

KARUNA MISSION SOCIAL SOLIDARITY

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2019 TO 31 DECEMBER 2019

WIN THIN & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

KARUNA MISSION SOCIAL SOLIDARITY

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Karuna Mission Social Solidarity

KMSS

ကရုဏာလူမှုစည်းလုံးညီညွတ်ရေးအသင်း(စမ်းချောင်းမြို့နယ်)
မှတ်ပုံတင်အမှတ်-(၁/ပြည်တွင်း/၀၈၄၇)

Catholic Bishops' Conference of Myanmar (C.B.C.M)
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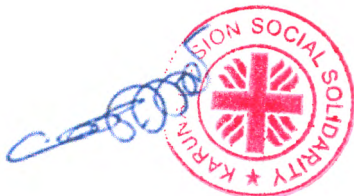
STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR KARUNA MISSION SOCIAL SOLIDARITY

It is the responsibility of the management to prepare the financial statements which give a true and fair view of the financial position of Karuna Mission Social Solidarity (the Organization) as of 31 December 2019, and the Statement of Income and Expenditure for the year then ended, and a summary of significant accounting policies and other explanatory notes. In preparing these financial statements, the management is required to:

- Select suitable accounting policies and then apply them consistently; and
- Make judgments and estimates that are reasonable and prudent.

The management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Organization. We have general responsibility for taking such steps as are reasonably open to us to safeguard the assets of the Organization and to prevent and detect fraud and other irregularities.

On behalf of Management



Dr. Win Tun Kyi
National Director
Karuna Mission Social Solidarity

Date: 17 November 2020



ဝင်းသင်နှင့်အဖွဲ့၊ စာရင်းစစ်များ။

WIN THIN & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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Ref: 1964/K-57/December 2019

INDEPENDENT AUDITOR'S REPORT

To the Management of Karuna Mission Social Solidarity ("KMSS").

We have audited the accompanying financial statements of KMSS for the year 2019 which comprise the statement of financial position as at 31 December 2019, the statement of income and expenditure for the year then ended and a summary of significant accounting policies and other explanatory notes. The financial statements have been prepared by the management of the KMSS using the basis of accounting and the accounting policies described in Note 2 to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the basis of accounting policies described in Note 2 to the financial statements, 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the KMSS have been prepared, in all material respects, in accordance with the basis of accounting and the accounting policies as described in Note 2 to the financial statements.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describe the basis of accounting. The financial statements have been prepared to assist the KMSS to report to its management. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for information and use by the organization and should not be distributed to or used by parties other than its management and its donors.



Soe Soe Htay (PA - 600)

Engagement Partner

WIN THIN & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

Place: Yangon

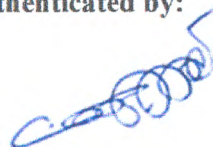
Date: 17 November 2020

KARUNA MISSION SOCIAL SOLIDARITY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019
 Currency – United States dollar (USD)

	Note	2019	2018
ASSETS			
Non-Current Assets			
Fixed Asset (Property and Equipment)	6	134,914.73	122,118.36
		134,914.73	122,118.36
Current Assets			
Checking and Saving (Cash and cash equivalents)	7	3,077,851.15	1,850,686.35
Accounts Receivable	8	468,704.07	412,459.76
Other Current Assets	9	10,413.71	4,448.23
		3,556,968.93	2,267,594.34
		3,691,883.66	2,389,712.70
LIABILITIES & EQUITY:			
CURRENT LIABILITIES			
Account Payable	10	2,017,520.89	948,113.06
		2,017,520.89	948,113.06
LONG TERM LIABILITIES			
Long Term Liabilities	11	98,065.32	89,047.56
		98,065.32	89,047.56
FUND BALANCE			
Fund Balance	12	1,352,552.08	1,207,253.57
Net Income/(Expenses)		223,745.37	145,298.51
		1,576,297.45	1,352,552.08
		3,691,883.66	2,389,712.70

See Accompanying Notes to the Financial Statements.

Authenticated by:



Dr. Win Tun Kyi
National Director




Daw Zar Zar Myo
Senior Finance Manager

KARUNA MISSION SOCIAL SOLIDARITY
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2019
Currency – United States dollar (USD)

		Note	2019			2018
			Restricted (USD)	Unrestricted (USD)	Total (USD)	Total (USD)
	INCOME					
1	4000 · Restricted Income from Donors	13	8,323,744.99	—	8,323,744.99	7,158,133.53
2	4110 · Bank Interest		30.91	43,113.37	43,144.28	46,372.52
3	4120 · Donations & fundraising		10,024.68	118,904.39	128,929.07	35,835.87
4	4130 · Sales of Obsolete Items		—	13.39	13.39	—
5	4140 · Miscellaneous Income		—	7,195.72	7,195.72	16,642.30
6	4150 · Exchange Gain/(Loss)		(3,533.51)	29,497.32	25,963.81	4,643.00
7	4160 · Management fees (%)		—	23,988.59	23,988.59	33,528.54
	Total Income		8,330,267.07	222,712.78	8,552,979.85	7,295,155.76
	EXPENDITURE (Running Expense)					
1	6100 · Personnel Cost		1,991,829.58	57,674.43	2,049,504.01	1,681,466.15
2	6200 · Programme Administration		621,216.55	39,410.56	660,627.11	621,934.28
3	6300 · Travel Costs		285,851.69	2,737.35	288,589.04	403,636.86
4	6400 · Advocacy & Capacity Building		1,039,273.43	57,083.25	1,096,356.68	844,667.12
5	6500 · Community Supplies		3,552,061.52	124,327.84	3,676,389.36	3,327,717.22
6	6600 · Survey & Evaluation		46,546.45	—	46,546.45	17,595.98
7	6700 · Project Support		371,524.06	—	371,524.06	148,687.19
8	6900 · Sub - Grant		7,667.20	—	7,667.20	—
	Total Running Expenses		7,915,970.48	281,233.43	8,197,203.91	7,045,704.80
	6800 · Capital Equipment		149,367.06	(30,526.57)	118,840.49	97,118.01
	6900 · Depreciation		—	13,190.08	13,190.08	7,034.44
	Total Expenditure		8,065,337.54	263,896.94	8,329,234.48	7,149,857.25
	Surplus/(Deficit) of income over expenditure		264,929.53	(41,184.16)	223,745.37	145,298.51

See Accompanying Notes to the Financial Statements.

Authenticated by:



Dr. Win Tun Kyi
National Director



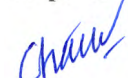

Daw Zar Zar Myo
Senior Finance Manager

KARUNA MISSION SOCIAL SOLIDARITY - NATIONAL OFFICE
REPORTING PERIOD : 1ST JANUARY TO 31ST DECEMBER 2019
INCOME & EXPENSE STATEMENT - SECTOR WISE
I.PROGRAMME COST

Sr.	Sector	Funding Source	Opening balance	Receipt-USD	Expenditure-USD	Balance-USD	Utilization %
1	Health	Misereor, KZE, CAFOD, CRS, Secours Catholique, Caritas Spain, UKAID	70,905	644,177	631,212	83,870	88%
2	Education	Misereor, KZE, Kindermissionswerk, UNICEF & SCIAF	55,715	234,069	232,475	57,310	80%
3	Livelihood	Caritas Denmark, Stromme foundation, Caritas Australia, Caritas Asia and UNOPS/ LIFT	77,162	1,294,963	1,177,371	194,755	86%
4	Disaster Risk Reduction/ Emergency Assistance	EU/ Oxfam, UNICEF, CAFOD, CIMOs, UNOCHA/MHF, HARP and Cordaid	365,334	5,150,258	4,889,637	625,955	89%
5	Social Protection	CAFOD, Caritas Korea, CHARIS, Caritas Japan, Kindermissionswerk, Caritas Spain, Porticus Asia, Caritas Espanola, UNICEF & IOM	124,332	656,910	609,205	172,037	78%
TOTAL			693,449	7,980,378	7,539,900	1,133,927	87%

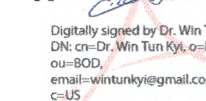
II.OTHER COST

Sr.	Sector	Funding Source	Opening balance	Receipt-USD	Expenditure-USD	Balance-USD	Utilization %
1	Program Management	CAFOD, Caritas Japan, UNOPS/LIFT, Secours Catholique, Misereor, Caritas Austria, Caritas Australia, CRS, Caritas Swiss, All Projects & Others	329,924	485,260	660,809	154,375	81%
2	Reserved Fund	KMSS-NO	227,171	59,079	106,782	179,468	37%
3	Lenten Fund	KMSS-NO, Dioceses and Other Individual	102,009	28,263	21,744	108,527	17%
TOTAL			659,103	572,602	789,335	442,370	64%
GRAND TOTAL			1,352,552	8,552,980	8,329,234	1,576,297	84%

Prepared By;

**Chaw Su San
Senior Accountant
KMSS National Office**

Verified By;

**Zar Zar Myo
Senior Finance Manager
KMSS National Office**

Approved By;

**Dr. Win Tun Kyi
Director
KMSS National Office**

Digitally signed by Dr. Win Tun Kyi
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ou=BOD,
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KARUNA MISSION SOCIAL SOLIDARITY - NATIONAL OFFICE
Consolidated Income and Expenditure Report - Project Wise (Sectors)
Reporting Period - 1st January to 31st December 2019

Sn	New ID	Project Title	Funding Agency	Opening (USD)	Receipt (USD)	Expenditure (USD)	Balance (USD)	Utilization (%)
		HEALTH						
1	DHE1	Strengthening Community Based Skills Birth Attendant Mechanism for safe mother and safe delivery (324-900-1138 ZG)	CRS, Misereor, Secour Catholique	11,624	18,491	22,150	7,965	74%
2	DHE2	Scaling up Nutrition for Maternal & Child Health in Myanmar (SUN-->MACH)	Secour Catholique, Caritas Spain, UKAID	40,819	589,086	564,042	65,863	90%
3	DHE3	Strengthening the Catholic Church coordination and support in the health sector in Myanmar	CAFOD	18,462	36,600	45,021	10,041	82%
				70,905	644,177	631,212	83,870	88%
		EDUCATION						
4	DED1	Early childhood Care & Development Programme(324-900-1080)(324-900-1125 ZG)	Misereor & Kinder mission/KZE Fund	31,577	58,187	60,083	29,680	67%
5	DED2	KMSS-Staff Capacity building for solidarity project(324-900-1090)(324-900-1126 ZG)	Misereor/KZE Fund	(940)	49,293	36,229	12,124	75%
6	DED3	FLAME Project (324-900-1139 ZG)	Misereor	18,442	40,154	43,695	14,901	75%
7	DED4	Student Participation Initiative	UNICEF	6,031	86,435	92,467	(0)	100%
8	ED10	Hotel Hospitality Training for Youth in Mveik Township (EXCEL)	SCIAF	605			605	0%
				55,715	234,069	232,475	57,310	80%
		LIVELIHOOD						
9	DLH1	DREAM (Development and Rehabilitation of the Economy of the Poor Thru Alternative Means) Project	Stromme Foundation	33,712	198,364	240,961	(8,885)	104%
10	DLH2	Civil Society & Pro-poor Marke _ Danida	Caritas Denmark	18,918	509,550	511,502	16,966	97%
11	DLH3	Border Region Programme _ Danida	Caritas Denmark	585	63,538	63,849	273	100%
12	DLH4	Pesitho Pilot Project	Caritas Denmark	20,505	10,024	29,289	1,240	96%
13	DLH5	Food Security Project _ Danida	Caritas Denmark		28,615	27,381	1,234	96%
14	DLH6	SME project under CS&PPM _ Lenet collection	Caritas Denmark		39,324	34,267	5,057	87%
15	DLH7	Danish Broadcasting Corporation (DBC) Programme	Caritas Denmark	3,400	53,889	47,958	9,331	84%
16	DLH8	Myanmar School support Project - Taunggu	Caritas Denmark	44	18,583	15,308	3,318	82%
17	DLH9	Supporting Conflict Affected Women and Infants for Nutrition (SAFE WIN)	UNOPS/LIFT		253,630	124,357	129,273	49%
18	DLH10	Women Enterprise Development and Economic Empowerment in Ethnic Communities in Myanmar (WEDEE)	Caritas Australia		64,270	44,428	19,842	69%
19	DLH11	Participatory Action Result (PAR) Project	Caritas Denmark		10,168	7,789	2,379	77%
20	DLH12	Socia Economic Empowerment with Dignity & Sustainability (SEEDS)	Stromme Foundation		34,200	30,273	3,927	89%
21	DLH14	Advocacy Plan on SSG 2	Caritas Asia/ CIMOs		10,810	10	10,800	0%
				77,162	1,294,963	1,177,371	194,755	86%
		DRR/ EMERGENCY						
22	HDR1	Humanitarian Response and Transition to Localisation: Kachin and northern Shan States, Myanmar HARP-DEL-010	HARP		900,265	890,580	9,685	99%
23	RDR1	Durable Peace Programme (DPP) MYAB75	EU/Oxfam	147,341	425,989	534,518	38,813	93%
24	HDR2	Shelter Program for IDPs of Kachin & Northern Shan State (MM-18/DDA-3415/SAI/SNFI/NGO/9623)	UNOCHA	55,135	644,634	603,391	96,378	86%
25	HDR3	Flood Resilience Project, Dry Zone Myanmar (ID-200423)	Cordaid	1,670	168,961	114,958	55,672	67%

Sn	New ID	Project Title	Funding Agency	Opening (USD)	Receipt (USD)	Expenditure (USD)	Balance (USD)	Utilization (%)
26	HDR4	Shelter Reconstruction Program for the Internally Displaced People (IDPs) in NGCA of Kachin State_MM-181DDA-3415/SA2/SNFI-FS/NGO/11208	MHF/OCHA		304,862	478,946	(174,085)	157%
27	HDR5	Integrated Education and WASH support for vulnerable IDP children in Kachin State	UNICEF		273,655	260,127	13,528	95%
28	HDR6	Humanitarian Response and Transition to Localisation: Kachin and Northern Shan States, Myanmar	HARP		2,363,976	1,872,657	491,319	79%
29	HDR7	Shelter and Hygiene Project in Kachin and Northern Shan :ID-200610	Cordaid		166,198	136,171	30,028	82%
30	DR1	Community Based Disaster Risk Reduction - II	CAFOD	8,228			8,228	0%
31	DR16	Promoting Durable Peace and Development Project in Kachin	EU/Oxfam	21,181			21,181	0%
32	DR28	Early Recovery for flood affected villages in Tharbaung Tsp	Stomme Foundation	28			28	0%
33	DR31&32	Relief & Rehabilitation on current flood 2016	Stomme Foundation	5,025			5,025	0%
34	DR38	Humanitarian Response and Transition to Localization Project (MMR0004Y1) - HARP	HARP/Trocaire	168,710	(168,710)		-	0%
35	DR39	Women Enterprise Development & Gender Empowerment for Internally Displaced Women of Kachin, Myanmar (WEDGE) EA38/2017	CIMOS(Caritas Japan, Germany)	15,245	16,521	1,611	30,155	5%
36	DR40	Emergency Wash for Kachin IDPs - Mvutkvina	UNICEF	(29,961)	30,198	237	0	100%
37	DR41	Rapid Emergency Response for Conflict Affected People/IDPs in Tanai Township and Njang Yang Township, Kachin State, Myanmar (HARP-RRF-001)	HARP	5,534	(5,534)		(0)	0%
38	DR42	Shelter Program for IDPs in Kachin and North Shan State Conflict Areas. Myanmar - 200371	Cordaid	(32,801)	29,243	(3,559)	0	100%
				365,334	5,150,258	4,889,637	625,955	89%
		SOCIAL PROTECTION						
39	RSP1	Combating Anti human trafficking & Migration in Myanmar (BUR#155)	C.Spain/Porticus, Charis, C. Japan	40,676	159,373	133,508	66,540	67%
40	RSP2	Strengthening Child Protection System in addressing all forms of violence, abuse and exploitation in regular and emergency context including MRM	UNICEF	44,814	307,547	371,113	(18,752)	105%
41	RSP3	Humanitarian and Empowerment Development Program for People Living with Disability in Southern Shan State, Myanmar	Caritas Korea	7,537	60,000	54,052	13,485	80%
42	RSP4	National Catholic Commission on migration (NCCM) of Caritas Thailand and Safe Migration Unit (SMU) of Karuna Mission Social Solidarity (KMSS) Joint Project in Favour of Burmese migrants	Caritas Espanola	2,785		1,060	1,724	38%
43	RSP5	Promoting transitional food security for 15 Vulnerable villages in west Pekkoon Diocese	Caritas Korea	12,530	(226)	12,304	-	100%
44	RSP6	Empowerment program for extremely vulnerable fisher communities in inland fishery in Kyun Su Township, Tanintharyi Division - Mawlamyine	Caritas Korea		30,000	9,999	20,001	33%
45	RSP7	Transitional livelihood and resilience of opium farmers in 12 vulnerable villages, Pekkoon Diocese	Caritas Korea		100,000	27,185	72,815	27%
46	SP4	Strengthening of KMSS CP System and Child Protection Policy in KMSS Net work	CAFOD, Australia & Trocaire	631			631	0%
47	SP13	Protecting of Children in Conflicts and against violation	Kindermisssionswerk	4,867			4,867	0%

Sn	New ID	Project Title	Funding Agency	Opening (USD)	Receipt (USD)	Expenditure (USD)	Balance (USD)	Utilization (%)
48	SP14	Protecting of Children in Emergency and against violation	Kindermissionswerk	10,726			10,726	0%
49	SP18	Provision of Direct Assistance & Reintegration Assistance for victims of trafficking & vulnerable migrants in Myanmar	IOM	(234)	216	(18)	-	100%
				124,332	656,910	609,205	172,037	78%
		PROGRAM MANAGEMENT/ OD						
50	OPM1	Corporate Cost Budget	All project contribution		135,371	135,371	-	100%
51	OPM2	Strategic Plan Review & Renewal Project (2019-2023)	CRS, SC, Caritas Australia, National Office	2,882		2,318	563	80%
52	OPM3	European-Asian Partnership for Building Capacities in Humanitarian Action (PEACH)	Caritas Austria	17,232	18,853	41,353	(5,269)	115%
53	OPM4	COBOD support Project	Trocaire Mgt Fees	9,448		13,396	(3,948)	142%
54	OPM5	Strategic Partnership for Civil Society Empowerment (SPaCE)	UNOPS/LIFT	170,752	231,654	336,664	65,742	84%
55	OPM6	Capacity Strengthening to support country strategic plan of KMSS	Caritas Australia	7,919	(3,038)	4,881	0	100%
56	OPM7	Capacity Strengthening for exchange visit to Sri Lanka	Caritas Australia	7,021	(7,021)		-	0%
57	OPM8	Strategy Development Program (southeast Border)	Caritas Australia	34,184	(21,175)	13,009	-	100%
58	OPM9	Payment from Caritas regarding Localization of Network	Caritas Australia	11,363	(11,363)		-	0%
59	OPM10	Humanitarian Capacity Strengthening, ENHANCE project	CAFOD	22,529	49,087	56,878	14,738	79%
60	OPM11	Finance Accompanier Programme	CAFOD, C. Swiss, C. Australia, CRS	29,105	(6,742)	98	22,265	0%
61	OPM12	Social-Pastoral Coordination for Supporting Conflict Affected People in Kachin and Northern Shan State, Myanmar	Caritas Australia		17,532	8,566	8,966	49%
62	OPM13	Consolidate Projects	Caritas Australia		46,377	47,648	(1,271)	103%
63	OPM14	KMSS' Institutional Development through Effective Application of the CIME (IDEA-CIMS) : Ref-N : P1190 099	Secours Catholique		27,409	615	26,794	2%
64	OPM15	Unsafe Migration conference	Misereor, KMSS		8,317	10	8,307	0%
65	PM4	Leadership and management support for strengthening financial system in KMSS network	Caritas Japan	4,228			4,228	0%
66	PM8	HCD Grant Project (Ref # MYA 179)	CAFOD	13,260			13,260	0%
				329,924	485,260	660,809	154,375	81%
		OTHER						
67	OOT1	Lenten Fund	KMSS, Diocesan contribution and others	102,009	28,263	21,744	108,527	17%
68	OOT2	Reserved Fund (including Fixed Assets)	KMSS NO	227,171	59,079	106,782	179,468	37%
				329,179	87,342	128,526	287,995	31%
		TOTAL		1,352,552	8,552,980	8,329,234	1,576,297	84%

Prepared By:

Chaw Su San

Chaw Su San
Senior Accountant
KMSS National Office



Verified By:

Zar Zar Myo

Zar Zar Myo
Senior Finance Manager
KMSS National Office



Approved By:

Dr. Win Tun Kyi

Dr. Win Tun Kyi
Director
KMSS National Office

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Dr. Win Tun Kyi
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c=US
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1. General

Background

Catholic Bishops' Conference Myanmar (CBCM) was formed by the Vatican and received government registration on 2nd May 1964. Karuna Myanmar Social Services (KMSS) is a faith-based social organization established and mandated by the Catholic Bishops' Conference Myanmar (CBCM) to serve the poor and the needy as its official social action arm specifically in the areas of the church's mission with regards to holistic development, environmental protection, welfare and emergency relief services. It is accountable to CBCM for the Mission in accordance with the statutes of KMSS prescribed by CBCM. Later, as the new name of "Karuna Mission Social Solidarity (KMSS)" has received registration certificate from Ministry of Home Affairs on 8 April 2016.

KMSS is at the service of the Church in Myanmar, sharing its mission and vision, through the promotion of total human development, the realization of justice and peace, and the provision of welfare and relief services to the poor and needy. KMSS works in five key areas: education, health, livelihoods, social protection, disaster risk reduction and emergency response.

KMSS is a network of 16 Diocesan Offices (Dos) and a Yangon-based National Office (NO). The DOs play the key role in implementing multi-sectorial programming, while the NO provides a technical support and coordination role. All over Myanmar, KMSS has been strengthening its capacity to deliver timely, relevant and cost effective humanitarian aid with highest levels of inclusiveness of the communities from various religious and ethnic groups. Relying on their experienced staff, their dedicated volunteer networks and their leaders' good relations with the local authorities, KMSS has been able to respond to the most challenging humanitarian crises. KMSS has a solid experience in child protection. They demonstrated their ability to repaid development after natural disasters (ie. the recent relief to Cyclone Nargis and Giri and earthquake in Shan State in 2010). Besides, they also play pivotal role in very difficult humanitarian access situation. In the Kachin IDPs crisis, KMSS appears as the most relevant partner, not only involved since the first day in day relief activities implementer but also as a central actor in negotiations for humanitarian access for OCHA and NGOs and longer-term peace process.

Vision

Our people empowered, transformed and integrally developed.

Mission

To serve our people, especially the poor, needy and marginalized by empowering them towards integral human development guided by the Gospel values and the social teachings of the Church

2. Summary of Significant Accounting Policies

2.1 Basis of Accounting

The financial statements of the organization have been prepared in accordance with Generally Accepted Accounting Practices (Accrual basis of Accountings).

2.2 Fiscal year

The organization's fiscal year starts on 1 January and ends on 31 December.

2.3 Foreign Currency Translation

(1) Functional and presentation currency

Items included in the financial statements of the Organization are measured using the currency of primary economic environment in which the entities operates (the "functional currency"). The financial statements are presented in United States dollar (USD), which is the presentation currency of the Organization.

(2) Transactions and balances

Fund remitted by donors (Euro, USD and MMK) are received and directly deposited into the respective bank accounts.

In order to meet the expenses in local currency Kyat, grant received from donors in USD and Euro are converted into Kyat at the prevailing market rates of conversion.

For the purpose of presenting the Project Financial Report to respective Donors, transactions in Kyats are translated into USD and Euro by applying the average exchange rates of actual conversion for each project period.

For the purpose of presenting the Organization's Financial Report in USD (for the whole organization), all transactions in Kyats are translated into USD by applying the yearly average exchange rate (Kyat 1,494 per USD) calculated based on the actual conversion of fund received for the whole organization. Opening balances of cash on hand in foreign currencies (Euro and THB) are translated into presentation currency (USD) by applying at the year-end exchange rate as per the currency website "<https://www.oanda.com>".

Exchange rate differential (gains/losses) arising from the translation are recognized in the statement of Income and expenditure.

2.4 Recognition of revenue

The organization classifies its income into two categories restricted and unrestricted and is recognized when cash is actually received.

(1) Restricted Funds

Where grants are received for use in an identified project or activity, such funds are held in a restricted fund account and transferred to the Statement of Comprehensive Income to match with expenses incurred in respect of that identified project.

(2) Unrestricted Funds

Unrestricted funds are those that are available for use by the KMSS for general objectives and which are not designated for any specific purpose. The activities for which these funds may be used are identified in the financial statements and used carefully in an effective way in the best interests of the organization.

2.5 Fixed Asset (Property and equipment)

Property and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Organization and the cost of the item can be measured reliably.

Other assets (such as Computer Equipment, Office Equipment and Project Equipment) purchased from the respective projects during the current financial year and recognized as project expenditures in donor's report are re-recognized as fixed asset and measured at cost less accumulated depreciation on such assets.

Depreciation is calculated using the straight-line method to allocate the cost over the estimated useful lives of the assets. The estimated useful lives of the assets are as follow:

Motor Vehicle	8 to 10 year
Computer Equipment	3 year
Office Equipment	3 to 5 year
Project Equipment	3 to 5 year

3. Legal Status

KMSS is a social arm of the Catholic Bishops Conference of Myanmar (CBCM) which was registered on 2nd May 1964. With the Government's control changing situation, CBCM has commissioned KMSS to explore the possibility of having additional social registration under appropriate mechanism.

Registration of Local Associations Number of KMSS is 1/Local/0047 (dated 8 April 2016) and valid up to 31 December 2020.

4. Policies and Procedures

KMSS has prescribed and applied the following policies and procedures for the purposes of internal control.

1. Administrative Policy and Procedure (December 2015)
2. Human Resources Policy (January 2016)
3. Assets Management Policy (January 2017)
4. Financial Policy and Procedure (January 2016)

5. Books of Account

KMSS maintains computerized accounting records by using “Quick Book Accounting Software” and has produced project-wise general ledger, trial balance, income and expenses accounts and consolidated income and expenses account and balance sheet.

6. **Property and equipment**

The details are as follows:

	Land and Building	Motor Vehicle	Computer Equipment	Office Equipment	Project Equipment	Total
2019						
Cost						
At 1 January 2019	83,238.64	34,836.65	20,795.37	964.22	4,300.80	144,135.68
Adjustment for Closing Exchange Rate Revaluation	(4,791.52)	(2,005.32)	(1,197.06)	(55.51)	(247.57)	(8,296.98)
Addition during the year	–	20,414.99	11,010.17	–	1,590.86	33,016.02
At 31 December 2019	78,447.12	53,246.32	30,608.48	908.71	5,644.09	168,854.72
Depreciation						
At 1 January 2019	–	18,609.48	2,623.25	151.24	633.35	22,017.32
Adjustment for Depreciation for the previous year	–	(1,071.24)	(151.00)	(8.71)	(36.46)	(1,267.41)
Depreciation for the year	–	3,518.51	7,722.23	227.18	1,722.16	13,190.08
At 31 December 2019	–	21,056.75	10,194.48	369.71	2,319.05	33,939.99
Net Book Value						
At 31 December 2019	78,447.12	32,189.57	20,414.00	539.00	3,325.04	134,914.73

	Land and Building	Motor Vehicle	Computer Equipment	Office Equipment	Project Equipment	Total
2018						
Cost						
At 1 January 2018	88,586.55	37,074.83	–	–	–	125,661.38
Adjustment for Closing Exchange Rate Revaluation	(5,347.91)	(2,238.18)	–	–	–	(7,586.09)
Addition during the year	–	–	20,795.37	964.22	4,300.80	26,060.39
At 31 December 2018	83,238.64	34,836.65	20,795.37	964.22	4,300.80	144,135.68
Depreciation						
At 1 January 2018	–	–	–	–	–	–
Adjustment for Depreciation for the previous year	–	14,982.85	–	–	–	14,982.85
Depreciation for the year	–	3,626.63	2,623.25	151.24	633.35	7,034.47
At 31 December 2018		18,609.48	2,623.25	151.24	633.35	22,017.32
Net Book Value						
At 31 December 2018	83,238.64	16,227.17	18,172.12	812.98	3,667.45	122,118.36

7. Checking and Savings (Cash and Cash Equivalents)

Cash and cash equivalents consist of:

Particular	2019			2018
	Original		Equivalent US\$	US\$
	Currency	Amount		
<u>Checking</u>				
Cash at CBCM	MMK	8,857,644.00	5,928.81	14,075.03
Cash at KMSS-National	MMK	10,611,104.00	7,102.48	11,560.36
Cash at Hong Kong (USD)	USD	105,749.67	105,749.67	111,547.26
Cash at KMSS-(USD)	USD	4,520.78	4,520.78	5,490.26
Cash at KMSS-(EURO)	EURO	1,474.94	1,651.73	4,230.04
Cash at KMSS-(THB)	THB	16,969.00	564.39	715.71
Sub Total			125,517.86	147,618.66
<u>Savings</u>				
First Private Bank-Saving Account	MMK	514386.64	344.3	337.51
Myanmar Economic Bank-Saving Account	MMK	220427388.86	147541.76	105,937.5
YOMA Bank-Saving Account	MMK	66279098.2	44363.52	42,028.90
KBZ Bank- Current Account	MMK	661068702.5	442482.4	457,753.79
KBZ Bank- Current Account	USD	363076.92	363076.92	503,310.15
KBZ Bank- Saving Account	MMK	279358945.99	186987.24	194,843.25
KBZ Bank -Fixed Deposit	MMK	–	–	142,045.45
Yoma Bank -Fixed Deposit	MMK	100,000,000.00	66,934.40	–
CB Bank -Fixed Deposit	MMK	100,000,000.00	66,934.40	–
CB Bank -Current	MMK	295078077.21	197508.75	165,370.68
CB Bank -Current	EURO	1221882.96	1368337.84	19,530.37
Myanmar Foreign Trade Bank-Current	USD	887.36	887.36	887.36
Myanmar Securities Exchange Centre Co., Ltd.	MMK	100,000,000.00	66,934.40	71,022.73
Sub Total			2,952,333.29	1,703,067.69
Total			3,077,851.15	1,850,686.35

8. Accounts Receivable

Account Receivable consists of:

	2019	2018
Account Receivable – Visa card balance	4,037.68	2,427.73
Account Receivable - Diocese	255,803.11	43,972.26
Account Receivable – Project and Others	181,641.01	42,207.86
Account Receivable – Donor	27,222.27	323,851.91
	468,704.07	412,459.76

9. Other Current Asset

Other Current Asset consists of:

	2019	2018
Staff Advance	3,512.91	1,394.25
Prepaid Expenses	5,227.44	–
Loan to Staff	1,673.36	3,053.98
	10,413.71	4,448.23

10. Account Payable

Account Payable consists of:

	2019	2018
Bonus	–	228.22
Project (Note:10-A)	704,208.09	243,118.54
Diocese	10,385.47	8,744.05
Australia Account	31,703.18	11,286.29
Withholding Tax	114.69	2,865.24
Grant Received In Advance (Note:10-B)	1,271,109.46	681,870.72
	2,017,520.89	948,113.06

10-A. Account Payable-Project

Account Payable -Project consists of:

	2019	2018
Audit Fee	10,771.27	12,065.08
Management Cost	511,840.02	144,994.94
Account payable – Project and Others	181,596.80	86,058.52
	704,208.09	243,118.54

10-B. Grant Received In Advance

Grant Received in advance consists of receipts from the following donors:

	2019	2018
UNOCHA/MHF	–	364,049.49
SAFE WIN	159,250.83	–
CROWN AGENT	1,111,858.63	–
UNICEF	–	107,656.89
UNOPS/LIFT	–	210,164.34
	1,271,109.46	681,870.72

11. Long Term Liabilities

Long Term Liabilities consists of:

	2019	2018
Staff Social Fund	2,552.74	6,229.96
Medical Fund	19,994.85	19,847.17
Gratuity	75,517.73	62,970.43
	98,065.32	89,047.56

12. Fund Balance

Fund balance consists of:

	2019	2018
Opening balance	1,352,552.08	1,222,236.42
Depreciation of vehicle for previous years	–	(14,982.85)
Net Income/(Expenses)	223,745.37	145,298.51
	1,576,297.45	1,352,552.08

13. Restricted Income from Donors

Restricted Income from Donors consists of:

Donor Name	2019	2018
KMSS National Office	5,267.09	5,629.20
Caritas Internationalist	10,809.91	–
Caritas Denmark	741,715.83	638,269.16
Caritas France (Secours Catholique)	36,461.25	95,226.79
Caritas Spain/ Espanola	70,870.54	42,032.83
Caritas Korea	191,024.09	147,389.92
Caritas Austria	18,852.69	81,959.92
Caritas Australia	82,772.34	62,404.36
Caritas Switzerland	(6,838.27)	16,082.24
Caritas Japan	31,950.35	46,924.71
Misereor	139,121.39	209,936.52
Kindermissionswerk	30,319.96	33,098.90
CAFOD	105,746.1	217,747.15
CRS	–	5,608.31
CORDAID	364,401.66	179,891.88
EU/ Oxfam	425,989.11	280,330.85
Stromme Foundation	235,044.76	430,638.54
UNICEF	697,835.57	371,980.66
DFID/Trocaire	–	2,894,177.56
UNOCHA- MHF	949,495.57	(28,922.27)
UNOPS/LIFT	450,978.42	449,719.15
HARP	3,111,197.75	394,209.30
Porticus Asia	68,708.03	21,830.03
Caritas Singapore - CHARIS	–	90,238.59
USAID	–	45,908.10
UKAID	545,510.99	241,321.38
IOM	–	10,779.22
Caritas Canada	–	57,664.58
Caritas Germany	16,509.86	17,619.71
	8,323,744.99	7,059,697.29

14. Approval of Financial Statements

The financial statements of the Organization for the year ended 31 December 2019 were approved by the Organization's Board of Directors and authorized for issue on 17 November 2020.

Annex-1 List of Fixed Asset

No.	Catetory	Item	Technical Specification	Tag No	Acquisition Date	Cost (MMK)	Subtotal (MMK)	Cost (USD)
1	Land and Building	Hmaw Bi Plot			1-Jul-11	27,200,000		
		North Dagon Plot			30-Oct-17	90,000,000	117,200,000	78,447.12
2	Motor Vehicle	Car	Toyota- Granvia 4E/9386	KMSS-ADM-CAR-01	27-Nov-12	20,500,000		
		Car	Mitsubishi 9F/5726	KMSS-ADM-CAR-02	20-Dec-13	20,500,000		
		Car	Honda- Cargo 9J/4340	KMSS-ADM-CAR-03	20-Aug-15	8,050,000		
		Car	Suzuki Ertiga, 1500cc, 2019, Black, Type 3	KMSS-CS&PPM-VE01-04	13-Dec-19	30,500,000	79,550,000	53,246.32
3	Computer Equipment	Laptop	ASUS Vivo Book S 510U, Core i5	KMSS-FLAME-IT02-95	13-Feb-18	936,000		
		Laptop	ASUS Vivo Book S 510U, Core i7	KMSS-HARP-IT02-96	6-Mar-18	1,042,700		
		Laptop	ASUS Vivo Book S 510U, Core i7	KMSS-HARP-IT02-97	6-Mar-18	1,042,700		
		Laptop	ASUS Vivo Book S 510U, Core i7	KMSS-HARP-IT02-98	6-Mar-18	1,042,700		
		Laptop	ASUS Vivo Book S 510U, Core i7	KMSS-HARP-IT02-99	6-Mar-18	1,042,700		
		Laptop	DELL Inspiron 6468, Core i7	KMSS-Misereor/Solidarity-IT02-100	11-May-18	931,000		
		Laptop	ASUS A442UF, Core i7	KMSS-Corporate-IT02-101	11-May-18	1,011,500		
		Laptop	Asus	KMSS-PEACH-IT02-102	17-May-18	828,580		
		Laptop	DELL 3476, Core i7	KMSS-UK aid-IT02-123	29-May-18	956,000		
		Laptop	DELL 3476, Core i7	KMSS-UK aid-IT02-124	29-May-18	956,000		
		Laptop	DELL 3476, Core i7	KMSS-UK aid-IT02-125	29-May-18	956,000		
		Laptop	DELL 3476, Core i7	KMSS-UK aid-IT02-126	29-May-18	956,000		
		Laptop	DELL 3476, Core i7	KMSS-UK aid-IT02-127	29-May-18	956,000		
		Laptop	Dell,V5471(i7 8th,8GB)	KMSS-HARP-IT02-128	25-Oct-18	1,397,000		
		Laptop	Dell,V5471(i5 8th,8GB)	KMSS-HARP-IT02-129	25-Oct-18	1,257,000		
		Laptop	Dell,V5471(i5 8th,8GB)	KMSS-HARP-IT02-130	25-Oct-18	1,257,000		
		Laptop	ASUS (A442UF,i7 8th,8GB)	KMSS-CS&PPM-IT02-131	30-Oct-18	1,171,000		
		Laptop	ASUS (A442UF,i7 8th,8GB)	KMSS-CS&PPM-IT02-132	30-Oct-18	1,171,000		
		Laptop	DELL Inspiron 3476(i5-8250U,4 GB)	KMSS-CAFOD-IT02-133	31-Oct-18	884,000		
		Laptop	Dell-3576(i3 7th,4GB)	KMSS-CP-IT02-145	16-Nov-18	685,000		
		Laptop	DellVostro V5471 Core i5	KMSS-DPPH-IT02-146	20-Nov-18	1,265,000		
		Laptop	DellVostro V5471 Core i5	KMSS-DPPH-IT02-147	20-Nov-18	1,265,000		
		Laptop	DellVostro V5471 Core i5	KMSS-DPPH-IT02-148	20-Nov-18	1,265,000		
		Laptop	Dell Vostro V5471 Core i7	KMSS-CMDRR-IT02-149	20-Nov-18	1,405,000		
		Tablet	Samsung Galaxy Tab A 10.5(SM-T595)	KMSS-HARP-IT31-003	30-Nov-18	600,000		
		Tablet	Samsung Galaxy Tab A 10.5(SM-T595)	KMSS-HARP-IT31-004	30-Nov-18	600,000		
		Tablet	Samsung Galaxy Tab A 10.5(SM-T595)	KMSS-HARP-IT31-005	30-Nov-18	600,000		
		Tablet	Samsung Galaxy Tab A 10.5(SM-T595)	KMSS-HARP-IT31-006	30-Nov-18	600,000		
		Tablet	Samsung Galaxy Tab A 10.5(SM-T595)	KMSS-HARP-IT31-007	30-Nov-18	600,000		

Annex-1 List of Fixed Asset

No.	Catetory	Item	Technical Specification	Tag No	Acquisition Date	Cost (MMK)	Subtotal (MMK)	Cost (USD)
		Tablet	Samsung Galaxy Tab A 10.5(SM-T595)	KMSS-HARP-IT31-008	30-Nov-18	600,000		
		Laptop	Asus A510UQ i5	KMSS-ENHANCE-IT02-150	9-Apr-19	844,000		
		Laptop	Delll, V5481 i7	KMSS-CS&PPM-IT02-152	16-May-19	1,364,000		
		Laptop	Canon IR2520	KMSS-SPaCE--OE05-08	13-Aug-19	2,725,200		
		Laptop	Dell Inspiron 3480 i5 - 8265U, 4GB DDRr, AMD Radeon R520 2GB D5, 1 TB SATA, Without Drive, 14" HD LED	KMSS-WEDGE--IT02-156	19-Sep-19	843,000		
		Laptop	Dell V5481 i7-85650U, 8GB DDR4, Graphic nVIDIA MX130 2GB D5, HDD 128GB SSD +1TB SATA, Display 14.0" FHD LED, NetWork Bluetooth, Wifi, Lan Battery 4 Cell	KMSS-SAFE/WIN-IT02-157	19-Sep-19	1,331,000		
		Laptop	Dell V5481 i7-85650U, 8GB DDR4, Graphic nVIDIA MX130 2GB D5, HDD 128GB SSD +1TB SATA, Display 14.0" FHD LED, NetWork Bluetooth, Wifi, Lan Battery 4 Cell	KMSS-SAFE/WIN-IT02-158	19-Sep-19	1,331,000		
		Laptop	Dell V5481 i7-85650U, 8GB DDR4, Graphic nVIDIA MX130 2GB D5, HDD 128GB SSD +1TB SATA, Display 14.0" FHD LED, NetWork Bluetooth, Wifi, Lan Battery 4 Cell	KMSS-SAFE/WIN-IT02-159	19-Sep-19	1,331,000		
		Laptop	Dell V5481 i7-85650U, 8GB DDR4, Graphic nVIDIA MX130 2GB D5, HDD 128GB SSD +1TB SATA, Display 14.0" FHD LED, NetWork Bluetooth, Wifi, Lan Battery 4 Cell	KMSS-SAFE/WIN-IT02-160	19-Sep-19	1,331,000		
		Laptop	Dell V5481 i7-85650U, 8GB DDR4, Graphic nVIDIA MX130 2GB D5, HDD 128GB SSD +1TB SATA, Display 14.0" FHD LED, NetWork Bluetooth, Wifi, Lan Battery 4 Cell	KMSS-SAFE/WIN-IT02-161	19-Sep-19	1,331,000		

Annex-1 List of Fixed Asset

No.	Catetory	Item	Technical Specification	Tag No	Acquisition Date	Cost (MMK)	Subtotal (MMK)	Cost (USD)
		Laptop	Dell V5481, Intel Core i5-82650U, RAM 4GB DDR4, Graphic nVIDIA MX130 2GB D5, HDD 128GB SSD +1TB SATA, Display 14.0" FHD LED, NetWork, Bluetooth, Wifi, Lan, Battery 4 Cell	KMSS-SAFE/WIN-IT02-162	19-Sep-19	1,107,500		
		Laptop	Dell V5481, Intel Core i5-82650U, RAM 4GB DDR4, Graphic nVIDIA MX130 2GB D5, HDD 128GB SSD +1TB SATA, Display 14.0" FHD LED, NetWork, Bluetooth, Wifi, Lan, Battery 4 Cell	KMSS-SAFE/WIN-IT02-163	19-Sep-19	1,107,500		
		Laptop	ASUS X409F-EK 043/044T, Core i5-8265U, 4GB DDR4, 1TB+SSD 240GB, 14.0" Full HD Screen, 2 Cell Battery, Silver Color	KMSS-SEEDS--IT02-156	16-Dec-19	901,500		
		Laptop	ASUS X409F-EK 043/044T, Core i5-8265U, 4GB DDR4, 1TB+SSD 240GB, 14.0" Full HD Screen, 2 Cell Battery, Silver Color	KMSS-SEEDS--IT02-157	16-Dec-19	901,500	45,729,080	30,608.48
4	Office Equipment	Air Conditioner	CHIGO, Standing Type	KMSS-HARP-AC06-16	16-May-18	678,810		
		Air Conditioner	CHIGO, Standing Type	KMSS-HARP-AC06-17	16-May-18	678,810	1,357,620	908.71
5	Project Equipment	Camera	Cannon EOS- 800D	KMSS-HARP-AV06-20	8-Jun-18	990,290		
		Camera	Cannon EOS-80D	KMSS-UK aid-AV06-21	16-Aug-18	1,846,000		
		Concrete Test Hmmer	NDT James - WM 250	KMSS-HARP-TL05-01	9-Apr-18	1,165,300		
		Projector	DH761065B	KMSS-HARP-AV01-14	5-Mar-18	971,630		
		Projector	DH8340871	KMSS-DPPH-AV01-015	23-Nov-18	1,082,300		
		Camera	USB Conferencing Camera, VC 520+ USB Camera (1080p HD Resolution), PTZ Camera (12x Optical Zoom), 1 x Speakerphone, IR English Remote, and Connection Cables	KMSS-Corporate-AV06-22	7-Feb-19	2,376,740	8,432,260	5,644.08
							252,268,960.00	168,854.72