



ANNUAL REPORT

2019

church of the poor

Poverty is not an accident.

It has causes that must be recognized and removed for the good of so many of our brothers and sisters.

- Pope Francis



CARITAS MANILA
church of the poor

OUR VISION

A Spirit-led community free of poverty
committed to LOVE(CARITAS)
for the common good.

OUR MISSION

Expand SSDM nationwide
and ensure social impact
for integral human development
and sustainable growth.

OUR VALUES

Faith-rooted, Love-driven.
Helping the POOR help themselves.



*For the love of Christ
urges us on... -2 Cor. 5:14*

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Chairman's Message

Thank you to Caritas Manila for giving me the chance to serve you as your chairman. It has been an honor. May this fine institution of the Church continue with its mission to bring Christ to both the rich and the poor through its social service and development programs.

Thank you, God bless you all.
Farewell.

I will always pray for
Caritas Manila and you can
always count on my support.



Yours in Christ,

+ Luis Antonio G. Card. Tagle

+ Luis Antonio G. Cardinal Tagle, D.D.
CHAIRMAN, 2012 - 2019

"There is a time for everything, and a season for every activity under the heavens:
a time to be born and a time to die, a time to plant and a time to uproot..."

- Ecclesiastes 3:1-2

Executive Director's Message

As we completed this 2019 annual report, it is with mixed emotions that we celebrate the accomplishments of Caritas Manila mainly because this would be the last year that His Eminence, Luis Antonio Cardinal "Chito" Tagle would be our Archbishop and Chairman of Caritas Manila.

On behalf of the management and staff of Caritas Manila, the Board of Trustees, the donors, volunteers, and beneficiaries, I would like to thank Cardinal Chito Tagle for his leadership, guidance and inspiration this past seven years. Caritas Manila would not be where it is now without the support and leadership of Cardinal Tagle.

To our dear *Cardinal Chito, farewell*, and may you never forget us as you continue in your new journey with Christ. We pray for Your Eminence's peace and success.

God bless you always, Cardinal Chito.

To our donors, benefactors, partners and volunteers, thank you. The 2019 accomplishments of Caritas Manila reflect your continuing and growing support for our programs and the poor.

God bless you all.

In opus ministerii,


Fr. Anton CT Pascual





- 4,182 Scholars
- 1,063 Graduates
- 211 with honors
- ₱ 109.8 M spent for YSLEP in 2019



- 42,429 patients served in 30 Caritas Clinics
- 12,490 crisis clients served by Good Samaritan Program
- 8,109 families provided disaster assistance
- ₱20.2 M worth of non-cash donations received



- 1,150 inmates earned freedom with help from Caritas RJ
- 4,130 youth offenders visited and given guidance
- 1,399 drug dependents under Sanlakbay, 379 completed the program
- 1,320 inmates benefitted from medical and dental missions



- ₱14 M value of volunteer hours
- 5,869 partner families have Caritas booklets
- 595 volunteer Servant Leaders
- 389 new volunteers



- ₱70.38 Million gross revenue
- 34 Segunda Mana Charity Outlets operational
- 1,249 registered members of the Segunda Mana Club
- 20 Segunda Mana expos held



- ₱31.6 Million gross revenue
- 4 "Buy and Give" Trade Fairs
- Launched 28 new products
- 53 bazaars and artwork exhibits



Accomplishment Report: January 1 to December 31, 2019

YSLEP is Caritas Manila's flagship program. Caritas Manila believes that education is the best social equalizer that can give the poor the best chance to lift their families out of poverty. Caritas Manila's YSLEP is implemented nationwide prioritizing the poorest of the poor from the most vulnerable sectors.

4,182
Scholars

1,063 Graduates produced, **211** of these graduates received honors/awards

6 Magna Cum Laude	44 Academic Excellence
42 Cum Laude	67 Special Awards
14 President's List	176 Board Passers
38 Dean's List	

₱ 109,800,318.21

amount of released educational assistance
(school fees and allowances)

132

Total No. of Implementing
Caritas Partners (ICPs)

51

Total No. of
Partner Dioceses

REGION/ AREA	NO. OF PARTNER DIOCESES	NO. OF ICPs	NO. OF YSLs
Metro Manila	9	85	2188
Luzon	16	16	507
Visayas	15	17	827
Mindanao	11	14	660



Accomplishment Report: January 1 to December 31, 2019

97% of YSLs completed Caritas Manila's 8-module YSLEP Formation Program

97% of YSLs rendered at least 50 hours voluntary service as part of their social apostolate totalling 182,428 hours.

97% of YSLs also had church involvement for at least 50 hours totalling 173,843 hours.

1,104
Caritas Manila Youth Servant Leaders
participated in the Youth Camp organized by the Archdiocese of Manila Youth Ministry.

7th
Regional ICP Assembly held successfully in 4 venues

REGION/ AREA	DATE	VENUE	NO. OF ICPs
Metro Manila	May 2-4	Tagaytay City	87
Luzon	April 25-27	Amenia Beach Resort, Catanduanes	13
Visayas	May 6-8	Emmaus Retreat & Training Center, Bagacay, Dumaguete City	16
Mindanao	May 3-4	OND Hesed House, General Santos City	15

Conducted
12
YSLEP Kairos Assemblies for YSLEP graduates

REGION/ AREA	VENUE
NCR	Quezon City
Luzon	Virac, Masbate, Puerto Princesa, Bontoc-Lagawe, Infanta, Gumaca, and Marinduque
Visayas	Dumaguete City and Palo, Leyte (for the Yolanda survivors of Samar and Leyte)
Mindanao	Basilan and Malaybalay City





Accomplishment Report:
January 1 to December 31, 2019

CAMASA is the post-phase and pay-forward program of YSLEP. Under CAMASA, former YSLEP scholars are monitored and guided and transitioned to become YSLEP donors. It will be their turn to help other YSLEP scholars. CAMASA also serves as the alumni house of YSLEP.

7,032 graduates being monitored.

61 CAMASA Chapters organized nationwide

₱ 1,110,740 raised through the CAMASA Pay Forward Program with 565 CAMASA alumni contributing.

AREA	NO. OF CHAPTERS
NCR	30
Luzon	11
Visayas	13
Mindanao	17
TOTAL	61

₱ 233,154

Generated from Frozen II Movie Block-Screening Project

₱ 233,992

Raised from Premiere Night of Starwars: Rise of Skywalker Project

Major participation in the YSLEP fundraising telethon at Radio Veritas846

22

CAMASA meetings conducted

16

Provinces Conducted CAMASA Caravan

AREA	VENUE
NCR	• Immaculate Heart of Mary College, Sta. Mesa, Manila
Luzon	• Tagaytay • Vigan • Abra • Bontoc-Lagawe • Romblon • Puerto Princesa, Palawan • Virac, Catanduanes • Masbate • Boac, Marinduque • Gumaca, Quezon • Infanta, Quezon
Visayas	• Dumaguete • Siquijor • Palo, Leyte (for Yolanda survivors)
Mindanao	• Basilan • General Santos City • Malaybalay, Bukidnon

5th CAMASA General Assembly held with 145 CAMASA officers and members in attendance. Seven new Board of Trustees were elected and 30 committee officers appointed.



Accomplishment Report: January 1 to December 31, 2019

Caritas Damayan comprises of Caritas Manila's Preventive and Promotive Health program; The Good Samaritan Program; Plant-Based Nutrition Program; Hapag-Asa Feeding Program; and the Disaster Risk Reduction and Management Program.

42,429

patients served in 30 operational
Caritas Health Clinics.

₱ 2,420,979

total cash donations received
for GSP clients.

17

Maintained partnership laboratories,
and three tertiary hospitals.

12,490

crisis clients served through the
Good Samaritan Program(GSP)
with Radio Veritas846.

3,814

urban poor partner families
were given Annual Medical
Physical Examinations.

₱ 555,065.30

raised through coin banks
placed at Caritas Health Clinics.

1,910

1,910 malnourished children achieved ideal
health and nutrition under the Caritas
Hapag-Asa Feeding Program. **₱82,096.35**
were raised from the same children as their
donation to support the said program.

1,069

mothers participated in the Health and
Nutrition Seminars and Parish Formation
conducted by Caritas Damayan. **430**
mothers are engaged in the Caritas
Financial Health Savings Mobilization
Program.

TYPE OF ASSISTANCE	NO. OF CLIENT SERVED
Medical assistance (medicines)	373
Meal/Food Bag	710
Burial Pack	260
Casket Assistance	645
Blood assistance	10
Check-up (eye, dental & neuro)	2,898
Livelihood	2
Laboratory/Diagnostic	437
Funeral Bill	4
Hospital Bill	25
Medical Supplies	133
Medical Equipment	115
Non-Food Items	83
Transportation	2
Gift-giving	372
Referred to other institution	137
On-air appeal	72
Online consultation	2,847
For follow up	3,365



Accomplishment Report: January 1 to December 31, 2019



495

Caritas Damayan Volunteers: 30 as Psycho-Social Support volunteers; 46 as WASH volunteers; 22 for Solid Waste Management; 60 as Hapag-Asa volunteers; 34 under Plant-Based Diet Program; 39 as Good Samaritan volunteers; 132 volunteer Health Counselors; And 132 DRRM volunteers.



Conducted seminar on Damayan Policies and Guidelines on Emergencies. Earthquake, Landslide, Search and Rescue, Orientation Course (ELSAROC) conducted by MMDA 107 graduated.

₱ 20,211,289.17

Total value of non-cash donations received for disaster & crisis response

4,709

families provided fire or shelter assistance in Metro Manila amounting to ₱ 5,643,565.

3,400

families who were victims of various calamities nationwide provided assistance amounting to ₱ 4,906,976.

70

DRRM Head identified from the 82 parishes with active SSDM.



Accomplishment Report: January 1 to December 31, 2019

- 44** household adaptors of urban farming in 16 mission stations in Baseco, Tondo, Manila.
- 781** partner urban poor families been conducted for Plant-Based Diet Orientation from 15 parishes.
- 46** Volunteers conducted Training on Basic Vegetable Production
- 116** participants signed up for the 28-Day Plant-Based Diet Challenge.
- 3** Urban gardening sites are now operational at Caritas Manila, San Carlos Seminary Guadalupe and San Agustin Church Intramuros Manila.



SPECIAL GRANTS

- Dengue Epidemic Grant of ₱ 500,000 for Archdiocese of Jaro for the benefit of 3,000 individuals.
- Earthquake Church Repair Grant worth ₱ 4,046,791.91 for repairs St. Francis Xavier Parish and St. Francis Xavier Parish Hall, in Surigao for the benefit of 200 parishioners.
- Released Grant amounting to ₱ 2,856,635 for Marawi Solar Rehabilitation Project for the benefit of 1200 parishioners.
- Facilitated Coca-Cola Foundation Grant of ₱ 2,025,951.60 for a Solid Waste Management Material Recovery Facility to benefit 1000 families.
- Special Typhoon Tisoy Shelter Assistance Grant of ₱ 3,000,000 distributed for 581 families.





Accomplishment Report: January 1 to December 31, 2019

Caritas RJ helps in the healing, coping, recovery, and reintegration of inmates through an integrated socio-economic pastoral care program for prisoners and their families.

1,150

inmates earned freedom with the help of Caritas RJ Paralegal Assistance.

1,320

inmates benefitted from medical and dental missions conducted by Caritas RJ in 2019

3,499

detainees from 28 precincts were visited four times a month and given values education.

1,879

inmates were provided with formation on spiritual, behavioral and economic development and maturation of individuals.

139

released inmates and their families helped through Caritas RJ after-care program.

4,130

youth offenders from 10 Youth Reception Centers were visited by Caritas RJ and given guidance. 1,432 of the youth offenders were able to attend the Caritas RJ values education weekly sessions.

140

police personnel participated in the Caritas weekly RJ sessions.

Priests and volunteers representing **41** parishes were able to visit 28 precincts and extend religious and pastoral services.

AREA	On-Going Caritas RJ Livelihood Projects
New Bilibid Prison (NBP)	Paintings and artworks; tailoring; knotted rosaries; candles; rags; doormats; & detergents
Correctional Institute for Women (CIW)	Doormat and soap making
5 Jails under the Archdiocese of Manila	Bags made from straw; baking; Christmas lanterns; wallets; soaps and detergents; perfume making.
Jails under the Diocese of Kalookan	Paper products and wallet making using discarded sachets.
Jails under the Diocese of Antipolo	Making rugs and purse made from beads
Jails under the Diocese of Parañaque	Making coin purses, coin banks, lampshades from coconut shells.



Accomplishment Report:
January 1 to December 31, 2019

Sanlakbay is the Catholic Church’s Pastoral Accompaniment Program for drug dependents toward healing, recovery and restoration. It is a parish community-based rehabilitation program. It aims to transform lives, restore human dignity and reintegrate them back to their communities to live a purpose-driven, decent and meaningful life.

1,399

drug dependents enrolled
under the Sanlakbay Program

379

former drug dependents have
completed and graduated
from the Sanlakbay Program

150

recovering drug dependents
attended the UGNAYAN 2019:
Sama-sama sa Pag-asa, designed
to carry the message of Hope and
Recovery.

250

recovering drug dependents
are being served by the
Sanlakbay Support and
Recovery Center.

20

parishes are implementing
the Sanlakbay Program

32

graduates produced by
Sanlakbay Plea Bargain
Program



168

volunteers are assisting in the
conduct of the 6 program
modules in the 20 parishes.

15

volunteers are serving as the
program’s Technical Working Group.

SANLAKBAY PARTICIPATED IN SEMINARS AND
CONFERENCES RELATED TO “DRUG ADDICTION”

6 day KKDK Facilitators Workshop in
Ateneo de Manila.

Rehabinasyon: National Anti-Drug Summit
in Davao City

“Harm Reduction” in Indonesia organized by
NoBox Foundation, Inc.

“Examining the Legal Framework of Oplan
Tokhang” at the Ateneo de Manila



Sanlakbay Program accredited by the Philippine Drug
Enforcement Agency (PDEA) as anti-drug program in the
community.

Archbishop Stephan Burger of Misereor, the German
Catholic Bishops’ Organisation for Development
Cooperation visited Sanlakbay.

Strengthened Partnership with Community-Based
Rehabilitation Alliance (CoBRA).

Coordinated with Catholic schools to conduct REFUSED
(Resistance Education on the Use of Drugs) program of the
Philippine National Police. 2,328 attended the event.

Continuing partnership w/ the following government agencies:
DDB, MTRC, PNP, DILG, PDEA, DOH, LGU, DDB, & TechVoc.

Partner Non-Government
Organizations

- La Colcha Hospitalier
- Fazenda de Esperanca
- Cenacolo Community
- US Embassy, Office of
International Narcotics and
Law Enforcement Affairs
- Rotary Club of Makati
- Kababaihan ng Maynila
- NoBox, Inc.
- SeaOil Foundation
- IDEALS
- Lost Sheep Initiative
- Sacred Heart Diagnostic
Center
- University of Santo Tomas
- CBCP Episcopal Commission
on Health

Accomplishment Report:
 January 1 to December 31, 2019

Volunteerism is the backbone of Caritas Manila’s Institute for Servant Leadership and Stewardship. ISLaS is in charge of all the volunteers, Servant Leaders, and all the formation.

₱ 14,008,383.38

Value of Volunteer Hours for 2019

595
 Volunteer Servant Leaders

208,691
 Total Volunteer Hours

- 5,869 partner families have Caritas booklets

389 new volunteers recruited

12 operations committee meetings conducted

12 Parish Social Services and Development Ministry meetings conducted

34 priority parishes in their implementation of Community Organizing monitored
- 1,570 partner urban poor families mapped

237 SSDM leaders attended Plant-based Diet Formation

626 SSDM leaders attended God’s Five Purposes in Life Formation

602 SSDM leaders attended Learning to Think Like Jesus Formation

12 Formators’ General Assembly held

Initiated the ISLaS Volunteer’s Manual

Accomplishment Report: January 1 to December 31, 2019

Segunda Mana is the Donations-in-Kind Program of Caritas Manila. Segunda Mana makes helping easy by encouraging people to help by donating items they no longer need. These donations are converted to cash through the Segunda Mana Charity Outlets. Segunda Mana is a major source of funds for the Youth Servant Leadership and Education Program of Caritas Manila.

₱ 70.38 Million

gross revenue raised.

₱ 91 Million

worth of Donations-in-Kind solicited.

2 NEW OUTLETS OPENED

Erap City, Montalban, Rizal
Victory Mall – Tanauan, Batangas



34

Segunda Mana Charity Outlets
operational

1,249

registered members of the
Segunda Mana Club.

20 SEGUNDA MANA EXPOS HELD

Isetann – Recto (three times)
Riverbanks, Marikina (three times)
Fairview Terraces
Starmall EDSA
Victory Mall Lemery
Victory Mall, Caloocan (three times)
Harrison Plaza (three times)
Victory Mall Tanauan
Our Lady of Most Holy Parish
Starmall Bulacan
Vista Mall Antipolo



Accomplishment Report: January 1 to December 31, 2019

Margins is another social enterprise of the Church. It markets the products of partner micro-entrepreneurs, farmers and non-government organizations. It is part of Caritas Manila's program to help the poor help themselves. Margins promote natural products that nourish the spirit, mind and body.

₱ 31,580,079.23
gross revenue generated

₱ 18,436,197
gross profit raised for 78 partner
micro-enterprises (marginalized
partners, inmates and partner NGOs)

₱ 3,376,447.26
raised in four Buy & Give Trade Fairs



28 new products launched

5 Caritas Margins permanent stores maintained

53 bazaars and artwork exhibits conducted

7 Caritas Margins kiosks maintained (Glorietta, Greenbelt, Cardinal Hospital, Medical Center, Delos Santos Medical Center, Metro-Taguig and Metro-Alabang)

- Maintained on-line selling of products at Shopinas, LAZADA, Caritas Margins Website, Instagram and Facebook
- Strengthened partnerships with 89 religious shops, pasalubong centers and hotels
- Established partnerships with 25 new shops

- Maintained partnerships with 25 dealers
- Maintained partnership with 78 partner NGOs and partnered with 10 new NGOs as suppliers
- Maintained partnerships with 17 institutions

**2019 VILLAR SIPAG AWARDS
ON POVERTY REDUCTION**



DONATIONS RAISED

Segunda Mana	₱ 70,433,523.00
Direct Donations	₱ 60,553,326.61
Alay Kapwa Collection	₱ 20,504,482.03
Non-Cash (In-Kind)	₱ 20,211,289.17
Cans of Charity	₱ 8,223,963.31
Parish - Mall Collections	₱ 6,387,889.13
ISLaS	₱ 2,253,100.70
CAMASA (Post-YSLEP)	₱ 2,183,490.58
Donations from Social Enterprise	₱ 801,950.00

GRANTS RECEIVED

YSLEP	₱ 32,990,995.48
HEALTH	₱ 14,886,330.31
DAMAYAN-DISASTER	₱ 6,265,223.05
RJ	₱ 2,576,871.60
CRISIS	₱ 2,460,679.00
Interest & Miscellaneous Income	₱ 2,333,909.41

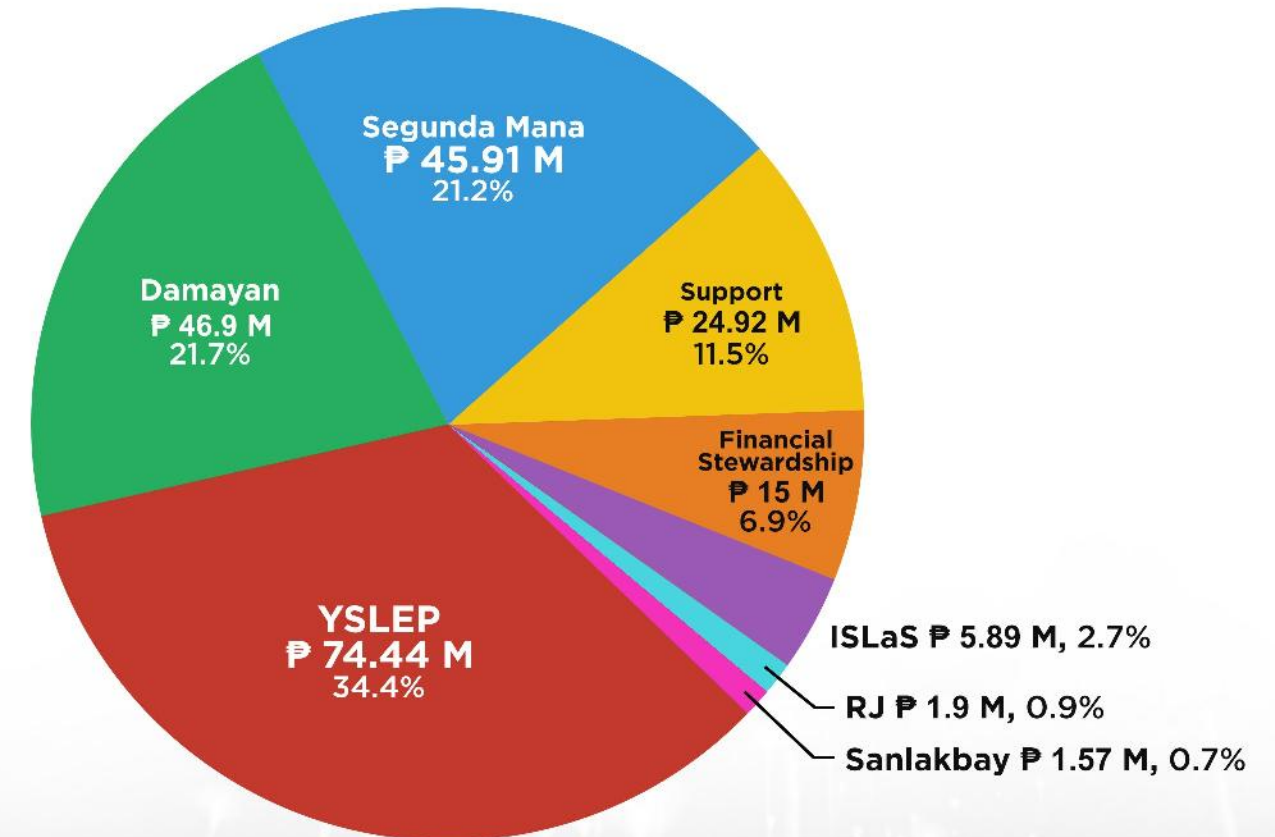
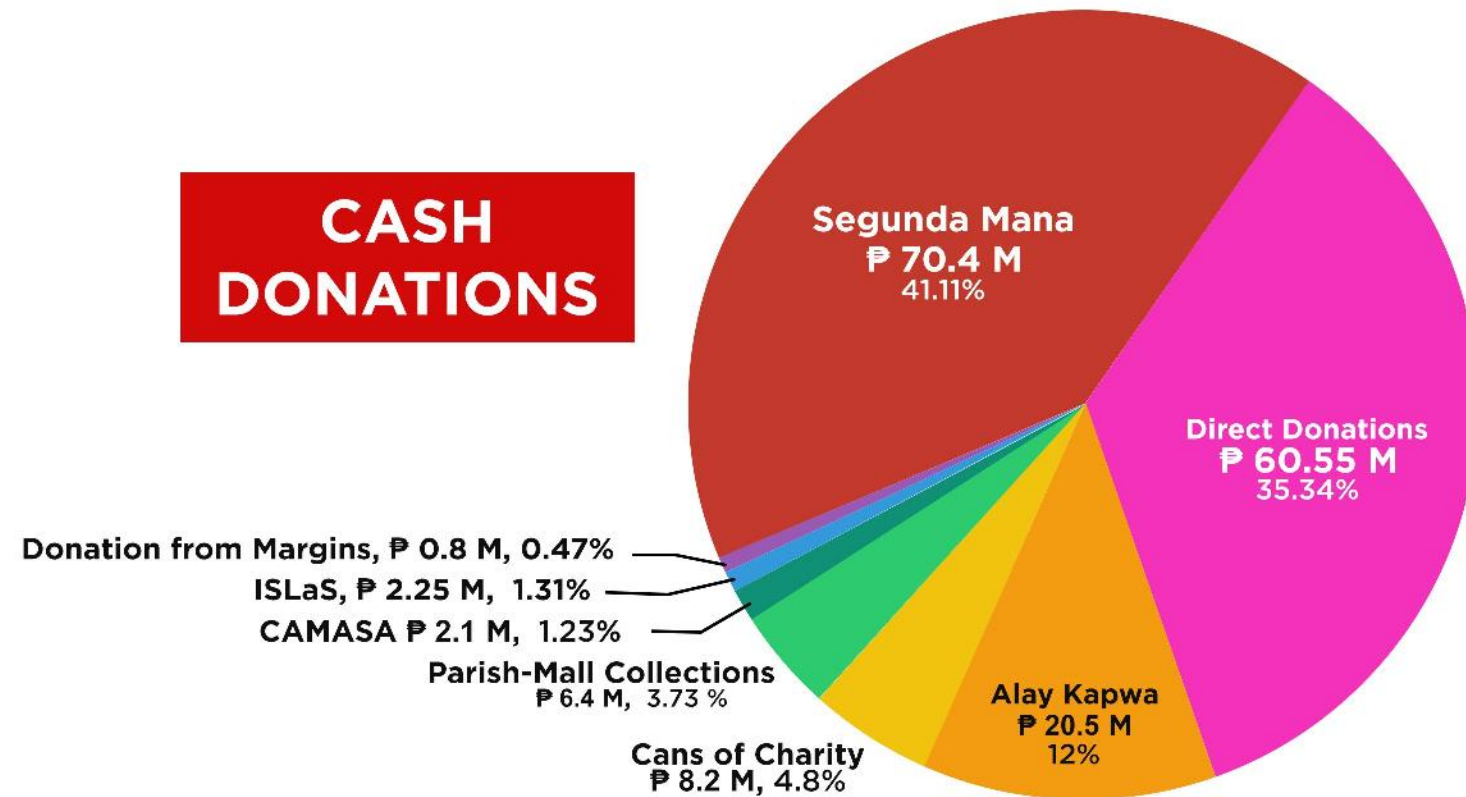
TOTAL FUNDS RAISED: ₱ 253,067,023.38



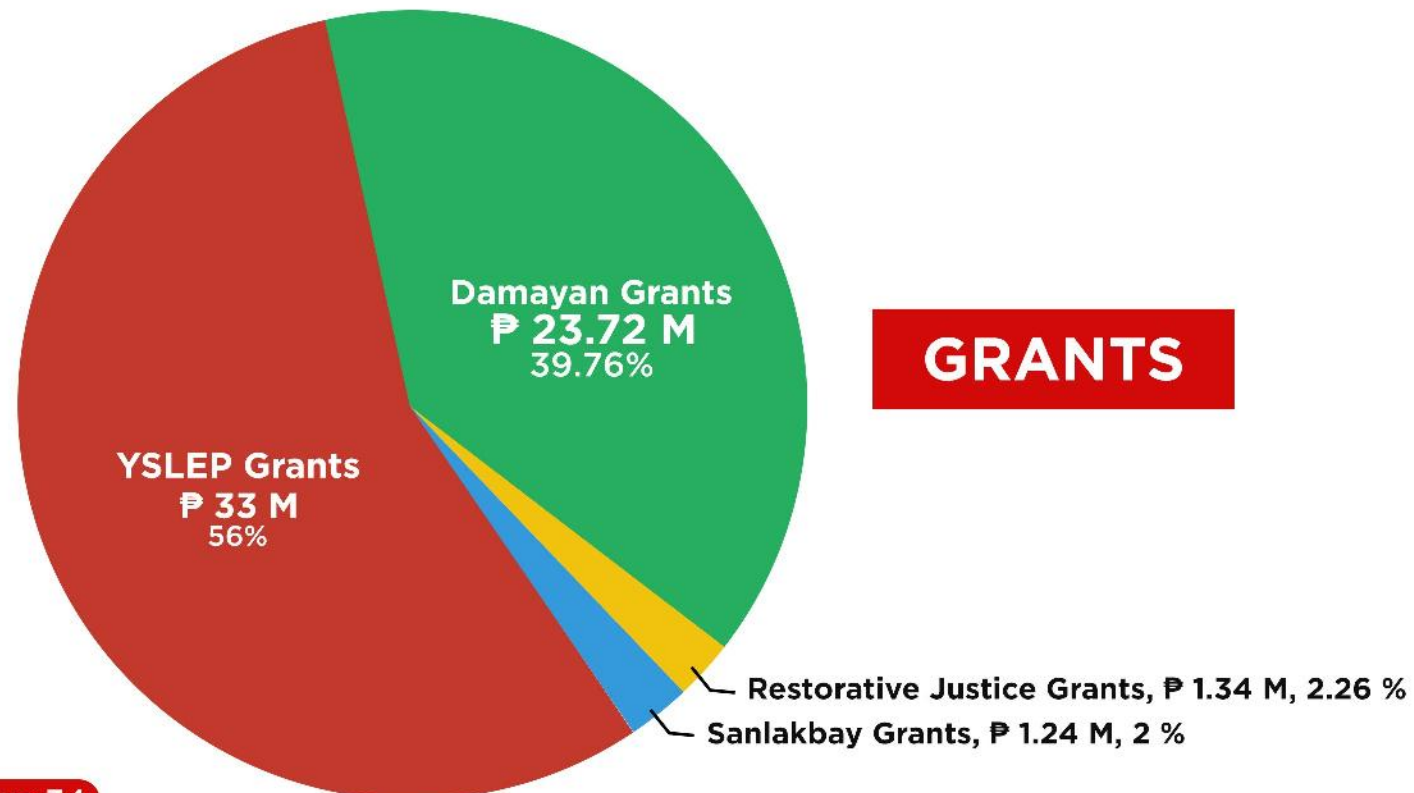
SOURCES OF FUNDS

USES OF FUNDS

CASH DONATIONS



GRANTS



STATEMENT OF MANAGEMENT’S RESPONSIBILITY
FOR FINANCIAL STATEMENTS


The management of Caritas Manila, Inc. is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2019 and 2018, in accordance with the prescribed financial reporting framework indicated therein, 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 Company’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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of Trustees is responsible for overseeing the Company’s financial reporting process.

The Board of Trustees reviews and approves the financial statements including the schedules attached therein, and submits the same to the members.

Sycip, Gorres Velayo & Co., the independent auditor appointed by the trustees, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the members, has expressed its opinion on the fairness of presentation upon completion of such audit.


Ramon Del Rosario, Jr.
Vice-Chairman of the Board


Rev. Fr. Anton CT. Pascual
Executive Director


Rev. Fr. Gilbert P. Kabigting
Treasurer

Signed this 30th day of July, 2020.

Caritas Manila, Inc.
*(A Nonstock, Not-for-profit
Organization)*

Financial Statements
December 31, 2019 and 2018

and

Independent Auditor’s Report

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Caritas Manila, Inc.
2002 Jesus Street, Pandacan, Manila

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Caritas Manila, Inc. (a nonstock, not-for-profit organization), which comprise the statements of financial position as at December 31, 2019 and 2018, and the statements of comprehensive income, 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 financial position of the Organization as at December 31, 2019 and 2018, and its financial performance 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 No. 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 No. 15-2010 in Note 18 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Caritas Manila, 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.

Ana Lea C. Bergado

Ana Lea C. Bergado

Partner

CPA Certificate No. 80470

SEC Accreditation No. 0660-AR-4 (Group A),

October 22, 2019 valid until October 21, 2022

Tax Identification No. 102-082-670

BIR Accreditation No. 08-001998-63-2018,

February 14, 2018, valid until February 13, 2021

PTR No. 8125214, January 7, 2020, Makati City

July 31, 2020

CARITAS MANILA, INC. (A Nonstock, Not-for-profit Organization)

STATEMENTS OF FINANCIAL POSITION

	December 31	
	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱56,807,465	₱93,231,874
Receivables (Note 5)	12,579,952	14,627,215
Investments (Note 6)	161,969,504	122,549,963
Other current assets	6,798,430	4,587,813
Total Current Assets	238,155,351	234,996,865
Noncurrent Assets		
Property and equipment (Notes 7 and 11)	84,193,824	85,539,733
TOTAL ASSETS	₱322,349,175	₱320,536,598
LIABILITIES AND FUND BALANCES		
Current Liabilities		
Accounts payable and accrued expenses (Note 8)	₱30,016,473	₱30,168,256
Current portion of loans payable (Note 9)	1,433,358	1,370,008
Total Current Liabilities	31,449,831	31,538,264
Noncurrent Liabilities		
Net retirement benefit liabilities (Note 15)	3,142,815	3,627,282
Loans payable - net of current portion (Note 9)	1,052,733	1,116,652
Total Noncurrent Liabilities	4,195,548	4,743,934
Total Liabilities	35,645,379	36,282,198
Fund Balances (Notes 11 and 16)		
Endowment fund	100,440,575	100,440,575
Restricted fund	56,554,080	56,554,080
General fund	129,709,141	127,259,745
Total Fund Balances	286,703,796	284,254,400
TOTAL LIABILITIES AND FUND BALANCES	₱322,349,175	₱320,536,598

See accompanying Notes to Financial Statements.



CARITAS MANILA, INC.

(A Nonstock, Not-for-profit Organization)

STATEMENTS OF FINANCIAL POSITION

	December 31	
	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱56,807,465	₱93,231,874
Receivables (Note 5)	12,579,952	14,627,215
Investments (Note 6)	161,969,504	122,549,963
Other current assets	6,798,430	4,587,813
Total Current Assets	238,155,351	234,996,865
Noncurrent Assets		
Property and equipment (Notes 7 and 11)	84,193,824	85,539,733
TOTAL ASSETS	₱322,349,175	₱320,536,598
LIABILITIES AND FUND BALANCES		
Current Liabilities		
Accounts payable and accrued expenses (Note 8)	₱30,016,473	₱30,168,256
Current portion of loans payable (Note 9)	1,433,358	1,370,008
Total Current Liabilities	31,449,831	31,538,264
Noncurrent Liabilities		
Net retirement benefit liabilities (Note 15)	3,142,815	3,627,282
Loans payable - net of current portion (Note 9)	1,052,733	1,116,652
Total Noncurrent Liabilities	4,195,548	4,743,934
Total Liabilities	35,645,379	36,282,198
Fund Balances (Notes 11 and 16)		
Endowment fund	100,440,575	100,440,575
Restricted fund	56,554,080	56,554,080
General fund	129,709,141	127,259,745
Total Fund Balances	286,703,796	284,254,400
TOTAL LIABILITIES AND FUND BALANCES	₱322,349,175	₱320,536,598

See accompanying Notes to Financial Statements.

CARITAS MANILA, INC.

(A Nonstock, Not-for-profit Organization)

STATEMENTS OF CHANGES IN FUND BALANCES

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	Endowment	Restricted	General	Total
FUND BALANCE AT DECEMBER 31, 2017	₱100,440,575	₱56,554,080	₱132,148,431	₱289,143,086
Total comprehensive loss for the year	–	–	(4,888,686)	(4,888,686)
FUND BALANCE AT DECEMBER 31, 2018	100,440,575	56,554,080	127,259,745	284,254,400
Total comprehensive income for the year	–	–	2,449,396	2,449,396
FUND BALANCE AT DECEMBER 31, 2019	₱100,440,575	₱56,554,080	₱129,709,141	₱286,703,796

See accompanying Notes to Financial Statements.



CARITAS MANILA, INC.
(A Nonstock, Not-for-profit Organization)
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of income over expenses	₱2,449,396	(₱4,888,686)
Adjustments for:		
Depreciation and amortization (Note 7)	5,502,685	6,762,339
Loss (income) from investments (Note 6)	(11,119,995)	2,728,208
Changes in net retirement benefits liabilities (Note 15)	(484,467)	630,726
Trustee fees and other expenses on investments	874,000	623,283
Interest income (Note 4)	(194,799)	(362,288)
Interest expense (Note 9)	407,888	269,634
Unrealized foreign exchange losses	1,327	43,488
Excess of income over expenses before working capital changes	(2,563,965)	5,806,704
Decrease (increase) in:		
Receivables	2,047,263	(8,023,605)
Other current assets	(2,210,617)	1,524,698
Increase (decrease) in accounts payable and accrued expenses	(151,783)	(1,166,978)
Cash from (used in) operating activities	(2,879,102)	(1,859,181)
Interest received	194,799	362,288
Net cash flows from (used in) operating activities	(2,684,303)	(1,496,893)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment (Note 7)	(4,156,776)	(3,698,318)
Additions to (redemption of) investments (Note 6)	(29,173,546)	2,280,000
Net cash flows used in investing activities	(33,330,322)	(1,418,318)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans (Note 9)	1,700,000	1,500,000
Repayment of loans (Note 9)	(1,700,569)	(1,120,006)
Interest paid (Note 9)	(407,888)	(269,634)
Net cash flows from (used in) financing activities	(408,457)	110,360
EFFECT OF FOREIGN EXCHANGE CHANGES ON CASH AND CASH EQUIVALENTS	(1,327)	(43,488)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(36,424,409)	(2,848,339)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	93,231,874	96,080,213
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱56,807,465	₱93,231,874

See accompanying Notes to Financial Statements.



CARITAS MANILA, INC.
(A Nonstock, Not-for-profit Organization)
NOTES TO FINANCIAL STATEMENTS

1. Organization Information and Authorization for Issuance of Financial Statements

Organization Information

Caritas Manila, Inc. (the Organization) was established for purely charitable, benevolent, and religious purposes. Its mission is to provide total human development with the framework of basic Christian community and to extend welfare services to the indigent poor and the needy within the Archdiocese of Manila. To promote its objectives, grants and donations are received from various institutions and individuals, which are operated based on the terms and conditions of such grants and donations.

The registered office address of the Organization is 2002 Jesus Street, Pandacan, Manila.

The Organization, being a nonstock, not-for-profit organization, falls under Section 30(e) of the Republic Act. No. 8424 entitled “an act amending the National Internal Revenue Code (NIRC), as Amended and for Other Purposes”. The income from activities conducted in pursuit of the objectives for which the Organization was established is exempt from tax. However, any income from activity conducted for profit, regardless of the disposition of such income, is subject to income tax.

The Organization was duly accredited with the Philippine Council for NGO Certification (PCNC), certification of which is valid until February 21, 2023.

Authorization for Issuance of the Financial Statements

The financial statements of the Organization were authorized for issuance by the Board of Trustees (BOT) on July 31, 2020.

2. Summary of Significant Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost basis except for investments which are measured at fair value. The financial statements are presented in Philippine peso (Peso), which is the Organization’s functional currency. All amounts were rounded to the nearest Peso, except when otherwise indicated.

Statement of Compliance

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

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash in banks earn interests at the respective bank deposit rates. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, with original maturities of three months or less from the dates of acquisition, and are subject to an insignificant risk of change in value.

Receivables

Receivables are stated at face value less allowance for any uncollectible amounts. Provision is made when collection is no longer probable. Bad debts are written off when identified.



Investments

Investments are carried at fair value. The carrying values of the investments are periodically adjusted to reflect subsequent upward and/or downward changes in their fair values. The changes in the market values, net of applicable tax, of the investments are presented on the statement of comprehensive income separately.

Property and Equipment

Property and equipment, except land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Parcels of land, which were received as donations, are stated at their fair market values at the time of donation.

The initial cost of an item of property and equipment consists of its purchase price, including import duties and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance costs, are normally charged to operations in the period in which the 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 an additional cost of the item of property and equipment.

Recognition of depreciation and amortization commences when the asset is ready for its intended use.

Depreciation and amortization are calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Number of Years
Land improvements	10
Buildings	5 to 50
Office furniture, fixtures and equipment	2 to 5
Small tools and other equipment	5
Vocational facilities and equipment	5
Medical and dental equipment	5
Transportation equipment	5 to 10

The estimated useful lives, depreciation and amortization method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from the items of property and equipment.

When assets are retired or otherwise disposed of, their cost and related accumulated depreciation and amortization, and any impairment in value are removed from the accounts. Any resulting gain or loss is credited to or charged to statement of comprehensive income.

Impairment of Assets

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of property and equipment is the higher between net selling price and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Any impairment loss is recognized in statement of comprehensive income.



An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the property and equipment's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount cannot exceed the carrying amount that would have been determined, net of accumulated depreciation, had no impairment loss had been recognized for the asset in previous years. After such reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount on a systematic basis over its remaining useful life.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses are recognized in the Organization's statement of financial position at amounts established in exchanges, usually the amount to be paid. These are present obligation of the Organization arising from past transactions or events, the settlement of which is expected to result in an outflow from the Organization's resources embodying economic benefits.

Fund Balance

Fund balance represents the cumulative balance of excess or deficiency of income over expenses.

Revenue

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

The following specific revenue recognition criteria must also be met before revenue is recognized:

Donations and contributions are recognized when cash and other grants and donations are received or when collection is reasonably certain. Donations in kind are valued based on the estimated recoverable amount of the item received. All donations received are considered available for general use unless specifically restricted by the respective donors. Undistributed donations in kind as at reporting date are recognized in "Other current assets".

Interest income is recognized as the interest accrues.

Expenses

Expenses are recognized in revenue and expenses upon utilization of the service or when they are incurred.

Retirement Benefits Cost

The Organization has a funded, noncontributory retirement plan, administered by a trustee, covering its permanent employees. Retirement costs are actuarially determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries. Retirement expense charged to expenses includes current service cost, interest cost, expected return on plan assets, amortization of unrecognized past service costs and effect of any curtailment or settlement. Past service cost is amortized over a period until the benefits become vested. If the benefits are already vested following the introduction of, or changes to, a pension plan, past service cost is recognized immediately. Actuarial gains and losses for the period are recognized in full in statement of comprehensive income.

The defined benefit asset or liability comprises the present value of defined benefit obligation, reduced by past service cost and the fair value of plan assets out of which the obligations are to be settled directly.



Foreign Currency-Denominated Transactions

Foreign currency-denominated transactions, mainly receipts of grants from foreign institutions, are recorded in Peso based on the exchange rates prevailing at the time the grants are received. Exchange gains or losses resulting from foreign currency denominated transactions are credited to or charged against operations. Outstanding monetary assets and liabilities denominated in foreign currencies are restated using the closing exchange rate at reporting date.

Provisions and Contingencies

Provisions are recognized when the Organization has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made, if the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessment of the time value of money and, where appropriate the risk specific to the liability. If discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingent liabilities are not recognized in the financial statements. They 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 are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

Events After the Reporting Date

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

3. Significant Accounting Estimate

The preparation of the financial statements in accordance with PFRS for SMEs requires the Organization to exercise judgments and make estimates that affect the amounts reported in the financial statements and accompanying notes. The judgments and estimates used in the financial statements are based upon evaluation of relevant facts and circumstances as of statement of financial position date. Future events may occur which can cause the assumptions used in arriving at those judgments and estimates to change. The effects of any changes will be reflected in the financial statements of the Organization as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimate

The key estimate that have a significant risk of causing a material adjustment to the carrying amounts of the assets within the next financial year is discussed below:

Estimation of allowance for doubtful accounts

Provisions are made for accounts specifically identified to be doubtful of collection. The level of this allowance is evaluated by management on the basis of factors that affect the collectability of the accounts.

Receivables amounted to ₱12,579,952 and ₱14,627,215 and allowance for doubtful accounts amounted to ₱437,259 and ₱1,736,690 as of December 31, 2019 and 2018, respectively (see Note 5).

4. Cash and Cash Equivalents

	2019	2018
Cash on hand and in banks	₱56,190,769	₱92,630,826
Cash equivalents	616,696	601,048
	₱56,807,465	₱93,231,874

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods of up to three months depending on the immediate cash requirements of the Organization and earn interest at the respective short-term cash deposit rates. Interest income earned on cash in banks and short-term cash deposits amounted to ₱194,799 and ₱362,288 in 2019 and 2018, respectively.

5. Receivables

	2019	2018
Caritas Margins, Inc. (Note 14)	₱5,830,556	₱2,673,564
Caritas Salve Credit Cooperative (Note 14)	2,359,974	2,379,889
Roman Catholic Archdiocese of Manila (RCAM) [Note 14]	781,249	2,625,551
Stewardship donors	–	2,695,900
Others	4,045,432	5,989,001
	13,017,211	16,363,905
Less allowance for doubtful accounts	437,259	1,736,690
	₱12,579,952	₱14,627,215

Movement in the allowance for doubtful accounts on trade receivables follows:

	2019	2018
Beginning balances	₱1,736,690	₱1,743,032
Provision (reversal) for the year	(144,707)	369,672
Write-off against allowance	(1,154,724)	(376,014)
Ending balances	₱437,259	₱1,736,690

Receivables from stewardship donors are donations related to the fund-raising activities of the Organization for the year 2018 and subsequently receipted in 2019.

Other receivables are composed of advances to employees.

6. Investments

In order to maximize the return on its investible funds, the Organization has entrusted a portion of its funds to local financial institutions, who act as the fund managers of these trust funds. Under the covering agreements, the fund managers are authorized, under certain conditions and for an agreed fee, to hold, invest, and reinvest the funds.



Changes in investment balances for the years ended December 31 follow:

	2019	2018
January 1	₱122,549,963	₱128,181,454
Transactions during the year:		
Addition (redemption)	29,173,546	(2,280,000)
Realized gain (loss) on investments	4,752,472	(4,420,248)
Unrealized gain (loss) on investments	2,852,211	(2,714,704)
Interest and other income	3,515,312	4,406,744
Trustee fees and other expenses	(874,000)	(623,283)
December 31	₱161,969,504	₱122,549,963

The consolidated investments portfolio held by the investment managers, including other investments held by the Organization as of December 31 follows:

	2019	2018
Government securities	₱73,437,540	₱53,028,829
Corporate bond	38,253,651	19,857,899
Shares of stock	28,485,452	41,475,456
Investments in unit trust fund	18,916,880	7,351,704
Loans, receivables and other investments	2,875,981	836,075
	₱161,969,504	₱122,549,963

The realized and unrealized loss on investments were previously presented under one-line item in the statement of comprehensive income. The prior year amounts have been reclassified for consistency with the current year presentation.

7. Property and Equipment

	2019							
	Land and Land Improvements	Building (Note 14)	Office Furniture, Fixtures and Equipment	Transportation Equipment	Small Tools and Other Equipment	Vocational Facilities and Equipment	Medical and Dental Equipment	Total
Cost								
Beginning balances	₱58,813,913	₱41,178,841	₱27,653,383	₱18,706,604	₱582,433	₱1,749,234	₱3,301,187	₱151,985,595
Additions	—	280,000	1,531,600	1,942,875	390,583	—	11,718	4,156,776
Ending balances	58,813,913	41,458,841	29,184,983	20,649,479	973,016	1,749,234	3,312,905	156,142,371
Accumulated Depreciation and Amortization								
Beginning balances	₱2,259,833	₱23,461,539	₱24,144,022	₱13,377,113	₱530,155	₱1,715,718	₱957,482	₱66,445,862
Depreciation and amortization	—	1,710,257	2,687,515	711,619	47,618	16,925	328,751	5,502,685
Ending balances	2,259,833	25,171,796	26,831,537	14,088,732	577,773	1,732,643	1,286,233	71,948,547
Net Book Values	₱56,554,080	₱16,287,045	₱2,353,446	₱6,560,747	₱395,243	₱16,591	₱2,026,672	₱84,193,824

	2018							
	Land and Land Improvements	Building (Note 14)	Office Furniture, Fixtures and Equipment	Transportation Equipment	Small Tools and Other Equipment	Vocational Facilities and Equipment	Medical and Dental Equipment	Total
Cost								
Beginning balances	₱58,813,913	₱39,978,841	₱26,753,133	₱17,144,154	₱558,533	₱1,749,234	₱3,289,469	₱148,287,277
Additions	—	1,200,000	900,250	1,562,450	23,900	—	11,718	3,698,318
Retirement	—	—	—	—	—	—	—	—
Ending balances	58,813,913	41,178,841	27,653,383	18,706,604	582,433	1,749,234	3,301,187	151,985,595
Accumulated Depreciation and Amortization								
Beginning balances	₱2,259,833	₱21,779,578	₱20,956,975	₱11,973,715	₱495,464	₱1,588,251	₱629,707	₱59,683,523
Depreciation and amortization	—	1,681,961	3,187,047	1,403,398	34,691	127,467	327,775	6,762,339
Retirement	—	—	—	—	—	—	—	—
Ending balances	2,259,833	23,461,539	24,144,022	13,377,113	530,155	1,715,718	957,482	66,445,862
Net Book Values	₱56,554,080	₱17,717,302	₱3,509,361	₱5,329,491	₱52,278	₱33,516	₱2,343,705	₱85,539,733

The cost of the Organization’s land amounted to ₱56,554,080 as of December 31, 2019 and 2018.

8. Accounts Payable and Accrued Expenses

	2019	2018
Accounts payable	₱13,470,570	₱16,042,411
Accrued expenses	16,422,289	14,024,202
Others	123,614	101,643
	₱30,016,473	₱30,168,256

The balance of accounts payable and accrued expenses represents program expenses incurred during the year and paid only subsequent to year-end.

Details of accrued expenses are as follows:

	2019	2018
Scholarship expense	₱8,157,752	₱9,106,555
Honoraria	4,867,281	3,287,031
Medical assistance	952,823	252,404
Advertising and publicity	601,110	540,039
Financial assistance	431,300	—
Materials and supplies	430,874	25,030
Light and water	253,140	292,029
Transportation and travel	224,546	160,298
Communications expense	190,427	129,822
Representation	21,373	20,573
Others	291,663	210,421
	₱16,422,289	₱14,024,202

9. Loans Payable

In 2019 and 2018, the Organization availed loans amounting to ₱1,700,000 and ₱1,500,000 bearing annual interest rate of both 8% and payable in 36 equal monthly installments. The proceeds from the said loans will be used to finance the acquisition of transportation equipment of the Organization.



Interest expense on loans payable amounted to ₱407,888 and ₱269,634 for the year ended December 31, 2019 and 2018, respectively.

Consolidated details of the Organization's loans are as follow:

	2019	2018
Principal, balance at beginning of year	₱2,486,660	₱2,106,666
Add availment during the year	1,700,000	1,500,000
Less principal payments during the year	(1,700,498)	(1,120,006)
Principal, balance at end of year	2,486,162	2,486,660
Less current portion	(1,433,429)	(1,370,008)
Noncurrent portion	₱1,052,733	₱1,116,652

10. Donations

Donations are mostly cash collections from benefactors that will be used in carrying out the Organization's various programs. These are recorded under the restricted fund if it is intended for a specific purpose defined by the donors and/or their agreement with the Organization and endowment fund if it is subject to imposed stipulations specifying that the resources contributed be maintained permanently. All other donations are recorded under the general fund.

Donations in kind coming from the Organization's "Segunda Mana" program are recorded at their estimated recoverable values at the time of donation. Total received donations in kind pertaining to Segunda Mana amounting to ₱69,300,983 and ₱59,862,599 in 2019 and 2018, respectively, are presented under "Donations and Contributions - General Fund" in the statement of comprehensive income.

11. Funds

Endowment fund consists of donations where only the interest is utilized for the programs of the Organization.

Restricted fund represents the value of donated parcels of land.

General fund represents the portion of expendable funds available to support the Organization.

12. Program Expenses

	2019	2018
Educational assistance	₱70,421,953	₱65,805,263
Personnel (Notes 13 and 15)	54,579,950	48,122,778
Financial and medical assistance	40,528,317	50,820,867
Emergency relief	19,694,118	23,371,654
Advertising and publicity	6,517,304	6,511,235

(Forward)

	2019	2018
Transportation	₱5,005,493	₱4,406,473
Representation	3,279,067	4,513,974
Repairs and maintenance	3,120,300	2,151,027
Utilities	2,928,572	2,968,906
Communications	2,776,538	4,398,924
Printing and supplies	2,555,068	2,558,503
Financial support to religious activities	2,120,700	2,021,901
Professional fees	1,970,530	1,944,685
Miscellaneous	3,533,479	1,474,369
	₱219,031,389	₱221,070,559

Educational assistance which relates to the flagship program of the Organization are the scholarships, allowances and subsidies granted by the Organization to its student beneficiaries.

Financial and medical assistance represents rehabilitation costs of various chapels, construction of housing units and re-establishment of livelihood programs incurred by the Organization for the victims affected by the calamities.

Emergency relief expense pertains to immediate assistance given by the Organization to the victims of calamities which includes relief goods such as clothes, foods and medicines.

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

13. Personnel Expenses

Personnel expenses consist of:

	2019	2018
Program expenses (Note 12)	₱54,579,950	₱48,122,778
General	16,523,147	14,550,788
	₱71,103,097	₱62,673,566

Breakdown as to nature of personnel expenses follows:

	2019	2018
Honoraria	₱52,864,826	₱43,814,053
Salaries, wages and allowances	11,869,999	11,915,900
Employee benefits	4,852,739	6,312,887
Retirement expense (Note 15)	1,515,533	630,726
	₱71,103,097	₱62,673,566

14. Related Party Transactions

Related party relationships exist when the entity has the ability to control, directly or indirectly, through one or more intermediaries, or exercise significant influence over the entity in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity and its key management personnel, directors or stockholders.



In considering each possible related party relationship, attention is directed to the substance of the relationships, and not merely to the legal form.

The Organization has the following significant transactions with related parties:

- a. The Organization is the social service and development arm of the RCAM. The land where the Organization's building is located, is owned by RCAM. RCAM has allowed the Organization to use this land free of charge.
- b. Receivable from RCAM amounting to ₱781,249 and ₱2,625,551 as of December 31, 2019 and 2018, respectively, represents cash donations not yet received related to the medical expenses incurred in the health centers located in the 13 vicariates of the Archdiocese of Manila (Note 5). Total donations from RCAM amounted to ₱10,973,976 and ₱11,625,855 in 2019 and 2018, respectively.
- c. Receivable amounting to ₱2,359,974 and ₱2,379,889 as of December 31, 2019 and 2018, respectively (Note 5) from Caritas Salve Credit Cooperative, an entity which also reports to RCAM, represents the seed money extended by the Organization to the entity during its start-up operations. The amount will be returned to the Organization once the entity has enough working capital.
- d. Receivable amounting to ₱5,830,556 and ₱2,673,564 as of December 31, 2019 and 2018, from Caritas Margins, Inc. (Note 5) represents expenses related to utilities, fuel, and other administrative expenses advanced by the Organization which will be subsequently collected in cash and is non interest bearing.

15. Retirement Plan

The Organization has a funded defined benefit retirement plan covering all of its regular employees. The benefits are based on the years of service and percentage of final monthly basic salary. The latest actuarial valuation report of the defined benefit plan is as of December 31, 2018.

The components of retirement benefits cost recognized in the statements of comprehensive income follow:

	2019	2018
Current service cost	₱600,555	₱712,502
Interest cost on defined benefit obligation	442,723	308,072
Expected return on plan assets	(47,760)	(147,942)
Actuarial loss (gain)	520,015	(241,906)
	₱1,515,533	₱630,726

Net retirement benefit liabilities recognized in the statements of financial position follow:

	2019	2018
Present value of defined benefit obligation	₱7,250,734	₱6,015,257
Fair value of plan assets	4,107,919	2,387,975
Net retirement benefit liabilities	₱3,142,815	₱3,627,282

The changes in the present value of defined benefit obligation follow:

	2019	2018
Beginning of year	₱6,015,257	₱5,462,261
Current service cost	600,555	712,502
Interest cost	442,723	308,072
Actuarial loss (gain)	738,653	(467,578)
Benefits paid	(546,454)	—
	₱7,250,734	₱6,015,257

The changes in the fair value of plan assets follow:

	2019	2018
Beginning of year	₱2,387,975	₱2,465,705
Expected return on plan assets	47,760	147,942
Contributions	2,000,000	—
Benefits paid	(546,454)	—
Actuarial gain (loss)	218,638	(225,672)
	₱4,107,919	₱2,387,975

The Organization's plan assets are managed by its trustee bank, which comprised of the following as of December 31:

	2019	2018
Cash and cash equivalents	₱338	₱154
Debt instruments	3,661,663	2,219,863
Equity instruments	385,998	158,779
Others	64,305	12,950
	4,112,304	2,391,746
Liabilities	4,385	(3,771)
	₱4,107,919	₱2,387,975

The principal actuarial assumptions used to determine the Organization's retirement benefit obligation follow:

	December 31	
	2019	2018
Discount rate	4.98%	5.64%
Future salary increase rate	5.00%	5.00%

16. Fund Balance Management

The primary objective of the Organization's fund balances is to ensure that it maintains adequate funds to support its various activities and programs and its administrative costs.

Since the Organization depends on donations received to finance its various activities and projects, it maximizes the earnings of the funds. It sets aside funds for specific and for emergency purposes. No changes were made in the objectives, policies or processes in both years.



The Organization considers its fund balances as its capital. These are:

	2019	2018
Endowment fund	₱100,440,575	₱100,440,575
Restricted fund	56,554,080	56,554,080
General fund	129,709,141	127,259,745
	₱286,703,796	₱284,254,400

17. Events After the Reporting Period

In a move to contain the Coronavirus Disease (COVID-19) pandemic, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine throughout the island of Luzon until April 12, 2020, which was subsequently extended to May 15, 2020. On May 16, 2020, the enhanced community quarantine was reduced to modified enhanced community quarantine, and by June 1, 2020, to general community quarantine, in certain areas like Metro Manila and Laguna. These measures have caused disruptions to businesses and economic activities, and its impact on businesses continues to evolve.

The Organization considers the events surrounding the pandemic as non-adjusting subsequent events, which do not impact its financial position and performance as of and for the year ended December 31, 2019. However, the pandemic would have a material impact on its 2020 financial results and even periods thereafter. Considering the evolving nature of this outbreak, the Organization cannot determine at this time the impact to its financial position, performance and cash flows. The Organization will continue to monitor the situation.

18. Supplementary Information Required Under Revenue Regulations No. 15-2010

In compliance with the requirements set forth by Revenue Regulations No. 15-2010, hereunder are the information on taxes and license fees paid or accrued during the taxable year 2019.

Withholding Taxes

Withholding taxes on compensation and benefits	₱872,121
Expanded withholding taxes	23,836

Taxes and Licenses

BIR registration fee	₱500
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CARITAS SSDM



H.E LUIS ANTONIO G. CARDINAL TAGLE, D.D
Chairman

MR. RAMON R. DEL ROSARIO, JR.
Vice Chairman

ATTY. MA. ADELINA S. GATDULA
Corporate Secretary

REV. FR. GILBERT P. KABIGTING
Treasurer

REV. FR. ANTON C.T. PASCUAL
Executive Director

Members

Most Rev. Bishop Pablo Virgilio S. David, D.D.

Most Rev. Bishop Jesse E. Mercado, D.D.

Most Rev. Bishop Honesto F. Ongtioco, D.D., STL

Most Rev. Bishop Mylo Hubert C. Vergara, D.D.

Most Rev. Bishop Roberto O. Gaa, D.D

Mr. Fernando Zobel De Ayala

Amb. Jesus P. Tambunting

Atty. Gizela Gonzalez – Montinola

Mr. Manuel V. Pangilinan

Mr. Jose Luis L. Vera



CARITAS MANILA MANAGEMENT

EXECUTIVE OFFICE

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Marlita M. De Ocampo, Executive Assistant
May Flor R. Tiangco, EA on Devt. Planning & Strategy

SOCIAL SERVICES AND DEVELOPMENT YSLEP

Helen P. Oreto, YSLEP Program Manager
Telesforo J. Caminsi, YSLEP Program Officer RCAM & Suffragan
Daniel C. Castillo, YSLEP Program Officer - Mindanao
Maribel R. Palmitos, YSLEP Program Officer - Visayas
Elicerio P. Jacobe, Jr., Post-YSLEP Program Officer
Evelyn M. Pilapil, YSLEP Program Officer

DAMAYAN

Fr. Ricardo F. Valencia Jr., Caritas Damayan Priest-in-Charge
Fr.Emerson L. Luego, Caritas Damayan VisMin Priest-in-Charge
Gilda C. Avedillo, Caritas Damayan Program Head
Melissa G. Corpuz, Program Officer for Health
Maricar A. Fariñas, Program Officer, Good Samaritan

RESTORATIVE JUSTICE

Fr. Roberto D. Dela Cruz, Restorative Justice Priest-in-Charge
Sr. Zenaida Cabrera, SHE, Program Coordinator

INSTITUTE FOR SERVANT LEADERSHIP AND STEWARDSHIP

Mary Grace B. Guevara, ISLaS Head

STEWARDSHIP

Gerran V. Navarro, Division Head
Gilda I. Cortez, Donor Devt. Head
Catherine H. Reyes, Donations-in-Kind Officer
Lexanne O. Garcia, Creatives & Communications Officer
Zoraydah L. Zotomayor, SPPC Head

SEGUNDA MANA

William Barry H. Camique, Program Manager

MARGINS

Salvador V. Arcangel VIII, Business Development Manager
Maya G. Arcega, Stores Operations Officer

SUPPORT SERVICES

Fr. Gilbert P. Kabigting, Priest-in-Charge
Gina P. Santos, Administrative Officer
Ruben Abedes, Accounting Officer
Ma. Purita Mariano, Treasury Officer
Reynaldo T. Javien, Bookkeeper
Troy Andreo S. Zafra, Human Resource Officer-in-Charge
Nzo Gaglac, BRANDS Officer








**CARITAS
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