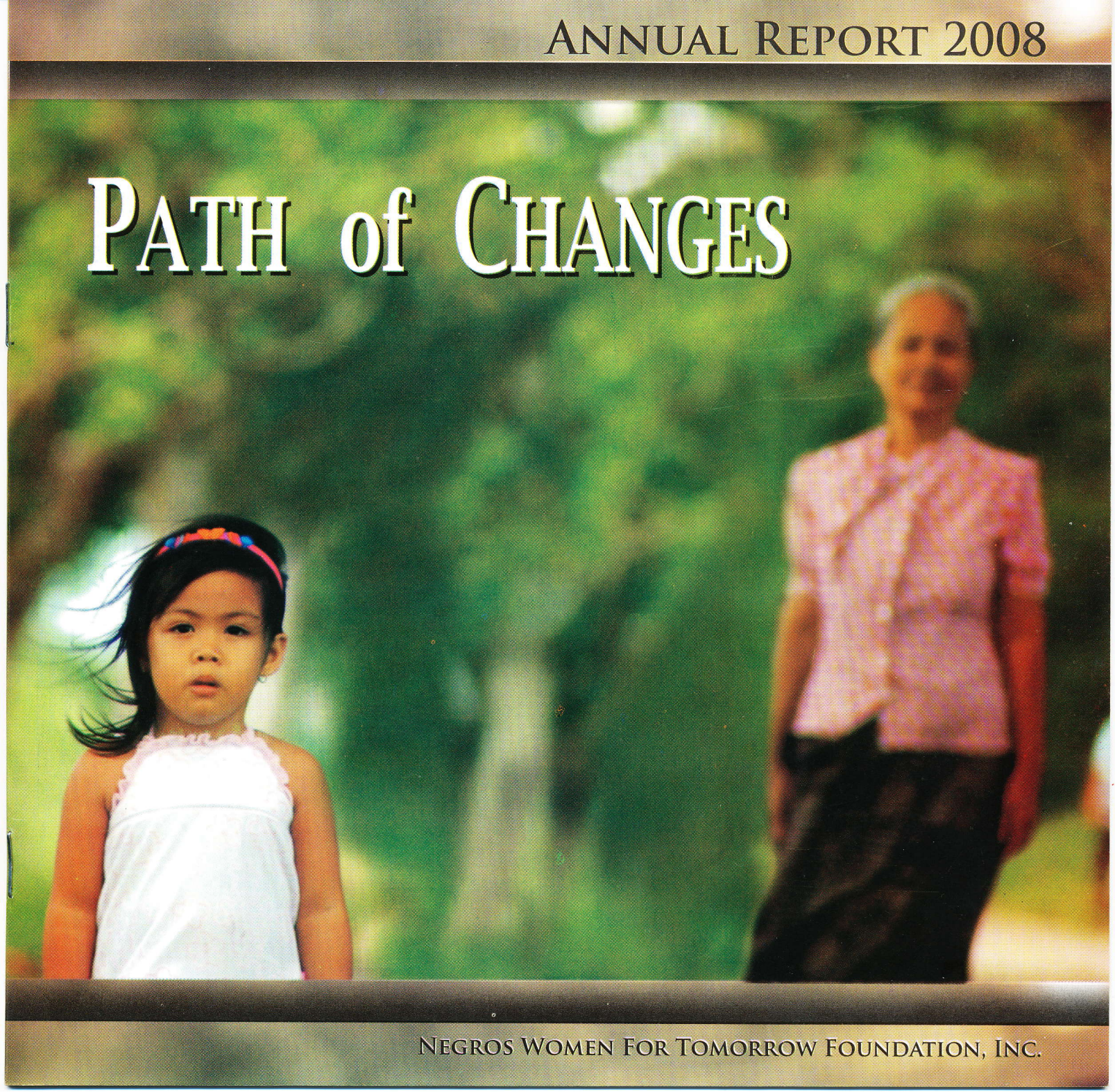


ANNUAL REPORT 2008

# PATH of CHANGES

A photograph of a young girl with dark hair and a colorful headband, wearing a white dress, standing in the foreground. In the background, an older woman with short grey hair, wearing a pink patterned shirt and dark pants, stands in a lush green forest. The scene is softly lit, suggesting a path through trees.

NEGROS WOMEN FOR TOMORROW FOUNDATION, INC.

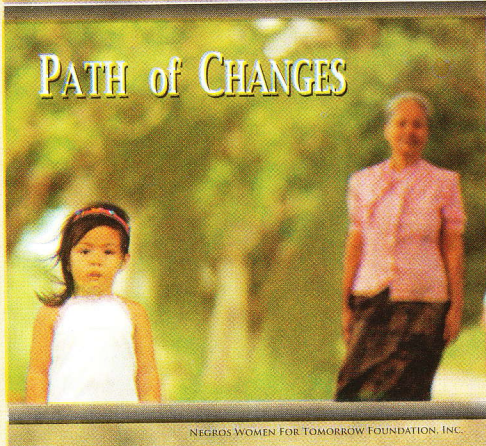


# TABLE OF CONTENTS

|                                                                      |    |
|----------------------------------------------------------------------|----|
| Chairman's Message .....                                             | 1  |
| <a href="http://www.dreamshappen.org">www.dreamshappen.org</a> ..... | 2  |
| Client Services .....                                                | 4  |
| Devastation in Bantayan .....                                        | 6  |
| The Regional Management Unit .....                                   | 8  |
| Social Performance Management Committee .....                        | 10 |
| Renewable Energy .....                                               | 12 |
| Financial Report                                                     |    |

ANNUAL REPORT 2008

## PATH of CHANGES



NEGROS WOMEN FOR TOMORROW FOUNDATION, INC.

**Negros Women for Tomorrow Foundation, Inc.** has continuously progress to go with the times. The present condition affecting the whole world became an opportunity that led to different paths. The changes may affect everybody, even that of a little girl. With these path of changes, the call to follow and carry out the vision has become a thrust in the hope that the legacy to go forth can be carried from one generation to the next.



# CHAIRMAN'S MESSAGE

**WE DID WELL, DESPITE THE FINANCIAL CRISIS THAT HIT THE WORLD IN 2008.**

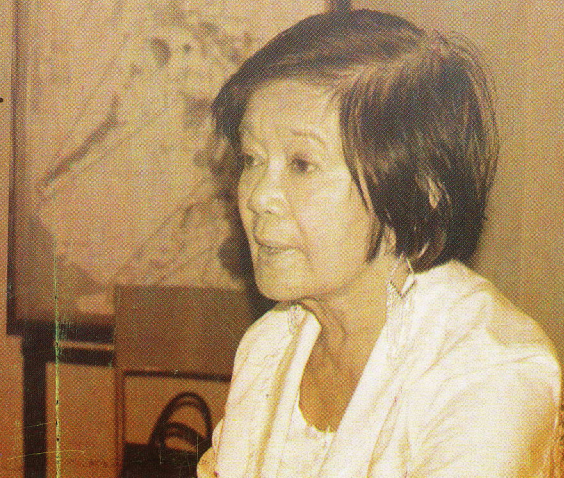
Firmly believing in the gospel that says: "Rich and poor have this in common: the Lord is the maker of them all", NWTF, in its quest for social change and empowerment of the poor, offered innovative programs that enhanced the skills of our small entrepreneurs which increased their productivity and their earning capacity. Our Client Services Department was tasked to implement this program which resulted in an almost 300% increase in our net savings, a remarkable performance indeed. Likewise, our outreach increased to 84,958 active clients, up from 79,813 in 2007. Looking back for the past 24 years, NWTF has actually served and touched the lives of more than 189,000 beneficiaries distributed in 41 branches located in Negros, Cebu, Samar, Leyte, Palawan and Bohol. It is satisfying to note that some of them have already moved from micro-finance to establish their own business in a larger scale which proved that diligent hands bring wealth.

We advocate Change, Change for the Better, and we look forward to working for this Change that will bring not only social but also economic success to our people.

That we have achieved our dream is now a fact and with the blessing of the Almighty we will continue to dream for all the beautiful and hardworking people that we have pleasantly served.

To one and all, thank you very much.

**WILHELMINA R. GONZALES**  
Chairperson, NWTF







Dreams Happen

[Home](#)

[About](#)

[Lend](#)

[Blog](#)

[My Dream](#)

[Contact Us](#)



## Latest News

May 14, 2009

Let us make dreams happen. Make time to share and impart a little something from your fortunes to these dedicated women and their families to give them a chance to have a better life.

Dreams Happen is now able to assist you in making sure these donations will reach these women.

## Other Clients



**Jerilyn Lucareza**  
Retailing



**Rosalinda Salvador**  
Agriculture-based



**Alma Tompong**  
Production

User Sign In ★

Email:

Password:

[Sign In](#)

Be a member today!  
Forgot your password?

Featured Client



**Tompong, Alma**  
Needs: \$17  
Industry: Production

Mrs. Alma Tompong  
[Details](#)

Loan Cycle  
Loan Term

\$5 USD



Dear Friends,

Socially responsible, social investment, social lending... do these ideals ring a bell? A lot of people, me included, have been caught in this phenomena, I call "WE 2.0" - an era when individuals rather than corporations care for other people, especially those in the developing world. People start to give something - from sharing the simplest idea, to solve a community problem in Africa, to lending money to entrepreneurs in South America and even to leading a rural telecom access project in Cambodia - people all over the world are becoming less "I" and more "we".

Allow us to take you on a journey in this website, showcasing a different approach to this WE 2.0. It's going to be something that will not only allow you to feel good but more importantly to make sure that you have made a difference.

Let's put it this way - a person living below the poverty line living somewhere in Central Philippines (we only know of their beautiful beaches) dreams of sending her child to school. Don't get me wrong. We are not here to ask you to give money for her child's education. But the idea is to allow you to lend her money to start her own business, based on skills she currently has. We (www.nwtf.ph) will make sure that she starts and grows her business, and, saves money for the education of her child. In the process, we will make sure we report to you the improvements in her life and that of her family.

The concept is simple - we allow you to make the simple dreams of people living below the poverty line happen in a sustainable way.

Keep Dreaming.



Make time to  
ated women a

assist you



Rosalina  
Aguirre



Saludar  
00  
uction

a 32-year-old

le: 2  
m: 6

Donate







## Client Services

To accomplish the two bottom-line of the institution as embodied in the Vision and Mission, NWTF ensures that while clients are directly benefiting from the Dungganon Micro-Financial Services (DMFS), the Institutional Sustainability is taken into account to continue operating by reaching more poor people in far flung areas.

As a strategy, NWTF created the Client Services Department to make certain that the potentials of the Clients' Income Generating Survival Skills (IGSS) are maximized; that they earn money, save for the future, build productive assets and Impact to the household in terms of more and better food, education of children and improved living conditions.

Part of the department's activities is entrepreneurial training for start up and existing clients specifically on Generating Business Ideas and Business Planning (Existing clients) so that all have income generating projects for self-employment. This will help Project Dungganon narrow down the possibility of taking in clients at start up or having existing clients without businesses. The initiative is likewise considered a preventive approach in managing delinquency since the utilization of loans for a business would definitely generate income for the family, save and payback loans.

To reinforce this process, the “komiks” are Information Education Communication (IEC) materials developed to help clients know and understand Best Business Practices of their chosen industry. More commonly known as a form of entertainment in the vernacular language in the Philippines, this comic book has been used as a past time for Filipinos not just in rural areas, but also in the urban communities.

On the curative aspect, the Client Services Department will soon roll out the 7-Step Process of managing non-performing loans with the Theme: “Protecting the Good Borrowers and Caring for the Unfortunate Ones”. This has been enunciated by Professor Sukor Kasim. This concept has been pilot tested in three (3) centers in Silay Branch in Region 1 and posted a positive outcome on the non-performing loans of the branch. (see: JG Guevarra MBA Paper, 2009)









## Devastation in Bantayan

Bantayan...after the storm in 2008...

In spite of the tragedy that has befallen upon this island located at Western Visayas, which has greatly affected some members of Project Dungganon, this did not deter them from rising up and building again. Slowly but surely, they were able to pick up the pieces, renewing what was one partial has now become whole again.

The Project Dungganon members have proven that nothing, not even the worst storm, can stop them from earning, building their business and their homes, and live a quality way of life.

Project Dungganon members from the Bantayan branch have 100% repayment each month. With hard work, perseverance and determination, they have proven that to be *dungganon* (honorable), one has to be truly *dungganon*. A goal reached with dreams happening.







## The Regional Management Unit (RMU)

To bring the services closer to more poor people in the far flung areas, NWTF strengthens its infrastructures by establishing more Regional Units handled by veterans -Joseph Guevarra, Elma Pabuaya, Jonah Samande and Nelmar Borbon. Similarly, more area offices were created to ensure the "Closer Monitoring and Closer Supervision," one of the fundamentals of Grameen Bank Model of providing financial services to the poorest.

These changes brought in the concept of "Decentralized Supervision" into NWTF's hierarchical structure to facilitate the accomplishment of the two (2) bottom-line of (1) promoting the cycle of prosperity and (2) sustainability to NWTF.

The poor need not only be reached just because of credit but to have more supervised programs that would allow them to continually earn more for their families. In spite of the global economic crunch, the RMU can be a path towards the services that need to reach the poorest of the poor.







## Social Performance Management Committee

The Social Performance Management Committee (SPM) of NWTF was formalized early of 2008. Choosing from the cross section of the organization, each department will be represented and heard during the committee meeting. Thus, all concerns and inquiries are addressed properly, which can directly benefit the whole organization.

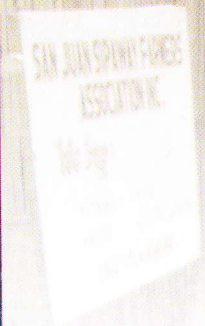
*Social performance is defined as the effective translation of an institution's social mission into practice (actions, corrective measure, outcomes). Social performance is therefore both the results achieved and the process by which these are created.*

The social purpose of microfinance stems from the recognition that Microfinance is more than just the delivery of financial services to the poor people but was also intended to create social values: improving the lives of poor and excluded clients and their families and the widening of the range of opportunities for the communities.

With clearly defined mission and objectives, the actions and corrective measures taken can reach the targeted clients by meeting their needs, creating benefits and social responsibility not just to the clients, but the MFI's employees and the community.

This continuing process may lead to the hope of better lives, better homes and to help improve and develop the community. Everybody becomes an asset, a better citizen were working together builds relationships and a lasting legacy for the generations to come.







## Renewable Energy – ADB Funded

The renewable energy program in Negros, a brainchild of the provincial government, got its funding from the Asian Development Bank through WinRock International, the overall executor of the project.

In June of 2008, with 11 priority sites off the grid without any form of electricity, the program was implemented with Negros Women for Tomorrow Foundation (NWTF)'s involvement as a custodian of the livelihood projects in these sites.

With solar panels and other hydro equipments, the goal is to energize the communities, in order to provide them with the means of income through their livelihood programs such as a dryer, rice mill and other energy related equipments.

With a 100% repayment from the loan being credited to them by NWTF; there have been more opportunities for more livelihood programs that has brought forth financing and improvement of the daily income for all the families of the said communities.





In our opinion, the separate financial statements present fairly, in all material respects, the unconsolidated financial position of Negros Women for Tomorrow Foundation, Inc. as of December 31, 2008 and 2007, and its unconsolidated financial performance and its unconsolidated cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

*Maurit Somagtic Co.*

March 30, 2009

Makati City, Metro Manila

**NEGROS WOMEN FOR TOMORROW FOUNDATION, INC.**  
(A Nonstock, Nonprofit Corporation)  
**SEPARATE COMPANY STATEMENTS OF CASH FLOWS**

|                                                       | <b>Years Ended December 31</b> |                     |
|-------------------------------------------------------|--------------------------------|---------------------|
| <i>Note</i>                                           | <b>2008</b>                    | <b>2007</b>         |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>           |                                |                     |
| Net excess of income over expenses                    | <b>₱ 16,393,881</b>            | <b>₱ 5,451,653</b>  |
| Adjustments for:                                      |                                |                     |
| Depreciation                                          | 7,138,620                      | 7,174,648           |
| Impairment losses on receivables                      | 16,447,848                     | 8,239,821           |
| Receivables written off                               | 8 (11,882,331)                 | (3,650,829)         |
| Gain on disposals of property and equipment           | 10 (557,841)                   | (26,667)            |
| Gain on disposal of investment - others               | -                              | (240,238)           |
| Interest income                                       | (167,839,736)                  | (143,493,274)       |
| Interest expense                                      | 27,029,787                     | 29,459,665          |
| Operating loss before working capital changes         | 7 (113,269,772)                | (97,085,221)        |
| Change in receivables                                 | 7 (13,841,405)                 | (62,881,213)        |
| Change in accounts payable and accrued expenses       | 46,236,313                     | 20,604,750          |
| Cash generated from operations                        | (80,874,864)                   | (139,361,684)       |
| Interest received                                     | 167,839,736                    | 143,493,274         |
| Interest paid                                         | (27,825,762)                   | (29,037,846)        |
| Net cash provided by (used in) operating activities   | <b>59,139,110</b>              | <b>(24,906,256)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>           |                                |                     |
| Additions to property and equipment                   | 10 (4,064,566)                 | (4,142,215)         |
| Proceeds from disposal of property and equipment      | (716,996)                      | 120,000             |
| Proceeds from disposal of investment - others         | -                              | 1,490,238           |
| Change in other assets                                | (2,459,463)                    | 698,239             |
| Net cash used in investing activities                 | <b>(5,807,033)</b>             | <b>(1,833,738)</b>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>           |                                |                     |
| Change in due to members                              | 51,888,973                     | 47,536,568          |
| Payment of loans - net                                | (58,498,643)                   | (13,560,618)        |
| Net cash provided by (used in) financing activities   | <b>(6,609,670)</b>             | <b>33,975,950</b>   |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>      | <b>46,722,407</b>              | <b>7,235,956</b>    |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b> | <b>55,167,541</b>              | <b>47,931,585</b>   |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>       | <b>₱ 101,889,948</b>           | <b>₱ 55,167,541</b> |



**NEGROS WOMEN FOR TOMORROW FOUNDATION, INC.**

NWTF Bldg., corner San Sebastian-Verbena Streets,  
Bacolod City, Negros Occidental, Philippines

Tel. Nos. (63-34) 432-3718 • 432-3720 • Fax #: (63-34) 433-0228

Email Address: [info@nwtf.ph](mailto:info@nwtf.ph) • Website: [www.nwtf.ph](http://www.nwtf.ph)

**NEGROS WOMEN FOR TOMORROW FOUNDATION, INC.**  
(A Nonstock, Nonprofit Corporation)

**SEPARATE STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE**

|                                        | <b>December 31</b>   |                      |
|----------------------------------------|----------------------|----------------------|
| <i>Note</i>                            | <b>2008</b>          | <b>2007</b>          |
| <b>ASSETS</b>                          |                      |                      |
| <b>Current Assets</b>                  |                      |                      |
| Cash and cash equivalents              | 6, 17 ₱ 101,889,948  | ₱ 55,167,541         |
| Receivable - net                       | 7, 8, 17 462,753,944 | 453,478,056          |
| Other current assets                   | 17 3,836,066         | 3,147,153            |
| <b>Total Current Assets</b>            | <b>568,479,958</b>   | <b>511,792,750</b>   |
| <b>Noncurrent Assets</b>               |                      |                      |
| Investment in subsidiary               | 9, 17 55,000,000     | 55,000,000           |
| Property and equipment - net           | 10 40,513,559        | 43,746,768           |
| Other noncurrent assets                | 11, 17 14,174,953    | 12,404,403           |
| <b>Total Noncurrent Assets</b>         | <b>109,688,512</b>   | <b>111,151,171</b>   |
|                                        | <b>₱ 678,168,470</b> | <b>₱ 622,943,921</b> |
| <b>LIABILITIES</b>                     |                      |                      |
| <b>Current Liabilities</b>             |                      |                      |
| Accounts payable and accrued expenses  | 17 ₱ 143,330,880     | ₱ 97,094,567         |
| Accrued interest                       | 12, 13, 17 1,222,602 | 2,018,577            |
| Due to members                         | 12, 17 230,792,780   | 178,903,807          |
| Current portion of loans payable       | 13, 17 79,028,599    | 103,109,241          |
| <b>Total Current Liabilities</b>       | <b>454,374,861</b>   | <b>381,126,192</b>   |
| <b>Noncurrent Liability</b>            |                      |                      |
| Loans payable - net of current portion | 13, 17 113,603,817   | 148,021,818          |
| <b>Total Liabilities</b>               | <b>567,978,678</b>   | <b>529,148,010</b>   |
| <b>FUND BALANCE</b>                    | <b>110,189,792</b>   | <b>93,795,911</b>    |
|                                        | <b>₱ 678,168,470</b> | <b>₱ 622,943,921</b> |

**SEPARATE STATEMENTS OF INCOME AND EXPENSES**

|                                                     | <b>Years Ended December 31</b> |                    |
|-----------------------------------------------------|--------------------------------|--------------------|
| <i>Note</i>                                         | <b>2008</b>                    | <b>2007</b>        |
| <b>INTEREST INCOME</b>                              |                                |                    |
| Loans and advances to customers                     | ₱ 166,098,680                  | ₱ 142,270,722      |
| Deposits and short-term placements with banks       | 1,741,056                      | 1,222,502          |
|                                                     | 167,839,736                    | 143,493,274        |
| <b>INTEREST EXPENSE</b>                             |                                |                    |
| Loans payable                                       | 24,489,187                     | 26,642,747         |
| Due to members                                      | 2,540,600                      | 2,816,918          |
|                                                     | 27,029,787                     | 29,459,665         |
| <b>NET INTEREST INCOME BEFORE IMPAIRMENT LOSSES</b> |                                |                    |
|                                                     | 140,809,949                    | 114,033,609        |
| <b>IMPAIRMENT LOSSES</b>                            | 8 16,447,848                   | 8,239,821          |
| <b>NET INTEREST INCOME AFTER IMPAIRMENT LOSSES</b>  | <b>124,362,101</b>             | <b>105,793,788</b> |
| <b>OTHER INCOME (LOSS)</b>                          |                                |                    |
| Service fees                                        | 29,908,679                     | 20,962,536         |
| Foreign exchange gain (loss)                        | 17 1,931,006                   | (2,226,207)        |
| Miscellaneous                                       | 2,289,795                      | 3,851,108          |
|                                                     | 34,129,480                     | 22,587,437         |
| <b>OTHER EXPENSES</b>                               |                                |                    |
| Salaries, wages and bonuses                         | 14 67,039,661                  | 58,335,325         |
| Travel and transportation                           | 21,870,486                     | 19,290,117         |
| Employee benefits                                   | 14, 15 11,407,232              | 9,792,368          |
| Depreciation                                        | 10 7,138,620                   | 7,174,648          |
| Stationery and office supplies                      | 4,933,780                      | 4,496,246          |
| Rent                                                | 16 4,720,819                   | 3,895,719          |
| Representation and entertainment                    | 3,832,960                      | 4,002,816          |
| Postage, telephone and telegram                     | 3,295,791                      | 2,911,290          |
| Light and water                                     | 2,821,102                      | 2,121,690          |
| Professional fees                                   | 2,698,581                      | 4,876,755          |
| Seminars and training                               | 1,642,836                      | 915,970            |
| Taxes and licenses                                  | 1,504,709                      | 1,366,442          |
| Repairs and maintenance                             | 248,421                        | 165,898            |
| Insurance                                           | 6,018,863                      | 1,093,566          |
| Miscellaneous                                       | 142,097,700                    | 122,929,572        |
| <b>NET EXCESS OF INCOME OVER EXPENSES</b>           | <b>₱ 16,393,881</b>            | <b>₱ 5,451,653</b> |