

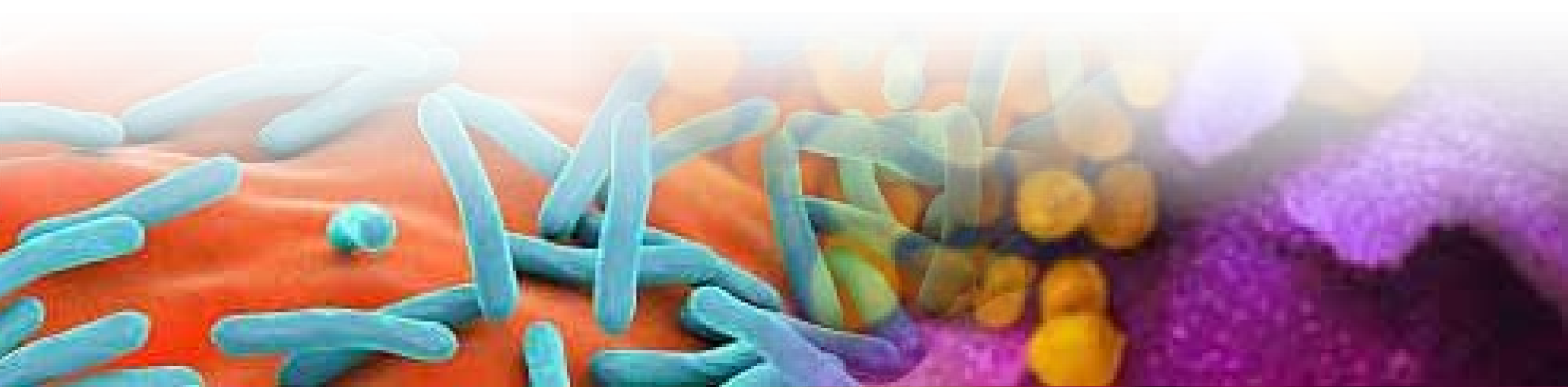
**Tropical Disease Foundation, Inc.**

ANNUAL REPORT 2019-2020

# INTRODUCTION

From 2019 to 2020, the COVID-19 pandemic affected the global health care landscape quickly. In the Philippines, access to diagnosis and treatment has become limited as a result of the imposition of more stringent containment and public circulation measures.

In response, Tropical Disease Foundation, Inc. (TDF) adopted to a flexible operation scheme to ensure continuous service to tuberculosis (TB) patients.



## SERVICE

TDF continues to deliver a standard of care through TB diagnosis and treatment services. In addition to being accredited as a DOTS & PMDT satellite treatment center by the Department of Health (DOH), it also maintains its laboratory specialty license as a tuberculosis diagnostic facility. TDF is a current member of the Consortium, a network of private sector diagnostic group of 16 GeneXpert laboratories all over the country. The aim of the consortium is to lower the cost of TB testing in order to reduce the catastrophic cost to the patient.

TDF has been awarded as the local coordinating partner of the global initiative project Leveraging Innovations for Faster Treatment of Tuberculosis (LIFT-TB). Working and coordinating with local and international partners, the project supports operational research (OR) under the new oral BPaL regime (Bedaquiline, Pretomanid and Linezolid) recommended by the WHO.

Additionally, TDF was also awarded by the National TB and Control Program (NTP) with the support of Philippine

Business for Social Progress (PBSP) as a short-term consultant in the conduct of an “Assessment of Clinical Diagnosed Tuberculosis in the Philippines”.

In response to the COVID-19 crisis, TDF entered into partnership with Ayala Corporation and Bloomberry Cultural Foundation Inc. to build a DOH accredited molecular (RT-PCR) laboratory that can identify the presence of SARS-CoV-2. TDF obtained its license last May 27, 2020 and continued to process an average of 200 samples per day.

# RESEARCH

TDF with its forward looking approach has maintained its collaboration with existing sponsor partners. It has continued the following related TB laboratory and clinic projects:

**ROSETTA TRIAL**, funded by the National University Hospital (NUH) Singapore through the National Medical Research Council, Singapore.

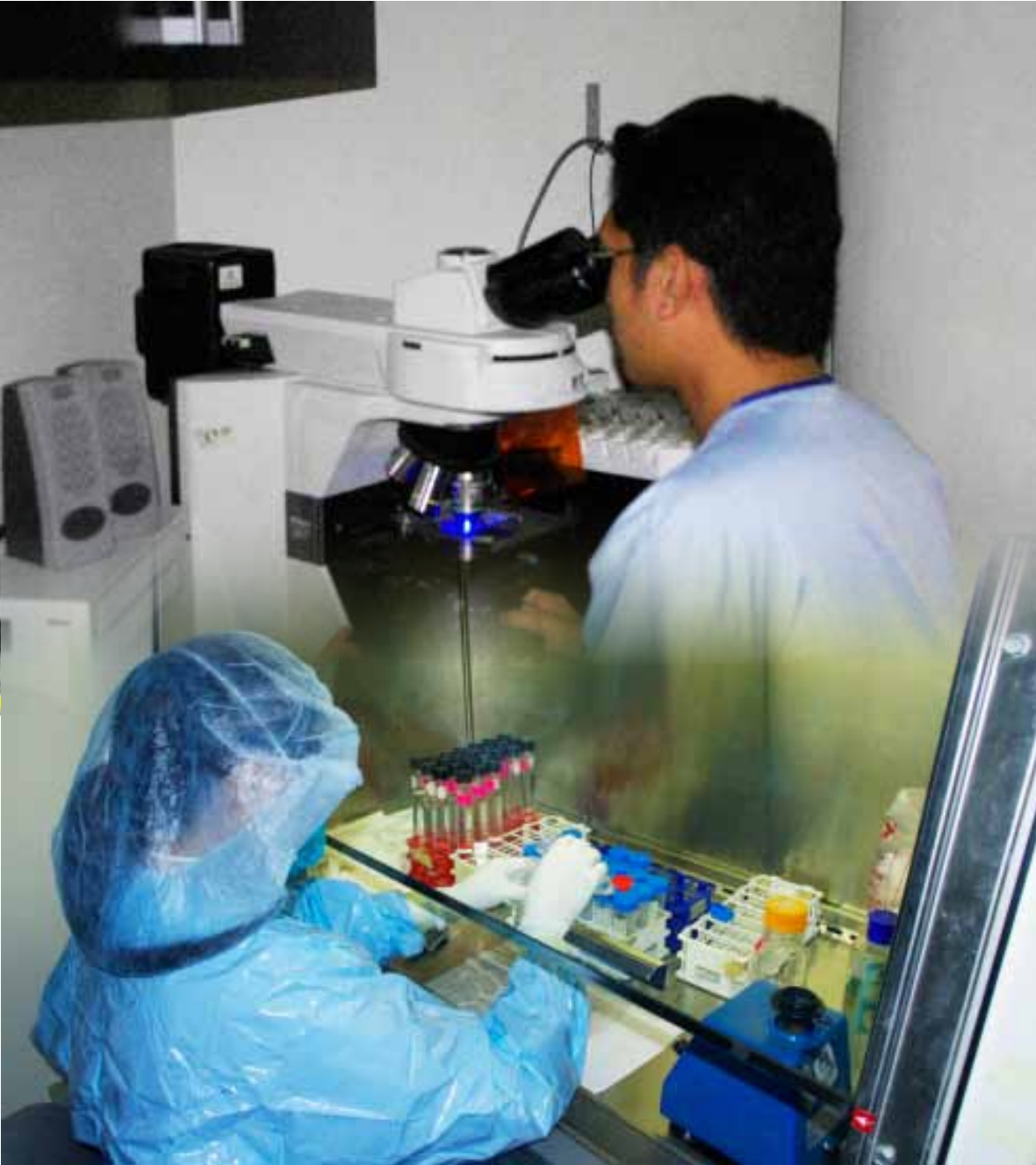
**TMC207-C211**, phase-2 clinical trial, funded by Janssen Research and Dev't.

**TRUNCATE-TB** (Two-month Regimens Using Novel Combinations to Augment Treatment Effectiveness for drug-sensitive Tuberculosis), A randomized, open-label, multi-arm, multi-stage (MAMS), parallel group strategy trial, funded by University College London and NUH.

**FAROPENEM AND CEFADROXIL** trial in patients with pulmonary tuberculosis: measurement of early bactericidal activity and effects on novel biomarkers, funded by NUH.

**NC-008 (B-PA-M-Z)/SIMPLICITB**, "An Open-Label, Partially Randomized Trial to Evaluate the Efficacy, Safety and Tolerability of a 4-month Treatment of Bedaquiline plus Pretomanid plus Moxifloxacin plus Pyrazinamide (BPamZ), funded by TB Alliance.

Locally, TDF laboratory is engaged by the University of Santo Tomas to determine the **"VITRO ANTITUBERCULAR POTENTIAL OF ESSENTIAL OILS FROM PHILIPPINE PLANTS"**.



## TRAINING

The TDF TB laboratory has been consistent in its gold standard performance offering a complete set of TB assays including up-to-date line probe assay, awarded a DAIDS (Division of AIDS) certification and has mentored international collaboration in other South East Asian Region countries.

TDF is grateful for the continued support of sponsors, stakeholders, partners and collaborators to handle and implement projects and clinical trials related to tuberculosis. While we continue to pursue excellence in healthcare for all, new opportunities and partnerships are being created to be able to provide a world-class sustainable healthcare solution, a mark proudly Filipino, and proudly Dr. Thelma E. Tupasi.



# ABOUT TDF

The Tropical Disease Foundation, Inc. is a private, non-stock, non-profit, nongovernment organization founded in 1984 by a group of physicians in the Research Institute for Tropical Medicine. The founding chairman was Dr. Jesus Azurin, then Secretary of Health. The TDF began a legacy of quality research, service and training in infectious diseases.

## OUR VISION AND MISSION

The Tropical Disease Foundation, Inc. believes in equitable, universal access to health for economic prosperity. Its programs and projects encourage participation in the national and local communities through its research, training, health care service provision and advocacies.

## OUR THRUSTS

1. To conduct research, training and service in infectious diseases of public health importance
2. To enter into partnership with public and private agencies in the implementation of programs in the control of infectious diseases
3. To ensure technology transfer in developing human resources for health nationally and internationally through collaboration with national and international institutions
4. To serve as a national and international training center for infectious diseases

# PROJECTS

## 1. TDF TB-DOTS

TDF offers a public-private mixed DOTS clinic for patients who have symptoms suggestive of TB or who are suspected to have tuberculosis by healthcare providers. DOTS is the most effective means of controlling the spread of tuberculosis and by involving the public and the private sector, case finding and engagement to treatment is intensified.

TDF TB-DOTS Clinic caters to patients who live or work within the vicinity, whether they are walk-in patients or referrals by physicians of nearby hospitals such as Makati Medical Center, diagnostic clinics, schools, business establishments and offices.

**MAY UBO KA BA NA HIGIT SA 2 LINGGO?**

... NA MAY KASAMANG:

- > Plema na may bahid ng dugo
- > Pananakit ng likod o dibdib
- > Lagnat
- > Pangangayayat

Sumangguni sa loob para sa libreng konsultasyon.

**TDF TB-DOTS Clinic**  
Ground Floor, Philippine Institute of Tuberculosis Building  
Amorsolo St. corner Urban Avenue, Pio del Pilar, Makati City

**TB HOTLINES**  
**401-3913**  
0917-890-0035

For patients who are found to have a positive sputum test (usually Xpert), treatment is discussed, and options are presented to patients where they may avail of treatment.

## TDF TB-DOTS...

### Sponsoring Organization

TB kits (drugs) and lab supplies are provided by Department of Health through Makati City Health Department.

### Objectives

1. Improve the continuum of effective and quality care of presumptive TB and TB patients.
2. Make treatment and quality services accessible to TB patients.
3. Timely results for prompt initiation of treatment.

### Accomplishments:

- # of Patient Screened: 108
- # of Patient Enrolled: 20 (including 2 study patients)
- # of Patient Completed treatment:
  - Cured: 1
  - Treatment Completed: 11
  - Ongoing Treatment: 5
  - Failed: 1
  - Died: 2

## 2. SATELLITE TREATMENT CENTER FOR MDR-TB

The performance of the Satellite Treatment Center in the past year is as follows:

- Number of All Presumptive DR-TB Screened: 102
- Number of All Presumptive DR-TB Tested: 102
- Number of All Confirmed Rifampicin Resistant TB: 28
- Number of cases registered: 25
  - o Bacteriologically-confirmed RR/MDR-TB: 15
  - o Clinically-diagnosed MDR-TB: 6
  - o Other Drug-resistant TB case: 1

As of June 2020, the clinic census is at 19 patients, including patients supervised by Community Treatment Partners (CTPs). The STC currently has 1 PBSP-hired nurse on board. By the start of Community Quarantine, all patients have been shifted to all oral regimens and endorsed to CTPs to ensure continuation of care while observing quarantine procedures. Patients are followed-up regularly through phone calls and/or internet messaging platforms in between monthly clinic visits.



### 3. LEVERAGING INNOVATION FOR FASTER TREATMENT OF TUBERCULOSIS

#### INTRODUCING THE BPAL REGIMEN UNDER OPERATION RESEARCH

##### Background

The Leveraging Innovations for Faster Treatment of Tuberculosis (LIFT-TB) Project is a global initiative of TB Alliance (TBA) in collaboration with the International TB Research Center (ITRC) and the KNCV Tuberculosis Foundation and the Tropical Disease Foundation (TDF) as the local coordinating organization. It is funded by Korea International Cooperation Agency (KOICA) through the Global Disease Eradication Fund (GDEF).

The project supports the conduct of an operational research (OR) on the WHO-recommended novel short-all oral BPaL (Bedaquiline, Pretomanid and Linezolid) regimen for the treatment of multidrug resistant TB in the Philippines in collaboration with the National TB Control Program (NTP), Jose B. Lingad Memorial General Hospital (JBL), Lung Center of the Philippines (LCP), National TB Reference Laboratory (NTRL), Philippine Business for Social Progress (PBSP) and Tropical Disease Foundation, Inc. (TDF).

## Key activities and achievements to date

- The project has facilitated the selection of the OR sites. The NTP identified 12 OR sites in 10 regions in the country which include the 1) Lung Center of the Philippines PMDT TC 2) Dr. Jose N. Rodriguez Memorial Hospital PMDT TC 3) Jose B. Lingad Regional Memorial Hospital 4) EversleyChild Sanitarium 5) Western Visayas Medical Center (WVMC) 6) Zamboanga City Medical Center 7) Xavier University Community Health Care Center 8) Southern Philippines Medical Center 9) Batangas Medical Center 10) Sorsogon Medical Mission Group Hospital and Health Services 11) Region I Medical Center and 12) Ilocos Training and Regional Medical Center (ITRMC)



- The project advocated for the designation of a research team to manage the OR implementation and obtained committed support from the Global Fund through the Philippine Business for Social Progress (PBSP), the principal recipient (PR).



**THE BPAL REGIMEN OFFERS A BEACON OF HOPE FOR MDR-TB AND XDR-TB PATIENTS**

**One day of typical BPAL regimen**  
6 months / <750 pills

**One day of typical XDR-TB treatment**  
18+ months / 14,000+ pills

“Sana ito ay makapagbigay ng mas produktibong buhay habang nasa gamutan ang isang pasyente. Ang ipinakitang datos at kagalingan ng bagong tuklas na gamot na ito ay napapanahon na pagtulongan at pagtuunan ng pansin ng mga taga-pangalaga sa kalusugan at mga komunidad, at kung ito ay mangyayari, magiging isa itong malaking tagumpay sa larangan ng MDR-TB para sa pasyente, sa kanyang pamilya at komunidad.”



**MR. MANUEL DANA O BELLO JR.**  
MDR-TB SURVIVOR

Photo above is taken from the presentation of Dr. Dan Everett, TB Alliance.



The Department of Health announces full support through a Department Memorandum endorsing the conduct of preparatory activities of the BPAL OR



The BPAL regimen offers a beacon of hope for MDR-TB and XDR-TB patients



LIFT-TB Philippines, Launch Programme



LIFT-TB Philippines launched to commence the operational research using the BPAL regimen





Introductory Meeting 11.24.20

**LIFT-TB Philippines**  
Leveraging Innovation for Faster Treatment of Tuberculosis  
Introducing the BPaL Regimen under Operational Research

00:02:40



# Project Launch 2020

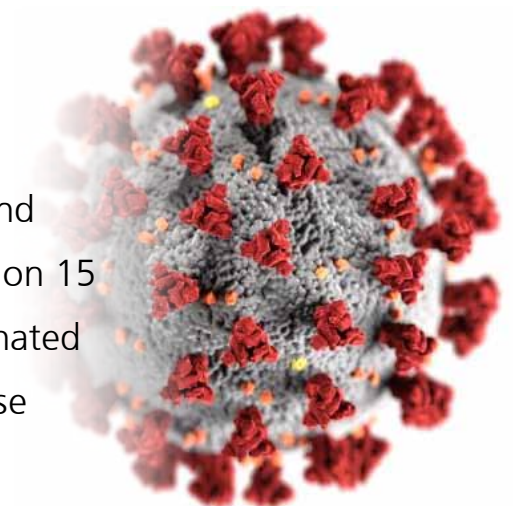


**LIFT-TB Philippines**  
 Leveraging Innovation for Faster Treatment of Tuberculosis  
 Introducing the BPaL Regimen under Operational Research



## 4. COVID-19 LABORATORY

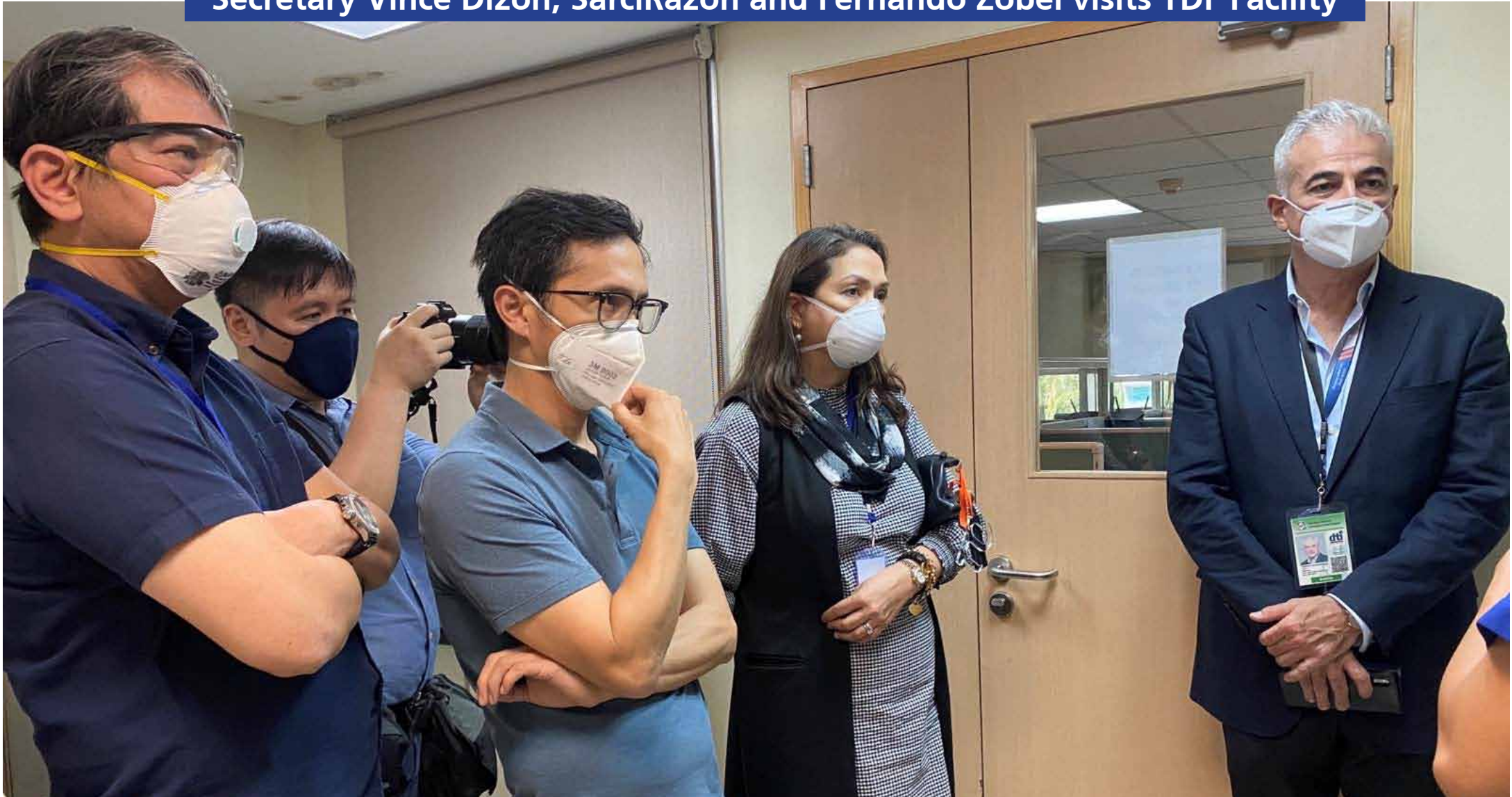
Tropical Disease Foundation, Inc. entered into an agreement with AC Health/Healthway Medical Clinic and Bloomberry Cultural Foundation, Inc. (BCFI) to conduct molecular testing for the diagnosis of COVID-19 on 15 April 2020. Both partners, at their own cost, provided TDF with their own RT-PCR machines for use, donated minor equipment, reagents, materials, and even manpower required for COVID testing. Aside from those previously mentioned, monthly operational expenses for COVID testing are shouldered by the partners.



On May 27, a month after the initial application was filed, TDF was granted a License to Operate a molecular laboratory for the detection of SARS-CoV-2 by the Department of Health. First sample was tested on June 2, 2020 and, by the end of the year, TDF has already tested more than twenty-one thousand samples. License expired on December 31, 2020 but was renewed for another year.

For the project, TDF hired 13 employees and engaged the services of a Pathologist consultant. Two TDF TB Medical Technologists were also trained to provide service to the Covid testing. BCFI provided six seconded staff to augment the testing capacity of TDF. The seconded staff is composed of four medical technologists and two data encoders.

Secretary Vince Dizon, SarciRazon and Fernando Zobel visits TDF Facility



## 5. ASSESSMENT OF CLINICALLY DIAGNOSED TUBERCULOSIS IN THE PHILIPPINES

Last November 2019, the NTP with the support from the PBSP Global Fund Project announced a call for proposal to qualified individuals or organizations for a short term consultancy services to conduct a research project entitled “Assessment of Clinically Diagnosed Tuberculosis in the Philippines”. The study was awarded to the TDF on January 10, 2020 and the Principal Investigator was Dr. Mamel Quelapio.

The project was established in the response to global concern regarding high numbers of missing TB patients, high level meetings have set ambitious targets for case finding. To hasten the identification of people with TB, NTPs have proactively instituted strategic measures to screen presumptive TB cases which have led to increased TB notification. However, these efforts have yielded unexpectedly high proportions of clinically diagnosed TB (CDTB) patients which imply possible over-diagnosis.

The assessment is expected to run for 6-7 months. This study will include only patients with clinically diagnosed pulmonary TB who are 15 years and older.

The objectives of this assessment are:

1. To estimate the likelihood of true TB among clinically diagnosed TB cases put on treatment distinguishing between the proportion “most likely TB” and “unlikely TB”
2. To provide reasons for a high proportion of clinically diagnosed cases among notified TB patients.
3. To assess the TB diagnostic pathways currently followed in public and private facilities to diagnose new and previously treated TB patients and assess adherence to national standard diagnostic algorithms.

Preparatory activities have taken place but unfortunately the project was put on hold last June 11, 2020. This is due to the uncertainties of the situation brought about by the COVID-19 pandemic.

## 6. ROSETTA TRIAL

**Protocol Name:**

ROSETTA

**Sponsor:**

National University Hospital  
(NUH) Singapore through the  
National Medical Research Council,  
Singapore

**Trial Duration:**

Approximately 1 year

**Study Updates:**

Ethics Committee Initial Presentation  
16 June 2020

## 7. TMC207-C211

A phase 2, open-label, multicenter, single-arm study to evaluate the pharmacokinetics, safety, tolerability and anti-mycobacterial activity of TMC207 in combination with a background regimen of multidrug resistant TB (MDR-TB) medications for the treatment of children and adolescents 0 months to <18 years of age who have confirmed or probably pulmonary MDR-TB.

**Sponsor:**

Janssen Research and Development

**Role:**

Country Central Mycobacteriology Laboratory

**Tests Performed:**

- a. Interferon Gamma Release Assay (IGRA) using TSpot method
- b. GeneXpert MTB/RIF Assay
- c. AFB microscopy using fluorescent (Auramine O) method
- d. Liquid culture method using Mycobacterial Growth Indicator Tube



## 8. TRUNCATE-TB **Two-month Regimens Using Novel Combinations to Augment Treatment Effectiveness for drug-sensitive Tuberculosis. A randomized, open-label, multi-arm, multi-stage (MAMS), parallel group strategy trial.**

### **Sponsor**

University College London is the trial legal sponsor and has delegated responsibility for the management of the trial to the National University Hospital (Singapore).

### **Roles**

- a. Central Mycobacteriology & Biorepository
- b. Clinical Site

### **Central Mycobacteriology and Biorepository**

#### Tests Performed

- a. AFB microscopy using Ziehl Neelsen method
- b. GeneXpert MTB/RIF assay
- c. Liquid culture method using Mycobacterial Growth Indicator Tube
- d. Drug Susceptibility Testing
- e. Minimum Inhibitory Concentration (Sensititre Method)
- f. Resuscitating Promoting Factor (RPF) testing
- g. DNA extraction
- h. Storage of isolates
- i. Storage of samples

### **Clinical Site**

#### Update:

- Ethics Committee Initial Approval: 19 Jan 2017
- Investigators meeting: 18 Sep 2017
- Coordinators meeting: 09 Feb 2018
- Site Initiation visit: 12 Feb 2018
- First subject enrolled: 13 Apr 2018
- Total patients screened: 39 patients
- Total patients randomized: 23 patients



# 9. TRIAL OF FAROPENEM AND CEFADROXIL IN PATIENTS WITH PULMONARY TUBERCULOSIS: MEASUREMENT OF EARLY BACTERICIDAL ACTIVITY AND EFFECTS ON NOVEL BIOMARKERS

A Phase II randomized, controlled, open-label, early bactericidal activity trial.

## **Sponsor**

National University Hospital (Singapore)

## **Roles**

- a. Central Laboratory
- b. Clinical Site

## **Clinical Site**

### **Update:**

Enrolled patients: 4

Close out date: Oct 09, 2019

## **Central Laboratory**

### **Tests Performed**

- a. AFB Microscopy using Ziehl Neelsen method
- b. GeneXpert MTB/RIF Assay
- c. Liquid TB culture using Mycobacterial Growth Indicator Tube
- d. Colony Forming Units
- e. Storage of isolates
- f. Drug Susceptibility Testing

## 10. NC-008 (B-PA-M-Z) / SIMPLICITB

An open-label, partially randomized trial to evaluate the efficacy, safety and tolerability of a 4-month treatment of Bedaquiline plus Pretomanid plus Moxifloxacin plus Pyrazinamide (BPamZ) compared to a 6-month treatment of HRZE/HR (control) in adult participants with drug-sensitive, smear-positive pulmonary tuberculosis (DS-TB) and a 6-month treatment of BPamZ in adult participants with drug-resistant, smear-positive pulmonary tuberculosis (DR-TB).

**Sponsor:** TB Alliance

**Roles:**

- Country Central Mycobacteriology Laboratory
- Clinical Site

[Country Central Mycobacteriology Laboratory](#)

### **Tests Performed:**

- AFB Microscopy using fluorescent (Auramine O) method
- Line Probe Assay (LPA)
- Liquid TB culture using Mycobacterial Growth Indicator Tube
- Storage of TB isolates

[Clinical Site](#)

### **Update:**

- Ethics Committee Initial Approval: 21 May 2018
- Site Initiation Visit: 23 January 2019
- First patient enrolled: 04 Mar 2019
- Total patients enrolled/screened: 18
- Total patients randomized: 9
- Projected last patient visit: 28 Feb 2022



NC-008 (B-Pa-M-Z)/SimpliciTB Team

## 11. TB SPECIAL PROJECTS

### A. IN VITRO ANTITUBERCULAR POTENTIAL OF ESSENTIAL OILS FROM PHILIPPINE PLANTS

**Partner: University of Santo Tomas**

A total of 26 Essential Oils were tested against sensitive and resistant strains of TB. Project will be completed on February 2021.

### B. PMDT RELATED SERVICES

TDF is the implementing partner of PBSP in providing GeneXpert, TB Culture, and DSSM services for patients of the Programmatic Management of Drug-Resistant TB program.







## OTHER RESEARCH SERVICES

Tropical Disease Foundation, Inc. (TDF) expanded its research services through the opening of TDF-Medical Research Unit (TDF-MRU) last October 2019. The new unit is headed by one of the country's top clinical researchers Dr. Maria Rosario Zeta Capeding. A Pediatrician specializing in infectious disease, Dr. Rose is a Jose P. Rizal Memorial Awardee in research and a Scientist II of the Department of Science and Technology. She has worked as lead investigator in various clinical trials.



The TDF-MRU is currently engaged in six projects focusing on vaccines in collaboration with biological manufacturers and the International Vaccine Institute (IVI).

- A Prospective Phase IV Study to Assess the Safety of Fully Liquid Pentavalent Vaccine, Adsorbed Diphtheria –Tetanus-Whole-Cell Pertussis –Hepatitis B -Haemophilus Influenzae Type B Conjugate Vaccine.
- A Phase III, Multi-center Study to Evaluate Immune Equivalence of Multi-Dose Formulation Against Single Dose Formulation of Vi-DT Typhoid Conjugate Vaccine and Safety in Healthy Filipino Participants Aged 6 months to 45 years.
- Long Term Follow-up of Immunogenicity of Healthy Filipino Adults and Children who participated in Phase I Vi-DT Typhoid Conjugate Vaccine Study.
- A Multi-center Phase II Study to Evaluate Immunogenicity and Safety of LBVD (fully liquid hexavalent vaccine; Adsorbed Diphtheria-Tetanus-Pertussis-Hepatitis -Inactivated Poliomyelitis and Haemophilus influenzae type b Conjugate Vaccine Compared to Co-administration of fully liquid pentavalent vaccine; Adsorbed Diphtheria-Tetanus-Pertussis-Hepatitis and Haemophilus influenzae type b Conjugate Vaccine and Poliomyelitis Vaccine (inactivated) in Separate Injections in Healthy Infants at 6-10-14 Weeks of Age as Primary Series”.

- A Phase 3 Study to Assess the Efficacy and Safety of Ad26.COV2.S for the Prevention of SARS-CoV-2-mediated COVID-19 in Adults Aged 18 Years and Older

- A Phase 2/3 Study to Evaluate the Efficacy, Immunogenicity, and Safety of CpG 1018/Alum-Adjuvanted Recombinant SARS-CoV-2 Trimeric S+protein Subunit Vaccine (SCB-2019) for the Prevention of SARS-CoV-2-mediated COVID-19 in Participants Aged 18 years and Older.



- A grant awarded to Dr. Rose Capeding by the Bill and Melinda Gates Foundation (BMGF) for a COVID-19 Vaccine Efficacy Trial Site Readiness. The collaborative agreement between BMGF, the International Vaccine Institute (IVI) and TDF gave an opportunity to TDF and its community to be equipped and reinforce its capacity to conduct community-based COVID-19 Vaccine Efficacy Clinical Trials.



San Francisco and San Jose Clinical Trial Sites, San Pablo City, Laguna



# EXTERNAL QUALITY ASSURANCE

Tropical Disease Foundation TB Laboratory participated in EQA event of the Integrated Quality Laboratory Service (IQLS). IQLS is an EQA provider with offices in Villeurbanne, France. The said activity was sponsored by pSMILE contracted by the National Institute of Health - Division of AIDS. The table below summarizes TDF laboratory's performance for the 2020 event.

Area	January 2020
<b>Microscopy</b>	<b>100%</b>
<b>Identification</b>	<b>100%</b>
<b>First Line DST</b>	<b>93.25%</b>
<b>Second Line DST</b>	<b>100%</b>

# ADVOCACY

**Tropical Disease Foundation, Inc. is now a member of the Philippine Private Sector Diagnostics Consortium (PPSDC).**

On February 28, 2020, Mr. Anthony Geronimo, TDF's Laboratory Manager represented the Foundation to its membership to the Philippine Private Sector Diagnostics Consortium (PPSDC) that aims to provide quality diagnostics within your reach.

The Consortium announced a 70% price reduction on GeneXpert – a test used to confirm if a patient has tuberculosis under two hours. A typical GeneXpert test would cost P8,000 pesos, now with the Consortium the price of this test will be lowered to P2,270 across all hospitals and laboratories part of the Consortium membership.

The ceremony and induction of members were led by then President Dr. Sally Gatchalian of the Philippine Pediatric Society, She was also a previous TDF Board of Trustee member.



**Mr. Anthony Geronimo, TDF's Laboratory Manager,  
at the Philippine Private Sector Diagnostics Consortium (PPSDC)  
induction, February 28, 2020**





# FINANCIAL SUMMARY

**TROPICAL DISEASE FOUNDATION, INC.**  
(A Non-stock, Non-profit Organization)

**STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCES**

	Note	July 31	
		2020	2019
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	₱18,842,676	₱10,990,314
Receivables	5	15,007,935	5,434,760
Financial assets at fair value	6	74,425,443	93,380,220
Other current assets		596,424	377,415
Total Current Assets		108,872,478	110,182,709
<b>Noncurrent Assets</b>			
Investment property	7	5,087,872	6,088,937
Property and equipment	8	63,174,485	65,673,032
Other noncurrent assets	9	454,989	607,448
Total Noncurrent Assets		68,717,346	72,369,417
		<b>₱177,589,824</b>	<b>₱182,552,126</b>

	Note	July 31	
		2020	2019
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Current Liabilities</b>			
Accrued expenses and other payables	10	₱9,361,422	₱5,439,888
<b>Noncurrent Liability</b>			
Net retirement benefit liability	17	13,641,667	13,916,460
Total Liabilities		23,003,089	19,356,348
<b>Fund Balances</b>			
General fund		86,278,676	91,364,347
Capital fund		35,889,357	39,388,969
Restricted fund	12	32,373,000	32,373,000
Other comprehensive income		45,702	69,462
Total Fund Balances		154,586,735	163,195,778
		<b>₱177,589,824</b>	<b>₱182,552,126</b>

See accompanying Notes to Financial Statements.

NOV 27 2020

**TROPICAL DISEASE FOUNDATION, INC.**  
(A Non-stock, Non-profit Organization)  
**STATEMENTS OF REVENUES AND EXPENSES**

	Note	Years Ended July 31	
		2020	2019
<b>REVENUES</b>			
Sources of funds	13	P39,482,437	P13,725,516
Rental income	19	2,583,000	2,583,000
		<b>42,065,437</b>	16,308,516
<b>PROGRAM EXPENSES</b>	14	<b>(44,095,690)</b>	(32,012,014)
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	15	<b>(8,541,904)</b>	(12,275,947)
<b>OTHER INCOME - Net</b>	16	<b>2,096,405</b>	3,483,027
<b>EXCESS OF EXPENSES OVER REVENUES BEFORE INCOME TAX</b>		<b>(8,475,752)</b>	(24,496,418)
<b>INCOME TAX EXPENSE</b>	18	<b>109,531</b>	163,840
<b>EXCESS OF EXPENSES OVER REVENUES</b>		<b>(8,585,283)</b>	(24,660,258)
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<i>Item to be reclassified to profit or loss when realized</i>			
Unrealized gain (loss) on fair value changes of available-for-sale investments	9	<b>(23,760)</b>	12,888
<b>TOTAL COMPREHENSIVE LOSS</b>		<b>(P8,609,043)</b>	(P24,647,370)

See accompanying Notes to Financial Statements.

**TROPICAL DISEASE FOUNDATION, INC.**  
(A Non-stock, Non-profit Organization)  
**STATEMENTS OF CHANGES IN FUND BALANCES**

	Note	Years Ended July 31	
		2020	2019
<b>GENERAL FUND BALANCE</b>			
Balance at beginning of year		P91,364,347	P112,696,444
Excess of expenses over revenues		<b>(8,585,283)</b>	(24,660,258)
Transfer from capital fund	8	7,413,628	7,673,169
Transfer to capital fund	8	<b>(3,914,016)</b>	(4,345,008)
Balance at the end of year		<b>86,278,676</b>	91,364,347
<b>CAPITAL FUND BALANCE</b>			
Balance at beginning of year		39,388,969	42,717,130
Transfer to operating fund	8	<b>(7,413,628)</b>	(7,673,169)
Additions to property and equipment	8	3,914,016	4,345,008
Balance at the end of year		<b>35,889,357</b>	39,388,969
<b>RESTRICTED FUND BALANCE</b>	12	<b>32,373,000</b>	32,373,000
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Reserve for Fair Value Changes of Available-for-Sale Investments</i>			
	9		
Balance at beginning of year		69,462	56,574
Unrealized gain (loss) on fair value changes		<b>(23,760)</b>	12,888
Balance at the end of year		<b>45,702</b>	69,462
		<b>P154,586,735</b>	P163,195,778

See accompanying Notes to Financial Statements.

**TROPICAL DISEASE FOUNDATION, INC.**  
(A Non-stock, Non-profit Organization)

**STATEMENTS OF CASH FLOWS**

	Notes	Years Ended July 31	
		2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Excess of expenses over revenues before income tax		(P8,475,752)	(P24,496,418)
Adjustments for:			
Depreciation and amortization	8	7,413,628	7,673,169
Donated laboratory equipment	8	(2,480,093)	–
Investment income	6	(2,029,692)	(2,325,701)
Interest income	4	(25,307)	(13,097)
Retirement benefit expense	17	–	1,905,480
Reversal of liability	16	–	(1,042,567)
Excess of expenses over revenues before working capital changes		(5,597,216)	(18,299,134)
Increase in:			
Receivables		(9,573,175)	(2,620,007)
Other current assets		(219,009)	(56,262)
Deferred input valued-added tax		(128,699)	(33,316)
Accrued expenses and other payables		3,904,139	1,278,561
Net cash used for operations		(11,613,960)	(19,730,158)
Income tax paid		(109,531)	(163,840)
Interest received		25,307	13,097
Benefits paid	17	–	(5,760,279)
Net cash used in operating activities		(11,698,184)	(25,641,180)

	Notes	Years Ended July 31	
		2020	2019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from withdrawals of financial assets at fair value		36,734,213	70,542,850
Additions to:			
Financial assets at fair value		(17,779,436)	(42,481,865)
Property and equipment	8	(1,433,923)	(4,345,008)
Investment income received		2,029,692	2,325,701
Decrease in advances to a supplier		–	662,946
Net cash provided by investing activities		19,550,546	26,704,624
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>7,852,362</b>	<b>1,063,444</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>10,990,314</b>	<b>9,926,870</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	4	<b>P18,842,676</b>	<b>P10,990,314</b>
<b>NONCASH FINANCIAL INFORMATION</b>			
Donated laboratory equipment	8	P2,480,093	P–

See accompanying Notes to Financial Statements.

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**INDEPENDENT AUDITORS' REPORT**

The Board of Trustees  
Tropical Disease Foundations, Inc.  
Philippine Institute of Tuberculosis Building  
Amorsolo corner Urban Avenue  
Barangay Pio Del Pilar, Makati City

**Report on the Financial Statements**

*Opinion*

We have audited the accompanying financial statements of Tropical Disease Foundation, Inc. (the Foundation), a non-stock, non-profit organization, which comprise the statements of assets, liabilities and fund balances as at July 31, 2020 and 2019, and the statements of revenues and expenses, statements of changes in fund balances and statements of cash flows for the years then ended, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as at July 31, 2020 and 2019, 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 SME).

*Basis for Opinion*

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation 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 the 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 SME, 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.

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RSM

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AUDIT, TAX, CONSULTING

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

*Auditors' 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 auditors' 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 PSA 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, these could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with PSA, 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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Foundation 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 manner that achieves fair presentation.

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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 audits.

**Report on the Supplementary Information Required under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes and licenses in Note 20 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 the Tropical Disease Foundation, Inc. The information has been subjected to the auditing procedures applied in our audits of the basic financial statements and in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**REYES TACANDONG & Co.**

*Pamela Ann P. Escudado*  
PAMELA ANN P. ESCUDADO

Partner  
CPA Certificate No. 128829  
Tax Identification No. 216-321-918-000  
BOA Accreditation No. 4782; Valid until August 15, 2021  
SEC Accreditation No. 1471-AR-1 Group A  
Valid until June 4, 2021  
BIR Accreditation No. 08-005144-013-2020  
Valid until January 1, 2023  
PTR No. 8116481  
Issued January 6, 2020, Makati City

October 30, 2020  
Makati City, Metro Manila

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