

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

Financial Statements
December 31, 2023 and 2022

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, 2023 and 2022, 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, 2023 and 2022, 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 17 and 18 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, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-112-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10082039, January 6, 2024, Makati City

April 18, 2024



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

STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCES

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash (Note 4):		
Restricted (Note 15)	₱212,038,413	₱146,011,460
Unrestricted	13,656,385	11,831,678
Total Cash	225,694,798	157,843,138
Other current assets (Note 5)	14,216,095	5,279,962
Total Current Assets	239,910,893	163,123,100
Noncurrent Assets		
Property and equipment (Note 6)	18,226,372	19,460,390
Deposits (Note 7)	826,441	777,164
Computer software (Note 8)	-	-
Total Noncurrent Assets	19,052,813	20,237,554
TOTAL ASSETS	₱258,963,706	₱183,360,654
LIABILITIES AND FUND BALANCES		
Current Liabilities		
Accounts payable and accrued expenses (Note 9)	₱20,750,893	₱19,923,581
Noncurrent Liability		
Retirement liability (Note 15)	15,888,563	10,827,150
Total Liabilities	36,639,456	30,750,731
Fund Balances (Notes 1 and 11)	222,324,250	152,609,923
TOTAL LIABILITIES AND FUND BALANCES	₱258,963,706	₱183,360,654

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	
	2023	2022
REVENUES		
Grants, donations, support and contributions (Note 1)	₱454,123,098	₱341,545,767
Mission-related social enterprise activities	1,301,030	703,469
Interest income (Note 4)	262,959	111,269
	455,687,087	342,360,505
PROJECT EXPENSES (Note 12)		
Direct:		
Personnel costs	131,123,960	114,309,718
Community service and capacity building expenses	97,829,220	100,129,107
Trainings and workshops for crisis-affected populations	68,085,375	32,901,851
Field transportation and travel	21,052,411	14,020,549
Rent and utilities (Note 16)	7,733,509	7,429,230
Communication	3,241,943	2,550,971
Materials and office supplies	2,628,857	3,080,665
Operations and maintenance of Center for Excellence in Humanitarian Service	1,527,873	654,289
Professional, technical and other consultancy fees	1,316,075	533,104
Repairs and maintenance	1,098,940	790,947
Insurance premiums	46,349	87,987
Management, supervision and support expenses	31,017,182	18,480,178
Development expenses	6,180,989	5,105,605
Counterpart expenses	1,558,705	1,803,445
	374,441,388	301,877,646
COUNTRY PROGRAMME SUPPORT EXPENSES (Note 13)	1,829,447	1,257,927
GENERAL AND ADMINISTRATIVE EXPENSES (Note 14)	7,709,246	6,541,993
OTHER EXPENSES		
Bank charges	380,032	295,700
	384,360,113	309,973,266
EXCESS OF REVENUES OVER EXPENSES BEFORE NON-CASH EXPENSES (INCOME)	71,326,974	32,387,239
OTHER NON-CASH EXPENSES (INCOME)		
Foreign exchange gain - net	(5,252,815)	(2,783,121)
Depreciation and amortization:		
Property and equipment (Note 6)	1,804,049	2,164,135
Computer software (Note 8)	-	1,014
Retirement expense (income) (Note 15)	5,061,413	(3,795,205)
	1,612,647	(4,413,177)
EXCESS OF REVENUES OVER EXPENSES	₱69,714,327	₱36,800,416

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	
	2023	2022
Balance at beginning of year	₱152,609,923	₱115,809,507
Excess of revenues over expenses	69,714,327	36,800,416
Balance at end of year (Note 11)	₱222,324,250	₱152,609,923

See accompanying Notes to Financial Statements.



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

STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	₱69,714,327	₱36,800,416
Adjustments for:		
Depreciation and amortization:		
Property and equipment (Note 6)	1,804,049	2,164,135
Computer software (Note 8)	–	1,014
Retirement expense (income) (Note 15)	5,061,413	(3,795,205)
Interest income (Note 4)	(262,959)	(111,269)
Operating income before working capital changes	76,316,830	35,059,091
Decrease (increase) in other current assets (Note 5)	(8,936,133)	15,111,417
Increase in accounts payable and accrued expenses (Note 9)	827,312	5,295,196
Cash generated from operations	68,208,009	55,465,704
Interest received	262,959	111,269
Net cash provided by operating activities	68,470,968	55,576,973
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment (Note 6)	(570,031)	(426,271)
Decrease (increase) in deposits (Note 7)	(49,277)	255,290
Net cash used in investing activities	(619,308)	(170,981)
NET INCREASE IN CASH	67,851,660	55,405,992
CASH AT BEGINNING OF YEAR (Note 4)	157,843,138	102,437,146
CASH AT END OF YEAR (Note 4)	₱225,694,798	₱157,843,138

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 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, to end in 2067.

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 2023, CFSI was certified for the fifth 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 5, 2028. 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 subsequently issued a new Certificate of Registration as a "Donee Institution" on January 23, 2024 and valid until November 18, 2026 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 2023 and 2022, 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 maintained.

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 were approved and authorized for issuance by the BOT on April 18, 2024.

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.

United Nations Agencies

A. Funds from UN Agencies for Projects with Nationwide Coverage

United Nations High Commissioner for Refugees (UNHCR) - 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 50 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. For many of the refugees, the most likely durable solution is local integration in the Philippines, ideally leading to naturalization. CFSI has entered into annual project agreements with UNHCR for this purpose since 1997 and is expected to continue to do so at least through December 31, 2025. Under the terms of these agreements, funds that are not used within the project period, as well as specific assets provided for in the agreements, are returned to UNHCR.

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 2029, 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. United Nations High Commissioner for Refugees (UNHCR) - Mindanao Protection Project (MPP). CFSI and UNHCR agreed in December 2021 that CFSI would continue to implement the Mindanao Protection Project (MPP) and running through October 2022, which included a revisit of the previous Quick Impact Project (QIP) carried out at various sites between 2010 to 2021 in the provinces of Lanao del Sur, Maguindanao, North Cotabato, Sarangani, Special Geographic Area (SGA) of BARMM, and Sultan Kudarat. The revisit included assessing the QIPs, strengthening the Project Committees (PC) to plan, manage, and sustain the QIPs, and refurbishing 21 previously implemented QIPs.



CFSI also facilitated the access to birth registration for 575 Indigenous People (IP) children, advocated for the passage of 17 local IDP protection ordinances, and actively engaged in advocating for the passage of an IDP Protection Bill at the BARMM.

Moreover, CFSI continued to provide warehouse management support for the prepositioned CRIs of UNHCR. In addition, CFSI supported UNHCR in distributing the CRIs to persons forcibly displaced due to armed conflict and natural disasters, prioritizing women, children, and persons with special needs to prevent deterioration of their physical well-being and high exposure to protection risks and violation of their rights.

The project was completed in October 2022 with UNHCR's presence in Mindanao brought to an end in December 2022. All remaining UNHCR core relief items (CRIs) were turned over to CFSI with CFSI assuming responsibility for warehousing, safeguarding, and distribution according to the needs of populations affected by future displacements due to armed conflict, disaster, or other exceptionally difficult circumstances. These CRIs were completely distributed in February 2024 to support those affected by floods in the Davao Region.

2. United Nations Children's Fund (UNICEF) – Child Protection in Emergencies Project in CARAGA (CPERP-CARAGA). Started in January 2022, the CPERP-CARAGA aims to support 5,000 children and adolescents, 5,000 parents and caregivers, 153 teachers and child development workers, and 50 frontline aid workers affected by Typhoon Rai (Odette) through the provision of psychosocial support services, particularly in the province of Surigao Del Norte and Dinagat Islands.

To ensure sustainability, the project provides support to local government units (LGUs) for the promotion and implementation of standard operation procedures to enable the LGUs to continue the child protection services. The affected teachers and child development workers are trained on psychosocial first aid and education in emergencies so that they can effectively manage the situation in their respective schools.

In June 2022, the project was expanded to cover additional project sites, and to include the repair and rehabilitation of classrooms to support in-person learning, and the establishment of temporary learning spaces, especially for schools with totally damaged classrooms with pending replacement due to the lack of government funds. Also added is the Water, Sanitation and Hygiene (WASH) component, particularly in learning facilities, child friendly spaces and transit centers.

The project was completed in January 2023.

3. United Nations Children's Fund (UNICEF) – Child Protection in Emergencies Project – Severe Tropical Storm Paeng (CPERP-STP Paeng). The CPERP-STP Paeng was implemented to protect children and adolescents who were displaced in the Province of Maguindanao caused by STS Paeng in October 2022 in nine municipalities. The activities include the provision of community-based mental health and psychosocial support for 10,000 children and adolescents; orientation on child protection/violence against children (VAC), gender-based violence (GBV) risk mitigation and prevention of sexual exploitation and abuse (SEA) for 5,000 caregivers and parents; training on prevention of VAC, GBV and PSEA; and training on psychosocial first aid to teachers and school administrators.

The project was completed in April 2023.



4. United Nations Children’s Fund (UNICEF) – Strengthening the Social Service Workforce and Other Actors for the Protection of Children in the BARMM (SWAPC) Project. SWAPC is a collaborative project that will support the initiative of the BARMM government through Ministry of Social Services and Development (MSSD) in enhancing the competencies of social service actors at the regional, provincial, and municipal levels. It envisages to contribute to the overall strengthening of child protection systems by promoting multi-sectoral collaboration in providing quality preventative, responsive, and promotive programmes, and services, in order to help prevent and respond to violence, abuse, exploitation, neglect and family separation in the BARMM as well as facilitate access to services, promote social justice.

SWAPC started in October 2023 and expected to be concluded in May 2025.

5. United Nations World Food Programme (WFP) – Cash for Work Project (CWP). The project aims to improve the food security and nutrition of those affected by Typhoon Odette, through Cash for Work for early recovery in Siargao in the Province of Surigao Del Norte and in the Dinagat Islands. The provision of conditional, multi-purpose cash based assistance of up to P5,800 cash for a total of 20 working days will be completed over a period of two months for 8,378 households. Alternatively, beneficiaries will participate in capacity building activities on nutrition, health education, GBV and PSEA. With the project, participants are able to pursue alternative income opportunities and avoid disruption at the household level.

The project was implemented from May 2022 through October 2022.

6. United Nations World Food Programme (WFP) – Food Security and Nutrition Project (FSNP) supports twenty-six (26) municipalities in Maguindanao del Norte, Maguindanao del Sur, and Lanao del Sur provinces, covering 17,500 households. This project aims to support the BARMM government to respond to the threats to food security and nutrition needs by mobilizing community members to identify challenges and corresponding solutions, create convergence plans that are integrated into local government action plans and create or rehabilitate community assets that would contribute to food security. Alternatively, beneficiaries will participate in capacity building activities on Nutrition, Gender, Protection, Conflict sensitivity and other cross-cutting issues.

The project started in November 2022 and is expected to be completed in April 2024.

7. United Nations World Food Programme (WFP) – CERF Anticipatory Action Project (CAAP)

The CAAP aimed to prepare 20,000 households (100,000) individuals who are at risk of being severely affected by at least Category 3 typhoon in 15 municipalities in Surigao del Norte, Caraga Region, as well as three municipalities in Southern Leyte, Region VIII. The CAAP was part of the pilot initiative of the United Nations in the Philippines, in partnership with other humanitarian organizations, to implement a new way of response mechanism in times of disasters. Particularly, it involved a response plan that is forecast-based, heavily informed by science, pre-financed, and implementable, including the release of assistance, before the forecasted disaster.

Major project activities were divided into two phases. Phase One involved beneficiary validation and registration, as well as preparation for a possible cash-based transfer. Phase Two would involve last mile early warning messages and distribution of cash assistance.



Phase Two was planned to be activated at least seven days before the landfall of the forecasted Category 3-5 typhoon. During the implementation period, CFSI completed Phase One activities, while Phase Two was not activated.

The project started in September 2022 and was completed in January 2023.

8. United Nations World Food Programme (WFP) – Building on the gains from CAAP, the CERF Anticipatory Action Project 2 (CAAP/2) aimed to reach 19,116 households (95,580 individuals) beneficiaries to be prepared when facing high susceptibility to severe impacts of a Category 3-5 tropical typhoon. The project was implemented in 14 municipalities in Caraga region (Surigao del Norte and Surigao City) and 3 municipalities in Southern Leyte.

CAAP/2 was implemented from September 2023 through January 2024. During the implementation, CFSI completed Phase One activities, while Phase Two was not activated.

9. World Health Organization – Technical Assistance in the Implementation of MHPSS Activities and Capacity Building in BARMM (MHPSS for BARMM Project – MBP). WHO commissioned CFSI for Technical Assistance in this initiative led by MOH, DOH, and WHO Philippines with support from the Australian Government as part of the broader Project BRAVE. It is a comprehensive program that aims to support and strengthen the existing systems and mechanisms of MOH and its partners in carrying out timely, appropriate, and accessible MHPSS services and activities.

The technical assistance work ran from May to October 2023.

Multilateral Financial Institutions

C. Funds from Multi Financial Institutions for Projects in Mindanao

Mindanao World Bank - Bangsamoro Camps Transformation Project (BCTP). This represents funds received from the International Bank for Reconstruction and Development (i.e. the World Bank) for the implementation of the Bangsamoro Normalization Trust Fund (BNTF). The World Bank and CFSI signed BNTF Grant No. C1890 on 30 June 2023 amounting to US\$4,000,000, with effectivity date of 4 July 2023 through 28 February 2025, with CFSI as the grant recipient and implementing agency.

The project aims to improve access to socioeconomic services and basic infrastructures in the target communities in the six previously-acknowledged camps of the Moro Islamic Liberation Front (MILF) across 5 provinces. BCTP is in line with the broader objectives of the BNTF, which is to assist in the development of the Camps with the aim of transforming them into peaceful and productive communities and will support the priorities and prioritized interventions outlined in the Camps Transformation Plan (CTP) and Camps Transformation Investment Plan (CTIP). Within this broader context, the proposed project is expected to contribute to the following priorities: strengthened food security and improved agricultural productivity through household income diversification and improved access to socioeconomic services and basic infrastructure (community and socio economic).

CFSI's responsibilities as the grant recipient and implementing agency include ensuring compliance to standards vis-à-vis financial management, procurement, civil works, and applicable environmental and social standards, risk management, monitoring and evaluation, institutional development, and capacity development of the Bangsamoro Development



Agency (BDA, Inc.) and other stakeholders. Generally, CFSI is tasked to lead and manage the overall implementation of the BCTP and the achievement of outputs and outcomes in a timely manner.

The Community Development Assistance Component includes: (1) Income Stabilization Sub-projects involving the provision of inputs for agriculture-based and livelihood diversification; (2) Community Infrastructure Sub-Project involving the construction of 12 Socio-Economic Infrastructures (SEIs), 12 Community Facilities (CFs), and 4 Indigenous People Sub-Projects (IPSPs); and, across all components, conduct of capacity strengthening activities on Disaster Risk Reduction and Climate Change Adaption for BDA and camp-level JTFCT.

Governments

D. Funds from Governments for Projects in Mindanao

1. Australia Department of Foreign Affairs and Trade (DFAT) - Marawi COVID Recovery Project (MCRP). The security, peacebuilding, humanitarian, and development implications of the situation in Marawi warranted an immediate and sustained response by the Australian Government through the Marawi Recovery Project (MRP) implemented from October 2017 to December 2021. The MRP built on the lessons learned from the Zamboanga Recovery Project, an earlier project between CFSI and DFAT, and promoted the protection and psychosocial and economic recovery of at least 6,500 households (32,500 persons), thereby enabling an improved quality of life, the strengthening of relations between peoples and greater prospects for peace.

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 was completed in June 2023.

2. Australia Department of Foreign Affairs and Trade (DFAT) – Odette Response Project (ORP).

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 16 December with Emergency Response Teams in Region X, CARAGA and the province of Southern Leyte. Shortly, CFSI entered into a partnership with Australia DFAT for the ORP which covers CARAGA and the province of Southern Leyte.

The ORP supported local efforts to save lives, protect the most vulnerable from additional harm, and address the urgent humanitarian assistance needs of 1,800 households (9,000 persons) in some of the most adversely affected cities/municipalities in the CARAGA region and the province of Southern Leyte.

The ORP started in December 2021 and was completed in December 2022.



3. Australia Department of Foreign Affairs and Trade (DFAT) – The We Can Project (WCP) aims to support local recovery and promote resiliency, is being implemented in: two regions—Region XIII and CARAGA; three provinces—Southern Leyte, Dinagat Islands, and Surigao Del Norte; two cities—Maasin and Surigao City; and 13 municipalities—Burgos, Del Carmen, Libjo, Loreto, Padre Burgos, Pintuyan, San Benito, San Francisco, San Jose, San Juan, Sogod, St. Bernard, and Tubajon.

The objective of the WCP is to strengthen the capacity of local actors to promote protection, resiliency, and the sustainable recovery of 6,000 households or 30,000 persons affected by Typhoon Odette. The project is composed of four (4) general objectives: (1) help meet basic household expenses through climate-resilient, sustainable livelihoods; (2) reduce community vulnerability to future shocks through local Disaster Risk Reduction (DRR) efforts; (3) benefit qualified project participants through state-mandated social protection programmes; and (4) strengthen community-based mental health and psychosocial support systems. The WCP has so far reached 4,170 households out of the 6,000 target.

The Grant Agreement for WCP was signed in February 2023, and will be implemented through January 2025.

4. Spanish Agency for International Development (AECID) - Camps of Learning Project (CLP). The project aimed to contribute to the transition of the six previously acknowledged MILF camps into peaceful and productive communities through the construction of six Community Learning Centers. It also focused on enhancing the access of women, out-of-school youth, and former combatants to basic literacy and skills training.

CLP was a two-year agreement between CFSI and the AECID which started in October 2020 and ended in March 2022.

5. Spanish Agency for International Development (AECID) – Communities for Learning and Employment Project (CLEP). Building on the gains from the Camps of Learning Project, the CLP aims to promote peace and sustainable local development in the six MILF camps, specifically to design and implement a training mechanism for access to employment and/or income for 1,800 residents, mainly women.

The CLEP is a 33-month project which started in September 2022 and will end in May 2025.

The general objective of the Communities for Learning and Employment Project (CLEP) is to promote peace and sustainable local development in six (6) previously acknowledged Moro Islamic Liberation Front (MILF) camps and their areas of influence. The specific objective is to design and test a training mechanism that will enable 1,800 residents, primarily females, to access employment and/or income. The project will provide technical and vocational skills development training, internships, placement, coaching services, and employment access, as well as livelihood initiatives that facilitate access to income. Additionally, six (6) Community Learning Centers (CLCs) will be constructed in underserved communities in the camps in year two. The project will also capacitate local People's Organizations (POs) on project sustainability, including operations, maintenance, and sustainability of the CLCs. Furthermore, partners and beneficiaries will benefit from awareness-raising activities on protection, disaster risk reduction (DRR), women's rights, sexual exploitation, abuse, and harassment (PSEAH), and children's rights.



E. *Funds from Governments for Projects in Metro Manila*

European Union (EU) - Sexual and Reproductive Health and Rights for Children and Young People in Pasay City (SRHP). 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. One of these projects is the SRHP, covered by a three- year agreement between CFSI and the European Commission.

The SRHP 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. Objectives included promoting health-seeking behavior and improving access to youth-friendly integrated sexual and reproductive health services, resulting in the finalization of the case management protocol and the enactment of the ASRHR Ordinance in Pasay City. Additionally, an SRH Clinic was established and operationalized.

The project started in November 2020 and was completed in November 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. Educo Philippines - Sama Bajau Education Support Project Phase Two (SBESP/2). From September 2019 through December 2020, CFSI received funding support from Educo Philippines to implement the Sama Bajau Education Support Project (SBESP) following the success of an earlier, similar intervention.

Starting January 2021, the SBESP/2, the successor project to Phase One of SBESP, aimed to improve the retention and completion of in-school children, particularly students at risk of dropping out (SARDOs), and support out-of-school children and over age learners to enroll in alternatives learning options. Main project outcomes included: (1) distance learning is sustained during the COVID-19 pandemic through the conduct of tutoring and mentoring sessions with more than 100 Sama Bajau learners enrolled in Grades 2 and 3 who are at risk of dropping out, including the 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.

The project was completed in December 2022.



2. Zapanta Realty and Development Corporation (ZDRC) - Harmony Learning Center for Marawi Project Phase Two (HLCMP/3). 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/3 builds on the gains of, and lessons learned from, the first two phases of the HLCMP, which was funded by the ZDRC from December 2017 through September 2018, and from February 2020 to September 2021.

During the first phase, ZRDC and CFSI established two Harmony Learning Centers (HLCs) located at Barangay Cabasaran and Barangay Sagonsongan while during the second phase it is located at Boganga Transitory Shelter, Barangay Boganga, all are in Marawi City.

HCLMP/3 was implemented in Hadiya Village, Barangay Dulay West, Marawi City. The Hadiya Homeowners Association together with the Social Housing Finance Corporation (SHFC) provides space for the construction of HLCs which is expected to accommodate pre-school children needing a safe learning environment and support systems. Currently, the HLC has at least 90 Early Childhood Care and Development (ECCD) children both from Hadiya and their host community. HLC is now supervised by the Marawi City Social Welfare and Development Office as one of their Child Development Centers.

HCLMP/3 started in August 2022 and ran through March 2023.

3. 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 through December 2024.

4. The Asia Foundation – MHPSS Converge Project (MCP). The project aims to strengthen the capacities of local government units, local civil service organizations, and other key stakeholders in carrying out mental health and psychosocial services (MHPSS) activities that appropriately respond to the respective MHPSS needs of the communities to prevent violent extremism, promote peacebuilding, and respond and minimize the effects of the COVID-19 pandemic. This is carried out in conflict affected areas in Mindanao, particularly in the provinces of Maguindanao, Lanao del Sur, Lanao del Norte, North Cotabato, Sultan Kudarat, Zamboanga Peninsula, and the island provinces of Basilan, Sulu and Tawi-Tawi.

The project started in December 2022 and completed in February 2023.

5. 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.



<u>Donors in the Philippines</u>	<u>Donors Outside the Philippines</u>
Various individuals	Various individuals in the USA, Australia, and Europe
CFSI Board Members	CFSI Board Members (based outside the Philippines)

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

Voice Philippines - Empowering Refugee Women and Youth Towards Self-Reliance and Socioeconomic Integration in the Philippines (ERWY). 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 works with the Philippine Arab Cooperation Council, which is composed of over 250 members, most of which are refugees and asylum seekers, and Arab people living in the Philippines. The project will be implemented from February 2022 through April 2024.

Myanmar Programme

The Myanmar Programme includes funds from United Nations Children’s Fund (UNICEF), United Nations High Commissioner for Refugees (UNHCR), United Nations Population Fund (UNFPA), and the private sector, for CFSI activities in the Republic of the Union of Myanmar.

H. *Funds from UN Agencies for Projects in Rakhine State*

1. UNICEF - Strengthening Child Protection Intervention and Community-based Services in Rakhine State (SCPICS). SCPICS is a successor project of the Strengthening Child Protection Project (SCPP) of 2022. SCPICS aimed to contribute to the achievement of UNICEF’s overall goal that; “By 2023, key institutions and service providers have increased capacity to boost the coverage and quality of specialised child protection services” in Myanmar.

Through SCPICS, CFSI continued providing psychosocial support and services, and addressing the needs for case management and referral services of children and caregivers (including migrant children and children released from detentions) in seven townships of Rakhine State, namely: Maungdaw, Buthidaung and Rathedaung, Sittwe, Ponnagyun, Pauk Taw, and Kauk Taw.

The key achievements of SCPICS include (a) 182 community-based child protection mechanisms that assess, analyze, monitor, and report child protection concerns and their root causes in the villages were established; (b) 49,578 children, adolescents, parents and caregivers received community-based mental health and psychosocial support services, including access to child friendly spaces with intersectoral programming interventions; (c) 112 village tracts had established integrated case management system, including referral pathways for services and a safe information management system; (d) 587 children received case management services; (e) 350 children (survivors of grave child rights violations, landmine explosions, COVID-19, illegal migration, child trafficking, and children with disability) received emergency support and referral services; (f) 32,415 boys and girls, men and women had access to explosive weapons-related risk education and COVID-19 prevention messages; (g) 2,250 adolescent boys and girls, men and women were provided



with risk mitigation, prevention, or response interventions to address gender-based violence; and (h) 30,055 children and adults were reached with awareness activities and community mobilization interventions on PSEA and children's rights.

The project started in December 2022 and was completed in February 2024.

2. UNICEF - Emergency and durable solutions - WASH responses to conflict affected populations in northern Rakhine (WASHiE). CFSI and UNICEF's collaboration in implementing critical WASH interventions continued in 2023 through the WASHiE project. The project responded to the urgent needs of affected populations including internally displaced families and individuals. The project specifically aimed to achieve the following outputs: (a) 10,000 affected populations have access to necessary materials, supplies and water facilities to meet their drinking and domestic needs; (b) 5,000 affected populations have safe access to, and use appropriate sanitation facilities; and excreta is safely managed; and (c) 5,000 crisis-affected people have equitable, inclusive and safe access to hygiene items and community-tailored messages, enabling health seeking behavior

From November 2022 to December 2023, the WASHiE services and interventions benefitted around 100,000 people in project-covered areas in Maungdaw, Buthidaung and Rathedaung townships in Rakhine State. The key results include: (a) 6,993 women, men, boys, and girls are benefiting from improved drinking water, meeting demand for domestic purposes, at minimum agreed standards; (b) 9,978 women, men, boys, and girls are benefiting from a functional excreta system reducing safety, public health, and environmental risks; and (c) 16,029 women, men, boys, and girls benefitted from timely, adequate, and tailored personal hygiene items, and received appropriate community-tailored messages that enabled health seeking behavior.

The project started in November 2022 and was completed in December 2023.

3. UNICEF - Community and Home-based Action for Inclusive and Responsive Education Project (CHAIRE). The CHAIRE project aimed to contribute in realizing the overarching vision of Learning Together, "to increase trust and collaboration among diverse communities around a common commitment to creating a peaceful and prosperous future for children in Rakhine State." CHAIRE had three main components to carry out its activities: (a) Early Childhood Care and Development (ECCD); (b) Adaptive Learning Activities (ALA); and (c) Technical-Vocational and Life Skills Training. The project benefitted children who have never been in school and those who dropped out of school due to various reasons including, but not limited to poverty, armed conflict, cultural barriers, and absence of schools in remote villages in Maungdaw and Buthidaung Townships of Rakhine State.

The key achievements of the project are as follow: (a) 654 pre-school aged children (3-5 years) had accessed to community-based early childhood care and learning activities in safe spaces; (b) 5,643 primary and school-aged children (6-14 years) completed the remedial class curriculum through inclusive, flexible and responsive learning activities with psychosocial support services in safe spaces; (c) 3,855 primary and middle school-aged children (from 5,663) re-enrolled in government schools; and (d) 22,752 adolescents (15-17 years) benefitted from the EXCEL and life skills training (language) and technical-vocational skills training activities in safe spaces.

The project started in October 2022 and was completed in June 2023. CFSI and UNICEF continued the project starting in November 2023, with the expected completion by November 2025.



4. UNICEF - Procurement of EiE contingency supplies and conducting small scale research on the situation of education in Rakhine and Kachin (Research and Procure). The Research and Procure project had three main activities: (a) procure contingency supplies for 5 sub-national Education Clusters and delivered to respective UNICEF warehouses; (b) conduct 2 small scale studies in Rakhine State and Kachin State; and (c) provide education in emergency (EiE) support to respond to the needs of cyclone-affected schoolchildren.

The two small-scale studies on education were done during the project period; one in Rakhine State carried out by CFSI; and one in Kachin State implemented by Diocesan Committee on Education (DCE). CFSI served as intermediary agency in releasing the research funds to DCE.

The CFSI research study generally aimed to determine the benefits and impact of the non-formal education (NFE) programme, services and intervention to children in CFSI project areas and non-project areas in Maungdaw and Buthidaung.

On EiE support for cyclone-affected schools and children, CFSI supported 50 schools in repairing damaged school buildings through cash assistance; and provided classroom materials like tables, chairs, and blackboards. Handwashing stands were installed in most schools needing this WASH facility. The schools also received essential learning materials that benefitted 3,350 schoolchildren.

The project was implemented from June to August 2023.

5. UNFPA - Gender-Based Violence, Sexual and Reproductive Health Rights, and Mental Health and Psychosocial Integrated Project (GSMIP). CFSI and UNFPA continued to collaborate in implementing the GSMIP in 2023. The project aimed to improve access to life saving women's wellness information and services for the communities affected by violence and disasters in Maungdaw, Buthidaung, and Rathedaung Townships of Rakhine State.

The main activities of this project are: GBV case management and emergency SRH support and referral services; the operation of helpline numbers; education awareness on GBV-SRHR-MHPSS in communities; the running women and girls Safe House and women's safe spaces in communities; and response to cyclone -affected communities. CFSI also engaged with local organization, the Youth Capacity Building Committee (YCBC) in order to increase the reach of GBV-SRHR-MHPSS services in the three townships.

The project was implemented from January through December 2023.

6. UNHCR - Protection for Persons with Specific Needs Project (PSNP)
This two-month project aimed to alleviate the suffering of 1,500 extremely vulnerable individuals (EVIs) in villages, internally displaced persons (IDP) sites, and IDP host communities in Maungdaw, Buthidaung and Rathedaung by providing relief items and other humanitarian assistance. These highly vulnerable people include people at risk of statelessness, stateless populations, IDPs, and affected host communities. Another key component of this project is the training of CFSI staff members and Community Volunteers on Protection; Age, Gender and Diversity Mainstreaming (AGDM); Gender Equality (GE); and Accountability to Affected Populations (AAP), and the Protection awareness raising sessions for 3,000 individuals at community levels.



From November to December 2022, total of 1,260 persons with specific needs (PSN) actually received Core Relief Items (CRIs) and other non-food items benefitting approximately 6,300 total PSN household member.

The project was implemented from November to December 2022.

7. UNHCR - Protection Awareness and NFI Distribution for Persons with Specific Needs (Protect PSN). Protect PSN project is a continuity of the two-month project in 2022. This project sought to alleviate the suffering of 5,000 highly vulnerable individuals (people-at-risk of statelessness, stateless populations, IDPs and affected host communities) in villages, IDP sites, and IDP host communities in Maungdaw, Buthidaung, and Rathedaung townships in Rakhine State by providing relief items and other humanitarian assistance.

The project had two integrated activities: NFI distribution and protection awareness-raising sessions. The project was later amended to include shelter materials plus cash-based assistance, and livelihood skills training for PSN households affected by cyclone in May 2023.

The project was implemented from January through December 2023.

Private Sector

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

American Jewish World Service - Humanitarian Support Project (HSP). The Humanitarian Support Project (HSP) is the 2nd phase of the AJWS and CFSI collaboration aimed at responding to the humanitarian needs of populations affected by armed conflict, natural disasters, and other difficult circumstances.

The operational environment in Myanmar, particularly in Rakhine State remained volatile despite the informal ceasefire between the Myanmar Armed Forces and the Arakan Army. Through this project, CFSI was able to help mitigate some of the impact of this deteriorating situation, including: (a) 1,741 households (10,191 individuals) in 22 IDP sites in Sittwe, Ponnagyun and Pauk Taw benefitted from the core relief items and other NFIs distributed by and through CFSI. The NFIs helped alleviate their suffering and regained their human dignity.

The project started in July 2021 and was completed in March 2024.

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.



From August 2022 through August 2024, a graduate degree programme in social work will benefit 19 staff members of MSWRR at the Tata Institute of Social Sciences in Mumbai, India with the support of the Government of India, the Department of Social Welfare, and other key stakeholders. The expectation is the 19 scholars will return to a new Myanmar in 2024 and lead, as well as teach in, an envisaged social work institute in Myanmar, the first of its kind in Myanmar.

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, Philippines from 2006 to 2014.

The SWEP in Viet Nam Fund Project aimed to better protect and assist disadvantaged and vulnerable populations in Viet Nam by strengthening and further developing human resources in social work.

On October 25, 2017, CFSI and the Ministry of Labour, Invalids and Social Affairs (MOLISA) signed a new Memorandum of Understanding 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. The project 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.

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.

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:

1. Other donors who provided support for CFSI Headquarters in 2023 and 2022 are listed in the table below:

<u>Donors in the Philippines</u>	<u>Donors Outside the Philippines</u>
Manufacturer's Life Insurance	Various individuals based in the USA, Australia, and Europe
Various Individuals	CFSI Board Members (based outside the Philippines)
CFSI Board Members	
CFSI Staff Members	

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

2. In October 2021, Executive Director Steven Muncy was named one of the recipients of the Ramon Magsaysay Award. Mr. Muncy donated the RMA cash award of \$30,000 to CFSI to help continue providing humanitarian and development assistance, help build peace, prevent disasters and promote social justice.

L. *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.

M. *Center for Excellence in Humanitarian Service (CEHS) Fund.*

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 2023, 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 cover 2023. Funds for most of these projects were received in 2023.

	Paragraph Reference	Term of Grants	Amount of Grants <i>(a)</i>	Total Funds Received			Movements of Grants after December 31, 2023		
				As at December 31, 2022 <i>(b)</i>	During 2023 <i>(c)</i>	As at December 31, 2023 <i>(d) = (b) + (c)</i>	Projects closed: Balance of Grants not to be Received <i>(e) = (a) - (d)</i>	Committed Grants to be Received <i>(f) = (a) - (d)</i>	Projects closed: Received Grants Returned and to be Returned to Donors <i>(g)</i>
PHILIPPINE PROGRAMME									
UNITED NATIONS (UN) AGENCIES									
UN High Commissioner for Refugees (UNHCR)									
Nationwide - Urban Refugee Project (URP)	A	January 2023 - December 2023	₱7,527,148	-	₱7,527,148	₱7,527,148	-	-	-
UN Children's Fund (UNICEF)									
Mindanao - Child Protection in Emergencies Project (CPERP) – CARAGA	B.2	January 2022 - February 2023	₱35,831,875	₱34,053,516	₱1,778,359	₱35,831,875	-	-	-
Mindanao - Child Protection in Emergencies Project (CPERP) - STS Paeng	B.3	December 2022 - April 2023	₱4,979,828	₱4,654,045	₱320,362	₱4,974,407	-	-	₱77,441
Mindanao - Strengthening the Social Service Workforce and Other Actors for the Protection of Children in the BARMM (SWAPC)	B.4	October 2023 - May 2025	₱11,108,241	-	₱1,110,824	₱1,110,824	-	₱9,997,417	-
UN World Food Programme (WFP)									
Mindanao - Food, Security and Nutrition Project (FSNP)	B.6	November 2022 - April 2024	₱22,237,925	₱5,824,873	₱12,496,250	₱18,321,123	-	₱3,916,802	-
Mindanao and Visayas - CERF Anticipatory Action Project (CAAP)	B.7	September 2022 - January 2023	₱2,613,342	₱1,515,184	₱1,098,158	₱2,613,342	-	-	-
Mindanao and Visayas - CERF Anticipatory Action Project (CAAP/2)	B.8	August 2023 - August 2024	₱5,068,434	-	₱1,773,594	₱1,773,594	₱2,112,444	₱1,182,396	-
World Health Organization (WHO)									
Technical Assistance in the Implementation of the MHPSS Activities and Capacity Building in BARMM (MHPSS for BARMM Project/MBP)	B.9	May 2023 - September 2023	₱2,647,425	₱-	₱1,853,198	₱1,853,198	-	₱794,227	-
The World Bank									
Mindanao - Bangsamoro Camps Transformation Project (BCTP)	C	July 2023 - February 2025	\$4,000,000 <i>(or ₱200,000,000)</i>	-	\$1,098,748 <i>(or ₱60,989,647)</i>	\$1,098,748 <i>(or ₱60,989,647)</i>	-	\$2,901,252 <i>(or ₱139,010,353)</i>	-
Australia Department of Foreign Affairs and Trade (DFAT)									
Mindanao - Marawi COVID19 Recovery Project (MCRP)	D.1	January 2021 – June 2023	AUS2,990,000 <i>(or ₱111,515,317)</i>	AUS2,990,000 <i>(or ₱111,515,317)</i>	-	AUS2,990,000 <i>(or ₱111,515,317)</i>	-	-	-
Mindanao and Visayas - We Can Project (WCP)	D.3	February 2023 - January 2025	AUS4,000,000 <i>(or ₱144,000,000)</i>	-	AUS3,300,000 <i>(or ₱125,178,450)</i>	AUS3,300,000 <i>(or ₱125,178,450)</i>	-	AUS700,000 <i>(or ₱18,821,550)</i>	-

(Forward)



	Paragraph Reference	Term of Grants	Amount of Grants (a)	Total Funds Received			Movements of Grants after December 31, 2023		
				As at December 31, 2022 (b)	During 2023 (c)	As at December 31, 2023 (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 - Communities for Learning and Employment Project (CLEP)	D.5	September 2022 – May 2025	€2,000,000 (or P108,000,000)	€500,000 (or P 28,921,850)	€750,000 (or P 45,343,350)	€1,250,000 (or P 74,265,200)	–	€750,000 (or P 33,734,000)	–
European Union									
Metro Manila - Sexual and Reproductive Health and Rights of Children Project (SRHP)	E	November 2020 – November 2023	€500,000 (or P29,050,549)	€335,731 (or P17,450,474)	€114,269 (or P8,564,601)	€450,000 (or P26,015,075)	–	€50,000 (or P2,800,000)	–
Private Sector Fund									
Mindanao - China Medical Board - Community of Practice on Mental Health and Psychosocial Support Project (COP-MHPPSS)	F.3	January 2022 - December 2024	\$100,000 (or P5,000,000)	\$50,000 (or P2,500,000)	\$30,000 (or P1,500,000)	\$80,000 (or P4,000,000)	–	\$20,000 (or P1,000,000)	–
Mindanao - The Asia Foundation - MHPSS Converge Project (MCP)	F.4	December 2022 - February 2023	P2,113,581	P2,113,581	–	P2,113,581	–	–	–
Metro Manila - Voice Philippines - Empowering Refugee Women and Youth Towards Self-Reliance and Socioeconomic Integration in the Philippines (ERWY)	G	February 2022 – January 2024	\$181,872 (or P10,184,832)	\$45,474 (or P2,557,794)	\$91,028 (or P5,328,747)	\$136,502 (or P7,886,541)	–	\$45,370 (or P2,298,291)	–
Subtotal in US dollar			\$4,100,000	\$50,000	\$1,128,748	\$1,178,748	–	\$2,921,252	–
Subtotal in Australian dollar			AUS6,990,000	AUS2,990,000	AUS3,300,000	AUS6,290,000	–	AUS700,000	–
Subtotal in Euro			€2,681,872	€881,205	€955,297	€1,836,502	–	€845,370	–
Subtotal in Philippine peso			P94,127,799	P48,161,200	P27,957,893	P76,119,093	P2,112,444	P15,890,842	P77,441
MYANMAR PROGRAMME									
UN Children's Fund (UNICEF)									
Myanmar - Community and Home-based Action for Inclusive and Responsive Education Project (CHAIRE)	H.3	December 2021 – June 2023	\$1,334,916 (or P70,971,608)	\$824,28 (or P45,439,908)	\$326,135 (or P18,048,321)	\$1,150,417 (or P63,488,229)	\$184,499 (or P7,483,379)	–	–
		November 2023 – November 2024	\$229,991 (or P12,649,513)	–	\$43,035 (or P2,395,113)	\$43,035 (or P2,395,113)	–	\$186,956 (or P10,254,400)	–
Myanmar - Strengthening Child Protection Intervention and Community-based Services in Rakhine State (SCPICS)	H.1	December 2022 - April 2023	\$160,000 (or P8,896,034)	\$149,532 (or P8,313,336)	\$10,468 (or P582,698)	\$160,000 (or P8,896,034)	–	–	–
		May 2023 – February 2024	\$906,219 (or P49,842,066)	–	\$548,788 (or P30,953,089)	\$548,788 (or P30,953,089)	–	\$357,431 (or P18,888,977)	–
Myanmar - Emergency and Durable Solutions - WASH Responses to conflict affected populations in Northern Rakhine (WASHiE)	H.2	November 2022 – May 2023	\$200,019 (or P11,001,045)	\$127,171 (or P7,172,241)	\$72,846 (or P3,481,416)	\$200,017 (or P10,653,657)	2 (or P347,388)	–	–
Myanmar - Emergency and Durable Solutions - WASH Responses to conflict affected populations in Northern Rakhine (WASHiE/2)	H.2	June 2023 - December 2023	\$229,519 (or P12,623,545)	–	\$209,659 (or P11,863,878)	\$209,659 (or P11,863,878)	\$19,146 (or P720,397)	\$714 (or P39,270)	\$10,197 (or P560,835)
Research and Procurement of EiE Contingency Supplies	H.4	June 2023 - December 2023	\$51,462 (or P28,402,123)	–	\$51,462 (or P28,402,123)	\$51,462 (or P28,402,123)	–	–	–

(Forward)



	Paragraph Reference	Term of Grants	Amount of Grants (a)	Total Funds Received			Movements of Grants after December 31, 2023		
				As at December 31, 2022 (b)	During 2023 (c)	As at December 31, 2023 (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 2023 - December 2023	\$556,333 (or P30,067,948)	–	\$526,389 (or P29,105,844)	\$526,389 (or P29,105,844)	\$29,944 (or P962,104)	–	\$11,131 (or P612,188)
UN High Commissioner for Refugees (UNHCR)									
Myanmar - Protection for Persons with Specific Needs Project (PSNP)	H.7	January 2023 - December 2023	\$162,360 (or P8,929,978)	–	\$162,360 (or P8,929,978)	\$162,360 (or P8,929,978)	–	–	\$5 (or P277)
Private Sector									
Myanmar - Humanitarian Support Project (HSP) - American Jewish World Service	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			\$8,520,819	\$1,240,985	\$3,579,890	\$4,820,875	\$233,591	\$3,466,353	\$21,333
Total in Australian dollar			AUD 6,990,000	AUD 2,990,000	AUD 3,300,000	AUD 6,290,000	AUD 0	AUD 700,000	AUD 0
Total in Euro			€2,681,872	€881,205	€955,297	€1,806,502	€0	€845,370	€0
Total in Philippine peso			₱94,127,799	₱48,161,200	₱27,957,893	₱76,119,093	₱2,112,444	₱15,890,842	₱77,441
Grand total in peso			₱939,627,357	₱276,397,120	₱408,659,015	₱658,056,135	₱11,625,712	₱242,973,157	₱1,250,740
<i>The amount of Php408,659,015 represents the total amount of funds received from primary sources as at December 31, 2023, which includes grants committed before 2023.</i>									



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:

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

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

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

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



Computer Software

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

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

Asset Impairment

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

Accounts Payable and Accrued Expenses

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

Retirement Benefits

CFSI has an unfunded, noncontributory, defined benefit retirement plan covering all of its regular employees. The obligation and costs of retirement benefits are actuarially computed by a professionally qualified independent actuary using projected unit credit method. Actuarial gains and losses are charged or credited to 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 ₱18,226,372 and ₱19,460,390 as at December 31, 2023 and 2022, respectively (see Note 6).

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 do not have any indication of impairment as at December 31, 2023 and 2022.

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 ₱15,888,563 and ₱10,827,150 as at December 31, 2023 and 2022, respectively (see Note 15).

4. Cash

	2023	2022
Cash on hand:		
Restricted	₱1,300,980	₱671,869
Unrestricted	70,000	75,137
	1,370,980	747,006
Cash in banks:		
Restricted (Note 15)	210,737,433	145,339,591
Unrestricted	13,586,385	11,756,541
	224,323,818	157,096,132
	₱225,694,798	₱157,843,138

Restricted cash includes funds the use of which is restricted to specific purposes bound by contracted agreements. It also includes the fund maintained by CFSI to cover its retirement liability amounting to ₱15,888,563 and ₱10,827,150 as at December 31, 2023 and 2022, 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 ₱262,959 and ₱111,269 in 2023 and 2022, respectively.

5. Other Current Assets

	2023	2022
Project advances:		
Operations	₱3,114,199	₱4,094,579
Due from partners:		
Bangsamoro Development Agency (BDA)	9,435,194	-
Philippine Arab Cooperation Council (PACCI)	609,297	-
Other agencies	88,345	86,660
Prepaid subscription	969,060	1,098,723
	₱14,216,095	₱5,279,962

Advances for operations represent amounts advanced for the field activities of various projects in the Philippines and in Myanmar.

Project advances to BDA and PACCI include unliquidated operational funds under Bangsamoro Camps Transformation Project (BCTP) and Empowering Refugee Women and Youth Project (ERWY). These funds are covered under Project Partnership Agreements under Grants with the World Bank and with Voice-Hivos.



Prepaid subscription includes computer software, programs, and other online services that are paid on annually and/or monthly which are accessible via a web browser. These include NetSuite Financials, Zoom Video Conferencing, Dropbox Cloud Storage, Google Cloud Storage, Microsoft Office and Teamwork Project Management Software.

NetSuite Financials is a donation that includes a 12-month renewable subscription and three users.

6. Property and Equipment

	2023						Total
	Land	Buildings and Improvements	Transportation Equipment	Furniture and Fixtures	Communication Equipment	Office and Other Equipment	
Cost							
Balances at January 1, 2023	₱1,664,091	₱26,848,127	₱3,000,770	₱4,355,788	₱41,750	₱17,886,120	₱53,796,646
Additions	-	-	-	-	46,317	523,714	570,031
Balances at December 31, 2023	1,664,091	26,848,127	3,000,770	4,355,788	88,067	18,409,834	54,366,677
Accumulated Depreciation							
Balances at January 1, 2023	-	9,564,129	2,929,693	4,289,530	41,750	17,511,154	34,336,256
Depreciation	-	1,393,952	71,077	65,031	3,643	270,346	1,804,049
Balances at December 31, 2023	-	10,958,081	3,000,770	4,354,561	45,393	17,781,500	36,140,305
Net Book Value as at December 31, 2023	₱1,664,091	₱15,890,046	₱-	₱1,227	₱42,674	₱628,334	₱18,226,372
	2022						Total
	Land	Buildings and Improvements	Transportation Equipment	Furniture and Fixtures	Communication Equipment	Office and Other Equipment	
Cost							
Balances at January 1, 2022	₱1,664,091	₱26,648,127	₱3,000,770	₱4,355,788	₱41,750	₱17,659,849	₱53,370,375
Additions	-	200,000	-	-	-	226,271	426,271
Balances at December 31, 2022	1,664,091	26,848,127	3,000,770	4,355,788	41,750	17,886,120	53,796,646
Accumulated Depreciation							
Balances at January 1, 2022	-	8,170,177	2,762,244	3,957,169	41,750	17,240,781	32,172,121
Depreciation	-	1,393,952	167,449	332,361	-	270,373	2,164,135
Balances at December 31, 2022	-	9,564,129	2,929,693	4,289,530	41,750	17,511,154	34,336,256
Net Book Value as at December 31, 2022	₱1,664,091	₱17,283,998	₱71,077	₱66,258	₱-	₱374,966	₱19,460,390

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. The land is intended for the long-term financial sustainability of CFSI and to enable CFSI to pursue its mission well into the future. Upon the recommendation and authorization of the donor, the BOT allowed management to sell the property in Rizal.

In 2023 and 2022, 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 2022 for the Iligan office.

In 2023, CFSI acquired Starlink equipment and subscriptions to strengthen the internet connection of several offices in the Philippines.

The cost of the Company's fully depreciated property and equipment amounting to ₱26.46 million and ₱23.96 million are still in use as at December 31, 2023 and 2022, respectively



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, Maasin City, Sogod, Surigao City, Tabajon and Del Carmen) and in Myanmar (Yangon, Sittwe and Maungdaw), and the warehouse in Maungdaw. 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.

As of December 31, 2023 and 2022, CFSI made deposits totaling ₱826,441 and ₱777,164, respectively, which will be returned to CFSI after the termination of the relevant lease agreements.

8. Computer Software

Computer software includes desktop applications, additional user licenses and remote data storage and backup.

	2023	2022
Cost:		
Balance at beginning of year	₱1,082,853	₱1,082,853
Additions	-	-
Balance at end of year	1,082,853	1,082,853
Accumulated amortization:		
Balance at beginning of year	1,082,853	1,081,839
Amortization	-	1,014
Balance at end of year	1,082,853	1,082,853
Net book value	₱-	₱-

Most computer software are now subscribed, and are expended annually or monthly.

9. Accounts Payable and Accrued Expenses

	2023	2022
Accounts payable	₱8,748,425	₱5,463,950
Accrued expenses:		
Payable to various suppliers	10,641,137	12,747,868
Professional, technical and other consultancy fees	408,719	755,660
Others	73,950	296,588
Statutory payable	878,662	659,515
	₱20,750,893	₱19,923,581

Accounts payable and accrued expenses include liabilities to various vendors and contractors of several projects for expenses such as purchase of various non-food items, livelihood items, materials and supplies for the use of communities, vehicle rent, utilities, and professional, technical and consultancy services. Accounts payable and accrued expenses are expected to be settled within one year.

Other accrued expenses and statutory payable are expected to be settled within one year.



10. Related Party Transactions

Salaries and employee benefits of the members of the Senior Management Team were ₱8,483,920 and ₱7,832,968 for the years ended December 31, 2023 and 2022, respectively.

11. Fund Balances

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

	2023	2022
Philippine Programme	₱158,300,778	₱65,304,873
Headquarters Programme	36,224,588	42,437,715
Myanmar Programme	27,719,276	44,703,978
Viet Nam Programme	79,608	163,357
	₱222,324,250	₱152,609,923

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 and Visayas, 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 (SWEPE) in Myanmar and Viet Nam.

Personnel costs include provision for retirement which refers to expenses charged to projects for the retirement benefits, in compliance with Philippine law, of project personnel. This provision from projects is deposited in each qualified staff member's account in the CFSI Retirement Fund. The funds are maintained in a restricted bank account dedicated to the Retirement Benefit Plan of CFSI (see Note 15).

Community service and capacity building expenses amounted to ₱97,829,220 and ₱100,129,107 in 2023 and 2022, respectively. Trainings and workshops for crisis-affected populations amounted to ₱68,085,375 and ₱32,901,851 in 2023 and 2022, respectively. The aggregate amount of these expenses that directly benefit the beneficiaries amounted to ₱165,914,595 and ₱133,030,958 in 2023 and 2022, respectively.



Materials and supplies amounted to ₱2,628,857 and ₱3,080,665 in 2023 and 2022, 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 ₱31,017,182 and ₱18,480,178 in 2023 and 2022, 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 ₱6,180,989 and ₱5,105,605 in 2023 and 2022, 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 ₱1,558,705 and ₱1,803,445 in 2023 and 2022, 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 ₱1,829,447 and ₱1,257,927 in 2023 and 2022, 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:

	2023	2022
Personnel costs	₱2,921,597	₱2,392,664
Materials and office supplies	1,796,764	1,621,068
Rent and utilities (Note 16)	555,290	533,826
Communication expense	542,270	414,814
Auditor's fee	533,884	530,460
Transportation and travel	472,852	572,868

(Forward)



	2023	2022
Board and committee meetings	₱354,928	₱-
Trainings and workshop expenses	214,993	215,341
Taxes and licenses (Note 18)	207,117	163,416
Repairs and maintenance	101,729	83,210
Insurance	7,822	14,326
	₱7,709,246	₱6,541,993

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, 2023 and 2022.

	2023	2022
Retirement expense (income):		
Net actuarial loss (gain)	₱2,980,056	(₱6,108,516)
Current service cost	1,280,148	1,552,949
Interest cost on benefit obligation	801,209	760,362
	₱5,061,413	(₱3,795,205)

Movements in the retirement liability in 2023 and 2022 are as follows:

	2023	2022
Balance at beginning of year	₱10,827,150	₱14,622,355
Retirement expense (income)	5,061,413	(3,795,205)
Balance at end of year	₱15,888,563	₱10,827,150

In preparation for the formal establishment of the Retirement Benefit Plan, CFSI has maintained a fund to cover its retirement liability. The cash balances in the restricted high-yielding interest-earning bank account are ₱21,773,685 and ₱19,157,136 as at December 31, 2023 and 2022, respectively (see Note 4).

The principal assumptions used in determining retirement liability as at December 31, 2023 and 2022 are as follows:

	2023	2022
Discount rate	6.20%	7.40%
Salary increase rate	4.00%	4.00%



Shown below is the maturity analysis of the undiscounted benefit payments as at December 31, 2023 and 2022:

	2023	2022
Less than one year	₱280,415	₱159,184
More than one to five years	6,790,062	2,284,549
More than five to 10 years	5,175,778	7,828,781
More than 10 to 15 years	25,011,022	22,214,168
More than 15 to 20 years	26,575,820	17,709,507
More than 20 years	60,378,932	52,133,361

The weighted average duration of the retirement liability is 16.3 years and 16.2 years as at December 31, 2023 and 2022, respectively.

16. Lease Commitment

CFSI has existing operating lease agreements for its office spaces. These leases are renewed on an annual basis. Rental expenses, presented under “Rent and utilities” as part of Project expenses and “General and administrative expenses”, amounted to ₱5,713,435 and ₱5,394,698 in 2023 and 2022, respectively. This includes rent for its offices and warehouses in the Philippines and Myanmar.

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

On December 18, 2020, the 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.

18. 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 2023:

(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, 2023.

	Amount
Local:	
Real property tax	₱125,378
Mayor’s Permit	69,138
Barangay Clearance	540
Community tax certificate	300
National:	
Certification Fee to SEC, DSWD	7,579
Land Transportation Office registration	3,682
BIR annual registration	500
	₱207,117

(c) The amount of withholding taxes paid and accrued for the year ended December 31, 2023 amounted to:

Withholding tax on compensation	₱3,903,743
Expanded withholding taxes	1,193,190
Final withholding tax	65,731
	₱5,162,664

(d) CFSI has no tax assessments and cases pending before the BIR as at December 31, 2023. Likewise, CFSI has no other pending tax cases outside the administration of the BIR as at December 31, 2023.

19. Contributed Services

A variety of individuals, communities, organizations/corporations, networks, universities, and local governments made significant contributions in-kind to support and complement the efforts of CFSI. These include services, facilities, equipment, materials and supplies. Management estimated the total value of these contributions, which were not reflected in the financial statements, to be ₱25,468,742 and ₱9,748,318 in 2023 and 2022, respectively.



Some of the major contributed services follow:

- a. CFSI Board and Staff - The Members of the Board of Trustees (BOT) and Staff, plus many Volunteers, made contributions of time, services, and personal resources far above and beyond reasonable expectations. 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.

The implementation of the Sexual and Reproductive Health Project (SRHP) in Pasay City is from November 2020 to November 2023. This project trained young people 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 SRHR/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 Net Suite donated accounting software and provided coaching and technical support. The World Bank helped strengthen CFSI's technical capacities, as did



UNHCR, UNICEF, UNFPA, WFP, 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 2022 and 2021 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)
- Philippine Inclusive NGO Network (PINGON)

- e. Academic Institutions - CFSI has entered into cooperation with various universities and colleges in the Philippines and abroad during the 43-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 2023 and 2022 including, but not limited to, the following:

Philippines

- University of the Philippines - Metro Manila
- University of the Philippines – Open University
- Mindanao State University – Maguindanao
- Mindanao State University – Marawi City
- Western Mindanao State University – Zamboanga City
- Asia Social Institute – Metro Manila
- Pamantasan ng Lungsod ng Maynila – Metro Manila
- Lourdes College - Cagayan de Oro
- STI College – Cotabato City
- Coland Systems Technology – Cotabato City

USA

- University of Arkansas

