

**Community and Family Services International**  
*(A Nonstock, Nonprofit Organization)*

Financial Statements  
December 31, 2013 and 2012

and

Independent Auditors' Report



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## **INDEPENDENT AUDITORS' REPORT**

The Board of Trustees  
Community and Family Services International

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Community and Family Services International (a nonstock, nonprofit organization), which comprise the statements of assets, liabilities and fund balances as at December 31, 2013 and 2012, and the statements of revenues and expenses, statements of changes in fund balances and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standard for Small and Medium-sized Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the assets, liabilities and fund balances of Community and Family Services International as at December 31, 2013 and 2012, and its revenues and expenses and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standard for Small and Medium-sized Entities.

**Report on the Supplementary Information Required Under Revenue Regulations 15-2010**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 20 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Community and Family Services International. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statement taken as a whole.

SYCIP GORRES VELAYO & CO.



Belinda T. Beng Hui

Partner

CPA Certificate No. 88823

SEC Accreditation No. 0923-AR-1 (Group A),

March 25, 2013, valid until March 24, 2016

Tax Identification No. 153-978-243

BIR Accreditation No. 08-001998-78-2012,

June 19, 2012, valid until June 18, 2015

PTR No. 4225152, January 2, 2014, Makati City

April 24, 2014



**COMMUNITY AND FAMILY SERVICES INTERNATIONAL**  
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**STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCES**

	<b>December 31</b>	
	<b>2013</b>	2012
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash (Note 4)		
Restricted	<b>₱42,975,482</b>	₱44,364,761
Unrestricted	<b>500,460</b>	549,182
Total Cash	<b>43,475,942</b>	44,913,943
Other current assets (Note 5)	<b>11,309,446</b>	3,387,898
Total Current Assets	<b>54,785,388</b>	48,301,841
<b>Noncurrent Assets</b>		
Property and equipment (Note 6)	<b>10,706,450</b>	11,740,695
Refundable deposits (Note 7)	<b>837,383</b>	873,122
Computer software (Note 8)	<b>158,858</b>	263,524
Total Noncurrent Assets	<b>11,702,691</b>	12,877,341
	<b>₱66,488,079</b>	₱61,179,182
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses (Note 9)	<b>₱8,842,080</b>	₱7,897,512
Bank loans (Note 10)	–	29,900
Total Current Liabilities	<b>8,842,080</b>	7,927,412
<b>Noncurrent Liability</b>		
Retirement liability (Note 16)	<b>3,485,638</b>	2,752,020
Total Liabilities	<b>12,327,718</b>	10,679,432
<b>Fund Balances</b> (Notes 1 and 12)	<b>54,160,361</b>	50,499,750
	<b>₱66,488,079</b>	₱61,179,182

*See accompanying Notes to Financial Statements.*



**COMMUNITY AND FAMILY SERVICES INTERNATIONAL**  
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**STATEMENTS OF REVENUES AND EXPENSES**

	<b>Years Ended December 31</b>	
	<b>2013</b>	<b>2012</b>
<b>REVENUES</b>		
Grants, donations, support and contributions (Note 1)	<b>₱188,973,745</b>	₱199,597,390
Mission-related social enterprise activities	<b>1,454,025</b>	3,046,421
Interest income	<b>240,014</b>	220,274
	<b>190,667,784</b>	202,864,085
<b>PROJECT EXPENSES (Note 13)</b>		
Direct:		
Community service and capacity building expenses	<b>62,331,721</b>	61,366,107
Salaries, employees' welfare and benefits (Note 11)	<b>46,543,655</b>	41,541,471
Field transportation and travel	<b>14,360,956</b>	12,904,961
Trainings and workshops for crisis-affected populations	<b>10,203,461</b>	14,852,481
Professional, technical and other consultancy fees	<b>5,665,487</b>	8,646,433
Emergency response vehicle rental	<b>6,644,981</b>	6,759,616
Materials and office supplies	<b>3,934,571</b>	2,100,092
Rent and utilities (Note 18)	<b>3,839,733</b>	3,467,522
Field allowances for community volunteers	<b>3,724,656</b>	5,490,293
Communication	<b>1,871,381</b>	1,947,648
Provision for retirement	<b>1,489,888</b>	1,079,271
Operations and maintenance of Center for Excellence in Humanitarian Service	<b>1,235,902</b>	1,971,761
Repairs and maintenance	<b>469,397</b>	570,031
Insurance premiums	<b>79,149</b>	73,854
Management, supervision and support expenses	<b>6,415,988</b>	7,155,447
Counterpart expenses	<b>5,202,443</b>	5,411,567
Development expenses	<b>4,662,067</b>	4,505,141
	<b>178,675,436</b>	179,843,696
<b>COUNTRY PROGRAMME SUPPORT EXPENSES</b> (Note 14)	<b>1,876,925</b>	2,937,474
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b> (Note 15)	<b>4,420,233</b>	4,763,371
<b>OTHER EXPENSES</b>		
Bank charges	<b>144,896</b>	112,874
Interest expense (Note 10)	<b>4,912</b>	47,039
	<b>149,808</b>	159,913
	<b>185,122,402</b>	187,704,454
<b>EXCESS OF REVENUES OVER EXPENSES BEFORE NON-CASH EXPENSES</b>	<b>5,545,382</b>	15,159,631
<b>OTHER NONCASH EXPENSES</b>		
Depreciation and amortization (Notes 6 and 8)	<b>2,983,761</b>	2,708,257
Foreign exchange loss (gain) - net	<b>(1,098,990)</b>	1,486,907
	<b>1,884,771</b>	4,195,164
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>₱3,660,611</b>	₱10,964,467

*See accompanying Notes to Financial Statements.*



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**STATEMENTS OF CHANGES IN FUND BALANCES**

	<b>Years Ended December 31</b>	
	<b>2013</b>	<b>2012</b>
Balance at beginning of year	<b>₱50,499,750</b>	₱39,535,283
Excess of revenues over expenses	<b>3,660,611</b>	10,964,467
Balance at end of year (Note 12)	<b>₱54,160,361</b>	₱50,499,750

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**STATEMENTS OF CASH FLOWS**

	<b>Years Ended December 31</b>	
	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	<b>₱3,660,611</b>	₱10,964,467
Adjustments for:		
Depreciation and amortization (Notes 6 and 8)	<b>2,983,761</b>	2,708,257
Retirement expense (Note 16)	<b>894,952</b>	1,026,799
Interest income	<b>(240,014)</b>	(220,274)
Interest expense (Note 10)	<b>4,912</b>	47,039
Operating income before working capital changes	<b>7,304,222</b>	14,526,288
Decrease (increase) in other current assets	<b>(7,921,548)</b>	11,671,755
Increase (decrease) in accounts payable and accrued expenses	<b>944,568</b>	(612,142)
Net cash generated from operations	<b>327,242</b>	25,585,901
Interest received	<b>240,014</b>	220,274
Benefits paid (Note 16)	<b>(161,334)</b>	–
Interest paid	<b>(4,912)</b>	(47,039)
Net cash provided by operating activities	<b>401,010</b>	25,759,136
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of:		
Property and equipment (Note 6)	<b>(1,818,320)</b>	(2,768,432)
Computer software (Note 8)	<b>(26,530)</b>	(79,100)
Proceeds from disposal of property and equipment (Note 6)	–	102,513
Decrease (increase) in refundable deposits	<b>35,739</b>	(124,000)
Net cash used in investing activities	<b>(1,809,111)</b>	(2,869,019)
<b>CASH FLOWS FROM A FINANCING ACTIVITY</b>		
Payments of bank loan (Note 10)	<b>(29,900)</b>	(163,633)
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(1,438,001)</b>	22,726,484
<b>CASH AT BEGINNING OF YEAR</b>	<b>44,913,943</b>	22,187,459
<b>CASH AT END OF YEAR (Note 4)</b>	<b>₱43,475,942</b>	₱44,913,943

*See accompanying Notes to Financial Statements.*



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**NOTES TO FINANCIAL STATEMENTS**

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**1. General Information**

Organization Information

Community and Family Services International (CFSI or the Organization) is a nonstock, nonprofit, humanitarian organization, committed to peace and social development, with a particular interest in the psychosocial dimension. The Organization was established in the Philippines in 1981 and was incorporated in 1982.

The registered office address of CFSI is Torres Building, 2442 Park Avenue, Pasay City.

The mission of CFSI is to vigorously protect and promote human security - specifically, the lives, well-being, and dignity of people uprooted by persecution, armed conflict, disasters, and other exceptionally difficult circumstances. These include refugees, internally displaced persons (IDPs), disaster survivors, and others who are vulnerable, exploited or abused.

CFSI carries out its mission through direct services, capacity building, research, and advocacy. Most of these activities are carried out in the Asia and Pacific Region, particularly those countries that comprise the Association of South East Asian Nations (ASEAN).

CFSI has “Special Consultative Status” with the United Nations Economic and Social Council (ECOSOC). This status was first achieved in 2004.

On February 6, 2014, CFSI was certified at the highest level, for the third time, by the Philippine Council for NGO Certification (PCNC). The validity period is February 6, 2014 through February 5, 2019. On February 17, 2014, PCNC endorsed CFSI to the Philippine Government’s Bureau of Internal Revenue (BIR) recommending CFSI be granted “Donee Institution” status, for another five years, in accordance with the provisions of Revenue Regulations No. 13-98, dated January 1, 1999 and Executive Order No. 720, dated April 11, 2008.

CFSI, as a not-for-profit organization operating exclusively for charitable purposes and the promotion of social welfare, falls under Section 30 (e) and (g) of the National Internal Revenue Code, as amended by Republic Act (RA) No. 8424, where income from activities in pursuit of the purpose for which CFSI was organized, is exempt from income tax. However, any income on its properties, real or personal, or from any activity conducted for profit is subject to income tax.

CFSI is governed by a Board of Trustees (BOT). Its operations are funded primarily by the United Nations High Commissioner for Refugees (UNHCR) and the World Bank. Other major fund sources include other United Nations (UN) agencies and various Governments, usually through their development agencies.





## Programme Funds of the Organization

In order to effectively carry out CFSI's mission, the Organization established the following programme funds: Philippine Programme, (2) Myanmar Programme, (3) Viet Nam Programme, and (4) Headquarters Programme.

Details of these programme funds are discussed below:

### *Philippine Programme*

The Philippine Programme includes funds for humanitarian and development activities carried out in the Philippines, usually in the social welfare, education, and health arenas, often with a focus on local capacity building. The primary sources of these funds are UN agencies; multilateral development banks such as the World Bank; Governments, usually through their development agencies; and the private sector.

#### *A. Funds from UN Agencies for Projects with Nationwide Coverage*

In 1981, the Philippines ratified the 1951 Convention Relating to the Status of Refugees - the first country in Asia to do so and, for many years, the only one. In 2011, the Philippines also ratified the 1954 Convention Relating to the Status of Stateless Persons. The UNHCR has the global mandate to protect and assist refugees and stateless persons. CFSI has been a partner of UNHCR in the Philippines every year since 1982.

1. Philippines UNHCR Fund - Urban Refugee Project (URP). This represents funds received from the UNHCR to implement the URP for urban refugees and stateless persons from more than 16 countries and territories who are granted asylum in the Philippines. CFSI is responsible for helping these refugees and stateless persons achieve durable solutions, as well as providing them with legal assistance, social services, psychosocial support, and access to health services, including where necessary, tertiary care. For many of the refugees, the most likely durable solution is local integration in the Philippines, ideally leading to naturalization. CFSI has entered into annual project agreements with UNHCR for this purpose since 1997 and is expected to continue to do so through at least December 2014. Under the terms of these agreements, funds that are not used within the project period, as well as specific assets provided for in the agreements, are returned to UNHCR.

The URP includes the protection and assistance of refugees in transit, under special circumstances, to other countries, usually within six months via the Emergency Transit Mechanism (ETM). CFSI is responsible for providing the refugees with safe accommodation, basic services, legal assistance, social services, psychosocial support, and access to health services, including tertiary care. The overall aim of this mechanism is to facilitate the effective and timely resettlement of the refugees. This component began in 2009 and is expanding. At present, it is expected to continue through at least December 2014.

In 2013, the budget for URP amounted to ₱9,107,031. This included provision for additional arrivals of ETM cases expected in the last quarter. However, fewer than anticipated refugees and stateless persons arrived in the Philippines in 2013. As such, ₱452,331 will be returned in April 2014, after UNHCR verified the final financial report for 2013.



*B. Funds from UN Agencies for Projects in Mindanao*

Recurrent armed conflict in Mindanao displaced more than 930,000 persons in 2000, 440,000 persons in 2003, and 745,000 persons in 2008. In September 2013, armed conflict erupted in Zamboanga City that displaced about 120,000 people. CFSI began its response to various complex humanitarian emergencies in mid-2000 and has committed to remain engaged in Mindanao through at least 2019. Generally, the situation has improved as a result of the peace talks between the Government and armed non-state actors. While significantly large scale displacements have not happened in the last five years, sporadic and short-term displacement continue as a result of clan feuding and/or large-scale natural disasters in many of the areas of operation of CFSI – Central, Northern and Eastern Mindanao.

1. Mindanao UNHCR Fund - Mindanao Protection Project (MPP). This represents funds received from UNHCR, to address the immediate protection needs of people affected by armed conflict and to facilitate the rapid integration and rehabilitation of internally displaced persons (IDPs) and returnees in Central and Northern Mindanao through the implementation of Quick Impact Projects (QIPs). Most of the QIPs are small scale and include livelihood-related initiatives that provide small injections of material, financial and technical assistance. The community-led QIPs and the development of people's organizations (POs) also allow for the inclusion of IDPs with special needs. The first phase of the project started in July 2010 and continued through December 2013. The project will continue through at least June 2014.

In response to the tropical storm Washi (known locally as Sendong) disaster in Northern Mindanao in late December 2011, CFSI and UNHCR agreed to expand the MPP to include the disaster-affected areas of Northern Mindanao. The tropical storm affected 1,100,000 persons in the urban centers of Cagayan de Oro City and Iligan City as well as the provinces of Lanao del Sur, Misamis Oriental and Bukidnon. In this context, CFSI distributed non-food items to IDPs such as tents, tarps, kitchen utensils and Family Support Kits (FSKs) that contained essential hygiene items. CFSI also distributed wheelchairs, walking canes, eyeglasses and medicines to persons with special needs. This project also included provision for QIPs to be carried out by CFSI and its local Non-Governmental Organization (NGO) partners in 2012. This disaster response project continued through December 2012.

2. Mindanao UN World Food Programme (UN-WFP) Fund - (Maguindanao and Lanao). Funds received from the WFP, a specialized agency of the UN, provide food assistance to specific populations totaling roughly 535,000 persons in the conflict-affected areas of Mindanao, specifically the province of Maguindanao and the two Lanao provinces, Lanao del Norte and Lanao del Sur. The Food Assistance Project has two objectives: (1) support the on-going peace process; and (2) address the immediate food security needs of the conflict-affected population. Parties to the project agreement include the WFP, CFSI, the Philippine Government's Department of Social Welfare and Development (DSWD) - which serves as the national Executing Agency - and the Bangsamoro Development Agency (BDA) - the development arm of the Moro Islamic Liberation Front (MILF). As Cooperating Partner, CFSI is responsible for the receipt, storage and handling of food commodities at mutually agreed upon delivery points, as well as the distribution of these commodities to the intended beneficiaries. The Emergency Operations (EMOP) started in June 2006 and ended in June 2010. It was followed in July 2010 by the Protracted Relief and Recovery Operation (PRRO), which will continue through at least April 2014.



In addition, in late December 2011, CFSI and WFP agreed to expand their cooperation in the Lanao provinces to include areas in Northern Mindanao affected by the flood disaster associated with Tropical Storm Washi (Sendong). These were two cities – Iligan and Cagayan de Oro – and the provinces of Bukidnon and Misamis Oriental. CFSI provided food assistance to affected persons through Food-for-Work, Emergency School Feeding and Supplemental Feeding benefitting roughly 400,000 persons. The CFSI-WFP response to this disaster lasted through June 2012.

3. Mindanao UN-WFP Fund (Eastern Mindanao). In December 2012, in response to the world's most devastating typhoon for the year, CFSI and WFP agreed to expand their cooperation to include, for the first time, Eastern Mindanao (EM), specifically the areas affected by Typhoon Bopha (Pablo). The typhoon affected 6,200,000 persons in the provinces of Compostela Valley, Davao Oriental, Agusan del Sur, and Surigao del Sur, as well as Lanao del Sur. CFSI is supporting the efforts of the DSWD and local government units in carrying out Food-for-Work, Emergency School Feeding and Supplemental Feeding. The cooperation was completed in November 2013.
4. Mindanao UN-WFP Fund (Zamboanga). In November 2013, CFSI and WFP agreed to respond to the armed conflict emergency in Zamboanga City through at least April 2014. This cooperation includes general food distribution, feeding programmes and support to early recovery interventions.
5. Mindanao United Nations Children's Fund (UNICEF) Child Protection in Emergencies Project (CPEP). In response to the Washi (Sendong) flood disaster in Northern Mindanao in December 2011, CFSI entered into a cooperation agreement with UNICEF for the CPEP which aimed to establish child-friendly spaces and provide psychosocial interventions to children in evacuation centers and/or places of return and resettlement. The project was carried out in Iligan City and Cagayan de Oro through August 2012.
6. Mindanao UNICEF - CPEP (Zamboanga). In September 2013, CFSI and UNICEF responded to the crisis in Zamboanga City that resulted from the armed conflict between the government and the Moro National Liberation Front (MNLF). The project provided services for at least 10,000 displaced children staying in the biggest evacuation center called the JFE Sports Complex and a nearby evacuation center called Cawa-cawa shoreline. The project established five child-friendly spaces in the evacuation centers and provided psychosocial support sessions for children. Activities towards family reunification and prevention of child abuse and exploitation were also carried out together with the DSWD and a network of local non-government organizations called Child Abuse Prevention and Intervention Network (CAPIN). Student tracking was also carried out and efforts to get children back in school were also intensified. Teachers of the Department of Education (DepEd) were also provided with training on providing psychosocial support to students inside their classrooms. This project is extended through April 2014 with additional activities such as the organizing of community-based child protection networks, child protection training for local organizations, and disaster preparedness exercises in schools.
7. Mindanao UNICEF - Child Rights Project (CRP3) was formulated and negotiated in October 2011, but not signed into an agreement with UNICEF until early January 2012. This component was known as the "Development of a School-based Disaster Risk Reduction, Preparedness and Recovery for Education in Emergencies System." The project aimed to increase the resiliency of the educational system and ensure children have continuous access to basic education, especially in times of emergencies, through the



provision of a package of services that included: (a) capacity enhancement on disaster risk reduction management (DRRM) and education in emergencies (EiE); (b) setting up transitional learning spaces (TLS); (c) construction of water and sanitation hygiene (WASH) facilities; (d) repair of damaged school classrooms; and, (e) prepositioning and distribution of learning supplies and materials for schools, teachers, and pupils. Carried out in Maguindanao, North Cotabato, Lanao del Norte, and Lanao del Sur, this project started in January 2012 and was completed in November 2012.

8. Mindanao UNICEF - CRP4. Building on previous work, CRP4, “Child Protection Systems for Children Affected by Armed Conflict” was launched in September 2012. The project aimed to enhance the institutional capacities of the Bangsamoro Development Agency (BDA) on child protection and system-building approaches to child protection in the conflicted-affected areas. This component was implemented in 13 provinces across the conflict-affected areas of Mindanao, including Western Mindanao, and completed in January 2013.
9. Mindanao UNICEF - CRP in Eastern Mindanao (CRP-EM). In December 2012, in response to the typhoon Bopha (Pablo) disaster in Eastern Mindanao, CFSI and UNICEF entered into a partnership to carry out a similar “Child Rights Project” in Eastern Mindanao, specifically in the province of Davao Oriental. This project aimed to establish child friendly spaces, temporary classrooms and community-based child protection systems in the typhoon affected communities in specific municipalities in Davao Oriental. The project lasted through September 2013.
10. Mindanao UNICEF - CRP-EM2. In order to promote psychosocial well-being of children and youth affected by Typhoon Bopha (Pablo), the project provided safe and secure environment and psychosocial activities to pre-school children as well as basic education for approximately 10,000 children in seven barangays in the municipalities of Bagangga, Boston, and Cateel in Davao Oriental. The project also established temporary classrooms and trained teachers of the Department of Education (DepEd) in integrating psychosocial support sessions in their classroom sessions and lesson plans. In addition, the project carried out activities to address family separation, child trafficking and exploitation, gender-based violence and other grave child rights violations. Over 3,000 girls and boys were also provided with “skills-for-life” training. Members of all the seven special bodies of the government called Barangay Councils for the Protection of Children (BCPC) were provided with training on child protection and education. Lastly, this project carried out school-based disaster preparedness training and simulations for students and culminated in the formation of Disaster Risk Reduction (DRR) Kids Clubs in various schools which aim to promote disaster risk awareness amongst children and youth. This project was conducted in June and July 2013.
11. Mindanao UNICEF - CRP5: Strengthening the Protective Environment for Children Affected by Armed Conflict and Emergencies in Central Mindanao. This project focuses on a system-based approach to child protection by establishing community-based child protection network (CBCPN) in three municipalities: South Upi and Mamasapano in the province of Maguindanao, and Midsayap in the province of North Cotabato. The project started in December 2013, and is envisaged to improve the monitoring, reporting and resolution of grave child rights violations in these communities. In addition, the project aims to strengthen individual, family and community capacity to protect children through training, awareness raising and developing an enabling environment and culture that respects children’s rights and protects them from abuse and exploitation. This project is carried out in collaboration with the Philippines’ Child Protection Working Group



(CPWG) led by the Council for the Welfare of Children and DSWD. The project is expected to be completed in May 2014. Funds were received in February 2014.

12. Mindanao UNICEF - CRP6: School and Community-based Disaster Risk Reduction Program Development. This two-year project aims to increase the proportion of children completing elementary education by reducing their vulnerability to disasters. The project will strengthen capacities of teachers, students and community members in disaster preparedness, disaster risk reduction and management. This will include trainings, awareness campaign, planning, simulation exercises and integrating disaster risk education in the mainstream school curriculum. The project is carried out in select schools and communities in Cotabato City and the municipality of President Roxas in North Cotabato. The project started in December 2013 and will be implemented through November 2015. Funds were received in February 2014.
13. Mindanao UNICEF - CRP7: Building Rights-based Child Protection System in Mindanao. This project protects and promotes the rights of children by organizing, establishing and strengthening the capacities of the government's special bodies specifically the Local Council for the Protection of Children (LCPC) and the Barangay Council for the Protection of Children (BCPC) in Cotabato City, the municipalities of South Upi, Upi and Mamasapano in the province of Maguindanao, and the municipality of Aleosan in the province of North Cotabato. The overall aim is to identify, handle, pursue and resolve child protection issues including documentation and development of a practical and robust referral pathway. The intermediate aim is to enable LCPCs/BCPCs to advocate and enact local laws/legislations about child protection and, ideally, campaign for the allocation of government budget for these local child protection legislations. The project started in November 2013 and is expected to be completed in December 2014. Funds were received in February 2014.
14. Mindanao United Nations Population Fund (UNPF). This represents funds received from UNPF for the Stop Violence Project (SVP). This project was carried out to build the capacity of returned/relocated internally displaced women, youth and men to address sexual and gender-based violence (SGBV) in at least 20 conflict-affected communities in Maguindanao, Lanao del Sur, North Cotabato and Sultan Kudarat. The project aimed to: (a) increase the knowledge and awareness of women, men and youth about SGBV, services available and referral pathways; (b) form community-based support groups of women, men and youth; (c) establish and/or enhance community-based SGBV monitoring/ surveillance systems by organizing and training community-based SGBV monitors; (d) develop and operationalize the SGBV referral pathway, and strengthen collaboration with experienced SGBV services providers; and (e) respond to SGBV cases through immediate psychosocial support and facilitation of medical, legal and security support services through SGBV service providers in the area, including community-support groups. The project started in June 2012 and was completed in January 2013.

*C. Funds from UN Agencies for Projects in Visayas*

1. Visayas UNICEF - CPEP (Bohol). In October 2013, a 7.2 magnitude earthquake struck Bohol and displaced at least 20,000 people and affected hundreds of thousands. CFSI and UNICEF decided to protect and promote the well-being of children in the immediate aftermath of this emergency by carrying out psychosocial support sessions in evacuation centers and communities. In addition, the project established temporary classrooms and trained teachers in integrating psychosocial support in their regular classes. Through these activities and the temporary classrooms, the project also identified, documented, referred



and resolved child protection issues together with the DepEd and DSWD. Psychosocial counseling was also provided to teachers and other community-based volunteers. The project started in November 2013 and was originally to be completed in March 2014. Funds for the project were received in January 2014. In the course of consultations with UNICEF, child protection cluster, and the affected people and children, CFSI and UNICEF concluded that the current coverage of the project needed to be expanded to include other far-flung, hard-to-reach areas in order to serve more vulnerable children. Additional funds are to be provided for the project, with implementation expected to be extended until June 2014.

2. Visayas UNHCR - Visayas Protection Project (VPP) - In November 2013, CFSI and UNHCR entered into a partnership to address key protection needs in areas devastated by the Typhoon Haiyan (Yolanda) in Eastern and Western Visayas. This cooperation involved the immediate distribution of non-food items (NFIs) to survivors that allow for the protection of human life and dignity amidst the disaster. The NFIs included family tents/shelters, kitchen sets, lighting equipment, blankets, plastic sheets, tarps, jerry cans, hygiene kits and clothing. CFSI has so far distributed more than 5,163 family tents, 1,692 plastic rolls, and 40,061 plastic sheets to about 35,500 families in the provinces of Samar, Leyte, and parts of Antique, Capiz and Iloilo. About 11,125 solar lanterns, 24,259 jerry cans, 8,955 kitchen sets and 72,577 blankets have also been provided to affected communities, with benefits reaching an estimated 300,000 people. This cooperation is expected to last at least through October 2014 and will include activities such as protection monitoring and capacity strengthening of state actors as well as non-government organizations in protecting rights and well being of survivors.

*D. Funds from Multilateral Development Banks for Projects in Mindanao*

1. Mindanao World Bank - Mindanao Trust Fund - Reconstruction and Development Programme (MTF-RDP). This represents funds received from the International Bank for Reconstruction and Development (i.e., the World Bank) for the implementation of the MTF-RDP. CFSI was selected in late 2005 to serve as Trust Fund Recipient (TFR) of this multi-donor funded initiative. The objectives of the grants to the fund are: (1) strengthen the capacity of communities and local partners, particularly the Bangsamoro Development Agency (BDA), to enable them to promote inclusive and effective governance processes in the economic and social recovery in the conflict-affected areas of Mindanao; and (2) undertake sub-project activities in priority barangays and municipalities as part of capacity building through “learning by doing.” CFSI’s responsibilities as TRF include financial management, supporting programme management, providing capacity building services as well as operational support, and generally facilitating the implementation of approved sub-projects.



Several grant agreements have been signed between CFSI and the World Bank for the MTF-RDP. The details of those presently active follow:

Grant	US\$ Amount	Equivalent In Philippine Peso	Dates
Fourth Grant Agreement			March 17, 2009-
Community-Driven Reconstruction	\$2,280,000	₱93,594,000	December 31, 2015
Sajahatra Bangsamoro	100,000	4,105,000	
	2,380,000	97,699,000	
Fifth Grant Agreement	1,229,226	50,459,727	November 18, 2009- June 30, 2013
Total	US\$3,609,226	₱148,158,727	

The Fourth Grant Agreement was increased from \$1,400,000 to \$2,380,000 and the implementation period extended from September 2012 through December 2015, after consultations between the World Bank, CFSI, and other key stakeholders. The Fifth Grant Agreement was also increased from \$1,095,988 to \$1,229,226, with the terminal date extended from September 2012 through June 2013. The increases and extensions were in line with the Fourth Program Partnership Agreement (PPA4) between CFSI and BDA for the Community-Driven Reconstruction component and expanded the project coverage to include new barangays and municipalities. PPA4 commenced on April 26, 2012 and is expected to run through at least April 25, 2015.

- In September 2013, CFSI and the World Bank signed another program partnership agreement with the BDA to support the operations of BDA's counterpart in the Project Management Team of Sajahatra Bangsamoro—a new program of the Government of the Philippines (GPH) and the Moro Islamic Liberation Front (MILF) that aims to support the health, education and livelihood services in priority communities identified by GPH and MILF following the signing of the Framework Agreement on the Bangsamoro on October 15, 2012. Funds for this component will be from the Fourth Grant Agreement, and a new grant agreement to be finalized between CFSI and the World Bank. This cooperation is expected to run through at least August 2014.

*E. Funds from Governments for Projects in Mindanao*

- Mindanao Australian Agency for International Development (AusAID) Fund - Psychosocial Care Project (PCP) Northern Mindanao. This represents funds received from AusAID, to respond to the disaster in Northern Mindanao caused by Tropical Storm Washi (Sendong) through the implementation of the PCP. The activities of this project include: (a) the provision of psychosocial support to survivors and training for local caregivers; (b) ensuring the active participation of survivors and extremely vulnerable groups in planning and carrying out recovery, return, relocation and resettlement activities; and (c) enhancing disaster mitigation and risk reduction capacities in at-risk communities. The project reached at least 10,000 affected persons in thirteen evacuation centers and/or sites of return/relocation in Cagayan de Oro, Iligan City and other affected communities in Northern Mindanao. The project started in late December 2011 and was completed in January 2013. The funds for this project, totaling ₱11,032,500 was received by CFSI in January 2012.



2. Mindanao AusAID Fund - PCP (Eastern Mindanao) - In December 2012, CFSI and AusAID agreed, in principle, to cooperate in the response to Typhoon Bopha (Pablo) that devastated Eastern Mindanao. In March 2013, CFSI and AusAID signed an agreement for a second phase of the PCP focused on the disaster-affected communities in the provinces of Compostela Valley and Davao Oriental. The total value of this grant, received in full in early April 2013, is ₱10,745,000. The project provided psychosocial support services to survivors, trained local caregivers in providing psychosocial support to their peers and community members, provided assistance to simple early recovery projects implemented by individuals, families and/or groups, and carried out activities for disaster preparedness, risk reduction and management. This project is implemented in ten barangays in four municipalities of Compostela Valley and three municipalities of Davao Oriental. A total of 5,659 individuals have directly benefited from the livelihood and skills training components such as aquaculture, sewing, farm tools and implements, boats, water facilities, and other projects identified by the survivors themselves. The project is expected to be completed in April 2014.

*F. Funds from Governments for Projects in Visayas*

1. Visayas AusAID Fund - PCP (Visayas). In November 2013, when Typhoon Haiyan (Yolanda) struck the Visayan region, CFSI and the Australian Government's Department of Foreign Affairs and Trade (DFAT) decided to extend its partnership to Eastern Visayas to respond to the huge emergency. The PCP in this region involved the same components: (a) psychosocial care; (b) support to early recovery; and (c) disaster risk reduction. It covers 24 severely affected barangays in 12 municipalities in the provinces of Leyte, Samar and Eastern Samar. The project will involve carrying out psychosocial activities with individual and groups, training of local caregivers, working with families and communities in planning and implementing early recovery projects such as alternative livelihoods, as well as helping local bodies and schools in disaster preparedness, risk reduction and management. As with the previous PCPs, the priority are vulnerable individuals and groups such as persons with specific needs, children, elderly, persons with disabilities, pregnant women, indigenous people and others with identified and specific vulnerabilities. The project started in December 2013 and is expected to be completed in December 2014. Funds were received in full in January 2014.

*Private Sector Funds*

Private Sector Funds represents funds received from the private sector in the Philippines as well as other countries, including foundations, corporations, academic institutions, religious institutions, community groups, and individuals, for CFSI projects and activities in the Philippines. Most of these funds are restricted, and can only be used for specific projects or activities. Those who provided major grants are described below, while others are simply listed.

*G. Funds from the Private Sector for Projects in Mindanao*

1. Mindanao Stichting BRAC International (BRAC) - Basic Education Project (BEP). In April 2012, BRAC and CFSI began the Basic Education Assistance for Mindanao in the Autonomous Region in Muslim Mindanao (BEAM-ARMM) Program in selected municipalities and provinces of ARMM. The project is supported with funds from AusAID to BRAC. The project is designed to enable communities without access to education to establish preschools and elementary schools utilizing BRAC's model of Alternative Delivery Mechanism. CFSI is responsible for operations in the provinces of





Maguindanao and Lanao del Sur. The first phase of this project covers the period from April 2012 through June 2015.

2. Mindanao Consuelo Foundation - Healthy Start Project 2: Read, Write and Eat Right with the Preschool Child (HSP2). This project followed through the support to 0 to 3 year-old children, who are now in their preschool age, by creating a caring and nurturing environment in the Harmony Play Centers (HPCs) which also serves as the early childhood care and development (ECCD) center. The HPCs also function as the learning venue of parents where trainings on different topics such as child care and parenting, family and community disaster preparedness, functional literacy, and livelihood were conducted. This project started in January 2012 and completed in May 2013 in Pagalungan, Maguindanao.
3. Mindanao Others Disaster Response. Other partners who contributed more broadly to CFSI's disaster response efforts, specifically the production and the distribution of FSKs for survivors of Tropical Storm Sendong (International name: Washi) in December 2011, Typhoon Pablo (International name: Bopha) in December 2012, and the armed conflict in Zamboanga City in September 2013, include the following:

Donors in the Philippines	Donors Outside the Philippines
Foundations in the Philippines, specifically: Ayala Foundation, Megaworld Foundation, Consuelo Foundation, Xavier Science Foundation, and Philippine-Thai Cultural Organization	Merlin  The Playa Foundation
Corporations in the Philippines, specifically: PhilSaga Mining Corporation, Arlinor Corporation, YZL Plastic T-shirt Printing, Philippine Coastal Storage and Pipeline Corporation, PATTS College of Aeronautics, Central Azucarera Don Pedro, Inc., Trojan Marketing	Friends of CFSI at the Catholic University of America in Washington DC, USA
Various individuals in the Philippines	Various individuals in the United States, Australia, Canada, Switzerland, and the United Arab Emirates
CFSI Board Members (based in the Philippines)	CFSI Board Members (based outside the Philippines)

*H. Funds from the Private Sector for Projects in Visayas*

1. Visayas Consuelo Foundation - Consuelo Foundation agreed to fund the "Psychosocial Support for Children Project" to focus on providing psychosocial support and care to children, specifically those affected by the earthquake that hit Bohol in October 2013. In partnership with International Deaf Education Association (IDEA), CFSI aimed to (1) train IDEA teachers, dormitory managers and staff in conducting psychosocial first aid and other support services aimed specifically for deaf-and-mute children; (2) provide stress debriefing and/or psychosocial counseling to teachers, dorm managers and staff who were directly affected; (3) set up child friendly space in an identified school, providing technical assistance to para-teachers and volunteers; (4) organize Community-



based Child Protection Networks (CBCPN) in the identified areas which will provide orientations and training on child protection, child rights, and psychosocial care. The project started in November 2013 and will be completed in May 2014.

2. Visayas Philippine Center for Population and Development (PCPD) provided funds to help protect children affected by Typhoon Haiyan (Yolanda) in Guiuan, Eastern Samar, including psychosocial training, psychosocial activities for youth, and child protection orientation for parents and youth. The funds were received in November 2013.
3. Visayas Atlantic - The Atlantic Philanthropies provided \$200,000 to support CFSI's response to the humanitarian crisis brought on by Typhoon Haiyan (Yolanda). The funds received in December 2013 are programmed to be used through December 2014.
4. Visayas Others Disaster Response. Other partners who contributed more broadly to CFSI's disaster response efforts, specifically for those affected by the earthquake in Bohol in October 2013 and the survivors of Typhoon Haiyan (Yolanda) in November 2013, include the following:

Donors in the Philippines	Donors Outside the Philippines
Foundations in the Philippines, specifically: Philippine Center for Population Development, Childhope Asia Philippines	The Atlantic Philanthropies
Various individuals in the Philippines  CFSI Board Members (based in the Philippines)	Various individuals in the United States, Australia, Germany, Switzerland, Canada, India, Viet Nam, Brazil and the United Arab Emirates  Friends of CFSI at the Catholic University of America in Washington DC, USA  CFSI Board Members (based outside the Philippines)

*I. Funds from the Private Sector for Projects in Luzon*

Three tropical storms caused widespread devastation in Luzon between late September and early October 2009, directly affecting 9,400,000 persons and forcibly displacing more than 700,000 persons. CFSI quickly launched a disaster response operation followed by early recovery efforts extending through January 2011.

1. Luzon Mercy Malaysia - Community-Based Disaster Risk Reduction and Management (CBDRRM) Project. Mercy Malaysia, an NGO, provided CFSI with funding for the CBDRRM, which built on CFSI's response to the aforementioned disaster in Luzon. The CBDRRM Project aimed to: (1) increase the knowledge of CFSI staff on disaster risk reduction (DRR) concepts and enhance staff competencies in implementing DRR projects; and (2) sensitize local government and community residents on DRR concepts and increase their knowledge and skills on preparing and utilizing localized hazard maps. Carried out in the more vulnerable communities in the province of Benguet in Northern Luzon, the desired outcome was improved community disaster preparedness and early



warning systems. The project was started in October 2011 and completed in May 2012. In April 2013, Mercy Malaysia committed funds for the second phase of the project that started in May 2013 and completed in January 2014. This allowed for the replication of the project to another barangay in the municipality of Bokod, in the province of Benguet.

2. Luzon Others Disaster Response. Other partners who contributed more broadly to CFSI’s disaster response efforts in Luzon, specifically the production and distribution of Family Support Kits (FSKs) for survivors of the flooding in August 2012 caused by monsoon rains enhanced by Tropical Storm Haikui, are listed in the table below.

Donors in the Philippines	Donors Outside the Philippines
Corporations in the Philippines, specifically: G2K Corporation, Audio-Visual Solutions Corporation, IAJ Wellness Corporation, and Real Sound Corporation	Friends of CFSI at Catholic University of America in Washington DC, USA
Various individuals in the Philippines	Various individuals in the United States, Australia, Korea, and United Kingdom
CFSI Board Members	CFSI Board Members (based outside the Philippines)

*J. Funds from the Private Sector for Projects in Metro Manila*

Since 2001, CFSI has been actively promoting efforts to protect and assist vulnerable children and youth in exceptionally difficult circumstances in the Park Avenue area of highly urbanized Pasay City, Metro Manila—where CFSI Headquarters is located. The children and youth are vulnerable to exploitation, prostitution, trafficking, and the drug trade. In response, CFSI launched the Park Avenue Initiative (PAI) to mobilize the community and other stakeholders for child protection, youth development, and opportunity creation. Over the years, PAI has established several projects with a variety of partners, the most recent of which are described below.

Metro Manila PCPD - PAI (RH1) - Philippine Center for Population and Development (PCPD) provided funds for a research project on “Reproductive Health (RH) Research amongst the Youth” in four barangays (wards) in Pasay City, as part of the Park Avenue Initiative (PAI). The research aimed to determine the level of RH knowledge, attitude and practices of respondents, to identify the RH services in the selected barangays and to determine the effectiveness of the existing RH interventions. The research project started in September 2011 and was completed in April 2012.

CFSI presented the research findings and recommendations to the community, partners, and other stakeholders. It was clear that much more needed to be done to protect children and youth with respect to RH, particularly in the context of high-risk behaviors and the sex trade. Various strategies and options for intervention were discussed. Consultations resulted in two of CFSI’s partners agreeing to fund RH services for youth in eight barangays in the Park Avenue area. These are shown below:

1. Metro Manila Consuelo Foundation - PAI (RH2a) - Consuelo Foundation agreed to fund RH intervention in four barangays in Pasay City. The project started in November 2012 and completed in November 2013. Built on the findings of the research conducted by



CFSI with funding support from PCPD, the project supported and/or carried out RH intervention activities, specifically the involvement of families on adolescents reproductive health activities of the Government and of CFSI.

2. Metro Manila PCPD - PAI (RH2b) - PCPD also agreed to support provision of RH services in an additional four barangays in Pasay City. Known in CFSI as “Reproductive Health Services for the Youth”, the project aimed to decrease the number of youth engaging in risky sexual behavior and increase their health-seeking behavior by improving access to RH information and services. The project employed a variety of strategies including family-centered counseling and reflection sessions, training of local peer counselors, linking to local service providers and providing support to alternative learning and tutorials. The project started in January 2013 and is completed in January 2014.
3. In support of field operations, CFSI provides partners with mission-related services at its various offices, including in Metro Manila. Services may include a range of administrative, programme, research, and advocacy efforts. One such partner is BRAC.

CFSI was contracted by BRAC to provide support services such as administrative, procurement, and logistical support services in Metro Manila for its operations in the Philippines. In addition, CFSI provides office space for BRAC at CFSI Headquarters. The engagement started in July 2012 and is expected to run through at least June 2014.

#### *Myanmar Programme*

The Myanmar Programme includes funds from UNHCR for CFSI activities in the Republic of the Union of Myanmar. These funds are intended for the benefit of crisis-affected populations in Rakhine State, including but not limited to, internally displaced populations and those persons denied citizenship and therefore, de facto, stateless.

For 2013, CFSI planned to carry out the Myanmar Community Social Services and Education Programme (CSSEP), building on the gains of previous years. However, due to outbreaks of communal conflict and violence that occurred in 2012—contributing to massive displacement—and the immediate imposition of the Emergency Rule, most of CFSI’s activities were heavily curtailed. Activities were gradually approved by the Township, District, and State authorities for phased implementation only in the second half of the year.

The CSSEP included the following: (1) early childhood development services for pre-school children and their mothers; (2) assistance to vulnerable school-age children of affected populations—particularly IDP children confined to camps—to return to school, resume their education in the state school system, and promote and support primary level graduates to continue and complete post-primary education; (4) provide access to post-primary education—particularly Muslim girls and minority groups—including hostel arrangements where needed; (5) provide basic and advanced sewing skills training to enhance the leadership and training skills of women for self-reliance and livelihood in their communities; (6) conduct community level multi-ethnic peace education and peace building activities focused on youth, such as through provision of library resources, computer basic skills training, English basic communication, and practical arts courses; (7) conduct vocational skills development training promoting self-awareness, skills development and livelihood opportunities; and (8) manage three main Community Services and Development Centers (CSDCs) and seven satellite centers for various community programme activities.



CFSI has entered into annual project agreements with UNHCR in Myanmar since 1998. Under the new rules of UNHCR adopted in 2013, CFSI was required to re-apply to continue as an Implementing Partner in Myanmar, particularly in northern Rakhine State. After due evaluation with other applicant agencies, CFSI was favorably considered and selected to continue as one of UNHCR's Implementing Partners for 2014 and is expected to continue through at least 2015.

#### *Viet Nam Programme*

The Viet Nam Programme includes funds for social development activities carried out in Viet Nam, specifically activities designed to strengthen the capacity of service providers to protect and assist disadvantaged and vulnerable populations. These efforts build on social work training and related services carried out by CFSI in Viet Nam from 1992 until 2005, as well as the Social Work Education Project carried out in Mindanao (SWEP-Mindanao) from 2007 through 2012.

Viet Nam (VN) Atlantic SWEP Fund. This represents funds from The Atlantic Philanthropies for the SWEP: Promoting Societal Health and Social Development. The project aims to better protect and assist disadvantaged and vulnerable populations in Viet Nam by strengthening and further developing human resources in social work. It includes three major components: (1) executive education in social work administration for 320 managers of social protection centers; (2) training of 500 social workers and related professionals who provide social services at the community level; and (3) advanced education in social work for social work educators/practitioners. The project started in October 2010 and was envisaged to be completed by the end of September 2014, but is now likely to be extended through 2015.

In the context of SWEP-VN, CFSI signed, in 2011, separate agreements with the following partners: Ministry of Labour, Invalids, and Social Affairs (MOLISA), University of Labour and Social Affairs (ULSA), Center for Social Work and Community Development and Consultancy (SDRC), and Women Central Training School (WCTS)—now the Viet Nam Women's Academy (VWA)—all in Viet Nam; and in the Philippines, the Asian Social Institute (ASI). Funds from the project go to each partner for specific services, as specified in separate agreements.

#### *Headquarters Programme*

The Headquarters Programme includes funds for the overall management of CFSI, special initiatives, immediate responses to humanitarian emergencies, staff retirement benefits, and the sustainability of CFSI. The sources of these funds are support from partner organizations, grants, donations, and fund-raising initiatives undertaken by CFSI.

A. *Headquarters Fund* - represents operational support from contracts entered into by CFSI and contributions from the private sector, both in the Philippines and abroad. The latter includes both restricted and unrestricted grants from supporting organizations; contributions from community groups; donations from concerned individuals, Board Members, and Staff, as well as gifts from those who wish to remain anonymous. These contributions are intended to finance counterpart costs, development costs, the costs of the general and administrative services of CFSI Headquarters, special initiatives, and other needs. Those who provided major grants are as follows:

1. Partridge Foundation (USA) - committed to provide US\$960,000 between 2007 and 2013 for general support for CFSI Headquarters, in the form of annual installments of US\$160,000, for the purpose of enhancing the Organization's capacity to: (1) generate resources towards long-term sustainability; (2) manage the rapidly expanding Philippine Programme; and (3) properly manage, as well as publicly account for, funds given to



CFSI. In June 2012, CFSI received the last installment for the six year grant period, which ended on 30 June 2013.

In October 2011, the Partridge Foundation approved a second grant amounting to US\$1,000,000. This grant has the same purpose, terms and conditions as the first and covers the period July 2013 through 2019. It gives CFSI a significant and strategic advantage vis-à-vis achieving long-term organizational sustainability. In June 2013, CFSI received the first installment for the six year grant period.

2. Other donors who provided support for CFSI Headquarters in 2013 and 2012 are listed in the table below:

Donors in the Philippines	Donors Outside the Philippines
Various individuals	Brownington Foundation (USA)
CFSI Board Members	Bulls Head Foundation (USA)
CFSI Staff Members	Leesburg Community Baptist Church (USA)
	Various individuals based in the USA Australia and Europe
	CFSI Board Members (based outside the Philippines)
	CFSI Staff Members (based outside the Philippines)

- B. *Social Work Education Project (SWEP-GIZ Fund)*. This represents funds provided by Deutsche Gesellschaft Fur Internationale Zusammenarbeit (GIZ), previously known as Deutscher Entwicklungsdienst (DED), or German Development Service, the Nef Foundation, and the Consuelo Foundation to cover the operational expenses of the SWEP. Other donors to the SWEP included the Women’s Commission for Refugee Women and Children, the Brownington Foundation, the Bulls Head Foundation, the Johnson Foundation, and various individuals. The SWEP is a special six-year initiative, with implementation beginning in 2006, between CFSI, the Catholic University of America (CUA), the BDA, Cotabato City State Polytechnic College (CCSPC), Mindanao State University (MSU) at Marawi City, and Western Mindanao State University (WMSU) at Zamboanga City. CUA kindly agreed to waive tuition charges for SWEP students, representing an in-kind contribution valued at more than US\$1,760,000.

The aim of the SWEP is to strengthen social work education and build leadership capacity for reconstruction and development in the conflict-affected areas of Mindanao. The project involves providing social work education within a six-year period at the graduate degree level in Cotabato City, Mindanao for professional social workers from the conflict-affected areas in Mindanao. Up to 100 social workers were expected to earn a Master of Teaching in Social Work (MTSW) degree from CUA through the SWEP. In 2009, 32 social workers successfully completed and graduated from the MTSW program, while the second cohort of 32 graduated in 2010. The third and last cohort, composed of 36 social workers, graduated in 2012, leading to a total of 100 social workers with MTSW degrees from CUA.

- C. *Center for Excellence in Humanitarian Service (CEHS) Fund*. This consisted mainly of funds received from the Embassy of Japan (EOJ) through the Japan-Bangsamoro Initiative for



Reconstruction and Development (J-BIRD) for the construction of the CEHS Center (“the Center”). The Center, constructed in coordination with the BDA, includes facilities for training, meetings and research in humanitarian assistance; accommodations for training participants; and an office in support of CFSI operations in the conflict-affected areas of Mindanao. These human resource development initiatives aim to achieve greater participation at the community level and, therefore, more effective programmes and services to the direct benefit of people affected by armed conflict and disaster in Mindanao and other parts of Asia. The Center was completed in February 2009 and serves as the home for the SWEP. Many of other training programmes carried out by CFSI are held in CEHS. It is located on the CFSI property in Rosary Heights IV, Cotabato City and is fully operational.

Other partners who contributed to the cost of constructing and equipping the Center include the Bahay ni Angelo King Foundation, Gregorio Araneta Social Development Foundation, A.Y. Foundation, W. S. Family Foundation, The Atlantic Philanthropies Director/Employees Designated Gift Fund, various individuals in the Philippines, United States and Hong Kong, CFSI Board Members and CFSI Staff Members. In 2012, additional funds were donated in honor of the late Maria Mabilangan Haley.

- D. Civil Society Development Project (CSDP)* This represents funds received by CFSI from the private sector to enhance the service capacities of civil society organizations (CSOs) with missions similar to those of CFSI that are based in Asia, primarily the countries that comprise the ASEAN. Services provided by CFSI through this project include (1) fund management; (2) technical assistance in the areas of organizational development, human resources development, networking, and the promotion of sustainability; and (3) CSO advocacy. Four organizations—three in the Philippines and one in Viet Nam—benefitted from these services in 2011 and 2012. Fees for services provided through this project contribute towards the long-term sustainability of CFSI.
- E. Emergency Response Fund.* This represents funds for rapid responses to major humanitarian emergencies in any of the ten countries that presently comprise the ASEAN Region, plus Timor-Leste. It aims to address immediate humanitarian needs and, simultaneously, position CFSI for resources for longer term responses, if and as warranted. Disbursements from the Emergency Response Fund are approved by the Board of Trustees.
- F. Retirement Fund.* This represents funds of the CFSI Retirement Benefit Plan. The Retirement Fund is governed and administered by the Retirement Fund Committee under approved policies and procedures.
- G. Sustainability Fund.* This represents funds for the long-term financial sustainability of CFSI. The Fund includes cash, property, and other assets, all of which are invested or programmed in such manner as to enable CFSI to continue to pursue its mission well into the future. Disbursements from the Sustainability Fund are subject to approval by the Board of Trustees.

#### Approval and Authorization of the Issuance of the Financial Statements

The accompanying financial statements of CFSI were approved and authorized for issuance in accordance with a resolution by the BOT on April 24, 2014.



Summary of Project Funding Grants

The table below summarizes the funds for humanitarian and development activities of CFSI that are covered with project agreements. The term of these project agreements cover 2013. Funds for most of these projects were received in 2013.

	Paragraph Reference in Note 1	Term of Grants	Amount of Grants (a)	Total Funds Received			Movements of Grants/Commitments After December 31, 2013		
				As at December 31, 2012 (b)	During 2013 (c)	As at December 31, 2013* (d) = (b) + (c)	Projects Closed: Balance of Grants not Expected to be Received (e) = (a) - (d)	Committed Grants to be Received (f)	Projects Closed: Received Grants to be Returned to Donors (g)
<b>PHILIPPINE PROGRAMME:</b>									
<b>UN High Commissioner for Refugees (UNHCR):</b>									
Nationwide - Urban Refugee Project	A.1	January 2013 - December 2013	₱9,107,031	₱-	₱6,404,265	₱6,404,265	₱2,702,766	₱-	₱452,331
Mindanao Protection Project	B.1	January 2013 - December 2013	₱863,488	₱-	₱863,489	₱863,489	₱1	₱-	₱60,428
Visayas Protection Project	C.2	November 2013 - December 2013	₱6,449,500	₱-	₱6,449,500	₱6,449,500	₱-	₱-	₱1,526,243
<b>World Food Programme (WFP):</b>									
Mindanao - Maguindanao	B.2	May 2012 - April 2014	₱24,320,873	₱6,175,127	₱10,849,168	₱17,024,295	₱-	₱7,296,578	₱-
Mindanao - Lanao del Norte, Lanao del Sur, Iligan City, Cagayan de Oro City, Bukidnon, Misamis Oriental	B.2	May 2012 - April 2014	₱28,905,654	₱8,156,152	₱11,033,727	₱19,189,879	₱-	₱9,715,775	₱-
Mindanao - Davao Oriental, Compostela Valley, Agusan del Sur, Surigao del Sur, Lanao del Sur	B.3	Decemberr 2012 - November 2013	₱17,663,029	₱-	₱11,913,265	₱11,913,265	₱3,152,647	₱2,597,117	₱-
Minadanao - Zamboanga City	B.4	November 2013 - April 2014	₱2,812,984	₱-	₱873,895	₱873,895	₱-	₱1,939,089	₱-





	Paragraph Reference in Note 1	Term of Grants	Amount of Grants (a)	Total Funds Received			Movements of Grants/Commitments After December 31, 2013		
				As at December 31, 2012 (b)	During 2013 (c)	As at December 31, 2013* (d) = (b) + (c)	Projects Closed: Balance of Grants not Expected to be Received (e) = (a) - (d)	Committed Grants to be Received (f)	Projects Closed: Received Grants to be Returned to Donors (g)
<b>UN Children's Fund (UNICEF):</b>									
Mindanao - Child Protection Systems for Children Affected by Armed Conflict (CRP4) - 13 provinces in conflict-affected areas of Mindanao, including Western Mindanao	B.8	September 2012 - January 2013	₱7,194,339	₱2,030,197	₱4,462,997	₱6,493,194	₱701,145	₱-	₱-
Mindanao - Child Rights Project in Eastern Mindanao (CRP-EM) - Davao Oriental	B.9	December 2012 - September 2013	₱9,036,417	₱-	₱9,036,417	₱9,036,417	₱-	₱-	₱-
Mindanao - Child Rights Project in Strengthening Disaster Risk Reduction in Target Schools in Eastern Mindanao (CRP2-EM) - Davao Oriental, Compostela Valley, Agusan del Sur, Surigao del Sur	B.10	June 2013 - July 2013	₱4,647,966	₱-	₱4,647,966	₱4,647,966	₱-	₱-	₱-
Mindanao - Child Protection in Emergencies Project in Zambaonga City	B.6	October 2013 - April 2014	₱2,201,422	₱-	₱2,201,422	₱2,201,422	₱-	₱-	₱-
Mindanao - Child Rights Project: Strengthening the Protective Environment for Children Affected by Armed Conflict and Emergencies in Central Mindanao (CRP5)	B.11	December 2013 - May 2014	₱5,520,631	₱-	₱-	₱-	₱-	₱5,520,631	₱-
Mindanao - Child Rights Project: School and Community-based Disaster Risk Reduction Program Development in Cotabato City and Municipality of President Roxas, North Cotabato (CRP6)	B.12	December 2013 - November 2015	₱7,745,906	₱-	₱-	₱-	₱-	₱7,745,906	₱-
Mindanao - Child Rights Project: Building Rights-Based Child Protection System in Mindanao (CRP7)	B.13	November 2013 - December 2014	₱8,700,705	₱-	₱-	₱-	₱-	₱8,700,705	₱-



	Paragraph Reference in Note 1	Term of Grants	Amount of Grants (a)	Total Funds Received			Movements of Grants/Commitments After December 31, 2013		
				As at December 31, 2012 (b)	During 2013 (c)	As at December 31, 2013* (d) = (b) + (c)	Projects Closed: Balance of Grants not Expected to be Received (e) = (a) - (d)	Committed Grants to be Received (f)	Projects Closed: Received Grants to be Returned to Donors (g)
Visayas - Child Protection in Emergencies Project in Bohol	C.1	November 2013 - March 2014	₱4,196,034	₱-	₱-	₱-	₱-	₱4,196,034	₱-
<b>UN Population Fund (UNFPA):</b>									
Mindanao - Stop Violence Project (SVP) - Maguindanao, Lanao del Sur, North Cotabato, Sultan Kudarat	B.14	June 2012 - January 2013	₱3,244,674	₱3,244,674	₱-	₱3,244,674	₱-	₱-	₱-
<b>World Bank - Mindanao Trust Fund for Reconstruction and Development Program:</b>									
Fourth Grant Agreement	D.1	March 2009 - December 2015	\$2,380,000 (or ₱97,699,000)	\$1,236,214 (or ₱56,260,858)	\$345,504 (or ₱15,029,817)	\$1,581,718 (or ₱71,290,675)	\$-	\$798,282 (or ₱26,408,325)	
Community Driven Reconstruction	D.1		\$2,280,000 (or ₱93,594,000)	\$1,236,214 (or ₱56,260,858)	\$245,504 (or ₱10,924,817)	\$1,481,718 (or ₱67,185,675)	\$-	\$798,282 (or ₱26,408,325)	\$-
Sajahatra Bangsamoro	D.1		\$100,000 (or ₱4,105,000)	\$-	\$100,000 (or ₱4,105,000)	\$100,000 (or ₱4,105,000)	\$-	\$-	\$-
Fifth Grant Agreement	D.1	November 2009 - June 2013	\$1,229,226 (or ₱50,459,727)	\$975,225 (or ₱42,045,856)	\$158,226 (or ₱6,599,067)	\$1,133,451 (or ₱48,644,923)	\$95,775 (or ₱1,814,804)	\$-	\$-
<b>Australian Agency for International Development (AusAID)/Department of Foreign Affairs and Trade (DFAT):</b>									
Mindanao - Psychosocial Care Project in Northern Mindanao	E.1	December 2011 - January 2013	₱11,032,500	₱11,032,500	₱-	₱-	₱-	₱-	₱-
Mindanao - Psychosocial Care Project in Eastern Mindanao	E.2	March 2013 - April 2014	₱10,745,000	₱-	₱10,745,000	₱10,745,000	₱-	₱-	₱-
Visayas - Psychosocial Care Project in Eastern Visayas	F.1	December 2013 - December 2014	₱19,673,614	₱-	₱-	₱-	₱-	₱19,673,614	₱-



	Paragraph Reference in Note 1	Term of Grants	Amount of Grants (a)	Total Funds Received			Movements of Grants/Commitments After December 31, 2013		
				As at December 31, 2012 (b)	During 2013 (c)	As at December 31, 2013* (d) = (b) + (c)	Projects Closed: Balance of Grants not Expected to be Received (e) = (a) - (d)	Committed Grants to be Received (f)	Projects Closed: Received Grants to be Returned to Donors (g)
<b>Private Sector Fund:</b>									
Mindanao - Stichting BRAC International - Basic Education Project	G.1	April 2012 - June 2015	₱84,329,077	₱21,925,172	₱28,400,338	₱50,325,510	₱-	₱34,003,567	₱-
Mindanao - Consuelo Foundation - Healthy Start Project	G.2	January 2013 - May 2013	₱863,268		₱782,108	₱782,108	₱-	₱69,506	₱11,654
Visayas - Consuelo Foundation - Psychosocial Support for Children Affected by the Earthquake in Bohol	H.1	November 2013 - May 2014	₱401,437	₱-	₱361,293	₱361,293	₱-	₱-	₱-
Visayas - Philippine Center for Population and Development - Emergency Response for Eastern Visayas	H.2	December 2013 - June 2014	₱400,000	₱-	₱400,000	₱400,000	₱-	₱-	₱-
Visayas - Atlantic Philanthropies - Emergency Response in Eastern Visayas	H.3	December 2013 - December 2014	₱8,830,000	₱-	₱8,830,000	₱8,830,000	₱-	₱-	₱-
Luzon - Mercy Malaysia - Community Based Disaster Risk Reduction and Management	I.1	October 2011 - May 2012	\$27,137 (or ₱1,158,224)	\$24,398 (or ₱1,041,322)	\$2,739 (or ₱109,309)	\$27,137 (or ₱1,150,631)	\$-	\$-	\$-
	I.1	May 2013 - January 2014	\$29,825 (or ₱1,261,597)	\$-	\$23,869 (or ₱1,031,199)	\$23,869 (or ₱1,031,199)	\$-	\$5,956 (or ₱230,398)	\$-
Metro Manila - Consuelo Foundation - Park Avenue Initiative - Reproductive Health (RH2a)	J.1	November 2012 - November 2013	₱1,000,000	₱208,850	₱780,950	₱989,800	₱10,200	₱-	₱-
Metro Manila - Philippine Center for Population and Development - Park Avenue Initiative - Reproductive Health (RH2b)	J.2	January 2013 - January 2014	₱2,113,000	₱-	₱1,690,400	₱1,690,400	₱-	₱422,600	₱-



	Paragraph Reference in Note 1	Term of Grants	Amount of Grants (a)	Total Funds Received			Movements of Grants/Commitments After December 31, 2013		
				As at December 31, 2012 (b)	During 2013 (c)	As at December 31, 2013* (d) = (b) + (c)	Projects Closed: Balance of Grants not Expected to be Received (e) = (a) - (d)	Committed Grants to be Received (f)	Projects Closed: Received Grants to be Returned to Donors (g)
Metro Manila - BRAC Support Services	J.3	July 2012 - June 2013	₱739,160	₱424,580	₱-	₱424,580	₱43,322	₱-	₱-
		July 2013 - June 2014	₱629,160	₱-	₱-	₱-	₱-	₱629,160	₱-
<b>Subtotal of dollar grants</b>			\$3,666,188	\$2,235,837	\$530,338	\$2,766,176	\$95,775	\$804,238	\$-
<b>Subtotal of peso grants</b>			₱283,366,868	₱53,197,251	₱120,726,201	₱173,923,452	₱6,610,079	₱102,510,281	₱2,050,656
<b>MYANMAR PROGRAMME:</b>									
UN High Commissioner for Refugees - Community Social Services and Education Project		January 2013 - December 2013	\$264,636 (or ₱12,326,126)	\$-	\$264,636 (or ₱12,326,126)	\$264,636 (or ₱12,326,126)	\$-	\$-	\$-
<b>VIET NAM PROGRAMME:</b>									
Atlantic Philanthropies - Social Work Education Project		October 2010 - September 2014	\$1,860,000 (or ₱81,840,000)	\$1,100,000 (or ₱47,551,000)	\$300,000 (or ₱12,184,500)	\$1,400,000 (or ₱59,735,500)	\$-	\$460,000 (or ₱22,104,500)	\$-
<b>HEADQUARTERS PROGRAMME:</b>									
Headquarters Fund - Partridge Foundation	A.1	July 2007 - June 2013	\$960,000 (or ₱42,768,573)	\$960,000 (or ₱42,768,573)	\$-	\$960,000 (or ₱42,768,573)	\$-	\$-	\$-
	A.1	July 2007 - June 2019	\$1,000,000 (or ₱40,499,300)	\$-	\$167,000 (or ₱7,197,700)	\$167,000 (or ₱7,197,700)	\$-	\$833,000 (or ₱33,802,300)	\$-
<b>Total of dollar grants</b>			\$7,750,824	\$4,295,837	\$1,261,974	\$5,557,811	\$95,775	\$2,097,238	\$-
<b>Total of peso grants</b>			₱283,366,868	₱53,197,251	₱120,726,201	₱173,923,452	₱6,610,079	₱102,510,281	₱2,050,656
<b>Grand total of grants in peso</b>			₱611,379,415	₱242,864,860	₱175,203,218	₱418,068,078	₱8,424,884	₱184,555,804	₱2,050,656
<b>Average Peso/US Dollar exchange rate</b>			₱42.32	₱44.15	₱43.17	₱43.93	₱-	₱-	₱-

\*The amount of ₱418,068,079 represents the total amount of funds received from primary sources as at December 31, 2013 which includes grants committed before 2013.



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## 2. Summary of Significant Accounting Policies

### Basis of Preparation

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Philippine Peso, the Organization's functional currency. All amounts are rounded to the nearest peso.

### Statement of Compliance

The financial statements have been prepared in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities (PFRS for SMEs).

### Cash

Cash includes cash on hand and in banks.

### Property and Equipment

Property and equipment, except for land, are carried at historical cost less accumulated depreciation and impairment losses, if any. Land is stated at cost less impairment in value, if any.

The initial cost of property and equipment consists of its purchase price and any directly attributable cost of bringing the property and equipment to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged against income in the year such costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Depreciation is computed using the straight-line method over the following estimated useful lives of the property and equipment:

<u>Asset Type</u>	<u>Number of Years</u>
Buildings and improvements	20
Transportation equipment	5
Furniture and fixtures	5
Communication equipment	5
Office and other equipment	5

The useful lives and depreciation method of the property and equipment are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation is charged to current operations.

Construction in progress is stated at cost less any recognized impairment loss. This includes the costs of construction and other direct costs. Construction in progress is not depreciated until such time that the relevant assets are completed and put into operations.

When assets are sold or retired, the cost and the related accumulated depreciation and any impairment in value are eliminated from the accounts and any gain or loss resulting from their disposal is credited to or charged against the statement of revenues and expenses.



### Computer Software

Computer software is carried at cost less accumulated amortization and any impairment in value. The computer software is amortized on a straight-line basis over its estimated useful life of three years.

Computer software is classified as an intangible asset if the software is not an integral part of the related hardware. If the specific software is an integral part of the related hardware, it is treated as property and equipment.

### Asset Impairment

At each reporting date, property and equipment and computer software are reviewed to determine whether there is any indication that assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

### Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses are obligations on the basis of normal credit terms and do not bear interest.

### Bank loans

Bank loans are recognized initially at the transaction price that is the present value of cash payable to the bank including transaction costs, if any. These are subsequently stated at amortized cost. Interest expense is recognized on the basis of effective interest method and is included in other expenses on the statements of revenues and expenses.

### Retirement Benefits

The Organization has an unfunded, noncontributory, defined benefit retirement plan covering all of its regular employees. The obligation and costs of retirement benefits are actuarially computed by a professionally qualified independent actuary using projected unit credit method. Actuarial gains and losses are charged or credited to profit or loss in the period in which they arise.

### Fund Balances

The amount included in fund balances includes accumulated excess of revenues over expenses reduced by funds returned to funding agencies/partners and other adjustments. Funds to be returned to the funding agencies/partners are recognized as a liability and deducted from fund balances in accordance with specific provisions of the contract related to the funds. Fund balances may also include effect of changes in accounting policy as may be required by the transitional provisions of new accounting standards and interpretations.

### Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Organization and the revenue can be measured reliably.



*Grants, Donations, Support and Contributions.* Grants, donations, support and contributions are recognized when the donor conditions are satisfied which generally coincide with the receipt of the grants, donations, support and contributions.

*Mission-Related Social Enterprise Activities.* Activities are recognized when revenues are received for services rendered through the social enterprise activities of CFSI, the first being the Center for Excellence in Humanitarian Service (CEHS) in Cotabato City, Mindanao, Philippines.

*Interest Income.* Interest income is recognized as the interest accrues.

#### Costs and Expenses

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in fund balance. Costs and expenses are recognized in the statement of revenues and expenses in the year these are incurred.

#### Operating Lease

Operating lease payments are recognized as expense in the statement of revenues and expenses on a straight-line basis over the lease term.

#### Foreign Currency-denominated Transactions

Foreign currency-denominated transactions are recorded in Philippine Peso by applying to the foreign currency amount the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the closing exchange rate at the reporting date. Exchange differences arising on the settlement and restatement of monetary items at rates different from those at which they were initially recorded during the year are recognized in the statement of revenues and expenses in the year such difference arises.

#### Provisions

Provisions, if any, are recognized when the Organization has a present obligation (legal or constructive) 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.

#### Contingencies

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

#### Events After the Reporting Period

Post year-end events that provide additional information about the Organization's assets and liabilities at reporting period (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.



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### 3. Significant Accounting Judgments and Estimates

The preparation of the financial statements in accordance with PFRS for SMEs requires the Organization to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future years.

#### Judgments

In the process of applying the Organization's accounting policies, management has made the following judgments, which has the most significant effect on the amounts recognized in the financial statements.

*Determination of Functional Currency.* Based on the economic substance of the underlying circumstances relevant to the Organization, the functional currency of the Organization has been determined to be the Philippine peso. The Philippine peso is the currency of the primary economic environment in which the Organization operates. It is the currency that mainly influences the revenues and expenses.

*Revenue.* The Organization assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Organization has concluded that it is acting as principal in all of its revenue arrangements.

*Operating Lease Commitment - Organization as Lessee.* The Organization has entered into a lease agreement as a lessee (see Note 18). The Organization has determined that it does not retain all the significant risks and rewards of ownership of the property which are leased out in an operating lease agreement.

#### Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Organization based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Organization. Such changes are reflected in the assumptions when they occur.

*Useful Lives of Property and Equipment and Computer Software.* The Organization estimates the useful lives of property and equipment and computer software 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 financial year-end and 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 these assets. In addition, the estimation of the useful lives of these assets are based on the collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by the changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.





The carrying value of property and equipment amounted to ₱10,706,450 and ₱11,740,695 as at December 31, 2013 and 2012, respectively (see Note 6). The carrying value of computer software amounted to ₱158,858 and ₱263,524 as at December 31, 2013 and 2012, respectively (see Note 8).

*Impairment of Property and Equipment and Computer Software.* The Organization's management conducts an impairment review of its property and equipment and computer software when certain impairment indicators are present. This requires the Organization's management to make estimates and assumptions of the future cash flows expected to be generated from the continued use and ultimate disposition of such assets and the appropriate discount rate to determine the recoverable value of the assets. Future events could cause the Organization to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on the Organization's financial condition and results of operations.

Based on the assessment of the Organization, the property and equipment and computer software do not have any indication of impairment as at December 31, 2013 and 2012. The carrying values of property and equipment amounted ₱10,706,450 and ₱11,740,695 as at December 31, 2013 and 2012, respectively (see Note 6). The carrying value of computer software amounted to ₱158,858 and ₱263,524 as at December 31, 2013 and 2012, respectively (see Note 8).

*Retirement Benefits.* The determination of the liability and retirement cost is dependent on the selection of certain assumptions by management. Those assumptions used in the calculation of retirement cost are described in Note 16 to the financial statements. Retirement liability as at December 31, 2013 and 2012 amounted to ₱3,485,638 and ₱2,752,020, respectively (see Note 16).

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#### 4. Cash

Restricted cash includes funds the use of which is restricted to specific purposes bound by contracted agreements. Unrestricted cash includes funds that are not subject to restrictions imposed by the donor.

	2013	2012
<b>Restricted</b>		
<u>Philippine Programme</u>		
UNHCR - Urban Refugee Project	<b>₱838,249</b>	₱864,977
UNHCR - Mindanao Protection Project	<b>3,391,543</b>	1,442,714
UNHCR - Visayas Protection Project	<b>21,563</b>	-
WFP - Food Assistance Project - Maguindanao	<b>112,588</b>	51,025
WFP - Food Assistance Project - Lanao Provinces	<b>1,589,220</b>	117,330
WFP - Food Assistance Project - Eastern Mindanao	<b>54,923</b>	-
WFP - Food Assistance Project - Zamboanga	<b>334,431</b>	-
UNICEF - Child Rights Project 3: Development of School-based Disaster Response, Preparedness and Recovery for Education in Emergencies System in Central Mindanao	<b>24,445</b>	23,249
UNICEF - Child Protection in Emergencies Project	-	5,000

(Forward)



	2013	2012
UNICEF - Child Rights Project 4: Child Protection Systems for Children Affected by Armed Conflict	–	2,094,980
UNICEF - Child Rights Project 2 - Eastern Mindanao: Disaster Risk Reduction in Target Schools	42,086	–
UNICEF - Child Protection in Emergencies Project-Zamboanga	126,812	–
UNICEF - Child Protection in Emergencies Project-Bohol	25,000	–
UN Development Programme - Stop Violence Project	–	1,135,860
World Bank - Mindanao Trust Fund	816,113	9,025,348
AusAID/DFAT - Psychosocial Care Project - Northern Mindanao	–	446,223
AusAID/DFAT - Psychosocial Care Project - Eastern Mindanao	2,954,707	–
AusAID/DFAT - Psychosocial Care Project - Visayas	50,008	–
Private Sector Fund	1,587,826	6,769,988
<u>Myanmar Programme</u>		
UNHCR - Community Social Services and Education Programme	342,097	24,820
<u>Viet Nam Programme</u>		
Atlantic Philanthropies - Social Work Education Project	14,122,895	15,413,861
<u>Headquarters Programme</u>		
Partridge Foundation - Headquarters Fund	3,916,297	3,608,263
Various Donors - Social Work Education Project	207,477	450,323
Retirement Fund (see Note 16)	2,697,382	2,129,222
Emergency Response Fund	9,261,822	113,744
Sustainability Fund	221,103	225,701
Center for Excellence in Humanitarian Service	236,895	422,133
	<b>42,975,482</b>	<b>44,364,761</b>
<b>Unrestricted</b>		
Headquarters Programme	357,312	220,806
Philippine Programme - Private Sector Fund	143,148	328,376
	<b>500,460</b>	<b>549,182</b>
	<b>₱43,475,942</b>	<b>₱44,913,943</b>



## 5. Other Current Assets

	2013	2012
Project advances:		
Bangsamoro Development Agency (BDA)	₱4,616,384	₱576,003
Project operations	1,646,269	2,511,266
Other agencies	911,340	131,140
Employees	31,627	47,590
Due from World Food Programme (WFP)	4,064,770	–
Prepaid expenses	39,056	121,899
	<b>₱11,309,446</b>	<b>₱3,387,898</b>

Project advances to BDA include unliquidated operational funds under the Fourth Program Partnership between CFSI and BDA under the Mindanao Trust Fund, which started on April 26, 2012 and is expected to run until April 25, 2015.

Project advances for operations and activities represent amounts advanced for the field activities of various projects, including the Food Assistance Projects in Mindanao. These project advances were subsequently liquidated in March 2014.

Advances to employees are those used for the project operations and activities released in December 2013. These were liquidated in January 2014.

Due from World Food Programme (WFP) represents expenses incurred in 2013, initially paid from Headquarters and Private Sector Funds. These were subsequently reimbursed by WFP in February 2014.

## 6. Property and Equipment

	2013						Total
	Land	Buildings and Improve- ments	Transpor- tation Equipment	Furniture and Fixtures	Communi- cation Equipment	Office and Other Equipment	
<b>Cost</b>							
Balances at January 1, 2013	₱1,664,091	₱5,831,635	₱1,686,745	₱1,963,662	₱83,752	₱11,114,361	₱22,344,246
Additions	–	–	121,782	30,481	–	1,666,057	1,818,320
Disposals	–	–	–	–	–	–	–
Balances at December 31, 2013	1,664,091	5,831,635	1,808,527	1,994,143	83,752	12,780,418	24,162,566
<b>Accumulated Depreciation</b>							
Balances at January 1, 2013	–	2,572,031	1,182,408	1,069,816	70,664	5,708,632	10,603,551
Depreciation	–	155,532	377,649	333,329	9,063	1,976,992	2,852,565
Disposals	–	–	–	–	–	–	–
Balances at December 31, 2013	–	2,727,563	1,560,057	1,403,145	79,727	7,685,623	13,456,116
<b>Net Book Value</b>	<b>₱1,664,091</b>	<b>₱3,104,072</b>	<b>₱248,470</b>	<b>₱590,998</b>	<b>₱4,025</b>	<b>₱5,094,794</b>	<b>₱10,706,450</b>

There were substantial additions in 2013 of computers, printers and other office equipment purchased through various project funds. Two motorcycles were purchased under the Basic Education Project.



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**7. Refundable Deposits**

As required in lease agreements, CFSI makes deposits and advance rentals for the use of the office premises in its Headquarters in Metro Manila, the Sub-Offices in Iligan City and in Davao City, and the Field Offices in Zamboanga City, Ormoc City, Tacloban City, Nabunturan in Compostela Valley, and Trento in Agusan del Sur. CFSI was also required to post a deposit for the installation and use of an electric transformer and meter for the Center for Excellence in Humanitarian Service. These deposits will be returned to CFSI after the completion of the leases, and/or return of the transformer.

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**8. Computer Software**

Computer software was purchased in 2013 and 2012, which includes desktop applications (word processing, spreadsheets, browsing, etc.), additional user licenses for the accounting software and remote data storage and backup.

	2013	2012
Cost:		
Balance at beginning of year	₱868,257	₱789,157
Additions	26,530	79,100
Balance at end of year	894,787	868,257
Accumulated amortization:		
Balance at beginning of year	604,733	361,404
Amortization	131,196	243,329
Balance at end of year	735,929	604,733
Net book value	₱158,858	₱263,524

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**9. Accounts Payable and Accrued Expenses**

	2013	2012
Accrued expenses	₱5,284,304	₱3,172,230
Accounts payable	3,364,506	4,336,145
Statutory payable	193,270	389,137
	₱8,842,080	₱7,897,512

Accounts payable and accrued expenses were recorded in 2013 for transactions with various suppliers and contractors of several projects, and balance of grants to be returned to UNHCR Philippines. In 2013, these included suppliers with the Food Assistance Projects in Mindanao, and with the Basic Education Project for the establishment of preschools and elementary schools. Payments to these suppliers and contractors were made in January and February 2014.



Also included as Accounts Payable is the amount due for return to UNHCR Philippines of ₱2,039,002 as unused balance of the grants in 2013. For the Urban Refugee Project (URP), the funds originally allocated for the estimated number of arrivals for the last quarter of 2013 will be returned. For the Mindanao Protection Project (MPP), some training activities to be conducted in November 2013 did not push through due to priorities for the emergency in the Visayas. The unused budget will be returned. For the Visayas Protection Project (VPP), the unused portion of the budget for the emergency will be returned as well.

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#### 10. Bank Loans

On June 23, 2010, bank loan was used for the acquisition of a transportation equipment amounting to ₱179,400. It is payable in 36 equal monthly installments of ₱5,802 with an annual interest rate of 10.78% starting July 27, 2010 until June 27, 2013. The outstanding bank loan in 2012 was fully paid in 2013.

Interest expense recognized in the statement of revenues and expenses amounted to ₱4,912 and ₱47,039 in 2013 and 2012, respectively.

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#### 11. Related Party Transactions

Salaries and employee benefits of the members of the Senior Management Team based at the Headquarters of the Organization were ₱3,824,310 and ₱3,211,000 for the years ended December 31, 2013 and 2012. In July 2013, the Senior Management Team expanded with the addition of a new Director.

Salaries and employee benefits of the other staff were ₱35,965,380 and ₱34,116,715 for the years ended December 31, 2013 and 2012, respectively.

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#### 12. Fund Balances

The fund balance is the accumulated difference of revenues and expenses as follows:

	2013	2012
Philippine Programme:		
Philippine UNHCR Fund:		
Urban Refugee Project	₱347,470	₱440,530
Visayas Protection Project	14,658	-
Mindanao Protection Project	-	360,499
World Food Programme Fund (WFP) - Mindanao:		
Maguindanao	(1,253,528)	(833,819)
Lanao Provinces	(1,348,415)	(590,244)
Eastern Mindanao Provinces	(2,497,526)	(633,591)
Zamboanga	274,471	-
UNICEF - Child Rights Project 3: Development of School-based Disaster Response, Preparedness and Recovery for Education in Emergencies System in Central Mindanao	580,999	692,361

(Forward)



	2013	2012
UNICEF - Child Rights Project 4: Child Protection Systems for Children Affected by Armed Conflict	<b>₱411,041</b>	(₱1,663,409)
UNICEF - Child Rights Project in Eastern Mindanao	<b>309,437</b>	(49,106)
UNICEF - Child Rights Project 2 in Eastern Mindanao: Strengthening Disaster Risk Reduction in Target Schools	<b>5,979</b>	-
UNICEF - Child Protection in Emergencies Project:		
Northern Mindanao	<b>206,458</b>	206,458
Zamboanga	<b>480,834</b>	-
Bohol	<b>(462,676)</b>	-
UN Development Programme - Stop Violence Project	-	157,225
World Bank - Mindanao Trust Fund	<b>4,145,314</b>	8,606,703
AusAID/DFAT - Psychosocial Care Project:		
Northern Mindanao	<b>578,395</b>	1,001,141
Eastern Mindanao	<b>3,808,791</b>	-
Visayas	<b>(93,161)</b>	-
Private Sector Fund	<b>(1,915,154)</b>	1,687,193
Myanmar Programme - Myanmar UNHCR Fund	<b>1,631,689</b>	2,253,844
Viet Nam Programme - Atlantic Philanthropies - Social Work Education Project	<b>14,563,219</b>	15,972,165
Headquarters Programme:		
Headquarters Fund:		
Headquarters	<b>11,647,686</b>	12,439,582
Social Work Education Project	<b>(177,187)</b>	(333,650)
Civil Society Development Project	<b>184,534</b>	203,281
Retirement Fund	<b>5,707,974</b>	4,283,360
Emergency Response Fund	<b>11,115,546</b>	332,792
Sustainability Fund:		
Center for Excellence in Humanitarian Service	<b>4,783,731</b>	4,904,321
Sustainability	<b>1,109,782</b>	1,062,114
	<b>₱54,160,361</b>	₱50,499,750

The deficits in the fund balance for projects with WFP and UNICEF represent expenses at the end of 2013, with the reimbursements of ₱4,537,446 received by CFSI in the first quarter of 2014.



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### 13. Project Expenses

#### Direct Project Expenses

Direct project expenses refer to the costs of projects carried out by CFSI in accordance with its mission: protecting and promoting the human security of uprooted people and the agreements between CFSI and the respective donor partners. The beneficiaries are populations and organizations served by CFSI. Expenses under this category which are usually restricted by the respective project agreements are directly correlated with the corresponding grants obtained by CFSI for its services and activities.

Community services benefited refugees in various parts of the Philippines; conflict-affected communities in Mindanao; disaster survivors in Luzon; out-of-school children and youth in Pasay City; returnees and local residents in Northern Rakhine State, Myanmar. In addition, community groups, organizations, and institutions benefit from capacity-building activities carried out by CFSI.

Community service and capacity building expenses amounted to ₱62,331,721 and ₱61,366,107 in 2013 and 2012, respectively.

#### Management, Supervision and Support Expenses

Management, supervision and support expenses represent costs related to the overall supervision, monitoring and evaluation of specific projects which are directly associated with the grants received during the period.

#### Counterpart Expenses

Counterpart expenses refer to the complementary contributions from, or mobilized by CFSI for specific initiatives, often, but not always, as a condition for accessing funds from funding agencies/partners for broader effort.

#### Development Expenses

Development expenses refer to costs associated with advancing the CFSI agenda and generating new service opportunities for CFSI including marketing, networking, assessment, planning, proposal preparation, negotiations, public information, and advocacy.

Some of these costs are expected to be recovered through management fees, reimbursements, and small grants.

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### 14. Country Programme Support Expenses

Country Programme Support Expenses refer to subsidies provided by the Headquarters Fund to programmes in the countries in which CFSI operates, primarily but not exclusively the Philippines. Country programmes usually include a variety of projects and/or operations carried out over a long period of time for which additional support is required. The funds for these subsidies come from restricted grants secured by Headquarters in support of country programmes, operational support from contracts entered into by CFSI and unrestricted contributions to CFSI from the private sector.

Country programme support expenses for the years ended December 31, 2013 and 2012 amounted to ₱1,876,925 and ₱2,937,474, respectively.



## 15. General and Administrative Expenses

General and administrative expenses refer to costs incurred for the operations of CFSI Headquarters in Metro Manila, Philippines.

This account consists of:

	2013	2012
Salaries, employee welfare and benefits (see Note 11)	<b>₱1,106,959</b>	₱1,038,412
Retirement expense (see Note 16)	<b>894,952</b>	1,026,799
Rent and utilities (see Note 18)	<b>514,314</b>	462,056
Trainings and workshops	<b>371,135</b>	212,431
Auditors' fee	<b>362,200</b>	771,180
Communication	<b>330,619</b>	246,610
Transportation and travel	<b>280,632</b>	349,824
Materials and office supplies	<b>263,982</b>	390,147
Board and committee meetings	<b>109,293</b>	81,629
Taxes and licenses	<b>72,152</b>	39,579
Repairs and maintenance	<b>41,809</b>	36,485
Insurance	<b>33,696</b>	14,104
Professional, technical and other fees	<b>21,245</b>	61,146
Networking and advocacy	<b>17,245</b>	32,969
	<b>₱4,420,233</b>	₱4,763,371

Auditors' fee in 2012 includes fees for the audit of 2012 and 2011. Auditors' fee in 2013 represents accrued audit fee for 2013.

## 16. Retirement Benefits

The Organization has an unfunded, noncontributory, defined benefit retirement plan covering all qualified employees. The latest actuarial valuation was done as at December 31, 2013.

The following tables summarize the components of net retirement benefits expense recognized in the statement of revenues and expenses and retirement liability recognized in the statement of assets, liabilities and fund balances:

	2013	2012
Retirement expense:		
Current service cost	<b>₱362,878</b>	₱213,778
Interest cost on benefit obligation	<b>173,377</b>	115,590
Past service cost	<b>487,837</b>	34,615
Net actuarial loss (gain) recognized during the year	<b>(129,140)</b>	662,816
	<b>₱894,952</b>	₱1,026,799





Movements in the retirement liability are as follows:

	<b>2013</b>	2012
Balance at beginning of year	<b>₱2,752,020</b>	₱1,725,221
Retirement expense	<b>894,952</b>	1,026,799
Benefits paid directly by the Organization	<b>(161,334)</b>	-
Balance at end of year	<b>₱3,485,638</b>	₱2,752,020

The principal assumptions used in determining retirement liability are as follows:

	<b>2013</b>	2012
Discount rate	<b>6.0%</b>	6.3%
Salary increase rate	<b>5.0%</b>	5.0%

In preparation for the formal establishment of the Retirement Benefit Plan, the Organization has maintained a fund to cover its retirement liabilities in a restricted bank account and in short-term placements with balances of ₱2,697,382 and ₱2,129,222 as at December 31, 2013 and 2012, respectively (see Note 4).

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## 17. Contributed Services

A variety of individuals, communities, organizations/corporations, networks, universities, and governments made significant contributions in-kind to support and complement the efforts of CFSI. These include services, facilities, equipment, materials and supplies. Management estimated the total value of these contributions, which were not reflected in the financial statements, to be ₱14.9 million and ₱9.3 million in 2013 and 2012, respectively. Some of the major contributed services follow.

- a. CFSI Board and Staff - The Members of the Board of Trustees (BOT) and Staff, plus many Volunteers, made contributions of time, services, and personal resources far above and beyond reasonable expectations. The BOT paid directly the cost of certain activities and meetings as well as both the domestic and international airfare costs between their residences and CFSI field sites. Staff Members covered certain field-related expenses out of their own funds and contributed many hours of overtime without expectation of additional compensation. Volunteers, including professionals from various parts of the world, provided their services at no cost, but great benefit to CFSI. For example, a long-time friend of CFSI, based in Vancouver, Canada, re-developed the CFSI website at no cost to the Organization.
- b. Communities - The organizing and mobilization efforts of CFSI resulted in voluntary contributions of services, facilities, and other valuable resources by communities affected by persecution, violence, armed conflict, disaster, and other exceptionally difficult circumstances. For example, in Mindanao, Philippines, the assistance provided by hundreds of Community Volunteers made it possible for CFSI to provide food and other relief goods, in a timely manner, to large numbers of people in need of protection and humanitarian assistance. Communities participating in various projects contributed manual labor for debris removal as well as agriculture, infrastructure, and shelter initiatives in the Cash for Work Project; the construction of "Child Friendly Spaces" and "Transitional Learning Structures" in the Child Rights Project; and health education in the Healthy Start Project. In the Bohol, parent-teacher associations and parishes provided the free use of equipment and prepared snacks during community assemblies and meetings. In support of the Park Avenue Initiative in Pasay City,



youth volunteers helped carry out surveys, provided tutorial services, reached out to other youth through home visits, and helped organize, as well as run, sports fests. Parents, particularly mothers, also helped in organizing and carrying out project-related activities.

The production of CFSI Family Support Kits (FSKs) relied heavily on volunteers. In Davao City, university students and other volunteers helped in the packing of FSKs for the survivors of the Typhoon Bopha (Pablo) disaster that hit Eastern Mindanao in December 2012. Members of the Park Avenue community in Pasay City prepared FSKs for families affected by flooding in Luzon in August 2012. In Zamboanga City, students and staff of an academic institution, helped facilitate the purchase and distribution of sleeping/sitting mats for the families affected by the conflict in September 2013.

Community contributions were not limited to the Philippines. In Myanmar, local land owners made space available for structures that benefitted the entire community. Many Community Volunteers helped build these structures and/or provided other services at no cost to CFSI. For example, mothers voluntarily worked together to prepare food for children in the Early Childhood Development Programme.

- c. Organizations/Corporations - The Consuelo Foundation provided technical assistance to CFSI with the aims of strengthening CFSI's prospects for long-term sustainability and/or more effectively/efficiently serving crisis-affected populations. For example, Sales Force provided software and web-based services for resource mobilization and donor nurturing efforts, whilst Google, Inc. hosts CFSI's email and other web-based platforms on Google Apps for Business. The World Bank helped build CFSI's technical capacities, as did UNHCR, UNICEF, WFP, OCHA, and several other organizations, including BRAC, International Medical Corps, and Mercy Malaysia. Several corporate foundations provided disaster relief assistance in Mindanao, in collaboration with CFSI, including, but not limited to: Zuellig Foundation, Philippine Airlines Foundation, and the Coca Cola Foundation. In addition, Philippine Airlines waived or heavily discounted cargo expenses related to CFSI's response to disasters in Mindanao. Balesin Aviation Group, a light aircraft carrier, provided free flights for staff during the emergency in Eastern Visayas. Partner organizations in Viet Nam provided facilities and services, as did UNHCR in Myanmar.
- d. Networks - CFSI participates in a variety of international, regional, national, and local networks with the aims of advancing the CFSI agenda, enhancing internal capacities, achieving greater impact, and generating new service opportunities. CFSI invests some of its own limited funds in these activities in accordance with its roles and responsibilities in the humanitarian arena. In addition, significant in-kind support is provided by partners of CFSI, such as airfare and accommodation for participation in meetings and conferences in various parts of the world. This invaluable assistance enables CFSI to have a voice in many important gatherings, processes, and events. Primary network partners for 2013 and 2012 included:
  - International Council of Voluntary Agencies (ICVA)
  - Humanitarian Accountability Partnership (HAP)
  - Asia Pacific Refugee Rights Network (APRRN)
  - Asian Disaster Reduction and Response Network (ADRRN)
  - Association of Foundations in the Philippines (AF)



- e. Academic Institutions - CFSI has entered into cooperation with various universities and colleges in the Philippines and abroad during the 32-year history of the Organization. The aims include helping CFSI remain a learning organization, creating opportunities for CFSI to contribute to the knowledge base, providing internships at CFSI, mobilizing additional resources, and generating new service opportunities. Some academic institutions play even larger roles. For example, faculty members of the Catholic University of America provided their training services for the Social Work Education Project (SWEP) over a six-year period ending in 2012, as well as other forms of support. In addition, CFSI benefited from the services of interns and volunteers from many of these academic institutions during 2013 and 2012 including, but not limited to, the following:

*Philippines*

- Asian Social Institute
- Philippine Women's University
- Universidad de Manila
- Cotabato City State Polytechnic College
- Mindanao State University - Marawi City
- Mindanao State University - Maguindanao
- Mindanao State University - Iligan Institute of Technology
- Western Mindanao State University - Zamboanga City
- Southern Christian College - North Cotabato

*Australia*

- La Trobe University
- Monash University

*Ireland*

- National University of Ireland

*France*

- Institut Catholique de Paris

*Japan*

- Chuo University

*USA*

- Catholic University of America

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## 18. Lease Commitment

The Organization has existing operating lease agreements for its office spaces. These leases are renewed on an annual basis. Rental expenses amounted to ₱2,983,657 and ₱2,739,034 in 2013 and 2012, respectively. This includes rent for offices in its Headquarters in Metro Manila (see Note 15), the Sub-Offices in Iligan City and Davao City, and the Field Offices in Nabunturan in Compostela Valley and Trento in Agusan del Sur. Lease agreements were also negotiated for new offices established in 2013 in Zamboanga City, Ormoc City and Tacloban City.



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## 19. Subsequent events

### Philippine Programme

- In January 2014, CFSI and the Australian Government's Department of Foreign Affairs and Trade (DFAT) decided to provide psychosocial support for people who remain in evacuation centers and/or being relocated as a result of the September 2013 crisis/armed conflict in Zamboanga City. The PCP in Zamboanga City also provides training of local caregivers and assistance for early recovery projects, child protection and enhancing the well-being of children survivors. To date, a total of 70 community volunteers have been trained for psychosocial sessions in child friendly spaces and about 849 community members are currently engaged in planning of alternative livelihoods. Funds were received in January 2014, with the project expected to be completed in June 2014.
- Consuelo Foundation and Plan International agreed with CFSI in January 2014 to provide funds to CFSI to for the Psychosocial Support for Children Affected by Typhoon Haiyan (Yolanda) in twenty three barangays in Eastern Samar. Activities include: (1) the establishment of child friendly spaces; (2) strengthening of local awareness and capacity on child protection, with special focus on providing psychosocial support; (3) organizing of Community-based Child Protection Networks (CBCPN) and (4) cash-for-work. These projects started in February and will be completed in July 2014.
- Building on the findings of the research conducted in 2012, Consuelo Foundation agreed to fund the project "Park Avenue Initiative-Reproductive Health 2014". This mainly focuses on Adolescent Sexuality and Reproductive Health Education. The project envisages a decrease of at least 30% in the number of youth who are engaging in risky sexual behavior in the four target barangays in Pasay City. This project also aims to increase and improve Reproductive Health services offered in the community by strengthening linkages between and among RH service providers and creating a youth friendly environment to be adopted by the health centers. The project is from January to December 2014.
- Project agreements with UNHCR to continue CFSI's work through 2014 were finalized during the first quarter of 2014 for the following: URP, MPP, and VPP.

### Myanmar Programme

- The project agreement with UNHCR to continue the CSSEP through December 2014 was signed in February 2014.



The table below summarizes the project agreements negotiated in late 2013 and early 2014, and covers activities in 2014. Project funds are expected to be received in 2014.

	<b>Term of Grants/ Commitments</b>	<b>Amount of Grants/ Commitments</b>
<b>PHILIPPINE PROGRAMME</b>		
<b>UN High Commissioner for Refugees</b>		
Nationwide - Urban Refugee Project	January 2014 - March 2014*	₱2,571,881
Mindanao Protection Project	January 2014 - March 2014*	₱413,710
Visayas Protection Project	January 2014 - October 2014	₱27,774,500
<b>Australian Agency for International Development (AusAID)/Department of Foreign Affairs and Trade (DFAT)</b>		
Mindanao - Psychosocial Care Project in Zamboanga	January 2014 - June 2014	₱5,898,987
<b>Private Sector Fund</b>		
Visayas - Consuelo Foundation - Child Rights Project	February 2014 - July 2014	₱2,317,592
Visayas - Plan International - Child Rights Project	February 2014 - July 2014	₱12,558,665
Metro Manila - Consuelo Foundation - Park Avenue Initiative	January 2014 - December 2014	₱1,040,000
<b>MYANMAR PROGRAMME</b>		
<b>UN High Commissioner for Refugees</b>		
Community Social Services and Education Project	January 2014 - December 2014	\$318,841 (or ₱14,006,685)
<b>Total in Peso</b>		<b>₱66,582,020</b>

\*Agreement to continue work through December 2014 is expected to be signed.



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## 20. Supplementary Information Required under Revenue Regulations (RR) 15-2010

On December 28, 2010, RR No. 15-2010 became effective and amended certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns. Section 2 of RR No. 21-2002 was further amended to include in the Notes to Financial Statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by PFRS for SMEs.

The Organization reported and/or paid the following types of taxes in 2013:

(a) Value-added Tax (VAT)

The Organization is a non-VAT registered entity not engaged in the sale of goods or services. All of its revenues are coming from grants, donations, support and contributions which were not charged with output VAT. The input tax incurred in all of its costs and expenses were charged to profit or loss.

(b) Other Taxes and Licenses

All other taxes, local and national, including real estate taxes, license and permit fees lodged under the "Taxes and licenses" account under the "General and administrative expenses" account in the statement of revenues and expenses includes the following for the year ended December 31, 2013:

Local:

Mayor's permit	₱21,646
Real estate taxes	1,448
Community tax certificate	1,790

National:

Land Transportation Office registration	46,268
BIR annual registration	1,000
	<hr/>
	₱72,152

(c) The amount of withholding taxes paid for the year ended December 31, 2013 amounted to:

Tax on compensation and benefits	₱2,664,614
Creditable withholding taxes	417,478
Final withholding tax	60,281

(d) The Organization has no final tax assessments and cases pending before the BIR as at December 31, 2013. Likewise, the Organization has no other pending tax cases outside the administration of the BIR as at December 31, 2013.

