

**Community and Family Services  
International, Inc.**

Financial Statements  
December 31, 2018 and 2017

and

Independent Auditor's Report



## INDEPENDENT AUDITOR'S REPORT

The Board of Trustees  
Community and Family Services International, Inc.

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Community and Family Services International, Inc. (the Organization) [a nonstock, nonprofit organization], which comprise the statements of assets, liabilities and fund balances as at December 31, 2018 and 2017, 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, 2018 and 2017 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).

#### 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.

#### 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.

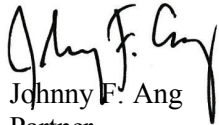
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



### **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 19 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, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Johnny F. Ang  
Partner

CPA Certificate No. 0108257

SEC Accreditation No. 1284-AR-1 (Group A),

June 9, 2016, valid until June 9, 2019

Tax Identification No. 221-717-423

BIR Accreditation No. 08-001998-101-2018,

November 6, 2018, valid until November 5, 2021

PTR No. 7332518, January 3, 2019, Makati City

April 4, 2019



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

**STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCES**

	<b>December 31</b>	
	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash (Note 4)		
Restricted	<b>₱186,338,594</b>	₱115,348,203
Unrestricted	<b>5,264,994</b>	3,657,176
Total Cash	<b>191,603,588</b>	119,005,379
Other current assets (Note 5)	<b>6,446,221</b>	2,222,910
Total Current Assets	<b>198,049,809</b>	121,228,289
<b>Noncurrent Assets</b>		
Property and equipment (Note 6)	<b>28,272,091</b>	6,269,341
Deposits (Note 7)	<b>1,318,571</b>	15,394,738
Computer software (Note 8)	<b>23,579</b>	51,711
Total Noncurrent Assets	<b>29,614,241</b>	21,715,790
<b>TOTAL ASSETS</b>	<b>₱227,664,050</b>	₱142,944,079
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses (Note 9)	<b>₱37,593,917</b>	₱11,877,303
<b>Noncurrent Liability</b>		
Retirement liability (Note 15)	<b>8,090,239</b>	8,019,787
Total Liabilities	<b>45,684,156</b>	19,897,090
<b>Fund Balances</b> (Notes 1 and 11)	<b>181,979,894</b>	123,046,989
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>₱227,664,050</b>	₱142,944,079

*See accompanying Notes to Financial Statements.*



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

**STATEMENTS OF REVENUES AND EXPENSES**

	<b>Years Ended December 31</b>	
	<b>2018</b>	<b>2017</b>
<b>REVENUES</b>		
Grants, donations, support and contributions (Note 1)	<b>₱340,549,155</b>	₱252,733,812
Mission-related social enterprise activities	<b>622,995</b>	1,148,467
Interest income (Note 4)	<b>559,205</b>	610,030
	<b>341,731,355</b>	254,492,309
<b>PROJECT EXPENSES (Note 12)</b>		
Direct:		
Community service and capacity building expenses (Note 12)	<b>132,784,732</b>	166,717,463
Compensation and benefits:		
Salaries, employees' welfare and benefits	<b>58,144,804</b>	42,857,210
Provision for retirement (Note 12)	<b>2,601,578</b>	1,930,331
Trainings and workshops for crisis-affected populations (Note 12)	<b>17,268,320</b>	10,966,254
Field transportation and travel	<b>13,655,995</b>	9,458,029
Rent and utilities (Note 17)	<b>4,039,574</b>	3,725,982
Emergency response vehicle rental	<b>2,628,240</b>	2,703,553
Field allowances for community volunteers	<b>2,349,769</b>	1,569,370
Materials and office supplies	<b>2,078,840</b>	2,585,432
Communication	<b>1,976,780</b>	1,185,703
Operations and maintenance of Center for Excellence in Humanitarian Service	<b>1,249,149</b>	785,188
Professional, technical and other consultancy fees	<b>671,177</b>	1,642,495
Repairs and maintenance	<b>342,434</b>	689,146
Insurance premiums	<b>23,602</b>	49,336
Management, supervision and support expenses	<b>19,125,958</b>	8,618,019
Development expenses	<b>5,614,905</b>	7,446,787
Counterpart expenses	<b>2,543,106</b>	2,537,231
	<b>267,098,963</b>	265,467,529
<b>COUNTRY PROGRAMME SUPPORT EXPENSES (Note 13)</b>	<b>742,083</b>	1,474,678
<b>GENERAL AND ADMINISTRATIVE EXPENSES (Note 14)</b>	<b>6,237,180</b>	5,358,386
<b>OTHER EXPENSES</b>		
Bank charges	<b>170,638</b>	140,418
Other charges	<b>43,795</b>	54,405
	<b>214,433</b>	194,823
	<b>274,292,659</b>	272,495,416
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE NON-CASH EXPENSES</b>	<b>67,438,696</b>	(18,003,107)
<b>OTHER NON-CASH EXPENSES</b>		
Foreign exchange loss	<b>6,014,348</b>	967,730
Depreciation and amortization (Notes 6 and 8)	<b>2,420,991</b>	1,291,492
Retirement expense (Note 15)	<b>70,452</b>	1,130,502
	<b>8,505,791</b>	3,389,724
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>₱58,932,905</b>	(₱21,392,831)

*See accompanying Notes to Financial Statements.*



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

**STATEMENTS OF CHANGES IN FUND BALANCES**

	<b>Years Ended December 31</b>	
	<b>2018</b>	<b>2017</b>
Balance at beginning of year	<b>₱123,046,989</b>	₱144,439,820
Excess (deficiency) of revenues over expenses	<b>58,932,905</b>	(21,392,831)
Balance at end of year (Note 11)	<b>₱181,979,894</b>	₱123,046,989

*See accompanying Notes to Financial Statements.*



**COMMUNITY AND FAMILY SERVICES INTERNATIONAL, INC.**  
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**STATEMENTS OF CASH FLOWS**

	<b>Years Ended December 31</b>	
	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	<b>₱58,932,905</b>	(₱21,392,831)
Adjustments for:		
Depreciation and amortization (Notes 6 and 8)	<b>2,420,991</b>	1,291,492
Retirement expense (Note 15)	<b>70,452</b>	1,130,502
Interest income (Note 4)	<b>(559,205)</b>	(610,030)
Operating income (loss) before working capital changes	<b>60,865,143</b>	(19,580,867)
Decrease (increase) in other current assets (Note 5)	<b>(4,223,311)</b>	360,441
Increase (decrease) in:		
Accounts payable and accrued expenses (Note 9)	<b>25,716,614</b>	(651,000)
Deferred revenue	<b>—</b>	(4,334,440)
Cash generated from (used for) operations	<b>82,358,446</b>	(24,205,866)
Interest received	<b>559,205</b>	618,261
Net cash provided by (used in) operating activities	<b>82,917,651</b>	(23,587,605)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of:		
Property and equipment (Note 6)	<b>(6,895,609)</b>	(324,137)
Computer software (Note 8)	<b>—</b>	(19,645)
Increase in deposits	<b>(3,423,833)</b>	(14,664,856)
Net cash used in investing activities	<b>(10,319,442)</b>	(15,008,638)
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>72,598,209</b>	(38,596,243)
<b>CASH AT BEGINNING OF YEAR (Note 4)</b>	<b>119,005,379</b>	157,601,622
<b>CASH AT END OF YEAR (Note 4)</b>	<b>₱191,603,588</b>	₱119,005,379

*See accompanying Notes to Financial Statements.*



**COMMUNITY AND FAMILY SERVICES INTERNATIONAL, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**

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**1. General Information**

Organization Information

Community and Family Services International, Inc. (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. The registered office address of CFSI is 8F Gam Parklane Building, 212 EDSA Extension, Brgy. 79, Pasay City.

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

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

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

In December 2018, CFSI was certified for the fourth consecutive time by the Philippine Council for NGO Certification (PCNC) for another five years, the maximum number of years of accreditation that PCNC provides. 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. The BIR issued CFSI’s Certificate of Registration as a “Donee Institution” on March 14, 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 decided to re-register with the Securities and Exchange Commission (SEC) of the Philippines.

In addition to the same primary purpose and corporate name, the re-registration allows for the use of two trade names (Community and Family Services International (CFSI) and CFSI) and a corporate lifespan of fifty (50 years).

On February 5, 2018, the SEC released the new Certificate of Registration, number CN201800559.

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 remains with CFSI.

The accompanying financial statements of CFSI were approved and authorized for issuance by the Audit and Finance Committee (AFC) of CFSI on April 4, 2019 in accordance with the authority granted to the AFC by the BOT.

#### 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 48 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, 2020. 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, 2020.



*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) - 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 (PSEP/2) was approved for implementation in March 2018 until January 2019.

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 was 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.



In support of these initiatives, activities for religious leaders of the MILF, including the development of child protection and child rights-centered sermon guides, were also implemented. The project started in October 2017 and was completed in January 2019.

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 2018 through December 2018. 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 December 2017, 82 incidents of displacement were recorded by CFSI in just these four provinces and the island provinces of Basilan and Sulu. Out of these incidents, 79 were caused by armed conflict, while three were due to flashfloods.

The intervention in the provinces of Maguindanao, Lanao del Sur and Lanao del Norte is expected to continue through at least December 2019.

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 was completed in December 2018.

2. Metro Manila UNICEF – Child Protection Area of Responsibility Helpdesk (CP AoR Helpdesk). In May 2018, CFSI and the UNICEF Geneva Office of Emergency Programmes entered into a Small-Scale Funding Agreement (SSFA) for the establishment of the CP AoR English Helpdesk, in line with the decentralization of the Global CP AoR Helpdesk. The Helpdesk extends guidance and capacity to local actors in different regions that use the English language. This will allow local actors to have increased access to information to more effectively contribute to regional and global initiatives, consultations and policy. The SSFA runs through April 2019. With the signing of a Programme Cooperation Agreement in March 2019, the CP AoR Helpdesk is expected to run through at least December 2019.

### Multilateral Development Banks

#### *A. Funds from Multilateral Development Banks for Projects in Mindanao*

1. Mindanao World Bank - Mindanao Trust Fund - Reconstruction and Development Project Phase II (MTF-RDP/2). This represents funds received from the International Bank for Reconstruction and Development (i.e. the World Bank) for the implementation of the multi-donor Mindanao Trust Fund (MTF) as a mechanism for pooling and channeling resources from development partners/international donors, as well as the GPH, that would support transitional assistance, in the form of grants, for post conflict reconstruction and development in the conflict-affected areas in Mindanao was established. CFSI was selected in late 2005 to serve as Trust Fund Recipient (TFR) of this multi-donor funded initiative. 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.

From December 2005 to June 2017, MTF financed the operations of the MTF-Reconstruction and Development Program (RDP). MTF-RDP initially focused on establishing the organizational set-up and capacity building needs of the Bangsamoro Development Agency (BDA), and building relationships with local government units as well as stakeholders for the planning, implementation, and management of the socio-economic development projects in conflict-affected areas of Mindanao.

The 11-year MTF-RDP responded well to the ups and downs of the peace process by adopting shifts in its program strategic directions. From 2009, much of MTF-RDP activities were devoted to intensifying peace building efforts and delivering socio-economic assistance to conflict-affected communities. With the signing of the Framework Agreement on Bangsamoro (FAB), the MTF-RDP, on top of the regular socio-economic assistance activities, also supported expanded measures, specifically Joint GPH-MILF development initiatives such as the formulation and publication of the Bangsamoro Development Plan (BDP) and the Sajahatra Bangsamoro. In 2015, the activities of MTF-RDP focused on



confidence-building measures in conflict-affected communities. It is within this confidence-building measures, that MTF-RDP piloted activities in the six (6) previously acknowledged MILF camps, in 2016-2017.

In July 2016, the Philippine Government made peace and development in Mindanao a top government priority, as reflected in the 2017-2022 Philippine Development Plan. In addition, the government announced a Six-Point Roadmap and a Strategic Framework for Mindanao Peace and Development, including the full implementation of the 2014 Comprehensive Agreement on the Bangsamoro (CAB) with the Moro Islamic Liberation Front (MILF) as a central element of the government's plan.

The centerpiece of the CAB is the establishment of a new autonomous political entity, known as the Bangsamoro, to replace the existing ARMM. A joint Government-MILF-Moro National Liberation Front (MNLF) Bangsamoro Transition Commission submitted on July 17, 2018 a new draft enabling law for submission to the Philippine Congress to create the Bangsamoro. To keep the momentum in MILF communities while the government puts in place a longer-term new financing facility, the government and the donors of the MTF facility agreed to extend the MTF facility and to finance among others access to basic socio-economic services and institutional capacity building in conflict-affected communities.

The MTF-RDP/2 "proposed activities would support elements of the implementation of the CAB commitments to intensify socio-economic development in conflict-affected areas, including transforming the six previously acknowledged MILF camps into peaceful and productive communities as a confidence-building measure to underpin the peace process as progress continues on the political track." Support for the anticipated transition to the Bangsamoro will be carried out through 1) capacity building interventions in the ranks of the MILF and other groups on development planning, budgeting, and delivery of basic services to the poor; and 2) socio-economic development in the six (6) previously acknowledged MILF Camps is expected to provide access to basic services for the remote communities.

The Grant Agreement amounting to US\$3,200,000, and covered two grant numbers, was signed in April 2018 between CFSI and the World Bank for the MTF-RDP/2. The details follow:

	US\$ Amount	Equivalent In Philippine Peso
Grant TF0A7280	\$2,650,000	₱132,500,000
Grant TF0A7281	550,000	27,500,000
Total Grant Agreement	\$3,200,000	₱160,000,000

The original closing date of the Grant Agreement was February 28, 2019, but was later extended by the World Bank to August 31, 2019.

In April 2018, CFSI signed a project partnership agreement with the BDA to support its operations in the implementation of the MTF-RDP/2.



2. The Voices of the MAA Project (VMP) was designed to respond to developments involving the plight of approximately 55,000 internally displaced persons (IDPs) or 11,000 families from the Most Affected Area (MAA)—formerly known as Ground Zero or Main Battle Area—of Marawi City. The project between CFSI and the World Bank aimed to support the Task Force Bangon Marawi (TFBM), a Government entity tasked to oversee and implement early recovery, reconstruction and rehabilitation of Marawi City. This included social preparation of IDPs to make informed decisions about participation in home-visits to the MAA, or “Kambisita”, and provide psychosocial support before, during and after participation in Kambisita. Focus group discussions were also conducted with key stakeholders of Marawi to inform the finalization of the plans for the rehabilitation and reconstruction of the MAA. The project started in May and was completed in October 2018.

### 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. In April 2019, an amendment for additional grant funding was signed that extends the project implementation to December 2021.



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 scheduled to run for 15 months, starting January 31, 2018 through April 2019. In March 2019, AECID approved to extend the project implementation to August 31, 2019.

The project intends to contribute to sustaining the Gains of the Bangsamoro Peace Process by supporting access to basic services and building institutional capacity in conflict-affected communities in Mindanao. As the project complements the activities of the MTF-RDP/2, financed by MTF and administered by the World Bank, the MTF-RDP/2-AECID adopts the same financial, procurement and safeguard mechanisms and framework used for MTF-RDP/2.

4. Mindanao Embassy of Switzerland in the Philippines - Building on the Fresh Start Project (BFSP). This amount represents the additional support secured by CFSI in support of the Fresh Start Project (FSP), a project funded by UNICEF that helps 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 grant enabled CFSI to address the need for cash for school-related expenses, specifically transportation, meals and water, of the families of disengaged children. The funds were received in December 2018, with implementation until February 2019. Another grant is to be provided in 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 (i.e. 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 was 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 was 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 was 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 was 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 was 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
Adarna House	Various individuals in the USA, Australia, and Europe
Hands On Manila	CFSI Board Members (based outside the Philippines)
Philippine Communications Satellite Corporation	
Manulife Data Services, Inc.	
Various individuals	
CFSI Board Members	

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

1. 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 brought about by Typhoon Haiyan (Yolanda). 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.

*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, the Park Avenue Initiative (PAI) has established several projects with a variety of partners, including UNICEF and those summarized below.

1. Metro Manila PNGOC - PAI. Philippine NGO Council on Population Health & Welfare Inc. (PNGOC) provided funds to CFSI to conduct life skills for youth in Pasay City, and to conduct training on proxy consent for social workers. The trainings were conducted between June and July 2018.

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.

2. 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 ran through June 2018.



## Myanmar Programme

The Myanmar Programme includes funds from UNICEF, UNFPA 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 UNICEF Fund Strengthening Child Protection Project (SCPP). In 2016, CFSI and UNICEF started formal collaboration through SCPP. 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 in 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. However, the humanitarian crises in northern townships of Rakhine State continue through the early months of 2018; thus, for the period February to June 2018, UNICEF provided another grant to CFSI through the Central Emergency Response Fund (CERF). In July 2018, CFSI and UNICEF agreed to extend this collaboration for another 12 months, from July 2018 to June 2019. In March 2019, another agreement was reached to extend the project further through July 2020.

2. Myanmar UNFPA Fund: Sexual and Reproductive Health Project (SRHP). In January 2018, CFSI and UNFPA forged an agreement to implement the SRHP with fund support from CERF. SRHP generally aims to improve access to life-saving women's wellness information and services (sexual and reproductive health, gender-based violence, mental health and psychosocial) in four village tracts/communities affected by violence and disasters in Maungdaw, Buthidaung, and Rathedaung Townships of Rakhine State.

From January to December 2018, SRHP was able to reach 9,521 women and men, and adolescent girls and boys in covered locations through various activities including trainings, education awareness sessions, information sharing thru IEC materials by Peer Educators, Dignity Kit awareness session, Clean delivery kit awareness session, PSS and PFA support sessions, and participation in significant activities (i.e. 16 Days Activism) and others. Thirty (30) CFSI Staff and 161 community-based Peer Educators were trained and mobilized accordingly—for information sharing and awareness sessions.



Following the success and initial impact of this project for women and adolescent girls in the four village tracts of the three townships, CFSI and UNFPA agreed to continue the interventions in the same village tracts and in surrounding villages in January through December 2019.

### Private Sector

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

1. Myanmar Early Childhood Development Project (ECDP) - Lemmon Foundation. In mid-2015, the US-based Lemmon Foundation supported the early childhood development activities of internally displaced pre-school age children in IDP area of Chein Kha Li village tract in Rathedaung Township, Rakhine State. In 2016, CFSI received funding of \$15,000 for ECDP in two other villages: Koe Tan Kauk, and Athet Nan Yar – also in Rathedaung. From January 2016 to May 2017, a total of 200 children (50% female), all Muslims, registered and completed the ECDP classes conducted in three villages. Ten community-based teachers facilitated the classes and assisted by five volunteer parents.

The Lemmon Foundation committed to support another round of ECDP classes within 2017. However, the unstable security situation in June and July; and the armed conflict in August 2017 resulted to travel and movement restrictions that constrained implementation of ECDP activities and other humanitarian and development services in Rathedaung, Maungdaw, and Buthidaung Townships.

In early 2018, CFSI provided inputs to the Department of Social Welfare (DSW) in Sittwe, on the observed and expressed psychosocial needs of children and teachers affected by this humanitarian crisis, which is even more severe than that of 2012. Continued dialogue resulted in an agreement to provide training for Community Teachers on an agreed Early Childhood Education (ECE) Curriculum, as well as for CFSI and DSW to work together on materials development. It was also agreed CFSI would provide teaching and learning materials in support to the ten (10) newly established ECE Centers in the townships of Maungdaw, Buthidaung, and Rathedaung. Thus, in June 2018, with fund support from the Lemmon Foundation, CFSI and DSW conducted the training for 30 Community Teachers and provided teaching and learning materials for 10 ECE Centers.

2. Myanmar Humanitarian Response Project (HRP) - In 2018, the American Jewish World Service (AJWS) and CFSI started the Humanitarian Response Project (HRP) covering seven village tracts in three northern townships of Rakhine State; namely Maungdaw (3 village tracts), Buthidaung (3 village tracts), and Rathedaung (1 village tract). HRP is a 12-month project which started in July 2018 and will run through June 2019.

HRP builds on the support provided by AJWS for CFSI staff who, for fear of their lives and welfare, fled Rakhine State for Bangladesh between late August and early September 2017. HRP allows CFSI to reach the most disadvantaged, vulnerable, crisis-affected persons in northern Rakhine State, particularly the Rohingya; strengthen CFSI's remote management in support to the national staff team that works under very difficult conditions in three townships in northern Rakhine State; and enable CFSI to more effectively support and grow its operations in Myanmar.



Through community-based Outreach Workers, HRP enables CFSI to monitor the situation and humanitarian needs of highly vulnerable populations particularly the Muslim Rohingyas in areas not covered by other CFSI services (i.e. child protection and sexual and reproductive health). Aware and mindful of the protection environment, conflict sensitivities, and personal safety, Outreach Workers identified humanitarian issues and needs, reported, and monitored the situation in their assigned areas discreetly.

#### *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 years. 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.* This 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 2018, CFSI received the sixth 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) to purchase, equip and furnish 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 entire eighth floor of the newly constructed Gam Building, 212 EDSA Extension, Brgy. 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. CFSI Headquarters transferred to its new premises in the Gam Building during the third quarter 2018.
3. Other donors who provided support for CFSI Headquarters in 2018 and 2017 are listed in the table below:

Donors in the Philippines	Donors Outside the Philippines
Various individuals	Resources for Health Equity
CFSI Board Members	Leesburg Community Baptist Church (USA)
CFSI Staff Members	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 covers 2018. Funds for most of these projects were received in 2018.

	Paragraph Reference in Note 1	Term of Grants	Amount of Grants <i>(a)</i>	Total Funds Received			Movements of Grants after December 31, 2018		
				As at December 31, 2017 <i>(b)</i>	During 2018 <i>(c)</i>	As at December 31, 2018 <i>(d) = (b) + (c)</i>	Projects closed: Balance of Grants not to be Received <i>(e) = (a) - (d)</i>	Committed Grants to be Received <i>(ff) = (a) - (d)</i>	Projects closed: Received Grants to be Returned to Donors <i>(g)</i>
PHILIPPINE PROGRAMME									
UNITED NATIONS (UN) AGENCIES									
UN High Commissioner for Refugees (UNHCR)									
Nationwide - Urban Refugee Project (URP)	A	January 2018 - December 2018	₱13,215,601	₱—	₱11,152,723	₱11,152,723	₱2,062,878	₱—	₱88,949
Mindanao - Mindanao Protection Project (MPP)	B.2	January 2018 - December 2018	₱9,614,126	₱—	₱9,614,126	₱9,614,126	₱—	₱—	₱—
UN Children's Fund (UNICEF)									
Mindanao - Psychosocial Support in Emergencies Project 2 (PSEP/2)	B.1	March 2018 - January 2019	₱6,812,172	₱—	₱6,366,516	₱6,366,516	₱—	₱445,656	₱—
Mindanao - WASH in Schools (WINS) Project	B.1	July 2017 - June 2018	₱3,577,300	₱2,513,906	₱1,063,389	₱3,577,295	₱5	₱—	₱—
Mindanao - Fresh Start Project (FSP)	B.1	October 2017 - January 2019	₱48,569,907	₱13,339,308	₱32,867,560	₱46,206,868	₱2,363,039	₱—	₱—
Metro Manila - Adolescent Sexual and Reproductive Health Project (ASRH)	C.1	July 2017 - December 2018	₱3,609,460	₱1,660,670	₱1,352,670	₱3,013,340	₱—	₱596,120	₱—
Metro Manila - Child Protection Area of Responsibility Help Desk (CP AoR)	C.2	May 2018 - April 2019	\$44,753 <i>(or ₱2,389,295)</i>	\$—	\$44,753 <i>(or ₱2,389,295)</i>	\$44,753 <i>(or ₱2,389,295)</i>	\$—	\$—	\$—
MULTILATERAL DEVELOPMENT BANKS									
The World Bank									
Mindanao Trust Fund for Reconstruction and Development Programme - Phase 2 (MTF-RDP/2)									
Grant TF0A7280/TF0A7281	A.1	April 2018 - August 2019	\$3,200,000 <i>(or ₱160,000,000)</i>	\$—	\$1,626,067 <i>(or ₱86,738,723)</i>	\$1,626,067 <i>(or ₱86,738,723)</i>	\$—	\$1,573,933 <i>(or ₱73,261,277)</i>	\$—

(Forward)



	Paragraph Reference in Note 1	Term of Grants	Amount of Grants (a)	Total Funds Received			Movements of Grants after December 31, 2018		
				As at December 31, 2017 (b)	During 2018 (c)	As at December 31, 2018 (d) = (b) + (c)	Projects closed: Balance of Grants not to be Received (e) = (a) - (d)	Committed Grants to be Received (f) = (a) - (d)	Projects closed: Received Grants to be Returned to Donors (g)
Voices of MAA Project (VMP)	A.2	April 2018 - September 2018	\$95,505 (or P5,039,268)	\$-	\$95,505 (or P5,039,268)	\$95,505 (or P5,039,268)	\$-	\$-	\$-
<b>GOVERNMENTS</b>									
<b>Australia Department of Foreign Affairs and Trade (DFAT)</b>									
Mindanao - Marawi Recovery Project (MRP)	A.2	October 2017 - December 2020	A\$6,000,000 (or P240,000,000 or US\$4,800,000)	A\$1,250,000 (or P49,542,000 or US\$1,000,000)	A\$1,250,000 (or P50,458,000 or US\$1,000,000)	A\$2,500,000 (or P100,000,000 or US\$2,000,000)	A\$-	A\$3,500,000 (or P140,000,000 or US\$2,800,000)	A\$-
<b>Spanish Agency for International Development Cooperation (AECID)</b>									
Mindanao Trust Fund for Reconstruction and Development Programme - Phase 2 - AECID (MTF-RDP/2 - AECID)	A.3	March 2018 - April 2019	€1,000,000 (or P64,760,000 or US\$1,200,000)	€-	€1,000,000 (or P64,760,000 or US\$1,200,000)	€1,000,000 (or P64,760,000 or US\$1,200,000)	€-	€-	€-
<b>Embassy of Switzerland</b>									
Building on the Fresh Start Project (BFSP)	A.4	November 2018 - March 2019	P2,000,000	P-	P1,600,000	P1,600,000	P-	P400,000	P-
<b>PRIVATE SECTOR</b>									
Mindanao - Stichting BRAC - Basic Education Project (BEP)	A.1	June 2017 - May 2018	P12,858,012	P7,559,287	P3,909,590	P11,468,877	P1,389,135	P-	P-
Mindanao - Indigenous Youth Leadership Project (IYLP)	A.2	June 2017 - March 2018	P2,000,000	P2,000,000	P-	P2,000,000	P-	P-	P-
Mindanao - CTI Engineering International Co., Ltd. - Road Network Development Project (RNDP)	A.3	October 2017 - March 2018	P3,969,398	P3,174,000	P655,398	P3,829,398	P140,000	P-	P-
Mindanao - Harmony Learning Center for Marawi Project (HLCMP)	A.4	December 2017 - September 2018	P2,000,000	P2,000,000	P-	P2,000,000	P-	P-	P-
Mindanao - Counselo Foundation - Adolescent Support Project (ASP)	A.5	December 2017 - February 2018	P500,000	P500,000	P-	P500,000	P-	P-	P-

(Forward)



	Paragraph Reference in Note 1	Term of Grants	Amount of Grants (a)	Total Funds Received			Movements of Grants after December 31, 2018		
				As at December 31, 2017 (b)	During 2018 (c)	As at December 31, 2018 (d) = (b) + (c)	Projects closed: Balance of Grants not to be Received (e) = (a) - (d)	Committed Grants to be Received (f) = (a) - (d)	Projects closed: Received Grants to be Returned to Donors (g)
Metro Manila - Philippine NGO Council on Population Health & Welfare Inc. (PNGOC) - Park Avenue Initiative (PAI)	C.1	June 2018 - July 2018	₱570,000	₱—	₱555,450	₱555,450	₱—	₱14,550	₱—
BRAC Support Services	C.2	July 2017 - December 2017	₱295,320	₱104,556	₱127,535	₱232,091	₱63,229	₱—	₱—
		January 2018 - June 2018	₱160,500	₱—	₱160,500	₱160,500	₱—	₱—	₱—
<b>Subtotal in US dollar</b>			<b>\$3,340,258</b>	<b>\$—</b>	<b>\$1,766,325</b>	<b>\$1,766,325</b>	<b>\$—</b>	<b>\$1,573,933</b>	<b>\$—</b>
<b>Subtotal in Australian dollar</b>			<b>A\$6,000,000</b>	<b>A\$1,250,000</b>	<b>A\$1,250,000</b>	<b>A\$2,500,000</b>	<b>A\$—</b>	<b>A\$3,500,000</b>	<b>A\$—</b>
<b>Subtotal in Euro</b>			<b>€1,000,000</b>	<b>€—</b>	<b>€1,000,000</b>	<b>€1,000,000</b>	<b>€—</b>	<b>€—</b>	<b>€—</b>
<b>Subtotal in Philippine peso</b>			<b>₱109,751,796</b>	<b>₱32,851,727</b>	<b>₱69,425,457</b>	<b>₱102,277,184</b>	<b>₱6,018,286</b>	<b>₱1,456,326</b>	<b>₱88,949</b>
<b>MYANMAR PROGRAMME</b>									
<b>UNITED NATIONS (UN) AGENCIES</b>									
<b>UN Children's Fund (UNICEF)</b>									
Strengthening Child Protection Project	A.1	January 2017 - January 2018	\$400,000 (or P20,000,000)	\$387,352 (or P19,499,182)	\$8,651 (or P447,040)	\$396,003 (or P19,946,222)	\$3,997 (or P53,778)	\$—	\$—
		February 2018 - June 2018	\$200,000 (or P10,883,388)	\$—	\$185,398 (or P10,088,792)	\$185,398 (or P10,088,792)	\$14,602 (or P794,596)	\$—	\$—
		July 2018 - June 2019	\$324,559 (or P17,266,506)	\$—	\$190,650 (or P10,142,561)	\$190,650 (or P10,142,561)	\$—	\$133,909 (or P7,123,945)	\$—
<b>UN Population Fund (UNFPA)</b>									
Sexual Reproductive Health Project	A.2	January 2018 - December 2018	\$113,472 (or P5,955,531)	\$—	\$112,429 (or P5,900,790)	\$112,429 (or P5,900,790)	\$1,043 (or P54,741)	\$—	\$—
<b>PRIVATE SECTOR</b>									
Humanitarian Response Project (HRP) - American Jewish World Service	A.2	May 2018 - April 2019	\$25,000 (or P1,344,000)	\$—	\$25,000 (or P1,344,000)	\$25,000 (or P1,344,000)	\$—	\$—	\$—

(Forward)



	Paragraph Reference in Note 1	Term of Grants	Amount of Grants  (a)	Total Funds Received			Movements of Grants after December 31, 2018		
				As at December 31, 2017  (b)	During 2018  (c)	As at December 31, 2018  (d) = (b) + (c)	Projects closed: Balance of Grants not to be Received  (e) = (a) - (d)	Committed Grants to be Received  (f) = (a) - (d)	Projects closed: Received Grants to be Returned to Donors  (g)
VIET NAM PROGRAMME									
Atlantic Philanthropies – Social Work Education Project in Viet Nam (SWEP- Viet Nam)		October 2010 - December 2015	\$1,860,000 (or P80,236,000)	\$1,860,000 (or P80,236,000)	\$–	\$1,860,000 (or P80,236,000)	\$–	\$–	\$–
Government of Viet Nam: Ministry of Labor, Invalids and Social Affairs			\$80,242 (or P3,628,936)	\$80,242 (or P3,628,936)	\$–	\$80,242 (or P3,628,936)	\$–	\$–	\$–
HEADQUARTERS PROGRAMME									
Headquarters Fund - Partridge Foundation/Woodcock Foundation	A.1	July 2013 - June 2019	\$1,000,000 (or P46,792,900)	\$835,000 (or P37,991,800)	\$165,000 (or P8,801,100)	\$1,000,000 (or P46,792,900)	\$–	\$–	\$–
Total in US dollar			\$7,343,531	\$3,162,594	\$2,453,453	\$5,616,047	\$19,642	\$1,707,842	\$–
Total in Australian dollar			A\$6,000,000	A\$1,250,000	A\$1,250,000	A\$2,500,000	A\$–	A\$3,500,000	A\$–
Total in Euro			€1,000,000	€–	€1,000,000	€1,000,000	€–	€–	€–
Total in Philippine peso			P109,751,796	P32,851,727	P69,425,457	P102,277,184	P6,018,286	P1,456,326	P88,949
Grand total in peso			P768,047,620	P223,749,645	P315,535,026	P539,284,671	P6,921,401	P221,841,548	P88,949

The amount of P455,419,735 represents the total amount of funds received from primary sources as at December 31, 2018, which includes grants committed before 2018.



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

### Basis of Preparation

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

### Statement of Compliance

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

### 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, 2018. 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.

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.



#### 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, taking into account the effective yield of the asset.

#### 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.

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### **3. Significant Accounting Judgments, Estimates and Assumptions**

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 estimates and assumptions 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 17). 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 ₱28,272,091 and ₱6,269,341 as at December 31, 2018 and 2017, respectively (see Note 6). The carrying value of computer software amounted to ₱23,579 and ₱51,711 as at December 31, 2018 and 2017, 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, 2018 and 2017. The carrying values of property and equipment amounted to ₱28,272,091 and ₱6,269,341 as at December 31, 2018 and 2017, respectively (see Note 6). The carrying value of computer software amounted to ₱23,579 and ₱51,711 as at December 31, 2018 and 2017, 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 15 to the financial statements.

Retirement liability amounted to ₱8,090,239 and ₱8,019,787 as at December 31, 2018 and 2017, respectively (see Note 15).

#### 4. Cash

	2018	2017
Cash on hand:		
Restricted	<b>₱167,072</b>	₱150,392
Unrestricted	<b>30,133</b>	20,133
	<b>197,205</b>	170,525
Cash in banks:		
Restricted	<b>186,171,522</b>	115,197,811
Unrestricted	<b>5,234,861</b>	3,637,043
	<b>191,406,383</b>	118,834,854
	<b>₱191,603,588</b>	₱119,005,379

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.

Interest income earned from cash in banks amounted to ₱559,205 and ₱610,030 in 2018 and 2017, respectively.



## 5. Other Current Assets

	2018	2017
Project advances:		
Due from Bangsamoro Development Agency (BDA)	<b>₱3,315,350</b>	<b>₱—</b>
Operations	<b>2,391,542</b>	1,177,157
Other agencies	<b>739,329</b>	1,045,753
	<b>₱6,446,221</b>	<b>₱2,222,910</b>

Project advances to BDA include unliquidated operational funds under the MTF-RDP/2 and the MTF-RDP/2-AECID. These funds are covered under the Programme Partnership Agreements (PPAs) as at December 31, 2018. These PPAs are covered under the Grant Agreements with the World Bank and AECID.

Advances for operations represent amounts advanced for the field activities of various projects, including the Fresh Start Project, Emergency Response Fund, and Myanmar Programme Support, in 2018 and 2017. These project advances were subsequently liquidated in 2019 and 2018, respectively.

Advances to other agencies include reimbursable expenses for the trainings on child protection organized by UNICEF Geneva held in November 2018. These reimbursable expenses were already billed to UNICEF.

## 6. Property and Equipment

	2018						
	Land	Buildings and Improvements	Transportation Equipment	Furniture and Fixtures	Communication Equipment	Office and Other Equipment	Total
<b>Cost</b>							
Balances at January 1, 2018	₱1,664,091	₱5,900,408	₱2,349,873	₱1,999,063	₱83,752	₱15,959,972	₱27,957,159
Additions	—	20,293,577	650,897	1,608,696	—	1,842,439	24,395,609
Balances at December 31, 2018	1,664,091	26,193,985	3,000,770	3,607,759	83,752	17,802,411	52,352,768
<b>Accumulated Depreciation</b>							
Balances at January 1, 2018	—	3,564,201	1,897,276	1,986,510	83,752	14,156,079	21,687,818
Depreciation	—	646,160	167,371	259,988	—	1,319,340	2,392,859
Balances at December 31, 2018	—	4,210,361	2,064,647	2,246,498	83,752	15,475,419	24,080,677
<b>Net Book Value as at December 31, 2018</b>	<b>₱1,664,091</b>	<b>₱21,983,624</b>	<b>₱936,123</b>	<b>₱1,361,261</b>	<b>₱—</b>	<b>₱2,326,992</b>	<b>₱28,272,091</b>

	2017						
	Land	Buildings and Improvements	Transportation Equipment	Furniture and Fixtures	Communication Equipment	Office and Other Equipment	Total
<b>Cost</b>							
Balances at January 1, 2017	₱1,664,091	₱5,900,408	₱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	5,900,408	2,349,873	1,999,063	83,752	15,959,972	27,957,159
<b>Accumulated Depreciation</b>							
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
<b>Net Book Value as at December 31, 2017</b>	<b>₱1,664,091</b>	<b>₱2,336,207</b>	<b>₱452,597</b>	<b>₱12,553</b>	<b>₱—</b>	<b>₱1,803,893</b>	<b>₱6,269,341</b>

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 2019.

There were additions in 2018 of computers, furniture and fixtures and office and other equipment purchased through various project funds. Headquarters purchased furniture and equipment for its new office. UNHCR also donated a vehicle for use in Mindanao operations. Also, the renovations of the CFSI Operations Center in Cotabato City was completed in 2018.

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## 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, Brgy. 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, remaining payments for \$60,000 (or ₱3,000,000) was paid 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 said deposit was applied against the purchase price in August 2018. CFSI started to occupy the new office space in August 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, and Zamboanga 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.

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## 8. Computer Software

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

	2018	2017
Cost:		
Balance at beginning of year	<b>₱1,078,799</b>	₱1,059,154
Additions	—	19,645
Balance at end of year	<b>1,078,799</b>	1,078,799
Accumulated amortization:		
Balance at beginning of year	<b>1,027,088</b>	979,696
Amortization	<b>28,132</b>	47,392
Balance at end of year	<b>1,055,220</b>	1,027,088
Net book value	<b>₱23,579</b>	₱51,711



## 9. Accounts Payable and Accrued Expenses

	2018	2017
Accounts payable	<b>₱6,507,646</b>	₱5,694,808
Accrued expenses:		
Payable to various suppliers	<b>27,284,684</b>	3,426,392
Professional, technical and other consultancy fees	<b>1,136,804</b>	914,795
Management fee	<b>794,503</b>	294,524
Others	<b>1,452,704</b>	1,069,890
Statutory payable	<b>417,576</b>	476,894
	<b>₱37,593,917</b>	₱11,877,303

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, 2018 and 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 2019.

Also included in the accounts payable is the amount due for return to UNHCR Philippines of ₱98,681 and ₱2,531,502 as at December 31, 2018 and 2017 as unused balance of the grant in 2018 and 2017, 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. Related Party Transactions

Salaries and employee benefits of the members of the Senior Management Team were ₱6,746,994 and ₱6,442,396 for the years ended December 31, 2018 and 2017, respectively.

## 11. Fund Balances

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

	2018	2017
Headquarters Programme	<b>₱60,179,685</b>	₱57,606,143
Philippine Programme	<b>111,336,024</b>	56,589,935
Myanmar Programme	<b>5,933,769</b>	3,450,550
Viet Nam Programme	<b>4,530,416</b>	5,400,361
	<b>₱181,979,894</b>	₱123,046,989



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## 12. 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 ₱132,784,732 and ₱166,717,463 in 2018 and 2017, respectively. Trainings and workshops for crisis-affected populations amounted to ₱17,268,320 and ₱10,966,254 in 2018 and 2017, respectively. The aggregate amount for these expenses that directly benefit the beneficiaries amounted to ₱150,053,052 and ₱177,683,717 in 2018 and 2017, respectively.

Provision for retirement 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 15).

### 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.



### 13. 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 ₱742,083 and ₱1,474,678 in 2018 and 2017, respectively.

### 14. 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:

	2018	2017
Salaries, employees' welfare and benefits	₱1,951,772	₱1,281,221
Trainings and workshop expenses	940,665	977,934
Rent and utilities (Note 17)	874,387	582,616
Transportation and travel	566,013	852,982
Auditor's fee	458,304	478,509
Materials and office supplies	439,289	333,039
Communication expense	437,453	280,604
Board and committee meetings	239,586	122,606
Repairs and maintenance	183,207	184,352
Professional, technical and other fees	67,320	51,531
Taxes and licenses	62,301	199,955
Insurance	16,883	13,037
	<b>₱6,237,180</b>	<b>₱5,358,386</b>

### 15. Retirement Benefits

CFSI has an unfunded, noncontributory, defined benefit retirement plan covering all qualified employees.

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, which were based on the latest actuarial valuation as at December 31, 2018 and 2017.

	2018	2017
Retirement expense:		
Net actuarial gain	(₱1,493,961)	(₱158,535)
Current service cost	1,075,206	917,016
Interest cost on benefit obligation	489,207	372,021
	<b>₱70,452</b>	<b>₱1,130,502</b>



Movements in the retirement liability in 2018 and 2017 are as follows:

	2018	2017
Balance at beginning of year	<b>₱8,019,787</b>	₱6,889,285
Retirement expense	<b>70,452</b>	1,130,502
Balance at end of year	<b>₱8,090,239</b>	₱8,019,787

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 ₱10,045,153 and ₱7,352,914 as at December 31, 2018 and 2017, respectively.

The principal assumptions used in determining retirement liability as at December 31, 2018 and 2017 are as follows:

	2018	2017
Discount rate	<b>7.60%</b>	6.10%
Salary increase rate	<b>5.00%</b>	5.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the retirement liability as at December 31, 2018 and 2017 assuming if all other assumptions were held constant:

	Increase (Decrease) in Basis Points	Increase (Decrease) in Retirement Liability	
		2018	2017
Discount rate	100	<b>(₱957,077)</b>	(₱936,185)
	(100)	<b>1,134,802</b>	1,105,697
Salary rate	100	<b>1,153,491</b>	1,106,832
	(100)	<b>(987,439)</b>	(953,562)

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31, 2018 and 2017:

	2018	2017
Less than one year	<b>₱71,865</b>	₱143,600
More than one to five years	<b>1,885,786</b>	1,932,429
More than five to 10 years	<b>9,564,167</b>	5,420,126
More than 10 to 15 years	<b>13,078,512</b>	13,463,051
More than 15 to 20 years	<b>23,715,739</b>	18,980,048
More than 20 years	<b>46,156,494</b>	24,970,042

The weighted average duration of the retirement liability is 18.4 years and 17.2 years as at December 31, 2018 and 2017, respectively.



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## 16. 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 ₱12,788,086 and ₱6,368,906 in 2018 and 2017, 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, volunteers who were trained as Youth Peer Counsellors and Family Support Workers helped mobilize and recruit participants to the community education and outreach, assisted clients to health centers for health services, facilitated discussions on ASRH topics, conducted home visits to adolescents and conducted peer-to-peer counselling.

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, in Early Childhood Development Project (ECDP), community members volunteered to repair houses or structures used for learning and psychosocial activities. Parents also volunteered in activities, including preparing food for children, fetching water, and helping transport play materials. In Sexual and Reproductive Health Project (SRHP); women offered their houses as venue for information-sharing on SRH and gender-based violence (GBV) key messages. Community-based Peer Educators facilitated peer-to-peer sessions on SRH-GBV for free. Some individuals offered to pay medical cost of SRH clients brought to hospital for emergency treatment.

- c. Organizations/Corporations - 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 2018 and 2017 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 2018 and 2017 including, but not limited to, the following:

*Philippines*

- Pamantasan ng Lungsod ng Maynila - Metro Manila
- University of the Philippines - Metro Manila
- Mindanao State University - Maguindanao
- University of Mindanao - North Cotabato
- Coland Systems Technology - Cotabato City
- Notre Dame University - Cotabato City
- Western Mindanao State University - Zamboanga City

*Australia*

- La Trobe University

*USA*

- Catholic University of America
- University of Vermont
- Dartmouth College

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## 17. Lease Commitment

CFSI has existing operating lease agreements for its office spaces. These leases are renewed on an annual basis. Rental expenses amounted to ₱4,913,961 and ₱4,025,398 in 2018 and 2017, respectively. This includes rent for offices for its Headquarters in Metro Manila (see Note 14) and offices in Iligan City, Marawi City, and Zamboanga City.



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**18. Events after the Reporting Period**

In November 2018, CFSI and the European Union Delegation in the Philippines signed the Grant Contract to implement the Sama Bajau Capacity Strengthening Project (SBCSP) which aims to better to protect Sama Bajau families based in Zamboanga City, Philippines. The project starts in January 2019 and expected to be completed in December 2019. Funds were received in December 2018.

In January 2019, CFSI and UNICEF Philippines started the Community Engagement for Children Project (CECP) aimed at conducting dialogues on children and youth issues with communities and local government in three municipalities in the province of Lanao del Sur in Mindanao, Philippines. The results will be used for consideration in barangay/municipality investment and other plans. In addition, capacity training of trainers in facilitating focus group discussions are conducted. The project will run through May 2019.

In March 2019, CFSI and UNICEF Myanmar started the Water and Sanitation and Hygiene (WASH) project for schools and communities in the townships of Maungdaw, Buthidaung, and Rathedaung. This will provide safe drinking water supply, sanitation and hygiene promotion to 32,655 individuals across the three townships. The project will run from March 2019 to March 2020.

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**19. 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 2018:

(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, 2018.

	Amount
Local:	
Mayor's permit	₱27,378
Community tax certificate	2,004
Barangay permit	1,575
Fire inspection fee	1,086

(Forward)



	Amount
National:	
Land Transportation Office registration	₱22,014
PCNC renewal accreditation	7,144
BIR certification fee	600
BIR annual registration	500
	₱62,301

- (c) The amount of withholding taxes paid and accrued for the year ended December 31, 2018 amounted to:

Withholding tax on compensation	₱2,498,594
Expanded withholding taxes	3,957,881
Final withholding tax	139,801

- (d) CFSI has no final tax assessments and cases pending before the BIR as at December 31, 2018. Likewise, CFSI has no other pending tax cases outside the administration of the BIR as at December 31, 2018.

