

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

Financial Statements
December 31, 2017 and 2016

and

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Community and Family Services International

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Community and Family Services International [the Organization] (a nonstock, nonprofit organization), which comprise the statements of assets, liabilities, and fund balances as at December 31, 2017 and 2016, and the statements of revenues and expenses, statements of changes in fund balances and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the assets, liabilities and fund balances of the Organization as at December 31, 2017 and 2016 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 (PFRS for SMEs) applied on the bases as described in Note 2 to the financial statements.

Basis for Opinion

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

Emphasis of Matter - Basis of Accounting

As discussed in Notes 1 and 2 to the financial statements, in late 2017, the Organization realized that it had not amended, in a timely manner, the term of its existence in its Articles of Incorporation. Consequently, the Organization was re-registered with the Philippine Securities and Exchange Commission, receiving on February 5, 2018 its new registration number CN20180059. As a result, the accompanying financial statements are prepared using the realizable (settlement) value basis of accounting from going concern basis of accounting. The change in the basis of accounting has no significant impact on the financial statements.



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS for SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on the Supplementary Information Required Under Revenue Regulations 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 statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Sherwin V. Yason
Partner

CPA Certificate No. 104921

SEC Accreditation No. 1514-A (Group A),

October 6, 2015, valid until October 5, 2018

Tax Identification No. 217-740-478

BIR Accreditation No. 08-001998-112-2018,

February 14, 2018, valid until February 13, 2021

PTR No. 6621349, January 9, 2018, Makati City

April 11, 2018



COMMUNITY AND FAMILY SERVICES INTERNATIONAL
(A Nonstock, Nonprofit Organization)
STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCES

	December 31	
	2017	2016
ASSETS		
Current Assets		
Cash (Note 4)		
Restricted	₱115,348,203	₱149,614,145
Unrestricted	3,657,176	7,987,477
Total Cash	119,005,379	157,601,622
Other current assets (Note 5)	2,222,910	2,591,582
Total Current Assets	121,228,289	160,193,204
Noncurrent Assets		
Property and equipment (Note 6)	6,269,341	7,189,304
Deposits (Notes 1 and 7)	15,394,738	729,882
Computer software (Note 8)	51,711	79,458
Total Noncurrent Assets	21,715,790	7,998,644
	₱142,944,079	₱168,191,848
LIABILITIES AND FUND BALANCES		
Current Liabilities		
Accounts payable and accrued expenses (Note 9)	₱11,877,303	₱12,528,303
Deferred revenue (Note 10)	–	4,334,440
Total Current Liabilities	11,877,303	16,862,743
Noncurrent Liability		
Retirement liability (Note 16)	8,019,787	6,889,285
Total Liabilities	19,897,090	23,752,028
Fund Balances (Notes 1 and 12)	123,046,989	144,439,820
	₱142,944,079	₱168,191,848

See accompanying Notes to Financial Statements.



COMMUNITY AND FAMILY SERVICES INTERNATIONAL
(A Nonstock, Nonprofit Organization)

STATEMENTS OF REVENUES AND EXPENSES

	Years Ended December 31	
	2017	2016
REVENUES		
Grants, donations, support and contributions (Notes 1 and 10)	₱252,733,812	₱261,468,024
Mission-related social enterprise activities	1,148,467	1,973,685
Interest income	610,030	875,156
	254,492,309	264,316,865
PROJECT EXPENSES (Note 13)		
Direct:		
Community service and capacity building expenses (Note 13)	166,717,463	165,559,587
Compensation and benefits:		
Salaries, employees' welfare and benefits (Note 11)	42,857,210	35,736,870
Provision for retirement benefits (Note 13)	1,930,331	435,260
Trainings and workshops for crisis-affected populations	10,966,254	10,581,303
Field transportation and travel	9,458,029	9,883,251
Rent and utilities (Note 18)	3,725,982	3,747,925
Emergency response vehicle rental	2,703,553	1,063,314
Materials and office supplies	2,585,432	1,545,199
Professional, technical and other consultancy fees	1,642,495	2,747,412
Field allowances for community volunteers	1,569,370	1,016,792
Communication	1,185,703	1,109,877
Operations and maintenance of Center for Excellence in Humanitarian Service	785,188	935,187
Repairs and maintenance	689,146	720,773
Insurance premiums	49,336	46,297
Management, supervision and support expenses	8,618,019	15,943,574
Development expenses	7,446,787	7,643,570
Counterpart expenses	2,537,231	2,099,329
	265,467,529	260,815,520
COUNTRY PROGRAMME SUPPORT EXPENSES (Note 14)	1,474,678	884,790
GENERAL AND ADMINISTRATIVE EXPENSES (Note 15)	5,358,386	6,012,616
OTHER EXPENSES		
Bank charges	140,418	65,194
Other charges	54,405	2,868
	194,823	68,062
	272,495,416	267,780,988
DEFICIENCY OF REVENUES OVER EXPENSES BEFORE NON-CASH EXPENSES		
	(18,003,107)	(3,464,123)
OTHER NON-CASH EXPENSES		
Depreciation and amortization (Notes 6 and 8)	1,291,492	2,000,012
Retirement expense (Note 16)	1,130,502	2,574,951
Foreign exchange loss (gain) - net	967,730	(3,050,028)
	3,389,724	1,524,935
DEFICIENCY OF REVENUES OVER EXPENSES	(₱21,392,831)	(₱4,989,058)

See accompanying Notes to Financial Statements.



COMMUNITY AND FAMILY SERVICES INTERNATIONAL
(A Nonstock, Nonprofit Organization)

STATEMENTS OF CHANGES IN FUND BALANCES

	Years Ended December 31	
	2017	2016
Balance at beginning of year	₱144,439,820	₱149,428,878
Deficiency of revenues over expenses	(21,392,831)	(4,989,058)
Balance at end of year (Note 12)	₱123,046,989	₱144,439,820

See accompanying Notes to Financial Statements.



COMMUNITY AND FAMILY SERVICES INTERNATIONAL
(A Nonstock, Nonprofit Organization)

STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficiency of revenues over expenses	(₱21,392,831)	(₱4,989,058)
Adjustments for:		
Depreciation and amortization (Notes 6 and 8)	1,291,492	2,000,012
Retirement expense (Note 16)	1,130,502	2,574,951
Interest income	(610,030)	(875,156)
Donation in kind	–	(355,000)
Operating loss before working capital changes	(19,580,867)	(1,644,251)
Decrease in other current assets (Note 5)	360,441	17,057,054
Increase (decrease) in:		
Accounts payable and accrued expenses (Note 9)	(651,000)	3,615,490
Deferred revenue (Note 10)	(4,334,440)	4,334,440
Cash generated from (used for) operations	(24,205,866)	23,362,733
Interest received	618,261	875,156
Net cash provided by (used in) operating activities	(23,587,605)	24,237,889
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment (Note 6)	(324,137)	(418,515)
Computer software (Note 8)	(19,645)	(35,500)
Decrease (increase) in deposits	(14,664,856)	112,500
Net cash used in investing activities	(15,008,638)	(341,515)
NET INCREASE (DECREASE) IN CASH	(38,596,243)	23,896,374
CASH AT BEGINNING OF YEAR (Note 4)	157,601,622	133,705,248
CASH AT END OF YEAR (Note 4)	₱119,005,379	₱157,601,622

See accompanying Notes to Financial Statements.



COMMUNITY AND FAMILY SERVICES INTERNATIONAL
(A Nonstock, Nonprofit Organization)

NOTES TO FINANCIAL STATEMENTS

1. General Information

Organization Information

Community and Family Services International (CFSI) is a nonstock, nonprofit, humanitarian organization, committed to peace and social development, with a particular interest in the psychosocial dimension. Established in the Philippines in 1981, CFSI was incorporated in 1982 with Philippine Securities and Exchange Commission (SEC) registered number 105084.

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 and has been sustained.

In 2014, CFSI was certified at the highest level, for the third consecutive time, by the Philippine Council for NGO Certification (PCNC). The validity period is five years, until February 5, 2019. PCNC endorsed CFSI to the Philippine Government’s Bureau of Internal Revenue (BIR), recommending CFSI be granted “Donee Institution” status in accordance with the provisions of Revenue Regulations No. 13-98 and Executive Order No. 720. CFSI’s Certificate of Registration with the BIR as a “Donee Institution” is valid until February 11, 2019.

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 United Nations (UN) agencies, the World Bank, governments, and the private sector.

In late 2017, CFSI realized it had not amended in a timely manner, the term of its existence in its Articles of Incorporation. To ensure the continued existence of CFSI, the BOT approved the re-registration of CFSI with the SEC with the same primary purpose and corporate name, with the addition of two trade names and a corporate lifespan of fifty (50) years.

CFSI filed its annual General Information Sheet with the SEC on December 14, 2017. On December 20, 2017, the SEC approved the use of the same corporate name and the two trade names. On February 5, 2018, the SEC released the new Certificate of Registration, number CN20180059.

On February 15, 2018, the BOT elected the same members as well as officers who held their respective positions as of late 2017 and ratified all previously approved policies, appointments, commitments, and liabilities.



On February 28, 2018, the BIR confirmed the Taxpayer Identification Number (TIN) of CFSI remains the same. The banks in which CFSI funds are deposited subsequently confirmed no change in bank account names, numbers, and/or signatories was required. The ownership of all other assets remain with CFSI.

The registered office address of CFSI is 2nd Floor Torres Building, 2442 Park Avenue, Pasay City. The new home of CFSI Headquarters—8th Floor Gam Building, 212 EDSA Extension, Barangay 79, Pasay City—is the registered address for Certificate of Registration number CN20180059, dated February 5, 2018.

Programme Funds of CFSI

In order to effectively carry out CFSI's mission, CFSI established the following programme funds: (1) Philippine Programme, (2) Myanmar Programme, (3) Viet Nam Programme, and (4) Headquarters Programme.

Details of these programs are discussed as follows:

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 strengthening. The primary sources of these funds are United Nations agencies; multilateral development banks such as the World Bank; Governments, usually through their development agencies; and the private sector.

United Nations Agencies

A. Funds from United Nations 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 United Nations High Commissioner for Refugees (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.

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 34 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 at least through December 31, 2018. 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 of arrival in the Philippines 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 of the URP began in 2009 and is expanding. At present, it is expected to continue at least through December 31, 2018.

B. Funds from United Nations 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 130,000 people.

On May 23, 2017, armed conflict erupted in Marawi City between the Armed Forces of the Philippines (AFP) and the “Maute Group”, which is reportedly inspired by Islamic State of Iraq and Syria (ISIS). By July 2017, approximately 400,000 residents of Marawi City and nearby municipalities had been displaced.

CFSI began its response to humanitarian emergencies in Mindanao in mid-2000 and has committed to remain engaged in Mindanao through at least December 2024, and probably much longer. Generally, the situation in the conflict-affected areas has improved as a result of the peace talks between the Government and armed non-state actors. However, the Marawi crisis, violent extremism, and sporadic displacement owing to conflict and clan violence remain causes for concern in Mindanao.

In addition, CFSI has responded and will continue to respond to large-scale, displacement in various parts of Mindanao Central, Northern, Western and Eastern owing to natural or man-made disaster.

1. Mindanao United Nations Children’s Fund (UNICEF) - Child Rights Project CRP9: Strengthening Capacities of Local Councils for the Protection of Children (LCPCs) and Essential Health Care Program of the Department of Education (DepED). This project builds the rights-based child protection system in priority areas in Central Mindanao and helps improve health and dignity of school children in three schools in Cotabato City through Water, Sanitation, and Hygiene (WASH) interventions. The first year of the project started in October 2015 and was completed in October 2016.

Mindanao UNICEF - Psychosocial Support in Emergencies Project (PSEP) aimed to address the psychosocial and developmental needs of children affected by the conflict in Marawi City—those who were staying in evacuation centers and were temporarily “house-based”, meaning accommodated by relatives and friends, many of whom were ill-equipped for such responsibility. The approach of the project was to strengthen local capacities to provide psychosocial support and educational interventions for the affected children. The project started in June 2017 and was completed in October of the same year. The second phase of the project was approved for implementation in March 2018.

Mindanao UNICEF - WASH in Schools (WINS) Project was piloted by CFSI in three elementary schools in Cotabato City as part of a component activity of the partnership of CFSI, UNICEF and the Mindanao Child Protection Network that focuses on strengthening child protection systems in priority areas in Mindanao. The focus was implementing DepED Order no. 10, particularly the Three Star Approach for WINS, which is designed to improve the effectiveness of hygiene behavior change programmes. The project started in July 2017 and is expected to be completed in June 2018.



Mindanao UNICEF - Fresh Start Project (FSP). The main objective of the FSP is to contribute to the prevention of (re) association of disengaged and at-risk children with armed groups through equitable access to existing social services and child protection support. The outputs of the project are: (1) the development of capacities among Local Government Unit (LGU) social workers and Moro Islamic Liberation Front (MILF) para-social workers from the Social Welfare Committee of the MILF to undertake/support family-based case management, referral, psychosocial support services and parenting support interventions; (2) the improvement of the life skills of disengaged/at-risk children, parental skills of caregivers, as well as their access to existing social welfare programmes, child protection support, birth registration, education, vocational training, health and other services through family-based case management; and (3) regular generation of information on the status and progress of the case management of disengaged/at-risk children and their parent/caregivers. The project started in October 2017 and is expected to run through at least December 2018.

2. 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 eight municipalities in the provinces of Maguindanao, Lanao del Sur, Lanao del Norte, Basilan and Sulu from January 2017 through December 2017. This includes the implementation of quick impact projects (QIPs) and protection monitoring trainings.

The MPP builds on the earlier work of CFSI with IDPs and returnees in Central and Northern Mindanao that started in 2014, and people in 12 municipalities in the provinces of Maguindanao, North Cotabato, Lanao del Norte and Lanao del Sur beginning in 2016.

Between January 2017 and June 2017, 43 incidents of displacement were recorded by CFSI in just these five provinces. These displacements were short term with IDPs returning after a few days or weeks of staying in evacuation centers. The massive displacement due to the armed conflict in Marawi City in May 2017 affected the normal way of life of host communities. The MPP was expanded between August 2017 and December 2017 to cover this population.

The intervention in these areas is expected to continue through at least December 2018.

Mindanao UNHCR Fund - Sama Badjao Protection Project (SBPP) aimed at understanding the situation, including the needs and gaps to protect the Sama Badjaos from being at risk of statelessness, as well as provide recommendations that are realistic and culturally sensitive for programming of social services and developments that will respect their rights. The project was implemented from August 2017 to December 2017.

3. Mindanao UN Population Fund (UNFPA) - Reproductive Health Support in Emergencies (RHSE) Project was intended, in response to the Marawi crisis, to provide access to life-saving reproductive health information and series to pregnant and lactating women, adolescent girls and boys, including mechanisms for general health promotion in light of the health risks posed to vulnerable populations in congested evacuation centers and communities hosting IDPs. The project was conducted in close collaboration with the Department of Health and members of the Reproductive Health Working Groups vis-à-vis the Health Cluster from August 2017 to November 2017.



C. Funds from United Nations Agencies for Projects in Metro Manila

1. Metro Manila UNICEF - ASRH Project. Since 2002, 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.

In 2012, CFSI undertook research on the reproductive health (RH) practices of young people in four barangays. 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. Findings and recommendations from the research led to two partners agreeing to fund RH services in the Park Avenue area.

In July 2017, CFSI and UNICEF entered into the ASRH project to enhance and improve knowledge, access and availability of services for youth and young adults in 10 barangays in Pasay City. The project aspires to: (1) promote the Convention on the Rights of the Child, Convention on the Elimination of All Forms of Discrimination Against Women, and the Responsible Parenthood and Reproductive Health Act of 2012; (2) prevent and/or reduce incidents of gender-based violence and violence against women, sexually transmitted infections and Human Immunodeficiency Virus (HIV) infections, and teenage pregnancies; (3) address psychosocial issues of young key population (YKP); and (4) provide to YKPs referrals and access to services and programmes. The project is expected to be completed in June 2018.

Multilateral Development Banks

A. 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 TFR include financial management, supporting programme management, providing capacity building services as well as operational support, and generally facilitating the implementation of approved sub-projects.

In September 2013, CFSI and the World Bank signed another programme 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 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



are from the Fourth Grant Agreement. The agreement was originally expected to run through August 2014, but the implementation period was subsequently extended until November 2015. The financial reporting on the Sajahatra was completed in April 2016.

Several grant agreements have been signed between CFSI and the World Bank for the MTF-RDP since 2005. The details of the grant that remained active through May 2017, with the grant amount of US\$10,009,620, follow:

Grant	US\$ Amount	Equivalent In Philippine Peso
Fourth Grant Agreement	\$10,009,620	₱497,678,306
<i>covering the following components:</i>		
<i>MTF Camps Project</i>	<i>3,906,708</i>	<i>194,241,517</i>
<i>Bangsamoro ADVANCE</i>	<i>2,915,672</i>	<i>144,967,212</i>
<i>Community-Driven Reconstruction/ Development</i>	<i>2,001,219</i>	<i>101,981,647</i>
<i>Sajahatra Bangsamoro</i>	<i>932,724</i>	<i>43,893,990</i>
<i>Solidarity</i>	<i>253,297</i>	<i>12,593,940</i>

The Fourth Grant Agreement was increased from \$1,400,000 to \$2,380,000 in 2013, and increased further to \$5,380,000 in June 2014. The implementation period was extended from September 2012 through December 2015. 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, and the Institutionalization Support Agreement (ISA) which aimed to strengthen the institutions that serve as alternative service delivery mechanisms. PPA4 commenced on April 26, 2012 and ran through June 2015, while the ISA ran from July to December 2015.

After the PPA4 and the ISA, an extension period for the MTF-RDP was mutually decided to last through December 2016. For the extension period, the MTF funds will be utilized to support (1) community development and livelihood assistance for the six major camps and vulnerable sectors within the influence areas and the 25 base camps, (2) technical assistance for implementation structures for normalization, and (3) extension for community enterprise development.

In support of the 2012 Framework Agreement on the Bangsamoro and in accordance with the Comprehensive Agreement on Bangsamoro, specifically the confidence-building measures stated in the Annex to Normalization, the six previously acknowledged camps are to undertake activities that will transform surrounding areas into peaceful and productive communities. Implemented from January 2016 to December 2016, CFSI provided technical assistance as the Project Implementation Unit of the MTF-RDP Camps Project, in accordance with the policies and regulations of the World Bank.

Building on the gains of the MTF-RDP, support for community development and livelihood activities was extended to the influence area of the 25 Base Camps of the MILF. As such, BDA and CFSI continued its partnership and formalized new operational arrangements under the Program Partnership Agreement for Bangsamoro Assistance for Development and Community Empowerment (PPA - Bangsamoro ADVANCE) which ran from January 2016 to December 2016.

The coverage of the support was amplified with the inclusion of 10 mixed communities preferably dominated by indigenous peoples to demonstrate the program's inclusiveness and participatory principles. A separate PPA called PPA Solidarity was signed by BDA, CFSI



and Mindanao Land Foundation to execute this particular component outside the MILF's major camps and base commands.

In December 2015, the World Bank agreed to provide CFSI with \$2,193,463 in additional funding for activities under the MTF Camps Project, Bangsamoro ADVANCE and Solidarity to be carried out in collaboration with partners by December 2016 that are aimed at building confidence in the stalled GPH-MILF peace process. As such, the grant total was increased to \$7,519,463.

In December 2016, the World Bank approved the extension of the MTF Camps Project, Bangsamoro ADVANCE and Solidarity through March 31, 2017. The World Bank also extended the closing date of its Grant Agreement with CFSI to March 31, 2017. The last disbursement date was until May 31, 2017. The project ended on June 30, 2017.

In February 2017, the World Bank approved the additional financing of the Grant Agreement with \$2,490,157. As such, the grant total was increased to \$10,009,620. CFSI received \$910,000 on May 8, 2017 as part of additional funds for the Designated Account (DA). CFSI submitted all the liquidations of funds received from the Bank through SOEs until May 31, 2017. In June 2017, CFSI refunded the unused fund in the DA amounting to \$295,183 which substantially contributed to the deficiency of revenues over expenses.

In April 2018, CFSI signed a new Grant Agreement with the World Bank for the second phase of the MTF-RDP (MTF-RDP/2) for \$3,200,000. The project is focused on communities within the six previously acknowledged camps of the MILF. The project aims to meet the following outputs: (1) people in conflict-affected areas have improved access to basic services; (2) key stakeholder institutions have increased capacity for local planning, participatory development and fiduciary management; and (3) increased confidence on the part of communities in the peace process. The Grant Agreement will run through at least February 2019.

Governments

A. Funds from Governments for Projects in Mindanao

1. Mindanao Australia Department of Foreign Affairs and Trade Fund (DFAT) - Zamboanga Recovery Project (ZRP). In January 2014, the Australian Government's DFAT provided CFSI with funds to assist persons displaced by armed conflict in Zamboanga City, Mindanao as a result of September 2013 siege of parts of the city by elements of the Moro National Liberation Front (MNLF). In addition to psychosocial services, training of local caregivers, and livelihood assistance for early recovery projects, the PCP also contributed to child protection and enhanced the well-being of child survivors.

In December 2014, Australian DFAT agreed to provide CFSI with a grant of AUS\$3,000,000 for a three-year, collaborative effort to address the plight of the most disadvantaged and vulnerable internally displaced persons from the September 2013 crisis in Zamboanga City. The funds, exactly ₱105,755,043, were received on January 13, 2015.

From January 2015 to December 2017, at least 1,000 families have received livelihood assistance, civil registration assistance, protection, and psychosocial support from CFSI, whilst 400 families have received shelter (houses) from the Catholic Relief Service (CRS). In addition, and for a short period of time, disease surveillance training and support was provided by the World Health Organization (WHO). The ZRP was also carried out in close



collaboration with the Zamboanga City Government, and is governed by a Project Steering Committee co-chaired by the most senior representatives in the Philippines of DFAT and CFSI. The project was completed on December 28, 2017.

2. Mindanao DFAT - Marawi Recovery Project (MRP). The security, peacebuilding, humanitarian, and development implications of the situation in Marawi warranted an immediate and sustained response by the Australian Government. Building on the lessons learned from the ZRP, the MRP will promote protection and psychosocial and economic recovery of at least 4,000 households (20,000 persons), thereby enabling an improved quality of life, the strengthening of relations between peoples, and greater prospects for peace. These outcomes are expected, to at least some extent help counter or prevent violent extremism. The project is informed by the experience and expertise of the Food and Agriculture Organisation of the United Nations (FAO), which serves as a partner for the project, along with the governments of Marawi City and Lanao del Sur. The implementation is from October 2017 to December 2019. Subject to availability of funds, additional grant funding will be sought from DFAT with the project implementation extended to December 2020.
3. Mindanao Spanish Development Cooperation in the Philippines (AECID) - Supporting Access to Basic Services and Building Institutional Capacity in Conflict-affected Communities in Mindanao. The project complements the activities of the MTF-RDP Phase II (MTF-RDP/2) covered by a separate Grant Agreement between CFSI and the World Bank. The Grant from AECID was finalized in December 2017, while the funds were received in late January 2018. The implementation period is 15 months from receipt of funds, meaning through April 2019.

Private Sector

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.

A. 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 working together on the Alternative Delivery Mechanism component of 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, known at CFSI as BEP, is supported with funds from AusAID/DFAT to BRAC to CFSI. The BEP is a subset of the larger DFAT-funded project managed by BRAC. The BEP is designed to enable communities without access to basic education to establish preschools and elementary schools utilizing BRAC's model, called the Alternative Delivery Mechanism. CFSI is responsible for operations in 17 municipalities in two provinces in the conflict-affected areas—Maguindanao and Lanao del Sur—which includes the establishment and construction of classrooms in some of the most isolated villages. Through the efforts of 173 community-based Learning Facilitators, engaged and trained by CFSI in accordance with BRAC guidelines, a total of 7,859 children have thus far benefited from the project. The first phase of the BEP covered the period from April 2012 to June 2015. The second phase of the project covers the period from July 2015 to June 2017. The transition phase of the project started in June 2017 and expected to be completed in May 2018.



2. Mindanao Indigenous Youth Livelihood Project (IYLP). In December 2015, CFSI received a donation of ₱80,000 from a citizen of the Philippines. The full amount was allocated for the educational needs of children at Inug-ug Elementary School in Pagalungan, Maguindanao in Mindanao. In January 2016, this same individual, plus her sibling, donated ₱2,000,000 for CFSI's work with indigenous children and youth in Maguindanao. After consultations with indigenous communities and the donors, CFSI established the Indigenous Youth Livelihood Project in two barangays in Datu Odin Sinsuat and South Upi, Maguindanao. Sixty-six (66) youth were provided with training, coaching and funds to establish livelihood projects to benefit their families. These youth were also provided with training related to adolescent sexual and reproductive health, conflict resolution, leadership development and disaster risk reduction. In addition, two livelihood and learning centers were constructed—one in each community. This project was completed in January 2017.

In February 2017, one of the donors, plus her husband—also a Filipino—visited both project sites. Pleased with what they saw and learned from the youth, their parents and local government officials, they subsequently donated ₱2,000,000 for the replication of the IYLP in two additional barangays in Datu Odin Sinsuat and Datu Saudi Ampatuan in Maguindanao. The project started in June 2017 and is expected to be completed in March 2018.

3. Mindanao Road Network Development Project (RNDP). In October 2017, CFSI and CTI Engineering International Co., Ltd. entered into an agreement to undertake an Indigenous People (IP) survey to understand the socio-economic conditions of the IP communities within the immediate influence areas of four road projects in the conflict-affected areas in ARMM. Japan International Cooperation Agency (JICA) awarded CTI Engineering with two other firms to for the study which would lead to preparation of an IP plan. The project started in October 2017 and is expected to be completed in March 2018.
4. Mindanao Harmony Learning Center for Marawi City Project (HLCMP). The siblings who donated to the IYLP in 2016 and 2017 for barangays in Maguindanao also donated for those affected by the emergency in Marawi City. Through their donation of ₱2,000,000, two parent-led Harmony Learning Centers in two barangays in Marawi City will be established which will provide children access to educational services and facilities that will promote their healthy well-being. Selected parent beneficiaries will also be capacitated with life skills for their family's subsistence. The project started in December 2017 and is expected to be completed in September 2018.
5. Mindanao Consuelo Foundation for Marawi City. Consuelo Foundation agreed to fund the "Adolescent Support Project (ASP)" to promote psychosocial well-being of adolescent boys and girls who were adversely affected by the armed conflict brought about by the Marawi crisis. The support included the distribution of dignity kits, the repair and reactivation of selected recreational facilities and health corners in schools and an awareness campaign on issues related to adolescent sexual and reproductive health development. The project started in December 2017 and is expected to be completed in February 2018.
6. Mindanao Emergency Response (ER). Other stakeholders contributed more broadly to CFSI's emergency response efforts, including various donors around the world who contributed for the first time. This is in support to those affected by the crisis in Marawi City that started in May 2017, including the following:



Donors in the Philippines	Donors Outside the Philippines
Ramon Aboitiz Foundation	Resources for Health Equity
Adarna House	Various individuals in the USA, Australia, and Europe
Hands On Manila	CFSI Board Members (based outside the Philippines)
Kaisa Para Sa Kaunlaran	
Various individuals	
CFSI Board Members	

B. Funds from the Private Sector for Projects in Visayas

1. Visayas Recovery Project (VRP) - The Atlantic Philanthropies (AP) Fund. AP awarded a grant of \$200,000 in December 2013 to support CFSI's response, over three years, to the humanitarian crisis brought about by Typhoon Haiyan (Yolanda). These funds allowed CFSI to: (1) expand its humanitarian response by engaging more local partners as service providers in the affected areas; and (2) better manage CFSI's multi-faceted, widespread operation through December 2016. The nature of this grant also provided CFSI with the stability required to properly plan, as well as manage, the transition from emergency relief assistance over a large coverage area to recovery assistance focused in Eastern Visayas, the area most severely affected by the Super Typhoon.
2. Visayas Recovery Project (VRP) - American Jewish World Service (AJWS) Fund. In 2014, AJWS provided \$300,000 to support CFSI's response to the humanitarian crisis in the Visayas. The funds are for the following purposes: (1) provision of livelihood assistance to the survivors of the emergency (70% of the grant); (2) complimentary resource development efforts at CFSI (20%); and (3) leadership development at CFSI (10%). A total number of 3,779 individuals, or 687 families, in thirty-eight barangays received livelihood assistance. The implementation period for this grant was from July 2014 to February 2017.
3. Visayas Livelihood Support Project (LSP) - Help-Hilfe zur Selbsthilfe (Help Germany) Fund. In August 2015, Help Germany provided funds to CFSI for livelihood support for vulnerable women affected by Typhoon Haiyan (Yolanda) in Tacloban and environs. The project aimed to build and strengthen the capacity of women in sewing products that will readily be absorbed by a partner private company for sale in markets in Cebu, Metro Manila and other key cities in the Philippines. The project was originally expected to be completed in July 2016. Help Germany approved a no-cost extension, and the project was completed in September 2016.

C. Funds from the Private Sector for Projects in Metro Manila

CFSI has been actively promoting efforts to protect and assist vulnerable children and youth in exceptionally difficult circumstances in the Park Avenue in Pasay City, Metro Manila since 2002. Over the years, PAI has established several projects with a variety of partners, including UNICEF and those summarized 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 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 summarized below:

1. Metro Manila PCPD - PAI (RH2a) - PCPD agreed to support the provision of RH services amounting to ₱1,040,000 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 was completed in March 2015.
2. Metro Manila PCPD - PAI (RH2b) - PCPD continued its support amounting to ₱1,694,000 in four poor barangays in Pasay City through improving the knowledge of, availability of and access to sexuality education and reproductive health services for roughly 1,000 youth (ages 13 to 23). Known as “PAI: The Family-Centered and Peer Learning Approach in Promoting Parenthood and Reproductive Health Rights Amongst Youth and Young Adults in Urban Poor Families in Pasay City”, the project included awareness raising events, referrals to public health clinics and the development and maintenance of virtual online chat room and information services. The project ran from May 2015 to December 2016.

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.

3. In this context, CFSI was contracted by BRAC to provide support services such as administrative, procurement, and logistical support services in Metro Manila for BRAC operations in the Philippines. In addition, CFSI provides office space for BRAC at CFSI Headquarters. The engagement started in July 2013 and is expected to run through at least June 2018.

Myanmar Programme

The Myanmar Programme includes funds from UNHCR, UNICEF and the private sector, for CFSI activities in the Republic of the Union of Myanmar.



United Nations Agencies

A. Funds from United Nations Agencies for Projects in Rakhine State

1. Myanmar UNHCR Fund - Community Social Services and Education Programme (CSSEP) was intended to benefit crisis-affected and disadvantaged populations in Rakhine State, including but not limited to, IDPs and those persons denied citizenship and therefore, de facto, stateless.

In 2015, the CSSEP included the following: (1) early childhood development services for pre-school children and their mothers for both IDPs and non-IDPs; (2) Basic Myanmar Language Re-integration Courses (BMLRC Levels I, II, III) for illiterate and semi-literate female adolescents and adults, including IDPs; (3) assistance to vulnerable school-age children of affected populations—primarily IDP children confined to camps and vulnerable children from host communities—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) participation and access to post-primary education and the national matriculation examinations—particularly for Muslim girls and minority groups—including hostel programme arrangements for the 2014-2015 school year; (5) livelihood opportunities for graduates of basic and advanced sewing skills training to enhance their skills; (6) promoting inter-ethnic peace education and peace building activities focused on youth, through provision of library resources and basic computer skills training; and (7) management of four main Community Services and Development Centers (CSDCs) and one satellite center for community programme activities. CFSI has entered into annual project agreements with UNHCR in Myanmar since 1998.

The CFSI/UNHCR project partnership in northern Rakhine State ended on December 31, 2015, as scheduled and in accordance with the decision of UNHCR to change its protection and assistance strategy in Myanmar and scale down operations in northern Rakhine State. However, UNHCR continued to support education activities in IDP camps until March 2016 in order to complete the required school days.

2. Myanmar UNICEF Fund Strengthening Child Protection Project (SCPP). In mid-2015, CFSI entered into a Small-Scale Funding Agreement (SSFA) with UNICEF to provide psychosocial services and assistance for boat migrant children survivors and flood-affected children in northern Rakhine State. Originally to be implemented from August through November 2015. The project was extended through December 31, 2015 due to the length of time it took to get permission from relevant authorities to begin implementing the project. This laid the foundation for a larger project to be funded by UNICEF amounting to \$271,040 and implemented by CFSI beginning January 2016.

In 2016, the SCPP aimed at ensuring that the rights and welfare of children in underserved areas of northern Rakhine are protected and promoted through an established, community-based child protection system. As such, CFSI conducted awareness-raising sessions and forums on child rights and child protection; trained and mobilized child protection groups, facilitated psychosocial activities and Myanmar language sessions in child friendly-spaces, engaged the adolescent groups on life skills and recreational activities, and provided case management services and referrals to children survivors of violence, abuse, neglect, and exploitation. In November 2016, the project continued for another year through December 2017.



On August 25, 2017, militant armed groups simultaneously attacked Border Guard Police (BGP) posts in the northern townships of Rakhine (Maungdaw, Buthidaung, and Rathedaung) resulting to wide-scale crackdown operations by military and police forces in all villages. All humanitarian and development programme activities in these areas were suspended, and travel restrictions were imposed on national and international staff.

CFSI and UNICEF agreed on a no-cost extension of the project through January 2018 in order to continue critical interventions in low profile manner while the 2018 programme was being finalized.

Myanmar UNICEF Fund Emergency Water, Sanitation and Hygiene (E-WASH) Project. In August 2017, CFSI and UNICEF agreed to implement the five-month E-WASH project in cyclone-affected villages in Maungdaw, Buthidaung, and Rathedaung. The project was expected to address the needs of target groups, and to complement CFSI and UNICEF's child protection services in those locations. The project was to: (a) distribute 5,000 hygiene kits; (b) distribute 2,000 latrine pans; (c) rehabilitate and construct 80 hand pumps; (d) rehabilitate and construct 50 water ponds; (e) form and/or strengthen 130 Village Water Management Committees (VWMC) and train 390 members of the community (3 per village) on hygiene and sanitation issues; and (e) conduct hygiene education to 2,655 individuals across 59 village tracts. However, implementation of these activities was not realized due to the crisis sparked by the August 25, 2017 incident affecting almost all villages in northern townships of Rakhine.

Private Sector

A. Funds from the Private Sector for Projects in Rakhine State

Myanmar Early Childhood Development Project (ECDP) - Lemmon Foundation. The US-based, Lemmon Foundation agreed in mid-2015 to provide CFSI with funding of \$5,000 for early childhood development activities for 40 internally displaced, pre-school children in the Chein Khar Li IDP camp in northern Rakhine State. The project was implemented from September through December 2015 and laid the foundation for a second grant for one full year of continued implementation of this project in 2016.

In 2016, CFSI expanded the ECDP with funding of \$15,000 to two other villages, thereby having three ECDP-Level 1 classes benefitting 120 children. Two ECDP-Level 2 classes in one village were scheduled to start in early October. However, due to the crisis situation sparked by violent attacks to border guard posts in Maungdaw and Rathedaung, the classes did not take off. Succeeding security operations carried out by military troops in the areas disrupted the regular conduct of ECDP classes.

The basic ECDP classes in Chein Kha Li and Athet Nan Yar were completed in November 2016, while the basic ECDP class in Koe Tan Kauk was completed in April 2017. Two advanced ECDP classes in Chein Kha Li started in February 2017 and was completed in May 2017.

From January 2016 to May 2017, a total of 200 children (50% female), all Muslims, registered and completed the ECDP classes conducted in Chein Kha Li, Athet Nan Yar, and Koe Tan Kauk. Ten community-based teachers facilitated the classes and assisted by five volunteer parents.



B. *Social Work Education Project (SWEP) Myanmar Fund*

The combination of CFSI's long experience in Myanmar, the highly successful implementation of SWEP-Mindanao and SWEP-Viet Nam, the commitment of ASEAN member states to advance social work education at both the national and regional levels, and Myanmar's desire to rapidly develop social work as a profession in aid of social protection, led to the creation of SWEP-Myanmar.

CFSI and the Ministry of Social Welfare, Relief and Resettlement (MSWRR) signed in February 2016 a Memorandum of Understanding (MOU) to strengthen and further develop human resources in social work to the benefit of disadvantaged, vulnerable and crisis-affected populations in Myanmar. This four-year initiative calls for CFSI to provide training in Yangon, as well as assistance in Nay Pyi Taw and allows for "learning-while-doing" opportunities in Rakhine and Kachin states.

The MSWRR plays a leading role in response to a large-scale humanitarian emergency in Rakhine State, Myanmar. With the aim of intensifying its humanitarian assistance in the area, the MSWRR is sending at least sixty (60) of its select personnel from Nay Pyi Taw and other regions and states of Myanmar to Rakhine State, on an interim, rotational basis. In this context, CFSI, with funding support from Resources for Health Equity, agreed to a request from the MSWRR, specifically the Department of Social Welfare (DSW), to develop and conduct a short training course for the aforementioned MSWRR personnel.

A five-day training on Social Work with Crisis-Affected Communities was conducted twice at the Social Welfare Training School in Yangon in December 2017. Each training course involved thirty (30) DSW participants, for a total of sixty (60). The training course was aimed at equipping MSWRR for effective humanitarian service in Rakhine. It focused on imparting knowledge, as well as developing skills and attitudes pertinent to social work in emergency situations. During the training, participants (1) discussed the value of social work in the context of the humanitarian situation in Rakhine State; (2) recognized the fundamental human rights, humanitarian principles, key humanitarian actors, and principles of partnership; (3) identified some of the needs of vulnerable groups in crisis-affected communities; (4) described basic interventions in humanitarian action, including psychological first aid, child protection, addressing sexual and gender-based violence, as well as peacebuilding and the principle of "Do No Harm"; (5) discussed basic stress management practices; and (6) articulated the importance of planning and advocacy in social work. Funding for this work came from Resources for Health Equity (RHE).

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 (SWEP) carried out in Mindanao from 2006 to 2014.

Viet Nam (VN) Atlantic SWEP Fund. This represents funds from The Atlantic Philanthropies for the Social Work Education Project in Viet Nam amounting to \$1,860,000. 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. SWEP Viet Nam includes three major components: (1) executive education in social work administration for 320 managers of social protection centers, followed by a Master of Science in Social Work (MSSW) Programme for at least 212 graduates of



the executive education programme; (2) training of at least 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 has been extended through at least December 2017 without requiring additional funds. The terminal report of the project was submitted in December 2015 with the understanding that CFSI will continue to provide stewardship over the remaining funds until the completion on the MSSW Programme in 2017.

In the context of SWEP-Viet Nam, 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.

Similarly, in the context of SWEP-VN, CFSI signed in August 2014, a Memorandum of Understanding to implement a Master of Science in Social Work (MSSW) Programme with the following partners: MOLISA, ASI, and a new partner, the Graduate Academy in Social Sciences (GASS) in Viet Nam. Funds from the project will solely support the academic activities of ASI for the first cohort of MSSW students. The first cohort, composed of 111 managers, has completed the programme and received their diplomas from GASS in November 2016. The same cohort received their diplomas from ASI in May 2017. The second cohort of 94 managers started their course in November 2015 and has completed the programme and received their diplomas from GASS in November 2017. The second cohort will receive their diplomas from ASI in May 2018. Funding for the academic activities of ASI for the first and second cohorts, composed of a total of 205 managers, costed roughly \$69,500 and was funded by the Vietnamese Government’s MOLISA. This total amount was transferred to the account of CFSI, which administers SWEP Viet Nam.

On October 25, 2017, CFSI and MOLISA signed a new MOU for SWEP Viet Nam Phase 2 which covers the period from the date of the signing to December 31, 2022. The purpose of this extended cooperation is to further strengthen and develop human resources in social work, ultimately leading to greater protection and more effective assistance for disadvantaged and vulnerable population in Viet Nam.

At least 700 additional managers of Social Assistance Centers are expected to earn Certificates in Social Work Administration over the next five year. At least 300 of these managers—all graduates of the Executive Education Programme—shall have the opportunity to earn a master’s degree in social work from one or more accredited schools of social work in Viet Nam, Philippines and/or other countries.

Headquarters Programme

The Headquarters Programme includes funds for the overall management of CFSI, special initiatives, immediate responses to humanitarian emergencies, staff retirement benefits, mission-related social enterprises 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 agreements 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 \$960,000 between 2007 and 2013 for general support for CFSI Headquarters, in the form of annual installments of \$160,000, for the purpose of enhancing CFSI's capacity to: (1) generate resources towards long-term sustainability; (2) properly manage, as well as publicly account for, funds given to CFSI; and (3) manage the rapidly expanding Philippine Programme. In June 2012, CFSI received the last installment for the six-year grant period, which ended on June 30, 2013.

In October 2011, the Partridge Foundation approved a second grant amounting to \$1,000,000. This grant has the same purpose, terms and conditions as the first and covers the period July 2013 through 2019. The only difference is the annual installment is \$167,000, with \$165,000 for the last year. This grant gives CFSI a significant and strategic advantage vis-à-vis achieving long-term organizational sustainability. In June 2017, CFSI received the fifth installment for the six-year grant period.

Sadly, the founder and primary benefactor of the Partridge Foundation passed away in 2016. In July 2017, the Partridge Foundation merged with the Woodcock Foundation, which had the same founder and identical boards. The surviving foundation—the Woodcock Foundation—assumed the commitments of the Partridge Foundation and all of the grants of the Partridge Foundation became grants of the Woodcock Foundation.

2. Starr International Foundation (Switzerland) - provided \$500,000 (or ₱25,000,000) for the purchase of a permanent home and furnishing for CFSI Headquarters. After an extensive search for suitable property and intensive negotiations, the contract for the purchase of the 8th Floor, Gam Building, 212 EDSA Extension, Barangay 79, Pasay City was finalized for \$398,500 (or ₱19,925,000). In September 2017, CFSI paid \$290,000 (or ₱14,500,000), the first of three installments. The second payment of \$60,000 (or ₱3,000,000) was made in January 2018 and the final payment of \$48,500 (or ₱2,425,000) will be made upon receipt of the property title.
3. Other donors who provided support for CFSI Headquarters in 2017 and 2016 are listed in the table below:

<u>Donors in the Philippines</u>	<u>Donors Outside the Philippines</u>
Various individuals	Resources for Health Equity
CFSI Board Members	American Jewish World Service
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) Mindanao 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 Mindanao. Other donors to the SWEP Mindanao 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 Mindanao was a special educational 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 Mindanao was to strengthen social work education and build leadership capacity for reconstruction and development in the conflict-affected areas of Mindanao. The project involved 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. 100 social workers earned a Master of Teaching in Social Work (MTSW) degree from CUA through the SWEP Mindanao. 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. The required post-graduation field service requirements were completed at the end of 2014.

CFSI has been tracking the outcomes of SWEP-Mindanao, including the careers of those who completed the programme, and in 2017 completed one of several evaluation processes.

- C. *Social Work Education Project (SWEP) Asia Fund.* With the success of the SWEP in Mindanao, Philippines and in Viet Nam, CFSI is establishing other SWEP initiatives in other countries in Asia. Whilst in their early stages of development, these are known collectively as SWEP Asia.

Under SWEP Asia, financial support has been provided to various individuals for scholarships and for participation in workshops.

- D. *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 CFSI's Center for Excellence in Humanitarian Service (CEHS). The CEHS, constructed in Cotabato City in 2009, 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, ideally, other parts of Asia. The CEHS was completed in February 2009 and serves as the home for the SWEP Mindanao. Many other training activities 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 CEHS 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, a longtime friend and supporter of CFSI.

Throughout 2017, the CEHS continued to serve as the venue for training workshops, seminars, and meetings in accordance with the mission 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 Association of South East Asian Nations (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 BOT.
- 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 assets 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 BOT.



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 2017. Funds for most of these projects were received in 2017.

	Paragraph Reference in Note 1	Term of Grants	Amount of Grants (a)	Total Funds Received			Movements of Grants after December 31, 2017		
				As at December 31, 2016 (b)	During 2017 (c)	As at December 31, 2017 (d) = (b) + (c)	Projects Closed: Balance of Grants not Expected to be Received (e) = (a) - (d)	Committed Grants to be Received (f) = (a) - (d)	Projects Closed: Received Grants to be Returned to Donors
PHILIPPINE PROGRAMME									
United Nations Agencies									
UN High Commissioner for Refugees (UNHCR)									
Nationwide - Urban Refugee Project (URP)	A	January 2017 - December 2017	₱12,841,424	₱-	₱12,841,424	₱12,841,424	₱-	₱-	₱2,531,502
Mindanao - Mindanao Protection Project (MPP)	B.2	January 2017 - December 2017	₱16,306,660	₱-	₱16,298,721	₱16,298,721	₱7,939	₱-	₱-
Mindanao - Sama Badjao Protection Project (SBPP)	B.2	August 2017 - December 2017	₱1,800,411	₱-	₱1,799,974	₱1,799,974	₱437	₱-	₱-
UN Children's Fund (UNICEF)									
Mindanao - Child Rights Project: Strengthening Capacities of LCPCs and Essential Health Care Program of the Department of Education (CRP9)	B.1	October 2015 - September 2016	₱9,176,310	₱9,176,310	₱-	₱9,176,310	₱-	₱-	₱-
Mindanao - Psychosocial Support in Emergencies Project (PSEP)	B.1	June 2017 - October 2017	₱5,158,885	₱-	₱5,158,885	₱5,158,885	₱-	₱-	₱-
Mindanao - WASH in Schools Project (WINS)	B.1	July 2017 - June 2018	₱3,577,300	₱-	₱2,513,906	₱2,513,906	₱-	₱1,063,394	₱-
Mindanao - Fresh Start Project (FSP)	B.1	October 2017 - December 2018	₱44,619,982	₱-	₱13,339,308	₱13,339,308	₱-	₱31,280,674	₱-
Metro Manila - Adolescent Sexual and Reproductive Health Project (ASRH)	C.1	July 2017 - June 2018	₱3,013,040	₱-	₱1,660,670	₱1,660,670	₱-	₱1,352,370	₱-

(Forward)



	Paragraph Reference in Note 1	Term of Grants	Amount of Grants (a)	Total Funds Received			Movements of Grants after December 31, 2017		
				As at December 31, 2016 (b)	During 2017 (c)	As at December 31, 2017 (d) = (b) + (c)	Projects Closed: Balance of Grants not Expected to be Received (e) = (a) - (d)	Committed Grants to be Received (f) = (a) - (d)	Projects Closed: Received Grants to be Returned to Donors
UN Population Fund (UNFPA)									
Reproductive Health Support in Emergencies Project (RHSP)	B.3	August 2017 - November 2017	₱2,981,722	₱-	₱2,981,225	₱2,981,225	₱497	₱-	₱-
Multilateral Development Banks									
The World Bank-Mindanao Trust Fund for Reconstruction and Development Programme (MTF-RDP)									
Fourth Grant Agreement	A.1	March 2009 - March 2017	\$10,009,620 (or ₱497,678,306)	\$7,469,972 (or ₱345,963,280)	\$1,949,692 (or ₱97,456,511)	\$9,419,664 (or ₱443,419,791)	\$589,956 (or ₱54,258,515)	\$-	\$-
<i>Analysed between:</i>									
<i>i. Community-Driven Reconstruction</i>			\$2,001,219 (or ₱101,981,647)	\$2,001,219 (or ₱101,981,647)	\$-	\$2,001,219 (or ₱101,981,647)	\$-	\$-	\$-
<i>ii. Sajahatra Bangsamoro</i>			\$932,724 (or ₱43,893,990)	\$766,304 (or ₱34,128,576)	\$-	\$766,304 (or ₱34,128,576)	\$166,420 (or ₱9,765,414)*	\$-	\$-
<i>iii. MTF Camps Project</i>			\$3,906,708 (or ₱194,241,517)	\$1,964,429 (or ₱85,966,529)	\$1,949,692 (or ₱97,456,511)	\$3,914,121 (or ₱183,423,040)	(\$7,413) (or ₱10,818,477)	\$-	\$-
<i>iv. Bangsamoro ADVANCE</i>			\$2,915,672 (or ₱144,967,212)	\$2,484,723 (or ₱111,292,588)	\$-	\$2,484,723 (or ₱111,292,588)	\$430,949 (or ₱33,674,624)*	\$-	\$-
<i>v. Solidarity</i>			\$253,297 (or ₱12,593,940)	\$253,297 (or ₱12,593,940)	\$-	\$253,297 (or ₱12,593,940)	\$-	\$-	\$-

(Forward)



	Paragraph Reference in Note 1	Term of Grants	Amount of Grants (a)	Total Funds Received			Movements of Grants after December 31, 2017		
				As at December 31, 2016 (b)	During 2017 (c)	As at December 31, 2017 (d) = (b) + (c)	Projects Closed: Balance of Grants not Expected to be Received (e) = (a) - (d)	Committed Grants to be Received (f) = (a) - (d)	Projects Closed: Received Grants to be Returned to Donors
Governments									
Australian Department of Foreign Affairs and Trade (DFAT)									
Mindanao - Zamboanga Recovery Project (ZRP)	A.1	January 2015 - December 2017	₱105,755,043 <i>(or A\$3,000,000 or US\$2,455,590)</i>	₱105,755,043 <i>(or A\$3,000,000 or US\$2,455,590)</i>	₱-	₱105,755,043 <i>(or A\$3,000,000 or US\$2,455,590)</i>	₱-	₱-	₱-
Mindanao - Marawi Recovery Project (MRP)	A.2	October 2017 - December 2019	₱100,000,000 <i>(or A\$2,500,000 or US\$2,000,000)</i>	₱-	₱49,542,000 <i>(or A\$1,250,000 or US\$1,000,000)</i>	₱49,542,000 <i>(or A\$1,250,000 or US\$1,000,000)</i>	₱-	₱50,458,000 <i>(or A\$1,250,000 or US\$1,000,000)</i>	₱-
Private Sector									
Mindanao - Stichting BRAC - Basic Education Project (BEP)	A.1	July 2015 - June 2017	₱59,607,988	₱44,678,313	₱12,129,992	₱56,808,305	₱2,799,683	₱-	₱-
		June 2017 - May 2018	₱12,858,012	₱-	₱7,559,287	₱7,559,287	₱-	₱5,298,725	₱-
Mindanao - Indigenous Youth Leadership Project (IYLP)	A.2	January 2016 - January 2017	₱2,000,000	₱2,000,000	₱-	₱2,000,000	₱-	₱-	₱-
		June 2017 - March 2018	₱2,000,000	₱-	₱2,000,000	₱2,000,000	₱-	₱-	₱-
Mindanao - CTI Engineering International Co., Ltd. - Road Network Development Project (RNDP)	A.3	October 2017 - March 2018	₱3,969,398	₱-	₱3,174,000	₱3,174,000	₱-	₱795,398	₱-
Mindanao - Harmony Learning Center for Marawi Project (HLCMP)	A.4	December 2017 - September 2018	₱2,000,000	₱-	₱2,000,000	₱2,000,000	₱-	₱-	₱-
Mindanao - Consuelo Foundation - Adolescent Support Project (ASP)	A.5	December 2017 - February 2018	₱500,000	₱-	₱500,000	₱500,000	₱-	₱-	₱-
Visayas - Atlantic Philanthropies - Visayas Recovery Project (VRP)	B.1	December 2013 - December 2016	\$200,000 <i>(or ₱8,830,000)</i>	\$200,000 <i>(or ₱8,830,000)</i>	\$-	\$200,000 <i>(or ₱8,830,000)</i>	\$-	\$-	\$-

(Forward)



	Paragraph Reference in Note 1	Term of Grants	Amount of Grants (a)	Total Funds Received			Movements of Grants after December 31, 2017		
				As at December 31, 2016 (b)	During 2017 (c)	As at December 31, 2017 (d) = (b) + (c)	Projects Closed: Balance of Grants not Expected to be Received (e) = (a) - (d)	Committed Grants to be Received (f) = (a) - (d)	Projects Closed: Received Grants to be Returned to Donors
Visayas - American Jewish World Service - Visayas Recovery Project (VRP)	B.1	June 2014 - February 2017	\$300,000 (or ₱13,035,000)	\$300,000 (or ₱13,035,000)	\$-	\$300,000 (or ₱13,035,000)	\$-	\$-	\$-
Visayas - Help Germany - Livelihood Support Project (LSP)	B.3	August 2015 - September 2016	₱5,618,570	₱5,618,570	₱-	₱5,618,570	₱-	₱-	₱-
Metro Manila - Philippine Center for Population and Development - Park Avenue Initiative (PAI) - Reproductive Health (RH2b)	C.1, C.2	May 2015 - December 2016	₱1,694,000	₱1,690,335	₱-	₱1,690,335	₱3,665	₱-	₱-
BRAC Support Services	C.3	July 2015 - June 2016	₱667,438	₱222,980	₱-	₱222,980	₱444,458	₱-	₱-
		July 2016 - December 2016	₱298,530	₱136,261	₱-	₱136,261	₱162,269	₱-	₱-
		January 2017 - June 2017	₱298,530	₱-	₱65,853	₱65,853	₱232,677	₱-	₱-
		July 2017 - December 2017	₱295,320	₱-	₱104,556	₱104,556	₱-	₱190,764	₱-
Subtotal in US dollar			\$10,509,620	\$7,969,972	\$1,949,692	\$9,919,664	\$589,956	\$-	\$-
Subtotal in Australian dollar			A\$5,500,000	A\$3,000,000	A\$1,250,000	A\$4,250,000	A\$-	A\$1,250,000	A\$-
Subtotal in peso			₱191,283,520	₱63,522,769	₱84,127,801	₱147,650,570	₱3,651,625	₱39,981,325	₱2,531,502
MYANMAR PROGRAMME									
United Nations Agencies									
UN Children's Fund (UNICEF)									
Strengthening Child Protection Project (SCPP)	A.2	January 2016 - December 2016	\$271,040 (or ₱13,476,109)	\$259,120 (or ₱12,419,164)	\$9,650 (or ₱479,495)	\$268,770 (or ₱12,898,659)	\$2,270 (or ₱577,450)	\$-	\$-
		January 2017 - January 2018	\$400,000 (or ₱20,000,000)	\$-	\$387,352 (or ₱19,499,182)	\$387,352 (or ₱19,499,182)	\$-	\$12,648 (or ₱500,818)	\$-

(Forward)



	Paragraph Reference in Note 1	Term of Grants	Amount of Grants (a)	Total Funds Received			Movements of Grants after December 31, 2017		
				As at December 31, 2016 (b)	During 2017 (c)	As at December 31, 2017 (d) = (b) + (c)	Projects Closed: Balance of Grants not Expected to be Received (e) = (a) - (d)	Committed Grants to be Received (f) = (a) - (d)	Projects Closed: Received Grants to be Returned to Donors
Private Sector									
Early Childhood Development Project (ECDP) - Lemmon Foundation	A	January 2016 - December 2016	\$15,000 (or ₱694,950)	\$15,000 (or ₱694,950)	\$-	\$15,000 (or ₱694,950)	\$-	\$-	\$-
		July 2017 - May 2017	\$15,000 (or ₱750,000)	\$-	\$15,000 (or ₱750,000)	\$15,000 (or ₱750,000)	\$-	\$-	\$-
VIET NAM PROGRAMME									
Atlantic Philanthropies - Social Work Education Project in Viet Nam (SWEP-Viet Nam)		October 2010 - December 2015	\$1,860,000 (or ₱80,236,000)	\$1,860,000 (or ₱80,236,000)	\$-	\$1,860,000 (or ₱80,236,000)	\$-	\$-	\$-
Government of Viet Nam: Ministry of Labor, Invalids and Social Affairs (MOLISA)			\$80,242 (or ₱3,628,936)	\$80,242 (or ₱3,628,936)	\$-	\$80,242 (or ₱3,628,936)	\$-	\$-	\$-
HEADQUARTERS PROGRAMME									
Headquarters Fund - Partridge Foundation/Woodcock Foundation	A.1	July 2013 - June 2019	\$1,000,000 (or ₱40,499,300)	\$668,000 (or ₱29,725,300)	\$167,000 (or ₱8,266,500)	\$835,000 (or ₱37,991,800)	\$165,000 (or ₱2,507,500)	\$-	\$-
Total in US dollar			\$14,150,902	\$10,852,334	\$2,528,694	\$13,381,028	\$757,226	\$12,648	\$-
Total in Australian dollar			A\$5,500,000	A\$3,000,000	A\$1,250,000	A\$4,250,000	A\$-	A\$1,250,000	A\$-
Total in peso			₱191,283,520	₱63,522,769	₱84,127,801	₱147,650,570	₱3,651,625	₱39,981,325	₱2,531,502
Grand total in peso			₱1,075,867,164	₱663,810,442	₱260,121,489	₱923,931,931	₱60,995,090	₱90,940,143	₱20,162,746
Average Peso/US Dollar exchange rate			47.97	45.57	50.00	46.41	75.73	39.60	-

The amount of ₱1,075,867,164 represents the total amount of funds received from primary sources as at December 31, 2017, which includes grants committed before 2017.

*This amount includes the foreign exchange gain that was returned to the World Bank.

**This amount not expected to be received for Sajahatra Bangsamoro was allocated for Bangsamoro ADVANCE.



2. **Basis of Preparation, Statement of Compliance and Summary of Significant Accounting Policies**

Basis of Preparation

As discussed in Note 1 to the financial statements, CFSI was re-registered with the SEC on February 5, 2018 and issued a new registration number, CN20180059. Accordingly, the accompanying 2017 financial statements are prepared using the realizable (settlement) value basis of accounting from going concern basis of accounting. Under the realizable (settlement) value basis of accounting, the assets are carried at the amount of cash or cash equivalents that could currently be obtained by selling the asset in an orderly disposal, while liabilities are carried at their settlement values; that is, the undiscounted amounts of cash or cash equivalents expected to be paid to satisfy the liabilities in the normal course of business. The change in the basis of accounting has no significant impact on the financial statements.

The financial statements are presented in Philippine Peso, CFSI's functional currency. All amounts are rounded to the nearest peso.

CFSI's financial statements subsequent to December 31, 2017 will be prepared using the going concern basis of accounting.

Statement of Compliance

CFSI's financial statements have been prepared in accordance with Philippine Financial Reporting Standard for Small and medium-sized Entities (PFRS for SMEs) applied on the bases described above.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except that CFSI has adopted the following amendments to PFRS for SMEs starting January 1, 2017. Adoption of these pronouncements did not have any significant impact on CFSI's financial statements.

2015 Amendments to the PFRS for SMEs

In August 2016, the SEC resolved to adopt the 2015 Amendments to the PFRS for SMEs as part of its rules and regulations on financial reporting.

Most of the amendments clarify existing requirements and add supporting guidance to the existing standard rather than change the underlying requirements. Among the most significant amendments to the standard are:

- Permitting SMEs to use the revaluation model to measure items of property, plant and equipment
- Aligning the recognition and measurement requirements for deferred income tax with full Philippine Financial Reporting Standard
- Allowing SMEs to use the equity method to account for investments in subsidiaries, associates and jointly controlled entities in the separate financial statements

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.

Deferred Revenue

Deferred revenue represents revenues received by way of restricted grants and donations but not earned, as provided for by the terms of the grant agreements.

Retirement Benefits

CFSI 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 CFSI 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 CFSI 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 CFSI'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.

3. Significant Accounting Judgments and Estimates

The preparation of the financial statements in accordance with PFRS for SMEs requires CFSI 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 CFSI'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 CFSI, the functional currency of CFSI has been determined to be the Philippine peso. The Philippine peso is the currency of the primary economic environment in which CFSI operates. It is the currency that mainly influences the revenues and expenses.

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

Operating Lease Commitment - Organization as Lessee. CFSI has entered into a lease agreement as a lessee (see Note 18). CFSI 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. CFSI 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 CFSI. Such changes are reflected in the assumptions when they occur.

Useful Lives of Property and Equipment and Computer Software. CFSI 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 values of property and equipment amounted to ₱6,269,341 and ₱7,189,304 as at December 31, 2017 and 2016, respectively (see Note 6). The carrying value of computer software amounted to ₱51,711 and ₱79,458 as at December 31, 2017 and 2016, respectively (see Note 8).

Impairment of Property and Equipment and Computer Software. CFSI's management conducts an impairment review of its property and equipment and computer software when certain impairment indicators are present. This requires CFSI'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 CFSI to conclude that these assets are impaired. Any resulting impairment loss could have a material adverse impact on CFSI's financial condition and results of operations.

Based on the assessment of CFSI, the property and equipment and computer software do not have any indication of impairment as at December 31, 2017 and 2016. The carrying values of property and equipment amounted ₱6,269,341 and ₱7,189,304 as at December 31, 2017 and 2016, respectively (see Note 6). The carrying value of computer software amounted to ₱51,711 and ₱79,458 as at December 31, 2017 and 2016, 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 amounted to ₱8,019,787 and ₱6,889,285 as at December 31, 2017 and 2016, respectively (see Note 16).



4. Cash

	2017	2016
Cash on hand:		
Restricted	₱150,392	₱165,013
Unrestricted	20,133	40,133
	170,525	205,146
Cash in banks:		
Restricted	115,197,811	149,449,132
Unrestricted	3,637,043	7,947,344
	118,834,854	157,396,476
	₱119,005,379	₱157,601,622

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.

5. Other Current Assets

	2017	2016
Project advances:		
Other agencies	₱1,045,753	₱850,950
Employees	736,619	544,441
Operations	440,538	426,463
Due from Bangsamoro Development Agency (BDA)	-	761,497
Interest receivable	-	8,231
	₱2,222,910	₱2,591,582

Advances from other agencies include reimbursable expenses for the Reproductive Health Support in Emergencies Project which was completed in 2017. The reimbursement was received in January 2018.

Advances for operations represent amounts advanced for the field activities of various projects, including the Emergency Response Fund, SWEP in Viet Nam, and SWEP and Early Childhood Development Project in Myanmar, in 2017 and 2016. These project advances were subsequently liquidated in 2018 and 2017, respectively.

Advances to employees are those used for the project operations and activities released in December 2017. These advances were liquidated in January 2018.

Project advances to BDA include unliquidated operational funds under the Mindanao Trust Fund. These funds are for the Programme Partnership Agreements (PPAs) for Bangsamoro Assistance for Development and Community Empowerment (Bangsamoro ADVANCE) and for solidarity as at December 31, 2016. These PPAs are covered under the Fourth Grant Agreement.



6. Property and Equipment

2017								
	Land	Construction in Progress	Buildings and Improvements	Transportation Equipment	Furniture and Fixtures	Communication Equipment	Office and Other Equipment	Total
Cost								
Balances at January 1, 2017	₱1,664,091	₱30,175	₱5,870,233	₱2,163,527	₱2,009,863	₱83,752	₱15,827,181	₱27,648,822
Additions	–	–	–	186,346	–	–	137,791	324,137
Disposals	–	–	–	–	(10,800)	–	(5,000)	(15,800)
Balances at December 31, 2017	1,664,091	30,175	5,870,233	2,349,873	1,999,063	83,752	15,959,972	27,957,159
Accumulated Depreciation								
Balances at January 1, 2017	–	–	3,363,321	1,826,276	1,956,215	83,752	13,229,954	20,459,518
Depreciation	–	–	200,880	71,000	41,095	–	931,125	1,244,100
Disposals	–	–	–	–	(10,800)	–	(5,000)	(15,800)
Balances at December 31, 2017	–	–	3,564,201	1,897,276	1,986,510	83,752	14,156,079	21,687,818
Net Book Value as at December 31, 2017	₱1,664,091	₱30,175	₱2,306,032	₱452,597	₱12,553	₱–	₱1,803,893	₱6,269,341
Net Book Value as at December 31, 2016	₱1,664,091	₱30,175	₱2,506,912	₱337,251	₱53,648	₱–	₱2,597,227	₱7,189,304

Land includes: (a) 1,000 square meter lot in Cotabato City, Mindanao, Philippines purchased in 2006 from funds raised by CFSI, and (b) two lots totaling 529 square meters in Rizal, Luzon, Philippines donated by a member of the Board of Trustees in 2008. The property in Cotabato City includes a previously existing building, which is currently used as the office of CFSI, and the Center for Excellence in Humanitarian Service. The investment in land is intended for the long-term financial sustainability of CFSI, to enable CFSI to pursue its mission well into the future. In February 2015, upon the recommendation of the donor, the BOT authorized management to sell the property in Rizal. The property will be put up for sale in 2018.

Construction in Progress includes the improvement of the perimeter wall that surrounds the CFSI Operations Center in Cotabato City. This was completed in January 2018.

There were additions in 2017 of computers and office and other equipment purchased through various project funds. UNHCR also donated a vehicle for use in Mindanao operations.

7. Deposits

In September 2017, CFSI signed a contract to purchase, for \$398,500 (or ₱19,925,000), the entire 8th floor—comprised of two condominium units—at Gam Building, 212 EDSA Extension, Barangay 79, Pasay City to serve as the permanent home of CFSI Headquarters. A down payment amounting to \$290,000 (or ₱14,500,000) was made in the same year. In 2018, two remaining payments for \$60,000 (or ₱3,000,000) and \$48,500 (or ₱2,425,000) will be made after fulfillment of certain conditions by the seller. The Starr International Foundation provided the funds for the purchase. The new office of CFSI Headquarters will officially open in June 2018.

As required in lease agreements, CFSI makes deposits and advance rentals for the use of the office premises in Metro Manila, Iligan City, Marawi City, Zamboanga City, and Tacloban City. 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 in Cotabato City. These deposits will be returned to CFSI after the completion of the leases.



8. Computer Software

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

	2017	2016
Cost:		
Balance at beginning of year	₱1,059,154	₱1,023,654
Additions	19,645	35,500
Balance at end of year	1,078,799	1,059,154
Accumulated amortization:		
Balance at beginning of year	979,696	891,951
Amortization	47,392	87,745
Balance at end of year	1,027,088	979,696
Net book value	₱51,711	₱79,458

9. Accounts Payable and Accrued Expenses

	2017	2016
Accounts payable	₱5,694,808	₱1,189,851
Accrued expenses:		
Payable to various suppliers	3,426,392	1,178,253
Professional, technical and other consultancy fees	914,795	2,091,744
Management fee	294,524	198,533
Block grants	-	4,603,983
Others	1,069,890	1,507,054
Statutory payable	476,894	1,758,885
	₱11,877,303	₱12,528,303

Accounts payable and accrued expenses include liabilities to various suppliers and contractors of several projects, and balance of grants to be returned to UNHCR Philippines.

As at December 31, 2017, these included various expenses under several projects, including the purchase of non-food items, various materials and supplies for the use of communities, the services of vendors for vehicle rent, and utilities. Payments for these services and goods were completed in early 2018.

Also included in the accounts payable is the amount due for return to UNHCR Philippines of ₱2,531,502 and ₱26,237 as at December 31, 2017 and 2016 as unused balance of the grant in 2017 and 2016, respectively, for the URP. For both years, the amount for return is part of the original allocation for the number of arrivals estimated at the start of the year, which turned out to be lower than projected by UNHCR and other forced migration experts.



10. Deferred Revenue

Deferred revenue represents revenues received by way of restricted grants and donations but not earned as at December 31, 2016. This primarily pertains to grants received in advance from UNHCR Philippines and the American Jewish World Service for the URP and the Headquarters fund, amounting to ₱2,345,640 and ₱1,988,800, respectively. As at December 31, 2017, the donors' conditions for these grants were satisfied and included as part of "Grants, donations, support and contributions" account in the statements of revenues and expenses.

11. Related Party Transactions

Salaries and employee benefits of the members of the Senior Management Team were ₱6,442,396 and ₱5,467,416 for the years ended December 31, 2017 and 2016, respectively.

12. Fund Balances

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

	2017	2016
Headquarters Programme	₱57,606,143	₱59,929,657
Philippine Programme	56,589,935	75,265,667
Viet Nam Programme	5,400,361	7,700,043
Myanmar Programme	3,450,550	1,544,453
	₱123,046,989	₱144,439,820

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 Visayas and Mindanao; vulnerable children and youth in Pasay City; crisis-affected communities and vulnerable individuals in northern Rakhine State, Myanmar.

In addition, community groups, organizations, and institutions benefit from capacity-building activities carried out by CFSI, such as those participating in SWEP Viet Nam.

Community service and capacity building expenses amounted to ₱166,717,463 and ₱165,559,587 in 2017 and 2016, respectively.



Provision for retirement benefits refers to expenses charged to projects for the retirement benefits, in compliance with Philippine law, of project personnel. This provision from projects is deposited in each project staff member's account in the CFSI Retirement Fund. The funds are maintained in a restricted bank account dedicated to the Retirement Benefit Plan of CFSI (see Note 16).

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.

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.

Counterpart Expenses

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

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 amounted to ₱1,474,678 and ₱884,790 for the years ended December 31, 2017 and 2016, 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:

	2017	2016
Salaries, employees' welfare and benefits	₱1,281,221	₱1,554,392
Trainings and workshop expenses	977,934	1,428,787
Transportation and travel	852,982	868,146
Rent and utilities (Note 18)	582,616	497,353
Auditor's fee	478,509	513,409
Materials and office supplies	333,039	515,523

(Forward)



	2017	2016
Communication expense	₱280,604	₱256,390
Taxes and licenses	199,955	51,192
Repairs and maintenance	184,352	42,020
Board and committee meetings	122,606	178,757
Professional, technical and other fees	51,531	92,960
Insurance	13,037	13,687
	₱5,358,386	₱6,012,616

16. Retirement Benefits

CFSI has an unfunded, noncontributory, defined benefit retirement plan covering all qualified employees. The latest actuarial valuation was done as at December 31, 2017.

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:

	2017	2016
Retirement expense:		
Current service cost	₱917,016	₱616,121
Interest cost on benefit obligation	372,021	224,345
Net actuarial loss (gain) recognized during the year	(158,535)	1,734,485
	₱1,130,502	₱2,574,951

Movements in the retirement liability are as follows:

	2017	2016
Balance at beginning of year	₱6,889,285	₱4,314,334
Retirement expense	1,130,502	2,574,951
Balance at end of year	₱8,019,787	₱6,889,285

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

	2017	2016
Discount rate	6.10%	5.40%
Salary increase rate	5.00%	5.00%

In preparation for the formal establishment of the Retirement Benefit Plan, CFSI has maintained a fund to cover its retirement liability in a restricted high-yielding interest-earning bank account with balances of ₱7,352,914 and ₱5,836,374 as at December 31, 2017 and 2016, respectively.



17. Contributed Services

A variety of individuals, communities, organizations/corporations, networks, universities, and local 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 ₱6,368,906 and ₱5,798,846 in 2017 and 2016, respectively.

Some of the major contributed services follow.

- a. CFSI Board and Staff - The Members of the BOT and Staff, plus many Volunteers, made contributions of time, services, and personal resources far above and beyond reasonable expectations. The BOT paid directly their own 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 and interns from various parts of the world, provided their services at no cost, but great benefit to CFSI.
- 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 the Visayas and 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.

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.

Community contributions were not limited to the Philippines. In Myanmar, local landowners 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. Google, Inc. hosts CFSI's email and other web-based platforms on Google Apps for Business. TechSoup Asia provided special prices of various computer software purchased by CFSI. The World Bank helped strengthen CFSI's technical capacities, as did UNHCR, UNICEF, UNDP, OCHA, and several other organizations, including BRAC and Handicap International. 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 2017 and 2016 included:

- International Council of Voluntary Agencies (ICVA)
 - Core Humanitarian Standards (CHS) Alliance
 - Active Learning Network for Accountability and Performance in Humanitarian Action (ALNAP)
 - 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 36-year history of CFSI. 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. CFSI benefited from the services of interns and volunteers from many of these academic institutions during 2017 and 2016 including, but not limited to, the following:

Philippines

- De La Salle University - Manila College of Law
- Pamantasan ng Lungsod ng Maynila - Metro Manila
- Mindanao State University - Maguindanao
- Cotabato City State Polytechnic College - Cotabato City
- Notre Dame University - Cotabato City
- Western Mindanao State University - Zamboanga City

Australia

- La Trobe University
- Monash University

USA

- Catholic University of America
- University of Arkansas Clinton School of Public Service

18. Lease Commitment

CFSI has existing operating lease agreements for its office spaces. These leases are renewed on an annual basis. Rental expenses amounted to ₱4,025,398 and ₱4,065,278 in 2017 and 2016, respectively. This includes rent for offices for its Headquarters in Metro Manila (see Note 15) and offices in Iligan City, Marawi City, Zamboanga City, and Tacloban City.



19. Events after the Reporting Period

In January 2018, CFSI and the United Nations Population Fund (UNFPA) started to develop the Sexual and Reproductive Health Project (SRHP) which will be carried out for six months in four village tracts in northern townships of Rakhine. SRHP aims to contribute to the achievement of following main expected outputs: (1) strengthened capacities of community-based groups—particularly women groups—to deliver sexual and reproductive health information and services that reach women, youth, adolescent, minorities and other vulnerable and marginalized groups including those affected by conflict and disasters; and (2) strengthened national capacities to formulate and implement multi-sectoral, right-based policies and interventions that prevent and mitigate the impact of gender-based violence, especially among the marginalized, vulnerable and young people. In February 2018, the Implementing Partner Agreement worth US\$95,623 was signed between CFSI and UNFPA. The project runs from February 2018 to July 2018.

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.

CFSI reported and/or paid the following types of taxes in 2017:

(a) Value-added Tax (VAT)

CFSI 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, 2017.

	Amount
Local:	
Mayor's permit	₱17,075
Real property tax	4,114
Fire inspection fee	1,580
Barangay permit	1,015
Community tax certificate	800
National:	
Value-added tax	113,240
Excise tax	52,844
Land Transportation Office registration	8,787
BIR annual registration	500
	₱199,955



(c) The amount of withholding taxes paid and accrued for the year ended December 31, 2017 amounted to:

Withholding tax on compensation	₱3,810,670
Expanded withholding taxes	3,161,135
Final withholding tax	152,508

(d) CFSI has no final tax assessments and cases pending before the BIR as at December 31, 2017. Likewise, CFSI has no other pending tax cases outside the administration of the BIR as at December 31, 2017.

21. Approval and Authorization of the Issuance of the Financial Statements

The accompanying financial statements of CFSI were approved and authorized for issuance by the Audit and Finance Committee (AFC) of CFSI on April 11, 2018 in accordance with the authority granted to the AFC by the Board of Trustees.

