperative is our new partner PO this year. It is based in San Francisco (Anao-aon), Surigao del Norte and already seven (7) years in existence providing services such as rice milling, palay trading and micro-lending.

SAFFAC was provided with a viable and accessible business location at the former AIFAMUCO area in San Francisco, Surigao del Norte which is a lot owned by the Foundation. The lease contract between the cooperative and the foundation was signed on December 21, 2020 at the Municipal Building of San Francisco, Surigao del Norte.



Cely A. Digao (left), SuRecom Program Head and Luisito Balmoria (right), SAFFAC Chairperson sign the lease contract for the utilization of the SEDMFI lot on December 21, 2020 at the Municipal Building of San Francisco (Anao-aon), Surigao del Norte

- *THE SURIGAO CITY FLOWER GROWERS AND VENDORS ASSOCIATION (SC-FGVA)*

The organization, composed of women, was capacitated in grafting and bonsai making through Knowledge Sharing Session on July 16, 2020 in Sitio Looc, Brgy. Luna, Surigao City. A total of eleven (11) members of the organization participated and were provided with basic technology and tools.

SC-FGVA is thankful to the foundation for the continuing support extended to their organization. The training has given them the skills and opportunity to improve their economic enterprises.





Cluster A Satellite Heads, Field Supervisors, Credit Officers and Account Collectors actively participating the workshop on Disaster Risk Reduction and Climate Change Adaptation Orientation on January 14 & 15, 2020 at Annex Hotel Tavern, Surigao City.



Benjie Rey J. Josol, Cluster B Credit Officer, actively participating the Orientations on Good Governance, Gender & Development, Disaster Risk Reduction and Climate Change Adaptation on January 17 & 18, 2020 at Amaris Function Hall, Butuan City.



Cluster C Satellite Heads, Field Supervisors, Credit Officers and Account Collectors actively participating the Orientations on Good Governance, Gender & Development, Disaster Risk Reduction and Climate Change Adaptation February 20-21, 2020 at Annex Hotel Tavern, Surigao City.

Capacity Building for MEDP Staff

Orientations on Good Governance, Meeting Management, Gender and Development (GAD) and Disaster Risks Reduction and Climate Change Adaptation (DRR-CCA) were conducted in January and February 2020. A total of 87 MEDP Satellite Heads, Field Supervisors, Credit Officers and Account Collectors actively participated.

The activities are part of the continuing capacity building initiatives of SuRecom aimed to capacitate the MEDP staff on the following areas:

- Components and principles of Good Governance
- Taking and keeping minutes of meetings
- Roles and responsibilities of gender and sex as individuals in society,
- Basic knowledge on Anti-Violence Against Women and their Children (RA9262)
- Basic concepts on Disaster Risk Reduction and Climate Change Adaptation and its thematic areas
- Different agencies to coordinate during emergencies
- Legal basis of disaster management systems

The orientations were conducted by cluster through, workshops and plenary sessions. The participants were very grateful for the learnings gained from the activity.



PARTNERSHIP AND NETWORKING WITH CSOs, LGUs AND LINE AGENCIES

We strengthened our partnership and networking initiatives with our partner CSOs, LGUs and Line Agencies, primarily our involvement in the Hinatuan Passage Development Alliance (HIPADA) and Surigao City Civil Society Organizations Network (CSONET) Inc.

For Eight (8) years of partnership with HIPADA, we continually provided technical and financial support for the operation of the alliance. Among these are:

- Coordinated and documented the 37th HIPADA Council Meeting on June 25 and HIPADA Technical Advisory Group Regular Meeting on July 30, 2020 at Simtoco Building, Surigao City
- Bridge-financed the HIPADA project (HIPADA-Integrated Risk Management-Livelihood) and other activities amounting to ₱447,249.78 Note: HIPADA is an alliance of seven (7) coastal municipalities and one (1) city in Surigao

Similar to HIPADA, we also extended financial and technical assistance to the CSONET primarily in their advocacy for CSO participation in the local budget process. Among these support includes the following:

- Facilitated the CSONET Special Meeting on September 11, 2020 @ FPOP Office, Surigao City
- Assisted the CSONET's follow-up visits in Barangays Washington, San Isidro, and Serna, Surigao City on September 21, 23 and 25, 2020 respectively, advocating the participation of the People's Organizations in the annual budgeting of the barangay
- Facilitated the CSONET's participation in the budget hearing of Barangay Washington in November 26, 2020 at the Barangay Session Hall

We have also collaborated with several LGUs and NGOs from other provinces and regions that support our development initiatives.

Our thirty five (35) years of active collaboration with different stakeholders in the community had helped the foundation leverage our advocacies and initiatives for social and environment development.

(Right to Left) CSONET Members and Washington Barangay Council during the Barangay Annual Budget Hearing LGU on November 26, 2020



COMMUNITY OUTREACH SERVICES

ADDED SERVICES TO MEDP CLIENTS

The foundation, being a microfinance NGO, consistently upholds its commitment for the integration of basic services in its Corporate Social Responsibility programs/initiatives. Various services were provided regularly to Clients engaged in Micro-entrepreneurs Development Program. A total of Php 3,143,615.25 were allocated to clients for the following;

Services	Number of Beneficiary Clients	Amount
Hospitalization Assistance	1,024	₱1,170,600.00
Maternity Assistance	365	182,600.00
Accident Assistance	157	71,840.00
Livelihood Assistance	14	29,000.00
Client Incentive	17,991	1,369,173.00
Center Repayment Incentive	290	1,076,556.00
High School Educational Assistance	1,232	2,217,600.00
College Educational Assistance	51	50,000.00
Graduation Gift	300	170,500.00
	21,424 clients	₱5,337,869.00

SEDMFI Staff extending school supplies and hygiene products to San Roque Elementary school and Linao-Linao Elementary School, Buenavista, Agusan del Norte



COMMUNITY OUTREACH SERVICES

BRIGADA ESKWELA in various schools across CARAGA Region

This year's brigada eskwela provided hygiene products and school supplies for the production of modules since face to face classes were suspended due to the pandemic. A total of **₱275,104** school materials such as 1,151 reams bond papers and 21 galloons isopropyl alcohol were given to 107 selected schools in CARAGA Region.

We have also given the IP Community in Sitio Linao-Linao, Brgy. Simbalan of Buenavista, Agusan del Norte their needed school supplies worth **₱19,500.00**.

RELIEF ASSISTANCE

The foundation provided relief assistance to the following groups of individuals affected by calamities and pandemic:

- FINANCIAL ASSISTANCE AMOUNTING TO **₱6,691,032.00** TO 193 EMPLOYEES of the foundation affected by COVID-19 Pandemic
- RELIEF GOODS AMOUNTING TO **₱2,783,314.00** TO 18,373 MICRO-ENTREPRENEURS AND PARTNERS affected by several community lockdowns due to pandemic

SEDMFI Staff packing relief goods for our clients and partners affected by community lockdowns during the onset of the COVID19 Pandemic



SEDMFI Staff giving relief goods to Charisma Bethel Children's Home, an orphanage in Brgy. Serna, Surigao City during the onset of the pandemic.



- RELIEF ASSISTANCE AMOUNTING TO ₱350,000.00 TO THE SURVIVORS OF TYPHOON ROLLY AND ULYSSES in Camarines Sur and Naga City.

SURIGAO CHILDREN'S LIBRARY AND ACTIVITY (SCLA) CENTER

SCLA Center was very much affected by the COVID-19 pandemic. All activities including children's regular visit to the library were suspended due to prohibition of face to face classes in all private and public schools. Grade school pupils and high school students were required to stay at home for their online or modular classes.

Luckily, SCLA received book donations from an organization and individuals. KAYA Organization donated 276 pieces of children's books on August 17, 2020, during a turn-over ceremony participated by some key personalities from the foundation and KAYA Organization.

The family of Engineer Leonel A. Santos also donated 69 pieces of books to the library on August 30, 2020. All books received were beneficial and fit to children's learning needs.

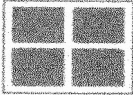
SCLA also initiated series of Book Recordings of all the books in the library; old and new. This was made possible through the assistance of the STI College Surigao librarian. As of December 2020 almost all of the books were properly recorded.

Turn-Over Ceremony of Books donated by the KAYA Organization on August 17, 2020 at the SCLA Center with Leonel A. Santos (left), SEDMFI President and Loralie Alipayo (right), KAYA Organization Founder.



New Books donated by Engr. Leonel A. Santos and Family on August 30, 2020





PATH & CO., CPAs

Tel. No. (085) 815-2515/ (085-8155067)
TIN:006-570-940-000

BIR AN:RR17-000000-14-2020 11/17/2020 –
valid until 11/17/2023
CDA CEA No. 030-AF 12/8/2017-12/7/2020
SEC. Co. Reg. No. 200726658 3/19/2007
PRC BOA "Accreditation No.4523 valid until
March 19, 2023

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Trustees

**SURIGAO ECONOMIC DEVELOPMENT AND MICROFINANCE
FOUNDATION, INC.**

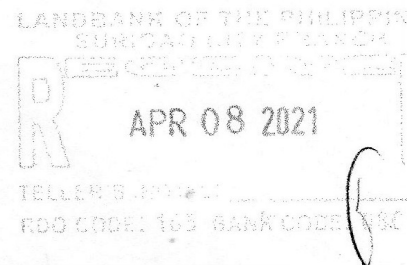
SEDMI Building, 00780 M. Ortiz St., Brgy. Washington, Surigao City

I have audited in accordance with Philippine Standards on Auditing, the financial statements of **SURIGAO ECONOMIC DEVELOPMENT AND MICROFINANCE FOUNDATION, INC.** (A Non-Stock, Non-Profit Corporation) as at and for the fiscal year ended December 31, 2020 included in this Audited Financial Statements (AFS) and have issued my report thereon dated February 3, 2021. My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedules in this AFS are presented for the purpose of complying with the Securities Regulation Code (SRC) Rule 68 as amended and are not part of the basic financial statements. Such schedules are the responsibility of management. The schedules have been subjected to the auditing procedures applied in my audit of the basic financial statements. In my opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


MERCEDITHA P. POCULAN

Partner In-charge
CPA Board Cert. No. 038679
BIR AN:RR17-000000-16-2020 11/17/2020 – valid until 11/17/2023
TIN-122-735-791
PTR No. 2031130
Date Issued: January 07, 2021

March 19, 2021
Butuan City, Philippines



SURIGAO ECONOMIC DEVELOPMENT AND MICROFINANCE FOUNDATION, INC.
STATEMENTS OF INCOME

For The Years Ended December 31, 2020 and 2019

(Amounts in Philippine Peso)

	NOTES	2020	2019
REVENUE			
Revenue from Microfinance Activities			
Interest on Loans	27 P	64,456,425	P 72,021,978
Service Fees - Loans	27	14,357,754	17,017,984
Fines, Penalties & Surcharges	27	591,657	615,801
Commission on Insurance	27	282,211	272,803
Interest from Deposits	27	1,641,988	1,836,909
Other Income	27		
Recovery from Written Off Accounts	27	2,866,254	4,011,441
Others	27	343,851	737,634
TOTAL REVENUES		84,540,139	96,514,549
COSTS/EXPENSES			
Operating Costs	28		
Finance Costs	29	1,842,646	1,682,908
Impairment Losses	29	4,198,176	5,076,315
Personnel Costs	29	36,769,455	37,178,665
Other Operations-Related Expenses	29	18,118,261	17,787,995
Total Operating cost		60,928,537	61,725,882
Administrative Costs/Expenses			
Personnel Costs	30	6,713,280	6,633,594
Other Administrative Expenses	30	4,014,431	3,781,462
Total Administrative Costs/Expenses		10,727,711	10,415,056
TOTAL COSTS/EXPENSES		71,656,249	72,140,938
NET INCOME BEFORE TAX		12,883,890	24,373,611
INCOME TAX EXPENSE	31	1,690,803	1,930,291
NET INCOME	P	11,193,087	P 22,443,320

See accompanying Notes to Financial Statements

LANDBANK OF THE PHILIPPINES
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SEDMFI FINANCIAL CONDITION

SURIGAO ECONOMIC DEVELOPMENT AND MICROFINANCE FOUNDATION, INC. STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2020 AND 2019 (Amounts in Philippine Peso)

	NOTES	2020	2019
	ASSETS		
Current Assets			
Cash	7 P	36,194,887 P	67,617,515
Short-Term Investments	8	7,000,000	-
Loans Receivables-net	9	141,065,820	136,669,371
Other Receivables	10	3,053,643	4,729,447
Financial assets at Fair Value Through Profit or Loss	11	22,039,503	-
Due from Related Parties	12	-	285,765
Other Current Assets	13	1,862,142	3,811,978
Total current assets		211,215,995	213,114,076
Non Current Assets			
Property and Equipment- net	14	9,619,359	8,131,769
Intangible assets	15	1,908,160	-
Retirement Benefit Assets	16	10,766,575	9,566,575
Total non-current assets		22,294,094	17,698,343
TOTAL ASSETS	P	233,510,089 P	230,812,419

LIABILITIES AND FUND BALANCES

LIABILITIES			
Current Liabilities			
Microsavings	17 P	99,496,736 P	94,637,890
Accrued Expenses	18	500,156	1,893,553
Accounts Payable	19	188,367	896,583
Other Current Liabilities	20	365,520	160,836
Total current liabilities		100,550,779	97,588,862
Other Non-CurrentLiabilities	21	4,989,200	4,168,844
FUND BALANCE			
Capital Contribution	22	14,400	14,400
General Fund	23	37,290,719	24,026,521
Restricted Funds	24	64,719,048	79,505,252
Donations and Grants	25	1,247,292	4,385,853
Other Fund Balance Accounts	26	24,698,650	21,122,687
Total Fund Balances		127,970,110	129,054,713
TOTAL LIABILITIES AND FUND BALANCES	P	233,510,089 P	230,812,419

See accompanying Notes to Financial Statements

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SEDMFI FINANCIAL CONDITION

SURIGAO ECONOMIC DEVELOPMENT AND MICROFINANCE FOUNDATION, INC.
STATEMENTS OF CHANGES IN EQUITY
 As of December 31, 2020 and 2019
(Amounts in Philippine Peso)

	NOTES	2020	2019
CAPITAL STOCK	22		
Contributed Capital, January 1	P	14,400	P 14,400
		14,400	14,400
GENERAL FUND	23		
Prior year earnings			
Balance, January 1		24,026,521	26,048,218
Net surplus for the year		11,193,087	1,124,003
Provisions (Uses) of funds during the period		2,071,111	(3,145,700)
		37,290,719	24,026,521
RESTRICTED FUNDS	24		
Retirement Fund			
Balance, January 1		1,487,663	1,487,663
		1,487,663	1,487,663
Building Fund	24		
Balance, January 1		3,172,280	3,172,280
		3,172,280	3,172,280
Sustainable Development fund	24		
Balance, January 1		11,819,728	11,621,524
Provision of funds during the period		-	4,496,012
Provisions (Uses) of funds during the period		(540,401)	(4,297,808)
		11,279,327	11,819,728
Program Development Fund	24		
Balance, January 1		53,629,674	34,806,181
Additional collection for the period		16,000,000	21,831,195
Provision of funds during the period		-	8,992,023
Provisions (Uses) of funds during the period		(33,550,338)	(11,999,725)
		36,079,336	53,629,674
Clients Training Fund	24		
Balance, January 1		4,668,788	4,469,561
Provision of funds during the period		-	449,601
Provisions (Uses) of funds during the period		1,301,005	(250,374)
		5,969,793	4,668,788
Staff Development Fund	24		
Balance, January 1		1,845,531	7,791,391
Provision of funds during the period		-	2,248,006
Provisions (Uses) of funds during the period		2,054,620	(8,193,866)
		3,900,151	1,845,531
Staff Salary/Incentive Fund	24		
Balance, January 1			4,047,543
Provision of funds during the period			5,170,413
Provisions (Uses) of funds during the period			(9,217,956)
			-
Staff Hospitalization Fund	24		
Balance, January 1		2,881,588	3,099,074
Additional collection during the period		1,440,000	1,440,000
Provisions (Uses) of funds during the period		(1,492,091)	(1,657,486)
		2,829,497	2,881,588
TOTAL RESTRICTED FUND		64,719,048	79,505,253

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SEDMFI FINANCIAL CONDITION

DONATIONS AND GRANTS

25

Project Fund

Balance, January 1	4,385,853	4,576,112
Additional collection during the period	-	775,482
Provisions (Uses) of funds during the period	(3,138,561)	(965,741)
	1,247,292	4,385,853

OTHER FUND BALANCES

Trust Fund

26

Balance, January 1	328,181	328,181
	328,181	328,181

MAP Fund

26

Balance, January 1	1,342,500	887,512
Additional collection during the period	64,170	3,429,527
Provisions (Uses) of funds during the period	-	(2,974,539)
	1,406,670	1,342,500

Center Development Fund

26

Balance, January 1	7,755,193	7,755,193
Provisions (Uses) of funds during the period	1,971,698	-
	9,726,891	7,755,193

Center Income Generating Fund

26

Balance, January 1	860,418	860,418
Additional collection during the period	28,276	-
	888,694	860,418

Personal Social Responsibility Fund

26

Balance, January 1	461,668	403,817
Additional collection during the period	-	57,851
Provisions (Uses) of funds during the period	(9,408)	-
	452,260	461,668

Staff Medical Assistance Fund

26

Balance, January 1	337,656	162,500
Provisions of funds during the period	56,644	218,000
Additional collection during the period	-	(42,844)
	394,300	337,656

Client Incentive Fund

26

Balance, January 1	2,276,149	1,968,282
Additional collection during the period	-	2,358,682
Provisions (Uses) of funds during the period	646,589	(2,050,815)
	2,922,738	2,276,149

Hospitalization and Loan Redemption Fund

26

Balance, January 1	7,760,922	7,632,412
Additional collection during the period	-	5,428,527
Provisions (Uses) of funds during the period	817,995	(5,300,017)
	8,578,916	7,760,922

TOTAL OTHER FUND BALANCE

24,698,651 **21,122,687**

FUND BALANCE, DECEMBER 31, 2020 AND 2019

P

127,970,110 BANK OF THE PHILIPPINES 129,054,713

See accompanying Notes to Financial Statements

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SEDMFI FINANCIAL CONDITION

SURIGAO ECONOMIC DEVELOPMENT AND MICROFINANCE FOUNDATION, INC. STATEMENTS OF CHANGES IN EQUITY

As of December 31, 2020 and 2019

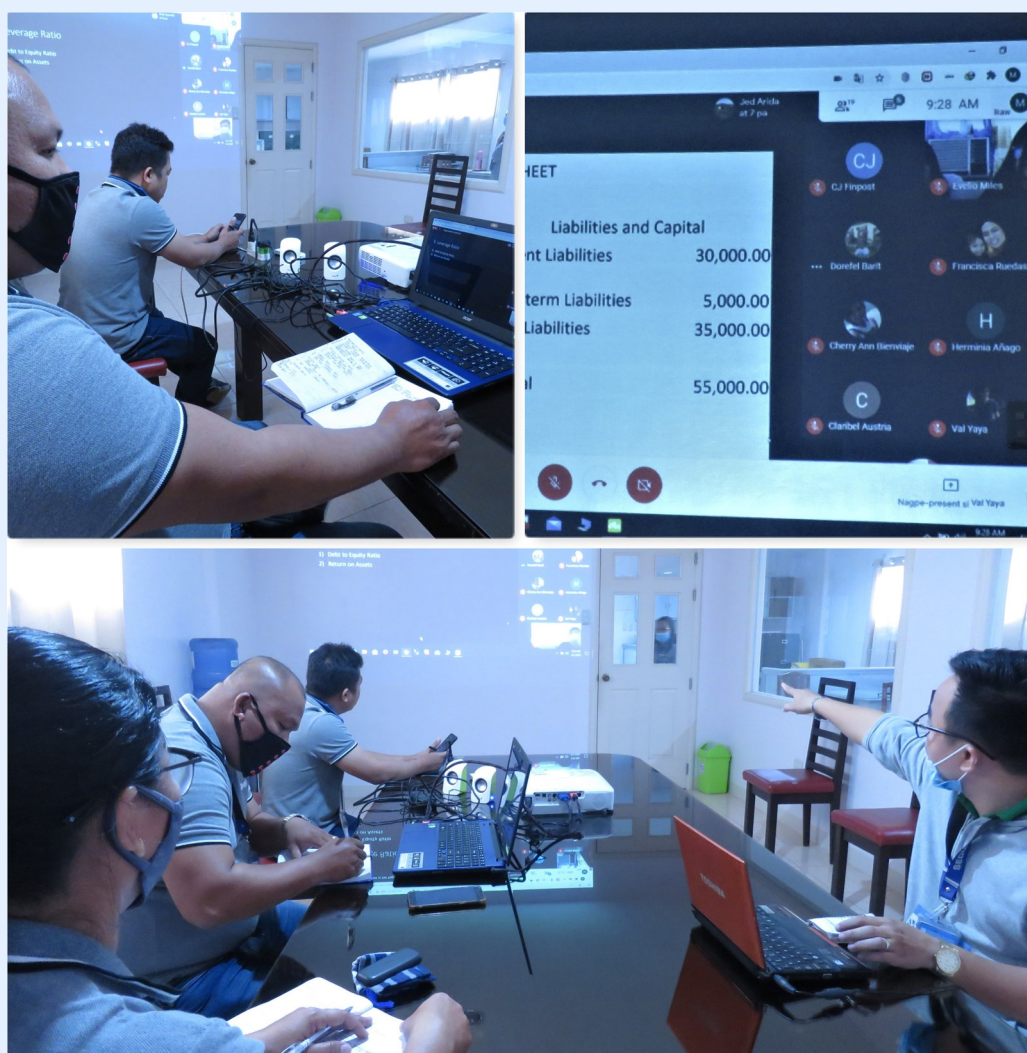
(Amounts in Philippine Peso)

Years Ended December 31,	NOTES	2 0 2 0	2 0 1 9
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus for the year before income tax		P 12,883,890	P 24,373,611
Adjustment to reconcile net surplus/loss to:			
Interest income	3, 27	(1,641,988)	(1,836,909)
Interest expense	3, 29	1,842,646	1,682,908
Provision for impairment loss	3, 29	4,198,176	179,593
Amortization of intangible assets	3, 15	1,038,840	130,913
Recovery from written off accounts	3, 27	2,866,254	0
Depreciation allowance	3, 14	3,296,980	2,189,710
Excess of income before working capital changes		24,484,798	26,719,826
Changes in operating assets and liabilities:			
Decrease (Increase) in:			
Short term investments	3, 8	(7,000,000)	0
Loan receivable	3, 9	(4,396,449)	(9,837,894)
Other receivables	3, 10	1,675,804	(722,249)
Financial assets @ FMV	3, 11	(22,039,503)	0
Due to related parties	3, 12	285,765	(355,666)
Other current assets	3, 13	1,949,836	2,268,989
Increase (Decrease) in:			
Micro savings	3, 17	(141,154)	16,449,509
Accrued expenses	3, 18	(1,393,397)	179,615
Accounts payable	3, 19	(708,216)	532,964
Other current liabilities	3, 20	204,684	(269,839)
Cash generated from operation		(7,077,832)	34,965,255
Interest earned		1,641,988	1,836,909
Interest paid		(1,842,646)	(1,682,908)
Provision for income tax		(1,690,803)	(0)
Net Cash from Operating Activities		(8,969,293)	35,119,256
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of PPE	3, 14	(4,787,570)	(3,917,805)
Acquisition of intangible assets	3, 16	(2,947,000)	0
Retirement benefit restricted fund	3, 16	(1,200,000)	(900,000)
Net Cash from Investing Activities		(8,934,570)	(4,817,805)
CASH FLOWS FROM FINANCING ACTIVITIES			
Employees pangarap savings	3, 21	523,431	(773,733)
Staff security fund	3, 21	296,925	0
Collection of restricted fund	3, 24	20,796,625	0
Restricted fund expenditures	3, 24	(35,573,150)	0
Collection of donations and grants fund	3, 25	0	0
Donation and grants fund expenditures	3, 25	(3,138,560)	0
Collection of other funds	3, 26	3,585,372	0
Other funds expenditures	3, 26	(9,408)	14,557,577
Net Cash from Financing Activities		(13,518,765)	15,331,110
NET INCREASE (DECREASE) IN CASH		(31,422,628)	14,970,141
OPENING BALANCE		67,617,515	52,647,374
ENDING BALANCE		36,194,887	67,617,515

As the foundation expanded its reach to all the 5 provinces of Caraga Region, its workforce commensurately increased.

As of December 2020, the foundation has a total of 188 regular staff (115 males and 73 females), 2 project-based and 1 probationary staff.

The staff were engaged in several capacity building activities even with the onset of the pandemic. Several webinars/and virtual trainings were introduced to encourage them to be more productive and effective with each one's assigned tasks and to value the importance of each co-worker in the realization of the foundation's mission.



Selected MEDP Staff participating webinar in Loan Evaluation & Loan Administration on September 2, 2020



CARAGA

**Department of Social Welfare
and Development (DSWD)**



**Philippine Partnership for the Development
of Human Resources in Rural Areas**



**ASSOCIATION OF
FOUNDATIONS**
*Building Foundations,
Building A Better Future*

OUR MEMBERSHIP AND ACCREDITATION

**OUR
PARTICIPATION
IN LOCAL SPECIAL
BODIES AND
NATIONAL LINE
AGENCIES**

REGIONAL DEVELOPMENT COUNCIL (RDC)

CARAGA REGION

Private Sector Representative (PSR) since 1995

Co-Chair, Economic Development Committee (RDC-EDC)

*Member, Special Regional Committee on Sustainable
Development Goals (SRC-SDGs)*

*Member, Regional Task Force to End Local Communist
Armed Conflict (RTF-ELCAC)*

*Member, Balik Provincia, Bagong Pag-asa
BP2 Committee*

**DEPARTMENT OF SOCIAL WELFARE
AND DEVELOPMENT (DSWD)**

CARAGA REGION

*Member, Social Welfare & Development Learning
Network (SWD L-Net)*

Member, Area Based Standard Network (ABSNET)

PROVINCIAL DEVELOPMENT COUNCIL (PDC)

SURIGAO DEL NORTE

Co-Chair, Economic Development Committee (PDC-EDC)

**PROVINCIAL DISASTER RISK REDUCTION
AND MGT. COUNCIL (PDRPMC)**

SURIGAO DEL NORTE

Member

**HINATUAN PASSAGE DEVELOPMENT ALLIANCE
(HIPADA)**

SURIGAO DEL NORTE

Secretariat

BIDS AND AWARDS COMMITTEE (BAC)

SSCT, DENR, DOH REHABILITATION CENTER

Observer

SURIGAO CITY DEVELOPMENT COUNCIL (CDC)

Member

**SURIGAO CITY TOURISM AND CULTURAL
DEVELOPMENT COMMITTEE (CTC DC)**

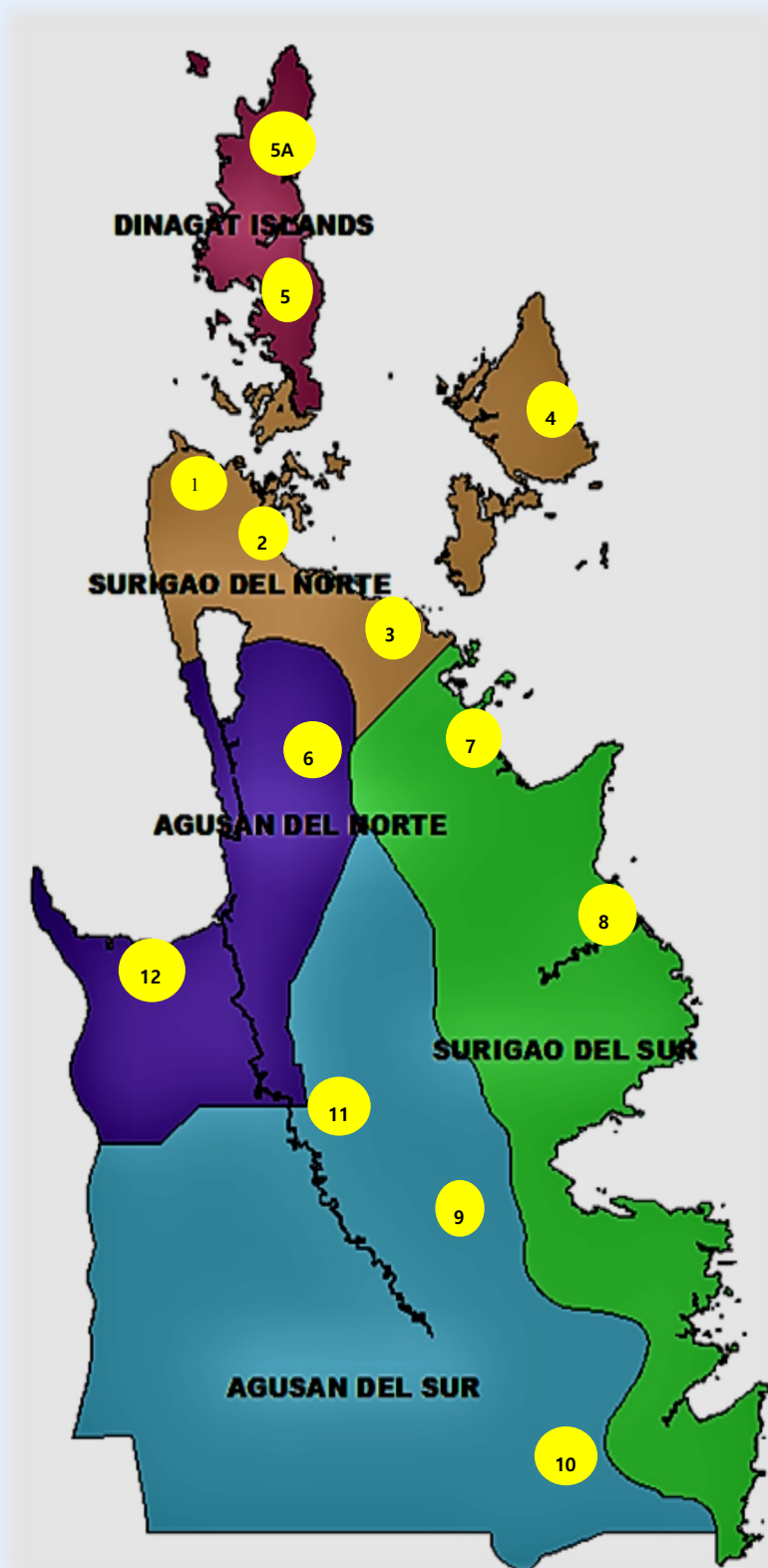
Member

ACKNOWLEDGEMENT

In gratitude, we would like to acknowledge our partners in the Local Government Units, National Line Agencies, Academe, Civil Society Organizations and Communities, particularly our Valued-Clients, for their valuable support which enabled SEDMFI to achieve another milestone in its mission to uplift the lives of the marginalized in the five (5) provinces of Caraga Region.

THANK YOU ...

OUR BRANCHES



1. HEAD OFFICE

00780 M. Ortiz St.Brgy. Washington
Surigao City, Surigao del Norte

2. PLACER BRANCH

Sta Cruz, Placer, Surigao del Norte

3. CLAVER BRANCH

Purok 4, Barangay Bagakay
Claver, Surigao del Norte

4. SIARGAO BRANCH

Purok Arellano St., Barangay 13,
Poblacion Dapa, Surigao del Norte

5. SAN JOSE BRANCH

P4- Barangay Don Ruben
San Jose, Dinagat Islands

5A. LORETO SATELLITE OFFICE

P2-Barangay Sta. Cruz, Loreto
Dinagat Islands

6. CABADBARAN BRANCH

F.C. Dagani Ave., Brgy. 11,
Cabadbaran City, Agusan del Norte

7. MADRID BRANCH

P2- Malipayon, Brgy. Quirino
Madrid, Surigao del Sur

8. TANDAG BRANCH

Purok Mabuhay, Brgy. Bungtod
Tandag City, Surigao del Sur

9. SAN FRANCISCO BRANCH

P7-Brgy. 2, San Francisco
Agusan del Sur

10. TRENTO BRANCH

P7-Poblacion, Trento
Agusan del Sur

11. BAYUGAN BRANCH

P15-Molave St., Poblacion
Bayugan City, Agusan del Sur

12. BUENAVISTA BRANCH

P3-Leon Kilat St., Brgy. 3, Poblacion
Buenavista, Agusan del Norte

SURIGAO ECONOMIC DEVELOPMENT AND MICROFINANCE FOUNDATION, INC.

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