

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

Financial Statements
December 31, 2021 and 2020

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, 2021 and 2020, 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, 2021 and 2020 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 34-2020 and 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 34-2020 and 15-2010 in Notes 18 and 19 to the financial statements, respectively, 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.



Sherwin V. Yason

Partner

CPA Certificate No. 104921

Tax Identification No. 217-740-478

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 104921-SEC (Group A)

Valid to cover audit of 2020 to 2024 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-112-2020, November 27, 2020, valid until November 26, 2023

PTR No. 8854390, January 3, 2022, Makati City

April 21, 2022



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

	December 31	
	2021	2020
ASSETS		
Current Assets		
Cash (Note 4):		
Restricted	₱92,660,952	₱190,460,938
Unrestricted	9,776,194	8,229,206
Total Cash	102,437,146	198,690,144
Other current assets (Note 5)	20,391,379	18,562,259
Total Current Assets	122,828,525	217,252,403
Noncurrent Assets		
Property and equipment (Note 6)	21,198,254	23,398,869
Deposits (Note 7)	1,032,454	1,009,454
Computer software (Note 8)	1,014	4,054
Total Noncurrent Assets	22,231,722	24,412,377
TOTAL ASSETS	₱145,060,247	₱241,664,780
LIABILITIES AND FUND BALANCES		
Current Liability		
Accounts payable and other current liabilities (Note 9)	₱14,628,385	₱15,782,313
Noncurrent Liability		
Retirement liability (Note 15)	14,622,355	16,788,768
Total Liabilities	29,250,740	32,571,081
Fund Balances (Notes 1 and 11)	115,809,507	209,093,699
TOTAL LIABILITIES AND FUND BALANCES	₱145,060,247	₱241,664,780

See accompanying Notes to Financial Statements.



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

STATEMENTS OF REVENUES AND EXPENSES

	Years Ended December 31	
	2021	2020
REVENUES		
Grants, donations, support and contributions (Note 1)	₱273,501,402	₱423,353,344
Mission-related social enterprise activities	674,160	1,073,690
Interest income (Note 4)	183,284	717,985
	274,358,846	425,145,019
PROJECT EXPENSES (Note 12)		
Direct:		
Community service and capacity building expenses	181,906,341	143,410,324
Personnel costs	92,876,453	87,695,761
Trainings and workshops for crisis-affected populations	28,287,191	25,247,482
Field transportation and travel	8,628,294	9,023,098
Rent and utilities (Note 16)	5,696,644	4,822,344
Materials and office supplies	2,944,290	4,105,462
Communication	2,279,986	2,592,796
Repairs and maintenance	1,122,915	1,176,900
Operations and maintenance of Center for Excellence in Humanitarian Service	781,858	1,083,918
Professional, technical and other consultancy fees	653,573	1,516,205
Insurance premiums	98,542	79,629
Management, supervision and support expenses	27,880,183	28,790,111
Development expenses	5,140,671	5,732,747
Counterpart expenses	1,845,192	2,629,128
	360,142,133	317,905,905
COUNTRY PROGRAMME SUPPORT EXPENSES (Note 13)	802,317	921,314
GENERAL AND ADMINISTRATIVE EXPENSES (Note 14)	5,452,219	5,075,548
OTHER EXPENSES		
Bank charges	346,398	275,414
Other charges	—	16,676
	346,398	292,090
	366,743,067	324,194,857
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE NON-CASH EXPENSES (INCOME)	(92,384,221)	100,950,162
OTHER NON-CASH EXPENSES (INCOME)		
Depreciation and amortization:		
Property and equipment (Note 6)	2,413,941	2,740,566
Computer software (Note 8)	3,040	4,047
Foreign exchange loss - net	97,980	3,110,483
Retirement (income) expense (Note 15)	(1,614,990)	4,926,093
	899,971	10,781,189
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(₱93,284,192)	₱90,168,973

See accompanying Notes to Financial Statements.



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

STATEMENTS OF CHANGES IN FUND BALANCES

	Years Ended December 31	
	2021	2020
Balance at beginning of year	₱209,093,699	₱118,924,726
Excess (deficiency) of revenues over expenses	(93,284,192)	90,168,973
Balance at end of year (Note 11)	₱115,809,507	₱209,093,699

See accompanying Notes to Financial Statements.



COMMUNITY AND FAMILY SERVICES INTERNATIONAL, INC.
(A Nonstock, Nonprofit Organization)
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	(₱93,284,192)	₱90,168,973
Adjustments for:		
Depreciation and amortization:		
Property and equipment (Note 6)	2,413,941	2,740,566
Computer software (Note 8)	3,040	4,047
Retirement (income) expense (Note 15)	(1,614,990)	4,926,093
Interest income (Note 4)	(183,284)	(717,985)
Operating income (loss) before working capital changes	(92,665,485)	97,121,694
Increase in other current assets (Note 5)	(1,829,120)	(12,031,973)
Decrease in accounts payable and other current liabilities (Note 9)	(1,153,928)	(4,170,261)
Cash generated from (used for) operations	(95,648,533)	80,919,460
Interest received	183,284	717,985
Retirement benefits paid (Note 15)	(551,423)	(1,268,975)
Net cash provided by (used in) operating activities	(96,016,672)	80,368,470
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and equipment (Note 6)	(213,326)	(173,445)
Computer software (Note 8)	—	(4,054)
Decrease (increase) in deposits (Note 7)	(23,000)	18,000
Net cash used in investing activities	(236,326)	(159,499)
NET INCREASE (DECREASE) IN CASH	(96,252,998)	80,208,971
CASH AT BEGINNING OF YEAR (Note 4)	198,690,144	118,481,173
CASH AT END OF YEAR (Note 4)	₱102,437,146	₱198,690,144

See accompanying Notes to Financial Statements.



COMMUNITY AND FAMILY SERVICES INTERNATIONAL, INC.

(A Nonstock, Nonprofit Organization)

NOTES TO FINANCIAL STATEMENTS

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, with registration number 105084. On February 5, 2018, the Philippine Securities and Exchange Commission (SEC) granted CFSI a new Certificate of Registration, number CN201800559. That provided, among others, (a) the same primary purpose and corporate name; (b) the use of two trade names—Community and Family Services International (CFSI) and CFSI; and (c) a new corporate life of fifty (50) years.

The registered office address of CFSI is at 8F Gam Parklane Building, 212 EDSA Extension, Brgy. 79, Pasay City.

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.

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 years of accreditation that PCNC provides. The PCNC certification is valid until December 12, 2023. 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 and valid until November 27, 2020. The BIR issued a new Certificate of Registration on March 2, 2021 valid from December 23, 2020 until November 17, 2023 unless sooner revoked by the BIR, or upon withdrawal of the PCNC certification.

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). In 2021 and 2020, these included the Philippines, Myanmar and Viet Nam.

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.

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.

The accompanying financial statements of CFSI were approved and authorized for issuance by the Board of Trustees of CFSI on April 21, 2022.



Impact of the COVID-19 pandemic

Since January 2020 as the COVID-19 pandemic was starting in Asia, CFSI started increasing internal awareness of the disease, installation of disease prevention measures in all offices and cancelled international missions. CFSI also worked with partners to rapidly obtain information from affected populations, while continuing to help save lives and prevent suffering that could increase the risk of loss of life or greater disability.

Management and the BOT have assessed that CFSI operations were not adversely affected. CFSI continues to deliver on a host of its commitments and to report in accordance with established agreements with its partners.

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.

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 UN agencies; multilateral financial institutions such as the World Bank; Governments, usually through their development agencies; and the private sector, with the latter including international non-governmental organizations, foundations, corporate entities, various groups, and individuals.

UN Agencies

A. Funds from UN Agencies for Projects with Nationwide Coverage

Philippines United Nations High Commissioner for Refugees (UNHCR) Fund - Urban Refugee Project (URP). This represents funds received from the UNHCR to implement the URP for refugees, stateless persons, and asylum seekers from more than 48 countries and territories who are in the Philippines. CFSI is responsible for helping them 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. 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, 2022.

The URP also 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). This component of the URP began in 2009 and is expanding. At present, it is expected to continue at least through December 31, 2022.

Even during the COVID-19 pandemic, CFSI, in 2021, continued to provide assistance to refugees, stateless persons and asylum seekers remotely. Information alerts on the pandemic were sent via text messages and case management was done virtually. Teleconsultations for provision of health services were tapped and cash assistance were given through money transfers.



B. Funds from UN Agencies for Projects in Mindanao

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, resulting from peace talks between the Government and armed non-state actors.

Even so, CFSI continues to respond to large-scale displacement in various parts of Central, Northern, Western and Eastern Mindanao owing to natural or man-made disasters to further help people rebuild their lives.

1. Mindanao United Nations Children's Fund (UNICEF) - Fresh Start Project (FSP). The main objective of the FSP was 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. In support of these initiatives, activities for religious leaders of the Moro Islamic Liberation Front (MILF), including the development of child protection and child rights-centered sermon guides, were also implemented.
2. The second phase of the project (FSP/2) focused mainly on direct service in: (1) addressing the educational needs of enrolled disengaged children that are below 18 years old; (2) continuation of psychosocial and life skills training for children in need of such services; and (3) provision of cash grants to all families of disengaged children. The second phase also became instrumental in the polio immunization campaign of the Department of Health. Leveraging on its existing presence in the province of Lanao del Sur, including Marawi City, for social mobilization to help address the polio outbreak in the country.

The third and last phase of the project (FSP/3) included strengthening of referrals and negotiations with project partners to ensure that the beneficiaries would continue receiving services and assistance towards a lasting outcome.

3. Mindanao UNICEF - Barrier Analysis Project (BAP). The BAP aims to identify barriers and improve the quality and access to services of survivors of sexual violence ages 10 to 19 in Zamboanga City. The project started in November 2020 and ran until March 2021.
4. Mindanao UNHCR - 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 IDPs and returnees in Central Mindanao. This includes the implementation of quick impact projects (QIPs) and protection monitoring trainings. The MPP seeks to enable IDPs and those at risk of displacement from conflict-affected areas in the Province of Maguindanao and Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) Special Geographic Areas (SGA) in the Province of North Cotabato to achieve more excellent protection and take concrete steps towards durable solutions.



Multilateral Development Banks

C. Funds from Multilateral Development Banks for Projects in Mindanao

Mindanao World Bank - Mindanao Trust Fund - Reconstruction and Development Project Phase II (MTF-RDP/2) and Phase III (MTF-RDP/3). 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). The trust fund serves as a mechanism for pooling and channeling resources from development partners/international donors, as well as the Government of the Philippines (GPH), to support transitional assistance, in the form of grants, for post-conflict reconstruction and development in the conflict-affected areas in Mindanao. 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 programme. It 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 (LGUs) as well as stakeholders for the planning, implementation and management of the socio-economic development projects in conflict-affected areas of Mindanao.

The Grant Agreement for the MTF-RDP/2 was signed in April 2018 between CFSI and the World Bank for the MTF-RDP/2. The activities supported elements of the implementation of the CAB commitments to intensify socio-economic development in conflict-affected areas, including transforming the six (6) 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 was 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 that was expected to provide access to basic services for the remote communities.

In August 2019, CFSI and the World Bank signed an amended Grant Agreement where the World Bank granted CFSI with additional financing for the MTF-RDP/2 to support further activities related to the project. The original closing date of the Grant Agreements was February 28, 2019 and later moved by the World Bank to August 31, 2019. The closing date was further extended to December 31, 2020.

Before the second phase ended in 2020, phase three of the project (MTF-RDP/3) commenced in November 2020. It continued the provision of community development assistance to the MILF camps; institutional capacity and partnership building for mainstreaming with key stakeholders; and administration, monitoring, and evaluation of the project.

The community development assistance component included: (1) Community Sub-Project involving the construction of 13 Socio-Economic Infrastructures (SEIs), provision of equipment and conduct of productivity trainings; (2) Health Sub-Project involving construction of six Health Stations, provision of equipment and conduct of trainings for community health volunteers; and (3) Skills Sub-Project involving training for 1,200 learners who completed the ALS program during MTF-RDP/2. The needs of Indigenous Peoples (IP) groups were also served with four sub-projects they identified through a participatory process. All of these sub-projects were completed on March 31, 2021.



Governments

D. Funds from Governments for Projects in Mindanao

Mindanao Department of Foreign Affairs and Trade (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. The MRP promotes 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. CFSI entered into a sub-grant agreement with the Food and Agriculture Organisation of the United Nations (FAO) for the implementation of the agri-based livelihood sub-component.

In April 2019, an amendment for additional grant was signed that extended the project implementation for two more years and expanded the areas of coverage and target project beneficiaries with an additional 2,500 households, for a total 6,500 households (32,500 persons) to benefit from the MRP. With this amendment, the project was completed on December 31, 2021.

1. Mindanao DFAT - Marawi COVID Recovery Project (MCRP). Building on the achievements of, and lessons learned through, the implementation of the MRP, the MCRP was developed to continue to promote protection and enable at least 4,000 households (20,000 persons) to recover from the early economic and psycho-social impact of the COVID-19 pandemic. The envisaged outcomes include collective effort to prevent and respond to infection, an improved quality of life, the strengthening of relations between peoples, and greater prospects for peace. The project started in January 2021 and will be implemented through June 2023.
2. Mindanao Spanish Agency for International Development (AECID) - Camps of Learning Project (CLP). This project aims to contribute to the transition of the six MILF camps into peaceful and productive communities through the construction of six Community Learning Centers (CLCs). It also focuses on enhancing the access of women, out-of-school youth, and former combatants to basic literacy and skills training. CLP is a two-year agreement between CFSI and the AECID which started in October 2020 and will end in March 2022.
3. Mindanao European Union (EU) - Sama Bajau Capacity Strengthening Project (SBCSP). The Sama Bajaus are among the five groups reported by UNHCR who are at risk of statelessness and are confronted by severe protection issues. Banking on the research findings from the Sama Bajau Protection Project (SBPP), the project between CFSI and UNHCR, and the experiences from the Zamboanga Recovery Project (ZRP), CFSI implemented the SBCSP through funding support from the EU. The SBCSP contributed to the protection of 300 Sama Bajau families (1,500 individuals) against statelessness through four components, namely: (1) awareness sessions on human rights; (2) birth registration and access to social protection services; (3) adoption of environmentally sustainable livelihood; and (4) skills development on reading, writing and numeracy.



E. Funds from Governments for Projects in Metro Manila

Metro Manila EU - Sexual and Reproductive Health and Rights for Children and Young People in Pasay City (SRHP). This project aims to contribute to the safeguarding and advancing of sexual and reproductive rights for young people, including persons with disabilities (PWD), in the 12 barangays in Pasay City. Specifically, it focuses on promoting health-seeking behavior, improving access to youth-friendly integrated sexual and reproductive health services, and providing evidence-based advocacy for policy and service development. The project is a three-year agreement between CFSI and the European Commission starting October 2020 until September 2023.

Private Sector

Private Sector Funds represent funds received from the private sector in the Philippines and in 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.

F. Funds from the Private Sector for Projects in Mindanao

1. Mindanao, Educo Philippines - Sama Bajau Education Support Project Phase Two (SBESP/2). The successor project to Phase One of SBESP in Zamboanga City targeting out-of-school adolescent children and young people generally aims to improve the retention and completion of in-school children, particularly students at risk of dropping out (SARDOs). The project started in January 2021, and was initially expected to run through June 2022. Main project outcomes include: (1) distance learning is sustained during the COVID-19 pandemic through the conduct of tutoring and mentoring sessions with more than 100 Grades 2 and 3 Sama Bajau learners at risk of dropping out from school including over-aged learners; (2) contextualized assistance for SARDOs and children with special needs are developed and alternative learning options for OOSCs and over-age learners in Grades 2 and 3 are supported; (3) safe and gender-sensitive learning environment is promoted in Sama Bajau communities through the conduct of awareness-raising sessions with parents, teachers, and other relevant stakeholders; and (4) advocacy initiatives are strengthened to promote the delivery of quality education in emergencies and distance learning for Sama Bajau learners. In March 2022, Educo Philippines agreed to continue the partnership with additional funding until December 2022.
2. Mindanao Zapanta Realty and Development Corporation (ZDRC) - Harmony Learning Center for Marawi Project Phase Two (HLCMP/2). CFSI received funds from ZDRC to contribute to the establishment of a healthy, safe, and livable Marawi City, by providing displaced children access to educational services and facilities that will promote their well-being and development. HLCMP/2 built on the gains of, and lessons learned from, the first phase of the HLCMP. During the first phase, two Harmony Learning Centers (HLCs) were established for the displaced children affected by the Marawi Siege.

The project started in February 2020 expecting to accommodate at least 1,500 households in Boganga Lakeview Transitory Shelter Site. However, with the onset of the COVID-19 pandemic, delays in operations were experienced due to movement restrictions for health protocols and changes in the set-up of educational facilities. The project was completed in September 2021.



3. Mindanao China Medical Board - Community of Practice on Mental Health and Psychosocial Support Project (COP-MHPSS Project). In December 2021, CFSI received funding support for the COP-MHPSS Project to improve mental health and well-being of communities in 10 municipalities in the Province of Maguindanao.

The outcomes include: (1) COP proactively supports MHPSS systems' strengthening in the communities; (2) COP contributes in enhancing available MHPSS guidelines and capacity building modules; (3) COP members engage with government focal points to exchange insights and learn; and (4) COP contributes in the development of MHPSS capacity building program. The project is expected to run for three years from January 2021 through December 2024.

4. 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 devastating earthquakes in North Cotabato in October 2019, and by the damages brought by Typhoon Odette (Rai) in Visayas and Mindanao in December 2021, including the following:

Donors in the Philippines	Donors Outside the Philippines
Manulife Data Services, Inc.	Various individuals in the USA, Australia, and Europe
China Medical Board	CFSI Board Members (based outside the Philippines)
Various individuals	
CFSI Board Members	

G. Funds from the Private Sector for Projects in Luzon and 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. This ongoing effort, dubbed as Park Avenue Initiative (PAI), is being steered by a group of CFSI Staff Members, who also conduct emergency response operations in Luzon during crisis situations. Over the years, the PAI has established several projects with a variety of partners as summarized below.

Metro Manila Médecins du Monde (MDM) - SRHP. CFSI received funding from MDM in July 2020 to initialize the six-month opening phase of the SRHP. The project aims to protect and empower disadvantaged and vulnerable young people (10-24 years old), both female and male, so they can exercise their rights and access integrated sexual and reproductive health services, including HIV/Acquired Immunodeficiency Syndrome (AIDS) and gender-based violence (GBV). The funding support for the project, which will be implemented through 2023, was continued through the European Union.



Myanmar Programme

The Myanmar Programme includes funds from UNICEF, United Nations Population Fund (UNFPA), and the private sector, for CFSI activities in the Republic of the Union of Myanmar.

UN Agencies

H. Funds from UN Agencies for Projects in Rakhine State

1. Myanmar UNICEF - Strengthening Child Protection Project (SCPP). In 2016, CFSI and UNICEF started formal collaboration through the SCPP. The project aimed at ensuring that the rights and welfare of children in underserved areas of northern Rakhine State are protected and promoted through an established, community-based child protection system.

On its fifth year of implementation, CFSI continues to support the children and their parents in Rakhine State through various interventions. Child protection groups (CPG), adolescent focal points (AFP) and parent groups (PG) were formed in the village tracts to promote child rights and encourage them to act on child protection issues. Mental health psychosocial support services were also provided to more than 23,000 children, parents, and primary caregivers. Parenting sessions were also conducted for more than 4,500 parents in this period.

With the continuing COVID-19 pandemic in Myanmar, about 41,727 people in 307 safe spaces, villages, and IDP sites in Maungdaw, Buthidaung, and Rathedaung received key information and messages on COVID-19 prevention through awareness sessions. Participants were also provided protective items to keep themselves safe from the virus. Case management services and life skills training were still provided to the children during the pandemic. In 2021, CFSI partnered with local civil society organizations (CSOs) in the three townships that made it possible to reach the broadest number of people, despite the pandemic and unstable political situation brought about by the military coup on February 1, 2021.

2. Myanmar UNICEF - Schools and Communities Water and Sanitation Hygiene Project (SC-WASH). In 2021, CFSI and UNICEF continued the implementation of the SC-WASH Project to address the identified difficulties and needs concerning water and sanitation and hygiene (WASH) of communities and schools. The SC-WASH seeks not only to address the WASH needs of target groups but also to complement CFSI and UNICEF's education and child protection services in these locations.

As of December 2021, the SC-WASH has provided 19,481 individuals with timely and adequate personal hygiene items and community tailored messages that enable health seeking behaviour. Over 6,000 individuals have been capacitated on WASH and COVID-19 prevention through trainings and awareness sessions. More than 6,400 individuals were able to manage required safe and clean drinking water in Maungdaw, Buthidaung and Rathedaung through installation of hand pumps, distribution of water filters to families and schools and other sanitation projects.

3. Myanmar UNICEF - Support to Education Project for Out-of-School Children in northern townships of Rakhine State (STEP-OOSC). CFSI and UNICEF undertook the STEP-OOSC, which supports the Ministry of Education (MoE) initiative on "Going to School Together." Phase one of the project started in October 2019 and assisted around 2,000 OOSC with their needs for continuous education, and safe and conducive spaces for learning. The project also assisted at least 1,000 out-of-school adolescents through life skills activities and alternative learning modes.



Phase two of STEP-OOSC started in October 2020 and ran until September 2021 with 1,979 out-of-school children completed their remedial classes; 812 out-of-school adolescents finished their Extended and Continuous Education and Learning (EXCEL) training; and 99 adolescents benefited from their engagement in vocational training courses. COVID-19 awareness sessions and key messaging also reached around 7,000 people including remedial class students, parents, Education Support Groups (ESG), parents, local authorities and community members in the villages.

4. Myanmar UNICEF - Community and Home-Based Action for Inclusive and Responsive Education (CHAIRE). CHAIRE is the third collaboration between UNICEF and CFSI under the Learning Together Programme for the non-formal education of out-of-school children (OOSC) and adolescents in northern townships of Rakhine State, particularly in Maungdaw and Buthidaung. The 12-month project started in December 2021.

The Early Childhood Care and Development (ECCD) will cover 600 pre-school age children to increase access to protective, quality, and inclusive learning opportunities through integrated community-based early childhood care and development programme focusing on language development and readiness for learning.

The Adaptive Learning Activities (ALA) will benefit 3,000 disadvantaged primary and middle school-aged children who are out-of-school. ALA aims to provide access to remedial learning opportunities to children who have been out-of-school due to various circumstances including armed conflict, economic hardship, and COVID-19 pandemic.

The Technical-Vocational and Life Skills Training programme aims to reach 2,500 out-of-school adolescents providing them increased access to non-formal education opportunities that promotes their socio-emotional development, stability and general wellbeing.

5. Myanmar UNFPA Fund - SRHP. In January 2018, CFSI and UNFPA forged an agreement to implement the SRHP which aims to improve access to life-saving women's wellness information and services (sexual and reproductive health (SRH), GBV, mental health and psychosocial) in four village tracts/communities affected by violence and disasters in Maungdaw, Buthidaung, and Rathedaung Townships of Rakhine State. The success and initial impact of the SRHP for women and girls in the four village tracts of the three townships during the first year of its implementation from January to December 2018 prompted an extension until 2021.

In January 2021, CFSI and UNFPA entered into year four of SRHP, currently dubbed as Gender, Sexual and Reproductive Health Rights, and Mental Health and Psychosocial Integrated Project (GSMIP). The continuing threat of COVID-19 and the February 2021 event delayed implementation of some GSMIP activities on field, but not the core services for GBV survivors and SRH clients, GBV case management and referrals. Awareness sessions on SRH, GBV, and mental health and psychosocial support including family planning training were provided to over 14,000 individuals. In mid-2021, the Women and Girls Center (Center) was established in Sittwe. The Center provides temporary shelter and direct assistance to GBV survivors and extremely vulnerable women needing life-saving services.



Private Sector

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

Myanmar American Jewish World Service - Humanitarian Response Project Phase Two (HRP/2). In 2018, 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).

Through community-based Outreach Workers, HRP enabled CFSI to monitor the situation and humanitarian needs of highly vulnerable populations in areas not covered by other CFSI services (i.e. child protection and sexual and reproductive health). At least 700 individuals directly benefitted from the phase one of this project, which ended in June 2019.

In April 2020, the HRP/2 expanded humanitarian operations in Sittwe. CFSI was able to deliver humanitarian relief assistance to displaced individuals affected by armed conflict between the insurgent Arakan Army and the Myanmar Armed Forces, Tatmadaw. In September 2020, CFSI Volunteers distributed 1,000 Child Hygiene Kits (CHK), 300 Household Kits (HHK), and 1,000 Family Support Kits (FSK) to IDPs in eight IDP sites (monasteries). CFSI also distributed 75 Dignity Kits (DK) for women and girls in two IDP sites. Around 2,300 individuals including children (all Rakhines) benefited from the assistance. The IDPs originated from eight conflict-affected townships of Rakhine State. CFSI's humanitarian assistance in these areas through HRP/2 ran until April 2021.

J. 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.

In February 2020, CFSI, with funding support from the RHE, conducted a short training course on Introduction to Online Learning Platforms for 30 personnel of the Department of Social Welfare (DSW) of the Union of Myanmar's MSWRR. The course introduced more relevant online learning platforms to develop greater interest in this approach to human resource development and social work.

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 built 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.



Through the Atlantic Philanthropies, the SWEP in Viet Nam aimed 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 included 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 was completed in December 2017.

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.

Phase 2 of the SWEP Viet Nam aims to continue to strengthen knowledge and skills on social work for staff from Social Protection Centers and Social Work Service Centers in the MOLISA system and its affiliates including the Department of Labor Invalids and Social Affairs (DOLISA) in the provinces. SWEP 2 Viet Nam continues to significantly contribute to the development of the social work profession as well as for Decision 112 of Prime Minister for 2021-2030 and to further improve social services for vulnerable and disadvantaged population in Viet Nam.

Due to the COVID-19 pandemic, the Executive Education Program could not be conducted in 2021. However, the Master of Social Work Programme was conducted in Ha Noi and Ho Chi Minh City, and by the end of 2021, the first batch of 18 graduates finished with a Master degree. A second batch of 16 students are expected to graduate in 2024.

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.



- K. *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:

Other donors who provided support for CFSI Headquarters in 2021 and 2020 are listed in the table below:

Donors in the Philippines	Donors Outside the Philippines
Monark Equipment Corporation	RHE
Various Individuals	Pacific Star Charitable Trust
CFSI Board Members	Various individuals based in the USA, Australia, and Europe
CFSI Staff Members	CFSI Board Members (based outside the Philippines)

The donations include the fundraising campaign in line with the 40th Anniversary celebration of CFSI.

- L. *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 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 at the graduate degree level in Cotabato City, Mindanao for professional social workers from the conflict-affected areas in Mindanao. Between 2006 through 2012, a total of 100 social workers received their MTSW degrees from CUA. The required post-graduation field service requirements were completed in 2014. In 2017, CFSI completed one of several evaluation processes on the outcomes of SWEP Mindanao.

- M. *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.



- N. *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 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.

Throughout 2021, the CEHS continued to serve as the venue for training workshops, seminars, and meetings in accordance with the mission of CFSI.



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 2021.

	Paragraph Reference	Term of Grants	Amount of Grants (a)	Total Funds Received			Movements of Grants after December 31, 2021		
				As at December 31, 2020 (b)	During 2021 (c)	As at December 31, 2021 (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 Returned and to be Returned to Donors (g)
PHILIPPINE PROGRAMME									
UNITED NATIONS (UN) AGENCIES									
UN High Commissioner for Refugees (UNHCR)									
Nationwide - Urban Refugee Project (URP)	A	January 2021 - December 2021	₱7,910,707	₱–	₱7,910,707	₱7,910,707	₱–	₱–	₱–
Mindanao - Mindanao Protection Project (MPP)	B.4	January 2021 - December 2021	₱12,115,240	₱–	₱12,115,240	₱12,115,240	₱–	₱–	₱–
UN Children's Fund (UNICEF)									
Mindanao - Fresh Start Project Phase 3 (FSP/3)	B.2	May 2020 - November 2020	₱8,785,964	₱8,211,181	₱535,795	₱8,746,976	₱38,988	₱–	₱–
Mindanao - Barrier Analysis Project (BAP)	B.3	November 2020 - June 2021	\$64,735 (or ₱3,112,244)	\$14,800 (or ₱712,324)	\$49,935 (or ₱2,399,920)	₱64,735 (or ₱3,112,244)	₱–	₱–	₱–
The World Bank									
Mindanao Trust Fund for Reconstruction and Development Programme - Phase 3 (MTF-RDP/3) Grant TF B4274	C	November 2020 - March 2021	\$3,000,000 (or ₱144,517,830)	\$2,362,584 (or ₱113,545,787)	\$637,416 (or ₱30,972,043)	\$3,000,000 (or ₱144,517,830)	\$–	\$–	*\$61,531 (or ₱2,977,373)
Australia Department of Foreign Affairs and Trade (DFAT)									
Mindanao - Marawi Recovery Project (MRP)	D.1	October 2017 - December 2021	AUS\$2,500,000 (or ₱100,000,000 or US\$2,000,000)	AUS\$2,500,000 (or ₱100,000,000 or US\$2,000,000)	AUS–	AUS\$2,500,000 (or ₱100,000,000 or US\$2,000,000)	AUS–	AUS–	AUS–
		April 2019 - December 2021	AUS\$3,500,000 (or ₱125,144,750 or US\$2,800,000)	AUS\$3,000,000 (or ₱106,509,400 or US\$2,400,000)	AUS\$500,000 (or ₱18,635,350 or US\$400,000)	AUS\$3,500,000 (or ₱125,144,750 or US\$2,800,000)	AUS–	AUS–	AUS–
Marawi COVID19 Recovery Project (MCRP)	D.2	January 2021 - June 2023	AUS\$2,990,000 (or ₱104,650,000 or US\$2,093,000)	AUS–	AUS\$1,500,000 (or ₱55,928,160 or US\$1,118,563)	AUS\$1,500,000 (or ₱55,928,160 or US\$1,118,563)	AUS–	AUS\$1,490,000 (or ₱48,721,840 or US\$974,437)	AUS–

(Forward)



	Paragraph Reference	Term of Grants	Amount of Grants (a)	Total Funds Received			Movements of Grants after December 31, 2021		
				As at December 31, 2020 (b)	During 2021 (c)	As at December 31, 2021 (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 Returned and to be Returned to Donors (g)
Spanish Agency for International Development Cooperation (AECID)									
Mindanao - Camps of Learning Project (CLP)	D.3	October 2020 - March 2022	€600,000 (or P32,985,885 or \$720,000)	€450,000 (or P24,532,830 or \$540,000)	€150,000 (or P8,453,055 or \$180,000)	€600,000 (or P32,985,885 or \$720,000)	€–	€–	€–
European Union									
Metro Manila - Sexual and Reproductive Health and Rights of Children Project (SRHP-EU)	E	November 2020 - November 2023	€500,000 (or P29,050,549 or \$600,000)	€173,000 (or P10,051,490 or US\$207,600)	€–	€173,000 (or P10,051,490 or US\$207,600)	€–	€327,000 (or P18,999,059 or US\$392,400)	€–
Private Sector Fund									
Mindanao - Educo Philippines - Sama Bajau Education Support Project - Phase 2 (SBESP/2)	F.1	January 2021 - June 2022	P3,219,216	P–	P2,109,856	P2,109,856	P–	P1,109,360	P–
Metro Manila - Medics Du Monde (SRHP-MDM)	G.1	July 2020 - December 2020	P1,042,300	P478,349	P311,749	P790,098	P252,202	P–	P–
Subtotal in US dollar			\$3,064,735	\$2,377,384	\$687,351	\$3,064,735	\$–	\$–	\$61,351
Subtotal in Australian dollar			AUS8,990,000	AUS5,500,000	AUS2,000,000	AUS7,500,000	AUS–	AUS1,490,000	AUS–
Subtotal in Euro			€1,100,000	€623,000	€150,000	€773,000	€–	€327,000	€–
Subtotal in Philippine peso			P33,073,427	P8,689,530	P22,983,347	P31,672,877	P291,190	P1,109,360	P–
MYANMAR PROGRAMME									
UN Children's Fund (UNICEF)									
Myanmar - Strengthening Child Protection Project (SCPP)	H.1	July 2020 - June 2021	\$688,107 (or P35,406,299)	\$401,473 (or P19,093,300)	\$282,600 (or P16,121,150)	\$684,073 (or P35,214,450)	\$–	\$4,034 (or P191,849)	\$–
		Sept 2021 - Aug 2022	\$812,326 (or P40,616,300)	\$–	\$371,485 (or P18,890,012)	\$371,485 (or P18,890,012)	\$–	\$440,841 (or P21,726,288)	\$–
Myanmar - Support to Education Project for Out-of-School Children (STEP-OOSC)	H.3	October 2020 - September 2021	\$609,555 (or P29,806,461)	\$184,038 (or P8,871,605)	\$307,526 (or P15,035,306)	\$491,564 (or P29,906,911)	\$117,991 (or P5,899,550)	\$–	\$–
Myanmar - Schools and Communities Water and Sanitation Hygiene Project (SC-WASH)	H.2	May 2020 to May 2021	\$481,074 (or P23,532,446)	\$206,675 (or P10,137,304)	\$264,026 (or P12,876,476)	\$470,701 (or P23,013,780)	\$10,373 (or P518,666)	\$–	\$–
		July 2021 - June 2022	\$318,610 (or P15,930,500)	\$–	\$266,757 (or P13,440,436)	\$266,757 (or P13,440,436)	\$–	\$51,853 (or P2,490,064)	\$–
Myanmar - Community and Home-based Action for Inclusive and Responsive Education Project (CHAIRE)	H.4	December 2021 - December 2022	\$812,326 (or P40,616,300)	\$–	\$151,316 (or P7,555,208)	\$151,316 (or P7,555,208)	\$–	\$661,010 (or P33,061,092)	\$–

(Forward)



	Paragraph Reference	Term of Grants	Amount of Grants (a)	Total Funds Received			Movements of Grants after December 31, 2021		
				As at December 31, 2020 (b)	During 2021 (c)	As at December 31, 2021 (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 Returned and to be Returned to Donors (g)
UN Population Fund (UNFPA)									
Myanmar - GBV-SRHR-MHPPS Integrated Project (GSMIP)	H.5	January 2021 - December 2021	\$209,796 (or P10,489,800)	\$-	\$237,394 (or P11,699,911)	\$237,394 (or P11,699,911)	\$-	\$-	**\$27,598 (or P1,210,111)
Private Sector									
Myanmar - Humanitarian Response Project (HRP) - American Jewish World Service	I.1	July 2021 - June 2023	\$90,000 (or P4,365,000)	\$-	\$90,000 (or P4,365,000)	\$90,000 (or P4,365,000)	\$-	\$-	\$-
Total in US dollar			\$7,086,529	\$3,169,570	\$2,658,455	\$5,828,025	\$128,364	\$1,157,738	\$88,949
Total in Australian dollar			AUS8,990,000	AUS5,500,000	AUS2,000,000	AUS7,500,000	AUS-	AUS1,490,000	AUS-
Total in Euro			€1,100,000	€623,000	€150,000	€773,000	€-	€327,000	€-
Total in Philippine peso			₱33,073,427	₱8,689,530	₱22,983,347	₱31,672,877	₱291,190	₱1,109,360	₱-
Grand total in peso			₱773,297,791	₱402,143,570	₱239,355,374	₱641,498,944	₱6,709,406	₱126,299,552	₱4,187,484

The amount of P641,498,944 represents the total amount of funds received from primary sources as at December 31, 2021 which includes grants committed before 2021.

*Returned to the World Bank before December 31, 2021.

**Funds received exceeded the total amount of grants per agreement.



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.

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. 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 Visayas and Mindanao, Philippines, the assistance provided by hundreds of Community Volunteers made it possible for CFSI to provide relief goods, in a timely manner, to large numbers of people in need of protection and humanitarian assistance.

In support of the PAI in Pasay City which was implemented from June 2019 to November 2020, volunteers who were trained as Youth Peer Counsellors and Family Support Workers helped mobilize and recruit participants to the community education and outreach activities, helped in the distribution of relief goods during the enhanced community quarantine, provided family planning services and community-based HIV screening, assisted clients to health centers for health services, facilitated discussions on adolescent sexual and reproductive health topics, conducted home visits to adolescents and held peer-to-peer counselling.

To support the first year of implementation of the SRHP in Pasay City from November 2020 to November 2021, young people trained as Peer Educators and Youth Community Mobilizers organized and conducted health promotions activities among adolescents, parents, and gatekeepers including awareness sessions, psychosocial support, peer counselling, community and facility-based HIV screening, family planning services, referrals to the CFSI Sexual and Reproductive Health Clinic, health centers, and child protection agencies; distributed condoms and contraceptives to young people during enhanced community quarantine; and provided support through online and social media engagement.

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 the areas where it implements its child protection and education projects with UNICEF, community members volunteered to repair houses or structures used for learning and psychosocial activities of children. Parents also volunteered in activities, including cleaning and maintaining the learning center and play area, fetching water, helping carry play and learning materials, and watching over children while playing outside the learning center. Some families offered to use part of their house for learning spaces and children activities.

In the WASH project with UNICEF, community members provided manual labor in carrying construction materials used in renovating and constructing water and sanitation facilities in the villages. Community members also offered to share key messages on hygiene and COVID-19 prevention through informal and small group sessions. Community-based WASH Committees volunteered to oversee the operations and maintenance of WASH facilities constructed and renovated in their villages.



In its SRHP/GSMIP with UNFPA Myanmar, women offered their houses as venues for information-sharing of key messages on SRH and GBV. Community-based Peer Educators facilitated peer-to-peer sessions on SRH-GBV for free. Some individuals offered to use their vehicle for GBV survivors and SRH clients brought to hospitals or clinics for emergency treatment. In some instances, some individuals contributed cash for immediate medical needs of SRH clients.

- c. Organizations/Corporations - Google, Inc. hosts CFSI's email and other web-based platforms on Google Apps for Business. Oracle NetSuite donated accounting software and provided coaching and technical support. The World Bank helped strengthen CFSI's technical capacities, as did UNHCR, UNICEF, the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), the Australia DFAT and several other organizations. UNHCR in Myanmar shared facilities and services.
- 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 and development arenas. In addition, significant in-kind support is provided by partners of CFSI, such as transportation 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 2021 and 2020 included:
 - International Council of Voluntary Agencies (ICVA)
 - Core Humanitarian Standards (CHS) Alliance
 - 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 40-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 2021 and 2020 including, but not limited to, the following:

Philippines

- University of the Philippines - Metro Manila
- Mindanao State University – Maguindanao
- Mindanao State University – Marawi City
- Cotabato City State Polytechnic College

USA

- Brigham Young University – Hawaii

Australia

- University of South Australia

Belgium

- University Libre De Bruxelles



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.

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 as expenses 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:

Asset Type	Number of Years
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 the statement of revenues and expenses.

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 the statement of revenues and expenses.

Accounts Payable and Other Current Liabilities

Accounts payable and other current liabilities 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 statement of revenues and expenses 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.

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 16). 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 ₱21,198,254 and ₱23,398,869 as at December 31, 2021 and 2020, respectively (see Note 6). The carrying value of computer software amounted to ₱1,014 and ₱4,054 as at December 31, 2021 and 2020, 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, 2021 and 2020.

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 ₱14,622,355 and ₱16,788,768 as at December 31, 2021 and 2020, respectively (see Note 15).



4. Cash

	2021	2020
Cash on hand:		
Restricted	₱424,745	₱626,950
Unrestricted	70,000	35,000
	494,745	661,950
Cash in banks:		
Restricted (Note 15)	92,236,207	189,833,988
Unrestricted	9,706,194	8,194,206
	101,942,401	198,028,194
	₱102,437,146	₱198,690,144

Restricted cash includes funds which is restricted to specific purposes bound by contracted agreements amounting to ₱75,533,945 and ₱175,756,153 as at December 31, 2021 and 2020, respectively. It also includes the fund maintained by CFSI to cover its retirement liability amounting to ₱17,127,007 and ₱14,704,785 as at December 31, 2021 and 2020, respectively (see Note 15).

Unrestricted cash includes funds that are not subject to restrictions imposed by the donor. Restricted cash on hand are maintained in the field offices in the Philippines and in Myanmar to ensure delivery of services, in case of possible emergencies.

Interest income earned from cash in banks amounted to ₱183,284 and ₱717,985 in 2021 and 2020, respectively.

5. Other Current Assets

	2021	2020
Project advances:		
Operations	₱19,440,521	₱2,393,264
Due from Bangsamoro Development Agency (BDA)	32,385	16,064,301
Other agencies	50,250	104,694
Prepaid subscription	868,223	—
	₱20,391,379	₱18,562,259

Advances for operations represent advances made for the field activities of various projects in the Philippines and in Myanmar.

These include project advances for Myanmar projects made in late December 2021 which were outstanding as at December 31, 2021. In March 2022, CFSI requested the return of these advances. In April 2022, advances amounting to ₱18,064,740 were returned.

Project advances to the BDA include unliquidated operational funds under the CLP as at December 31, 2021, covered with a Grant Agreement between CFSI and AECID. The project advances to BDA as at December 31, 2020 was for the MTF-RDP/2 and MTF-RDP/3 which were liquidated in 2021. The MTF-RDP/2 and MTF-RDP/3 are covered under the Grant Agreements between CFSI and the World Bank which ended on December 31, 2020 and March 31, 2021, respectively.



Advances to other agencies include a rental deposit for the warehouse in Cotabato City and advances made to staff for maternity benefits that are reimbursable from the Social Security System (SSS).

Prepaid subscription includes computer software or programs that are paid annually and/or monthly which are accessible through a web browser. These include NetSuite Financials, Zoom Video Conferencing, Dropbox Cloud Storage, Google Cloud Storage, and Teamwork Project Management Software. In October 2021, CFSI received a donation for a 12-month renewable subscription to NetSuite Financials which also includes access to three users. This prepaid subscription is amortized over a period of 12 months.

6. Property and Equipment

	2021						
	Land	Buildings and Improvements	Transportation Equipment	Furniture and Fixtures	Communication Equipment	Office and Other Equipment	Total
Cost							
Balances at January 1, 2021	₱1,664,091	₱26,470,607	₱3,000,770	₱4,349,481	₱83,752	₱17,630,350	₱53,199,051
Additions	—	177,520	—	6,307	—	29,499	213,326
Disposals	—	—	—	—	(42,002)	—	(42,002)
Balances at December 31, 2021	1,664,091	26,648,127	3,000,770	4,355,788	41,750	17,659,849	53,370,375
Accumulated Depreciation							
Balances at January 1, 2021	—	6,828,704	2,541,546	3,385,199	83,752	16,960,981	29,800,182
Depreciation	—	1,341,473	220,698	571,970	—	279,800	2,413,941
Disposals	—	—	—	—	(42,002)	—	(42,002)
Balances at December 31, 2021	—	8,170,177	2,762,244	3,957,169	41,750	17,240,781	32,172,121
Net Book Value as at December 31, 2021	₱1,664,091	₱18,477,950	₱238,526	₱398,619	₱—	₱419,068	₱21,198,254

	2020						
	Land	Buildings and Improvements	Transportation Equipment	Furniture and Fixtures	Communication Equipment	Office and Other Equipment	Total
Cost							
Balances at January 1, 2020	₱1,664,091	₱26,470,607	₱3,000,770	₱4,335,343	₱83,752	₱17,471,043	₱53,025,606
Additions	—	—	—	14,138	—	159,307	173,445
Balances at December 31, 2020	1,664,091	26,470,607	3,000,770	4,349,481	83,752	17,630,350	53,199,051
Accumulated Depreciation							
Balances at January 1, 2020	—	5,510,258	2,303,097	2,785,652	83,752	16,376,857	27,059,616
Depreciation	—	1,318,446	238,449	599,547	—	584,124	2,740,566
Balances at December 31, 2020	—	6,828,704	2,541,546	3,385,199	83,752	16,960,981	29,800,182
Net Book Value as at December 31, 2020	₱1,664,091	₱19,641,903	₱459,224	₱964,282	₱—	₱669,369	₱23,398,869

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 BOT in 2008. The property in Cotabato City includes a previously existing building, which is currently used as the office of CFSI and the CEHS.

In 2021 and 2020, office and other equipment, which include computers, and furniture and fixtures were purchased through various project funds. Additions to building and improvements were also made in 2021 for improvements made to the Headquarters office.

Fully depreciated communication equipment amounting to ₱42,002 were disposed in 2021. No proceeds were received from the disposals. Fully depreciated communication equipment still in use amounted to ₱41,750 and ₱83,752 as at December 31, 2021 and 2020.



7. Deposits

As required in lease agreements, CFSI makes deposits and advance rentals for the use of the office premises in the Philippines (Metro Manila, Iligan City, Marawi City, Zamboanga City and Surigao City) and in Myanmar (Yangon, Sittwe and Maungdaw), and the warehouses in Cotabato City, Philippines and Maungdaw, Myanmar. CFSI was also required to post a deposit for the installation and use of an electric transformer and meter for the CEHS in Cotabato City.

Deposits as of December 31, 2021 and 2020 totaling to ₱1,032,454 and ₱1,009,454 respectively, will be returned to CFSI after the termination of the lease agreements.

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.

	2021	2020
Cost:		
Balance at beginning of year	₱1,082,853	₱1,078,799
Additions	—	4,054
Balance at end of year	1,082,853	1,082,853
Accumulated amortization:		
Balance at beginning of year	1,078,799	1,074,752
Amortization	3,040	4,047
Balance at end of year	1,081,839	1,078,799
Net book value at end of year	₱1,014	₱4,054

9. Accounts Payable and Other Current Liabilities

	2021	2020
Accounts payable	₱4,074,826	₱9,770,447
Accrued expenses:		
Payable to various suppliers	6,259,584	2,309,045
Professional, technical and other consultancy fees	982,650	2,194,509
Others	292,901	291,868
Deferred revenue	2,549,950	—
Statutory payable	468,474	1,216,444
	₱14,628,385	₱15,782,313

Accounts payable includes outstanding cheque payments to various vendors as at December 31, 2021. Accrued expenses include liabilities to various vendors and contractors of several projects for expenses such as construction of community infrastructures, various materials and supplies for the use of communities and professional, technical and consultancy services. Accounts payable and accrued expenses are expected to be settled within the next financial year.



Deferred revenue pertains to grant funds received on December 24, 2021 from the China Medical Board for the COP-MHPSS which will only be available for use for a three-year period beginning on January 1, 2022 and concluding December 31, 2024.

Other accrued expenses and statutory payable are settled within the next financial year.

10. Related Party Transactions

Salaries and employee benefits of the members of the Senior Management Team were ₱7,640,582 and ₱7,433,719 for the years ended December 31, 2021 and 2020, respectively.

11. Fund Balances

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

	2021	2020
Myanmar Programme	₱45,115,166	₱18,178,186
Headquarters Programme	44,692,688	45,432,246
Philippine Programme	25,406,562	143,064,034
Viet Nam Programme	595,091	2,419,233
	₱115,809,507	₱209,093,699

12. Project Expenses

Direct Project Expenses

Direct project expenses refer to the costs of projects carried out by CFSI in accordance with the agreements between CFSI and the respective donor partners and with its mission of protecting and promoting the human security of uprooted people. 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, specifically in the Philippines, Myanmar and Viet Nam.

Community services benefited refugees in various parts of the Philippines, conflict-affected communities in Mindanao, disaster survivors in 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 the Social Work Education Project (SWEP) Viet Nam.

Community service and capacity building expenses amounted to ₱181,906,341 and ₱143,410,324 in 2021 and 2020, respectively. Trainings and workshops for crisis-affected populations amounted to ₱28,287,191 and ₱25,247,482 in 2021 and 2020, respectively. The aggregate amount of these expenses that directly benefit the beneficiaries amounted to ₱210,193,532 and ₱168,657,806 in 2021 and 2020, respectively.



Personnel costs also include provision for retirement which refers to expenses charged to projects for the retirement benefits, in compliance with Philippine law, of project personnel. The funds are maintained in a restricted bank account dedicated to the Retirement Benefit Plan of CFSI (see Note 15).

Materials and office supplies amounted to ₱2,944,290 and ₱4,105,462 in 2021 and 2020, respectively. These include computer software, including applications, tools and licenses purchased through annual renewable subscriptions.

Management, Supervision and Support Expenses

Management, supervision and support expenses amounting to ₱27,880,183 and ₱28,790,111 in 2021 and 2020, respectively, 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 amounting to ₱5,140,671 and ₱5,732,747 in 2021 and 2020, respectively, 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 amounting to ₱1,845,192 and ₱2,629,128 in 2021 and 2020, respectively, 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. 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 ₱802,317 and ₱921,314 in 2021 and 2020, 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:

	2021	2020
Personnel costs	₱2,008,212	₱1,371,436
Materials and office supplies	858,002	618,771
Auditor's fee	578,000	542,800
Rent and utilities (Note 16)	534,488	607,676
Communication expense	440,246	387,789
Taxes and licenses	344,955	362,474
Transportation and travel	318,202	343,731
Trainings and workshop expenses	198,264	423,441
Repairs and maintenance	82,761	139,904
Insurance	14,089	15,064
Board and committee meetings	—	38,704
Others	75,000	223,758
	₱5,452,219	₱5,075,548

Taxes and licenses include real property taxes for CFSI Headquarters that cover the years 2021 and 2020.

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, 2021 and 2020.

	2021	2020
Retirement (income) expense:		
Net actuarial (gain) loss	(₱4,367,591)	₱2,603,330
Current service cost	2,097,839	1,639,917
Interest cost on benefit obligation	654,762	682,846
	(₱1,614,990)	₱4,926,093

Movements in the retirement liability in 2021 and 2020 are as follows:

	2021	2020
Balance at beginning of year	₱16,788,768	₱13,131,650
Retirement (income) expense	(1,614,990)	4,926,093
Benefits paid	(551,423)	(1,268,975)
Balance at end of year	₱14,622,355	₱16,788,768



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 ₱17,127,007 and ₱14,704,785 as at December 31, 2021 and 2020, respectively (see Note 4).

The principal assumptions used in determining retirement liability as at December 31, 2021 and 2020 are as follows:

	2021	2020
Discount rate	5.20%	3.90%
Salary increase rate	5.00%	5.00%

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31, 2021 and 2020:

	2021	2020
Less than one year	₱119,260	₱89,634
More than one to five years	824,197	1,693,061
More than five to 10 years	7,798,593	8,725,448
More than 10 to 15 years	14,502,079	18,660,353
More than 15 to 20 years	21,420,262	21,808,582
More than 20 years	57,421,229	53,317,444

The weighted average duration of the retirement liability is 18.0 years and 18.3 years as at December 31, 2021 and 2020, respectively.

16. Lease Commitment

CFSI has existing operating lease agreements for its office spaces. These leases are renewed on an annual basis. Rent expense, presented under “Rent and utilities” as part of Project expenses amounted to ₱4,194,791 and ₱3,592,618 in 2021 and 2020, respectively. This includes rent for its offices and warehouses in the Philippines and Myanmar.

17. Other Matters

Impact of CREATE Act

On March 26, 2021 the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law to attract more investments and maintain fiscal prudence and stability in the Philippines. RA No. 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic corporations. For domestic corporation with net taxable income not exceeding ₱5,000,000 and with total assets not exceeding ₱100,000,000, excluding land on which the business entity’s office, plant and equipment are situated, during the taxable year, the RCIT rate is reduced to 20%.



- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effectively July 1, 2020 to June 30, 2023.

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 RA No. 8424, where income from activities in pursuit of the purpose for which CFSI was organized is exempt from income tax.

New Project Partnerships

Typhoon Rai (locally named Odette) hit the Philippines in December 2021, affecting at least 16 million people in the three major island groupings, with the most affected regions in CARAGA, Eastern Visayas, Central Visayas, Western Visayas and MIMAROPA. CFSI launched its humanitarian response on December 16, 2021 with Emergency Response Teams in Northern Mindanao, CARAGA and the province of Southern Leyte. Shortly, CFSI entered into partnerships with Australia DFAT for the Odette Response Project (ORP) which covers CARAGA and the province of Southern Leyte, and with UNICEF for the Child Protection Emergency Response Project (CPERP) covering CARAGA. The ORP started on December 27, 2021 and is expected to continue through September 2022 while the CPERP-CARAGA which started on January 11, 2022 is expected to continue through July 2022. Funds for ORP and CPERP were received in January 2022. Continuation through recovery response is being planned through at least 2024.

In March 2022, CFSI entered into a partnership with Voice Philippines which seeks to empower refugee women and youth towards self-reliance and socioeconomic integration in the Philippines. CFSI will be working with Philippine Arab Cooperation Council, which is composed of over 250 members, most of which are refugees and asylum seekers, and Arab people living the Philippines. The project will be implemented through March 2024.

18. Supplementary Information Required under Revenue Regulations (RR) 34-2020

On December 18, 2020, the Bureau of Internal Revenue (BIR) issued RR No. 34-2020, Prescribing the Guidelines and Procedures for the Submission of BIR Form No. 1709, Transfer Pricing Documentation (TPD) and other Supporting Documents, Amending for this Purpose the Pertinent Provisions of RR Nos. 19-2020 and 21-2002, as amended by RR No. 15-2010, to streamline the guidelines and procedures for the submission of BIR Form No. 1709, TPD and other supporting documents by providing safe harbors and materiality thresholds. Section 2 of the RR No. 34-2020 provides the list of taxpayers that are required to file and submit the Related Party Transactions (RPT) Form, together with the annual income tax return.

CFSI is not covered by the requirements and procedures for related party transactions provided under RR No. 34-2020 as it does not meet any criteria of taxpayers prescribed in Section 2 of RR No. 34-2020.

19. Supplementary Information Required under 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 2021:

(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 expenses.

(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, 2021.

	Amount
Local:	
Real property tax	₱300,172
Business permits	39,604
Community tax certificate	1,600
Fire inspection fee	500
National:	
Land Transportation Office registration	2,179
BIR annual registration	500
BIR certification fee	400
	₱344,955

(c) The amount of withholding taxes paid and accrued for the year ended December 31, 2021 amounted to:

Expanded withholding taxes	₱3,932,038
Withholding tax on compensation	3,906,001
Final withholding tax	45,821
	₱7,883,860

(d) CFSI has no tax assessments and cases pending before the BIR as at December 31, 2021. Likewise, CFSI has no other pending tax cases outside the administration of the BIR as at December 31, 2021.

