

# Financial Statements

2013-2014



**INDEPENDENT AUDITORS' REPORT**

The Board of Trustees and Members  
**TROPICAL DISEASE FOUNDATION, INC.**  
*(A Non-stock, Not-for-profit Organization)*  
Philippine Tuberculosis Bldg., Amorsolo corner Urban Avenue  
Brgy. Pio del Pilar, Makati City

**Report on the Financial Statements**

We have audited the accompanying financial statements of **TROPICAL DISEASE FOUNDATION, INC.**, which comprise the statements of financial position as of July 31, 2014 and 2013, and the statements of comprehensive income, statements of changes in fund balances and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

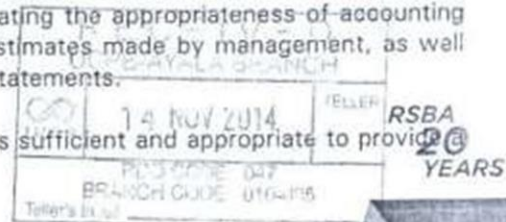
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities, and for such internal control as Management determines is necessary to enable the preparation of financial 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 audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditors' judgment, 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 present fairly, in all material respects, the financial position of **TROPICAL DISEASE FOUNDATION, INC.** as of July 31, 2014 and 2013, and its financial performance and cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small and Medium-sized Entities.

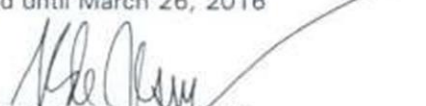
**Report on the Supplementary Information Required Under Revenue Regulations**

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 15-2010 and 19-2011 in Notes 31 and 32, respectively, are presented for purposes of filing with the Bureau of Internal Revenue and are not a required part of the basic financial statements. Such information is the responsibility of the Management of **TROPICAL DISEASE FOUNDATION, INC.** The information has been subjected to the auditing procedures applied in our audits 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.

**R.S. BERNALDO & ASSOCIATES**

BOA/PRC No. 0300  
Valid until December 31, 2015  
SEC Group A Accredited  
Accreditation No. O153-FR-2  
Valid until September 1, 2017  
BSP Group B Accredited  
Valid until February 14, 2014  
CDA CEA No. 0013-AF  
Valid until November 17, 2016  
IC Accreditation No. F-2013/002-O  
Valid until March 26, 2016



  
**ROMEO A. DE JESUS, JR.**  
Partner  
CPA Certificate No. 86071  
SEC Group A Accredited  
Accreditation No. 1135-AR-1  
Valid until August 4, 2017  
BIR Accreditation No. 08-004744-1-2012  
Valid from April 10, 2012 until April 9, 2015  
Tax Identification No. 109-227-897  
IC Accreditation No. SP-2013/006-O  
Valid until March 26, 2016  
PTR No. 4244826  
Issued on January 18, 2014 at Makati City

November 12, 2014

**TROPICAL DISEASE FOUNDATION, INC.**

*(A Non-stock, Not-for-profit Organization)*

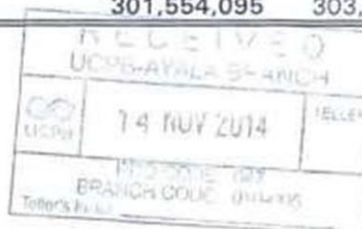
**STATEMENTS OF FINANCIAL POSITION**

July 31, 2014 and 2013

(In Philippine Peso)

	NOTES	2014	2013
<b>A S S E T S</b>			
<b>Current Assets</b>			
Cash	7	25,467,756	21,556,668
Advances and other receivables	8	5,664,532	9,362,597
Short-term investments	9	180,926,060	181,594,349
		212,058,348	212,513,614
<b>Non-current Assets</b>			
Available-for-sale financial assets	10	44,856	43,344
Property and equipment – net	11	88,740,561	90,258,504
Refundable deposits		710,330	718,954
Deferred tax asset	25	-	78,002
		89,495,747	91,098,804
<b>TOTAL ASSETS</b>		<b>301,554,095</b>	<b>303,612,418</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
<b>Current Liability</b>			
Trade and other current liabilities	12	2,374,006	2,247,978
<b>Non-current Liabilities</b>			
Deferred grant	13	13,771,144	13,771,144
Retirement benefit payable	22	306,194	260,008
		14,077,338	14,031,152
<b>TOTAL LIABILITIES</b>		<b>16,451,344</b>	<b>16,279,130</b>
<b>FUND BALANCES</b>			
Fund Balance	15	285,060,145	287,292,194
<b>Fair Value Gain on Available-for-sale</b>			
Financial Assets	16	42,606	41,094
<b>TOTAL FUND BALANCES</b>		<b>285,102,751</b>	<b>287,333,288</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<b>301,554,095</b>	<b>303,612,418</b>

(See Notes to Financial Statements)





**TROPICAL DISEASE FOUNDATION, INC.**  
*(A Non-stock, Not-for-profit Organization)*  
**STATEMENTS OF COMPREHENSIVE INCOME**  
For the Years Ended July 31, 2014 and 2013  
(In Philippine Peso)

	NOTES	2014	2013
SOURCES OF FUNDS	17	48,449,382	38,657,170
OTHER INCOME	18	5,653,472	21,334,706
		54,102,854	59,991,876
PROGRAM EXPENSES	19	49,827,863	42,191,853
GENERAL AND ADMINISTRATIVE EXPENSES	20	5,582,351	7,165,383
OTHER EXPENSES	21	668,289	977,492
		56,078,503	50,334,728
EXCESS OF INCOME OVER EXPENSES		(1,975,649)	9,657,148
(EXPENSES OVER INCOME) BEFORE TAX			
INCOME TAX EXPENSE	24	256,400	57,559
EXCESS OF INCOME OVER EXPENSES		(2,232,049)	9,599,589
(EXPENSES OVER INCOME)			
FAIR VALUE GAIN ON AVAILABLE-FOR-SALE			
FINANCIAL ASSETS	16	1,512	11,880
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		<b>(2,230,537)</b>	<b>9,611,469</b>

(See Notes to Financial Statements)



**TROPICAL DISEASE FOUNDATION, INC.**  
*(A Non-stock, Not-for-profit Organization)*  
**STATEMENTS OF CHANGES IN FUND BALANCES**

For the Years Ended July 31, 2014 and 2013  
 (In Philippine Peso)

	Note	Fund Balance	Fair Value Gain on Available-for-sale Financial Assets	Total
Balance at August 1, 2012		277,692,605	29,214	277,721,819
Excess of income over expenses		9,599,589	-	9,599,589
Fair value gain on available-for-sale financial assets	16	-	11,880	11,880
<b>Balance at July 31, 2013</b>		<b>287,292,194</b>	<b>41,094</b>	<b>287,333,288</b>
Excess of expenses over income		(2,232,049)	-	(2,232,049)
Fair value gain on available-for-sale financial assets	16	-	1,512	1,512
<b>Balance at July 31, 2014</b>		<b>285,060,145</b>	<b>42,606</b>	<b>285,102,751</b>

(See Notes to Financial Statements)





**TROPICAL DISEASE FOUNDATION, INC.**

*(A Non-stock, Not-for-profit Organization)*

**STATEMENTS OF CASH FLOWS**

For the Years Ended July 31, 2014 and 2013

(In Philippine Peso)

	NOTES	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Excess of income over expense (expense over income) before tax		(1,975,649)	9,657,148
Adjustments for:			
Depreciation	11	6,014,422	6,507,528
Fair value loss (gain) on short-term investments	18,21	668,289	(16,193,690)
Retirement benefits	22	46,186	154,251
Unrealized foreign exchange loss (gain) – net	18,21	(1,676)	2,433,797
Finance income	7,18	(45,998)	(39,335)
Operating cash flows before changes in working capital		4,705,574	2,519,699
(Increase) Decrease in operating assets:			
Advances and other receivables		3,661,262	(4,028,304)
Refundable deposit		8,624	99,780
(Decrease) Increase in operating liabilities:			
Trade and other current liabilities		121,766	(2,646,601)
Funds held in trust		-	(100,195)
Deferred grant		-	13,771,144
Net cash from operating activities		8,497,226	9,615,523
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Finance income received	7,18	45,998	39,335
Additions to property and equipment	11	(4,633,812)	(4,077,072)
Net cash used in investing activities		(4,587,814)	(4,037,737)
<b>EFFECTS OF FOREIGN EXCHANGE RATE</b>			
CHANGES ON CASH	18,21	1,676	(2,433,797)
<b>NET INCREASE IN CASH</b>		<b>3,911,088</b>	<b>3,143,989</b>
<b>CASH AT BEGINNING OF YEAR</b>	7	<b>21,556,668</b>	<b>18,412,679</b>
<b>CASH AT END OF YEAR</b>		<b>25,467,756</b>	<b>21,556,668</b>

(See Notes to Financial Statements)

