

A N N U A L R E P O R T

2011-2012



**Tropical Disease  
Foundation Inc.**



## Our Vision

Equitable universal access to health for economic prosperity

## Our Mission

National and local community development through research, training, service, and healthcare delivery in the prevention and control of infectious diseases of public health importance.

## Our Thrusts

To conduct research, training and service in infectious diseases of public health importance

To enter into partnership with public and private agencies in the implementation of programs in the control of infectious diseases

To enter into partnership with national and international institutions involved in research to ensure technology transfer

To enter into a multi-sector partnership with other disciplines to ensure that cured patients are socio-economically productive

To serve as a national and international training center for infectious diseases



## INTRODUCTION

# Forging Ahead

The year 2011 to 2012 was one of renewal for the Tropical Disease Foundation. Ongoing involvement in projects of international importance, encompassing research, service, and training, continue to renew TDF's vision of providing access to quality healthcare for Filipinos. In turn, beneficiaries are invigorated as they are freed from the burdens of disease.



## Message

We look back on the past year at the Tropical Disease Foundation as a time for reflection and resolve.

The year 2011-2012 saw a myriad of achievements in the fields of research, training, and service, primarily towards fighting tuberculosis, which we describe in further detail in the following pages. We are proud of and continue to support our hard-working and internationally-recognized staff in their endeavors, and we are happy to provide expertise in socially relevant illnesses.

At the same time, we look ahead to expanding our horizons and pursuing grand aspirations in serving fellow Filipinos. As we examine our priorities as a foundation and identify more areas where we can create the deepest impact, we forge ahead with the resolve to continue doing what we do best while keeping our eyes open to innovation. We resolve to maintain our relevance and to move forward towards creative ways of responding to new public health problems.

Next year, TDF will be celebrating its 30th anniversary. Looking back, thirty years of quality research, training, and service for Filipinos most in need has been the source of thirty years of pride. We look forward and we forge ahead with the determination to do more and become better.

We thank you for your unwavering support on our journey. We invite you to stick around for more, as more challenges and opportunities lie ahead.

Sincerely,

**(SGD) DR. ROBERTA C. ROMERO**

Officer In Charge



**The TDF's Directly Observed Treatment, Short-course (DOTS) clinic** continues its second year of providing quality TB treatment services for those most in need. In 2011 to 2012, 70 patients were enrolled in DOTS, 3 of whom have been cured, 25 of whom have completed treatment, 2 of whom were defaulted, 8 of whom were transferred out to another DOTS facility for continuation of treatment and 32 of whom are still receiving treatment.

**TDF's laboratory has also been active by providing free multi-drug resistant TB (MDR-TB) screening services** to referred patients. Eighty-four patients were referred to the laboratory in 2011 to 2012, of which 12 were found to have MDR-TB. The twelve MDRTB patients were referred to PMDT (Programmatic Management of Drug-resistant Tuberculosis) Treatment Centers for initiation of treatment. The 72 patients, who were either negative AFB smears and culture, Mono- or- Poly resistant TB, and with other lung diseases were referred back to referring physicians for further management.







**To fulfill its mission for excellence in research,** TDF completed one study and is continuing three studies to further knowledge in TB treatment, all supported by Otsuka Philippines. One hundred thirty-five subjects completed a study to assess final outcomes of treatment using new anti-TB medication. One hundred fifty subjects have been enrolled in a study to investigate a new diagnostic TB test.

The first study was conducted by the TDF Clinical Research unit from July 2008 to January 2011 to evaluate the safety, efficacy, and pharmacokinetics of a new drug administered to MDR-TB patients for 56 consecutive days. The TDF site enrolled 30% and had the highest enrollment of the global subjects of 482 patients.

The second phase was an extension of the first phase, exposing the subjects to the drug over a longer time period. The study started in October 2009 and ended in June 2010. A total of 49 subjects (28 non-rollover and 21 rollover) have been enrolled out of the 150 original patients. Three hundred and four subjects have been enrolled in a new study comparing responses to different TB tests.

All studies will add to knowledge about how health workers can address the challenges of treating tuberculosis globally. By playing a central role in the research process, TDF solidifies its leadership in the health research field by renewing how practitioners understand and fight TB.





**Solid internal capacity building** renews the foundation's abilities to provide quality health care. Representatives from TDF's clinic were invited to attend a training in provider-initiated HIV counseling and testing which was facilitated by Department of Health through Makati City Health Department in October 2011. Tuberculin Skin Testing and Reading Training was done in November 2011 to capacitate and standardize the TDF nurses in TST administration and reading. In February and March 2012, the laboratory staff provided a lecture series on biosafety to the rest of the TDF staff. Assistant Laboratory Manager Claudette Guray also presented at the International Symposium on Advocacy and Partnership on Biosafety and Biosecurity in the Philippines in Davao City. All laboratory staff received training in different areas as well, including biosafety, equipment training, and diagnostics. As part of its dedication to providing quality health care, staff were also trained in Good Clinical Practice (GCP), an international standard in best practices in healthcare.

**Even infrastructure has room for renewal.** The TDF facilities are currently undergoing refurbishing in keeping with international standards. In 2012, the first and second floors were installed with air-handling systems conforming to standards set by the World Health Organization. This will ensure that rooms will be sealed to avoid contamination. Additionally, the TDF laboratory also participates in regular external quality assurance tests provided by the Bangkok National TB Reference Laboratory, the Korea Institute of Tuberculosis, and the France-based Integrated Quality Laboratory Services. The IQLS test has shown that TDF has almost perfect performance standards in its key services, receiving 100% scores in TB culture identification and testing using first and second line TB drugs. TDF's consistently well-performing facilities are a testament to its dedication to wellness in our world.

**As it begins new projects and continues to contribute to knowledge in global health issues, TDF looks forward to realizing further its potential for innovation and change.**



TDF's HISTORY IN RESEARCH,  
SERVICE AND TRAINING

# Looking Back

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





## Linkage with the Makati Medical Center

Through a Memorandum of Agreement with the Makati Medical Center (MMC) in 1987, the TDF transferred to the MMC, and Dr. Constantino P. Manahan was elected as the Chairman of the TDF Board of Trustees.



Through the generosity of donors and friends, the Foundation inaugurated its research laboratory on mycobacteriology, including fluorescent sputum smear microscopy, TB culture, and drug sensitivity testing, on 2 February 1988. The launch was graced by the presence of Professor Calvin M. Kunin and Dr. Constantino P. Manahan. With these laboratory facilities, the TDF was able to pursue its activities in training and research in tropical infectious diseases.

The TDF established an Institutional Review Board, serving the other clinical staff of the MMC, who was involved in clinical trials. The TDF has undertaken research projects in accordance with the provisions of the Helsinki Declaration.



## Accomplishments in Research

The TDF fulfilled several major accomplishments in its research of various diseases. In 1988, the TDF published the first edition of the Guidelines on Anti-Microbial Therapy. One year later, Dr. Roberta Romero headed research on leprosy. Throughout the 1990s, research was conducted on hepatitis B, herpes simplex, rubella, and multi-drug resistant typhoid fever. Additionally, TDF employees gave trainings and built capacity in these diseases.

## Supporting the Public Health Programs

In 1997, the Tropical Disease Foundation was commissioned by the Department of Health to do the Nationwide TB Prevalence Survey. This survey found that more TB symptomatics consulted the private sector more than the public which offered free diagnostic and treatment services for TB. This proved that even if DOTS was nationwide in the National TB Program (NTP) infrastructure, there will always be missing cases since these patients go to the private sector.







In response to this finding, the Tropical Disease Foundation, the research arm of the Makati Medical Center (MMC), a tertiary private hospital, set up the MMC DOTS Clinic in the spirit of private-public collaboration with the Department of Health (DOH) and its local government unit, barangay San Lorenzo.

For some time, the MMC DOTS Clinic was then the only referral center for MDR-TB providing internationally accepted standards of MDR-TB care through the guidance of the GLC. Eventually, a network consisting of a) referring DOTS facilities, b) the Treatment Center and c) a quality assured laboratory emerged as the basic unit or “Pilot Model Unit” for MDR-TB. The TDF laboratory that had been doing TB work since 1988 became quality assured for DST by the Korea Institute of TB (KIT), its SNL in 2003.

It later became the very first DOTS-Plus pilot project approved in 2000 to provide MDR-TB management by the Green Light Committee (GLC), a technical subgroup of the Working Group on Drug-Resistant TB of the Stop TB Partnership. It has established a satellite DOTS-Plus and housing facility, Kabalikat sa Kalusugan (KASAKA), in partnership with the Philippine Tuberculosis Society, Inc. at the Quezon Institute in Quezon City. In recognition of its outstanding pioneering work, this pilot project has been recommended as a center of excellence in MDR-TB management.

By word of mouth, more patients were referred for management and the clinic became overcrowded in due time. Enrolled patients came everyday for 18 months to avail of the services no matter how far they came from. Because services were completely centralized from 1999-2002, default became a problem for many patients. Hence, in the 2002 GLC monitoring visit, it strongly recommended that MDR-TB services be expanded outside the MMC since patients were coming from different parts of the country. The “Pilot Model” served as the template for this expansion.



## TDF as Principal Recipient of the Global Fund to Fight AIDS, Tuberculosis, and Malaria

The Foundation was awarded resources by the Global Fund to fight TB, malaria and HIV. As its Principal recipient from 2003 to 2009, the foundation carried out programs dedicated to these diseases. Foremost in its notable efforts, the foundation pioneered the establishment of multiple centers capable of the diagnosis and treatment of Multidrug Resistant Tuberculosis. Among these are the Bahay na Kabalikat sa Kalusugan of the Philippine TB Society, the Lung Center of the Philippines, and other health centers in the country.

A total of 40 provinces were covered for malaria projects which aimed to improve diagnosis of malaria by training barangay health workers, providing available antimalarial drugs, and distributing treated bed nets. In the HIV-AIDS program, 18 sites were established to improve the management of sexually transmitted diseases while 8 treatment hubs nationwide were setup to care for HIV patients and provide free medications.

## TDF Today

Today, TDF remains a leader in research, particularly in tuberculosis. Since 2008, it has been involved with Otsuka Pharmaceuticals in studies for a new TB treatment drug, which will be introduced in standard TB treatment. It has also been one of the organizations involved with the United States Center for Disease Control and Prevention's (US CDC) Preserving Effective TB Treatment Study (PETTS) and as an evaluation site for Foundation for Innovative New Diagnostics' (FIND) new diagnostic method called GeneXpert. TDF has opened its DOTS clinic to the public, serving Filipinos affected by TB in the local community. The Foundation also continues to remain current with international standards by updating its facilities, including its world-class laboratory.





2011-2012

# Projects

As TDF forges ahead to meet head-on with the evolving challenges of public health in the Philippines, its staff continues to be involved in research, service, and training to remain astride with current needs while keeping up with changes and trends in practicing health work. Here are the projects that TDF has been involved with in the past fiscal year.



## TDF serves local community through clinic and laboratory services

Tropical Disease Foundation, Inc. (TDF), in cooperation with the Makati City Health Department and the Department of Health, aims to prevent and eliminate the spread of tuberculosis (TB), the most common communicable disease in the Philippines, through Directly-Observed Treatment Short-course strategy (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 private 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. The TDF-DOTS Clinic aims to improve the continuum of effective and quality care of TB symptomatics and TB patients, make treatment and quality services accessible to TB patients, and issue timely results for prompt initiation of treatment. It serves to increase case detection and cure rate of TB cases in the locality; strengthen and systemize the referral system to guide hospitals, diagnostic clinics, schools, and business establishments in ensuring the continuum of TB care; and enhance TB-related health-seeking behavior by the communities served, especially TB symptomatics.







The TDF-DOTS Clinic re-opened in November 2010 and is located in the heart of Makati. It mostly caters to patients who live or work within a two kilometer radius, whether they are walk-in patients or referrals by physicians of nearby hospitals such as Makati Medical Center (MMC), diagnostic clinics, schools, and business establishments. Internationally-trained medical and laboratory staff at TDF provide proper care and treatment to visiting patients.

To accommodate the working sector, clinic operations extend from early morning until late in the afternoon. TB kits (drugs) and lab supplies come from Department of Health through the Makati City Health Department. AFB sputum smear tests for TB suspects are facilitated, while treatment is initiated for patients whose sputum is tested positive for TB bacteria. Patients who are smear negative/ X-ray positive pulmonary TB are referred to the TB Diagnostic Committee of TDF-MMC, who recommends which patients should undergo treatment. Patients living outside the catchment area and who are diagnosed at the TDF DOTS clinic are being transferred to another DOTS center near their residence for easier access to anti-TB drugs and care.





Thus far, the clinic has helped a number of patients. From 2011 to 2012, the TDF-DOTS Clinic accomplished the following:

• No. of patients enrolled: .....	70
• No. of patients with completed treatment: .....	25
• No. of patients cured: .....	3
• No. of patients defaulted: .....	2
• No. of patients transferred-out patients: .....	8
• No. of ongoing treatment patients: .....	32

TDF laboratory provides diagnostic services for all the samples of patients recruited in the project.

• No. of screening samples tested: .....	183
• No. of follow samples tested: .....	147

## Free MDR-TB Screening

**Additionally, in June 2011, TDF opened its laboratory for free MDR-TB screening services to patients suspected of having MDR-TB and referred by private practitioners, including pulmonologists and infectious disease specialists. From 2011 to 2012, 84 patients were referred and 122 samples were collected at the laboratory. Of these, 12 patients were found to have MDR-TB.**



## Testing new solutions for TB treatment

Beginning in July 2008, TDF began a series of clinical trials in partnership with Otsuka Pharmaceutical Development and Commercialization, Inc. to test a new drug for TB treatment. In 2011, a registry study, in partnership with Otsuka Frankfurt Research Institute GmbH, was conducted as a follow-up.

Further studies are planned for 2012 and beyond.



### **Registry for Data Collection to Determine Final Treatment Outcomes of Multi-drug Resistant Tuberculosis Patients Previously Enrolled in Otsuka Trials Assessing Treatment with OPC-67683 (Protocol No. 242-10-116)**

The registry started in February 2011 and was conducted by the clinical research staff to collect information routinely documented in the patient medical records or in a national tuberculosis program. No registry-required interventions or procedures were conducted and the trial drug was not administered. Through the registry study, the data collected was in accordance with WHO recommendations and/or national programs routinely being documented in patient medical records per standard of care. Data collected included microbiological data from the treatment course, and final treatment outcomes from patients with MDR-TB who were enrolled in the two clinical trials. The study also assessed final treatment outcomes

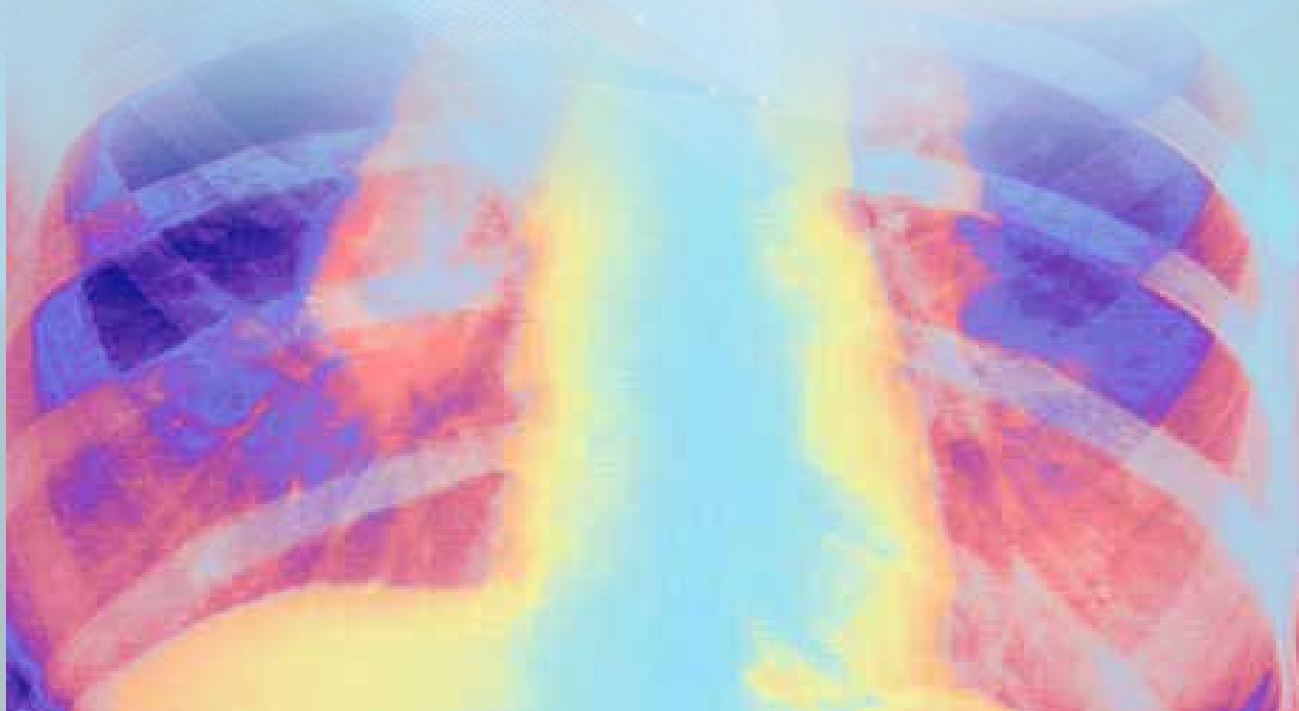


for patients who previously participated in the phase 2 trial assessing efficacy and safety of OPC-67683. The study aimed to accelerate approval of the trial drug in the EU.

The TDF registry staff had to go to several of the 7100 islands of the Philippines. Patients, from Ilocos in the north to Zamboanga in the south, gave their consent. From 2011 to 2012, 144 out of 150 eligible patients gave consent for their data to be used in the registry. Out of these, data from 135 patients were fully entered and source-verified. The study closed in June 2012.

### **Investigational study using LAM-specific antibodies to detect *Mycobacterium tuberculosis* in Sputum**

This is the first stage of an exploratory study of a new diagnostic TB test using lipoarabino-mannan (LAM), a component of the cell wall of *Mycobacterium tuberculosis*. Otsuka envisions a point-of-care test combining their knowledge with LAM and immunochromatographic tests.







# Capacity Building

## and FOUNDATION DEVELOPMENT

Part of moving and forging ahead to keep up with evolving challenges of global health is building capacity in new skills, knowledge, and technology, enabling TDF staff to be more effective health practitioners and development workers. The TDF staff were provided support to attend various trainings and symposia to continue developing their skills and expertise as health professionals.





## Capacity-building Activities

Courses Attended by TDF Staff 2011 - 2012

Course	Date	Location
OPC-67683-MDR TB Phase III Protocol 242-09-213 Peru-Philippines Cross Training	Apr 11-12, 2012	Blufstein Laboratorio Clinico Lima, Peru
Good Clinical Laboratory Practice Course	Apr 2-3, 2012	TDF Makati City
Basic Training on Direct Sputum Smear Microscopy (DSSM)	Mar 12-16, 2012	Philippine Tuberculosis Society Inc., Quezon City
T-spot Test Training	Jan 13-14, 2012	TDF Makati City
Tuberculin Skin Testing and Reading	Nov 22 & 25, 2011	TDF, Makati City
Medical Equipment Training Course-Module 7	Nov 14, 2011- Dec 9, 2011	Laguna
Training on Provider Initiated HIV Counseling and Testing (DOH)	Oct 17-19, 2011 Oct 19-21, 2011	Robbinsdale Hotel, Quezon City
Advanced Biosafety Officers Training Course (Quarter 4)	Sep 6-11, 2011	Research Institute for Tropical Medicine Muntinlupa, Alabang
2nd advanced Course on Diagnostics	Aug 29, 2011- Sep 2, 2011	Fondation Merieux, Lyon, France
Beyond TB control: Bridging the gaps-PhilCat Convention	Aug 18-19, 2011	Ortigas, Mandaluyong City
Research and Training for Mycobacterium tuberculosis Molecular Genetics	Jul 25, 2011- Sep 30, 2011	CDC Taipei, Taiwan



## TDF passes External Quality Assurance (EQA) for laboratory tests

The TDF laboratory regularly participates in EQA provided by the Bangkok National TB Reference Laboratory and the Korean Institute of Tuberculosis (KIT). Bangkok NTRL validates the microscopy test using Auramine O stain while KIT provides quality assurance for DST for 1st line drugs using MGIT and 7H10 agar media.

In addition to Bangkok NTRL and KIT, the TDF laboratory has participated in the EQA provided by Integrated Quality Laboratory Services (IQLS), based in Lyon, France since December 2011. The IQLS provides quality assurance for AFB smear microscopy using Auramine O, TB culture identification, and DST on MGIT both for 1st and 2nd line drugs.

As seen in the table below, TDF's laboratory has performed successfully in the standard diagnostic testing for TB, confirming TDF's adherence to international standards.

<b>TEST</b>	<b>Round 1 (December 2011- February 2012)</b>	<b>Round 2 (March – June 2012)</b>
Microscopy (Fluorescent)	82.5%*	100%
TB culture identification	100%	100%
DST- 1st Line Drugs (MGIT)	100%	97.50%
DST- 2nd Line Drugs (7H10 Agar)**	100%	100%
DST- 2nd Line Drugs	Not Done	Not Done
<b>Average</b>	<b>94.25 %</b>	<b>99.50%</b>





## Technical Assistance

As a leading public health foundation specializing in treating infectious diseases of public health importance, TDF staff are given opportunities to share their expertise with others in the field. In 2011-2012, TDF staff participated in various lectures on a wide range of specializations. Lectures on laboratory biosafety, particularly for tuberculosis practitioners, were provided in Baguio City, Makati City, and Davao City. A lecture on good clinical practice (GCP) was also shared at TDF's main office. Finally, an overview of various infectious diseases within TDF's expertise, including TB, HIV/AIDS, and hepatitis A and B was given at a lecture also held at TDF's main office in Makati City.







Course	Date	Location
4th International Symposium on Advocacy and Partnership on Biosafety and Biosecurity in the Philippines	May 28-31, 2012	Grand Men Seng Hotel, Davao City
TB, HIV/ AIDS, HEPA A&B 101 Lecture	Feb 17, 2012	TDF, Makati City
Biosafety Lecture Series	Feb 9, Mar 7 and 14, 2012	TDF, Makati City
ICH-GCP Training-Workshop	Jan 20, 2012	TDF, Makati City
“Biosafety Program for a Tuberculosis (TB) Public Health Laboratory”, International Symposium Advocacy and Partnership in Biosafety and Biosecurity in the Philippines	Nov. 25-26, 2011	Golden Pine Hotel, Baguio City







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Dr. Reynaldo Rivera	Dr. Conrado Lorenzo
Dr. May Sison	Dr. Bernardo Cueto
Philippine Orthopedic Institute	Dr. Ernesto Santos
Dr. Vicente Arguelles	Dr. Bernardita Gabriel
Aurelia Gopuansuy	Hali Gopuansuy
Roberto Gopuansuy	Panda Devt. Corp.
Dr. Aurelia Leus	Dr. Prudencio Dy
Dr. Grace Luna	Dr. Victor Alvarez
Dr. Santiago del Rosario	Dr. Paul Tan
Dr. Regina Liboro	Dr. Salvador Valdez
Dr. Elizabeth Rondain	Dr. Manuel Kanapi
Dr. Antonio Mendoza	Dr. Genara Limson
Dr. Abundio Balgos	Dr. Gregorio Ocampo
Dr. Danilo Francisco	Crysuma Trading
Electro Systems Ind.	Dr. Monina Ozaeta
Dr. & Mrs. Paulino Tenchavez	Dr. Eric Nubla
Dr. Ma. Lourdes Gozali	Engr. Proceso Ramos
Carmelita Amora	Dr. Miguel Celdran
Jose Solano	Dr. Rosario Alcaneses
Dr. Manuel Canlas	Dr. Teresa Fontillas
Dr. Erlinda Escara	Dr. Dennis Garcia
Dr. Romeo Nuguid	Dr. Jorge Arkoncel
Dr. Luz Gamez	Dr. Francisco Barros
Dr. Rodrigo Cesario	Nilo's Machine
Herophil	Salvador Martinez
Atty. Victoria Martinez	Atty. Robert Abad
Dr. Raymund Serina	Alfonso Tiu/Concept Packaging
Paris Manila Technology	Dr. Leticia Andres
Dr. Luis Capuchino	Dr. Julius Lecciones
Nell Datu	Arlene Pioderoda
Milly Chua	Elly Dejaresco
Peter Dejaresco	Bingo Dejaresco
Sister Tajanlangit	Danny Anastacio
Dr. Natividad Alimurong	Novartis



# Financial Statements

2011-2012

INDEPENDENT AUDITOR'S REPORT

STATEMENT OF FINANCIAL POSITION

STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF CHANGES IN FUND BALANCES

STATEMENT OF CASH FLOWS

NOTES TO FINANCIAL STATEMENTS

**R.S. BERNALDO & ASSOCIATES**

A correspondent firm of Panell Kerr Forster International

SEC Accreditation No. 0153-FR-1  
CDA CEA No. 013-AF**PKF**  
worldwide

## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
**TROPICAL DISEASE FOUNDATION, INC.**  
Philippine Tuberculosis Bldg., Amorsolo corner Urban Avenue,  
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, 2012 and 2011, and the statements of comprehensive income, statements of changes in equity 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, 2012 and 2011, 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 statement 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 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, 2012

SEC Group A Accredited

Accreditation No. 0153-FR-1

Valid until September 13, 2014

BSP Group B Accredited

Valid until February 14, 2014

CDA CEA No. 013-AF

Valid until October 25, 2013

  
**ROMEO A. DE JESUS, JR.**

Partner

CPA Certificate No. 86071

SEC Group A Accredited

Accreditation No. 1135-A

Valid until July 5, 2014

BIR Accreditation No. 08-004744-1-2012

Valid from April 10, 2012 until April 9, 2015

Tax Identification No. 109-227-897

PTR No. 0009052

Issued on January 6, 2012 at Makati City

December 5, 2012



## TROPICAL DISEASE FOUNDATION, INC.

*(A Non-Stock, Not-for-Profit Organization)*

### STATEMENTS OF FINANCIAL POSITION

July 31, 2012 and 2011

(In Philippine Peso)

	NOTES	2012	2011
<b>A S S E T S</b>			
<b>Current Assets</b>			
Cash	7	18,412,679	46,806,845
Advances and other receivables – net	8	11,163,940	9,955,038
		<b>29,576,619</b>	56,761,883
<b>Non-current Assets</b>			
Available for-sale-financial assets	9	31,464	24,221
Property and equipment – net	10	93,131,550	98,241,791
Investment in trust fund	12	162,159,606	105,950,209
Refundable deposit	11	818,734	1,076,786
		<b>256,141,354</b>	205,293,007
<b>TOTAL ASSETS</b>		<b>285,717,973</b>	262,054,890
<b>LIABILITIES AND FUND BALANCES</b>			
<b>L I A B I L I T I E S</b>			
<b>Current Liabilities</b>			
Trade and other current liabilities	13	13,504,598	15,367,795
Funds held in trust	15	20,496,004	20,556,900
<b>TOTAL LIABILITIES</b>		<b>34,000,602</b>	35,924,695
<b>FUND BALANCES</b>			
Members' contribution	18	70,000	70,000
Fund balance	18	250,444,785	225,298,968
Fair value gain on financial asset – trust fund	12	1,173,372	739,256
Fair value gain on available-for-sale financial asset	19	29,214	21,971
<b>TOTAL FUND BALANCES</b>		<b>251,717,371</b>	226,130,195
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<b>285,717,973</b>	262,054,890

(Notes to Financial Statements are available upon request at [inquiries@tdf.org.ph](mailto:inquiries@tdf.org.ph))


**TROPICAL DISEASE FOUNDATION, INC.**
*(A Non-Stock, Not-for-Profit Organization)*
**STATEMENTS OF COMPREHENSIVE INCOME**

For the Years Ended July 31, 2012 and 2011

(In Philippine Peso)

	NOTES	2012	2011
<b>SOURCES OF FUNDS</b>	20	<b>56,704,045</b>	107,514,579
<b>OTHER INCOME</b>	21	<b>8,629,761</b>	2,858,353
		<b>65,333,806</b>	110,372,932
<b>PROGRAM EXPENSES</b>	22	<b>32,045,986</b>	45,125,954
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	23	<b>6,910,433</b>	6,440,433
<b>OTHER EXPENSES</b>	24	<b>1,117,737</b>	7,512,543
<b>FINANCE COSTS</b>	25	-	232,445
		<b>40,074,156</b>	59,311,375
<b>EXCESS OF INCOME OVER EXPENSES BEFORE TAX</b>		<b>25,259,650</b>	51,061,557
<b>INCOME TAX EXPENSE</b>	28	<b>113,833</b>	125,631
<b>EXCESS OF INCOME OVER EXPENSES AFTER TAX</b>		<b>25,145,817</b>	50,935,926
<b>FAIR VALUE GAIN ON AVAILABLE-FOR-SALE</b>			
<b>FINANCIAL ASSET</b>	19	<b>7,243</b>	3,168
<b>FAIR VALUE GAIN ON FINANCIAL ASSET-TRUST FUND</b>	12	<b>434,116</b>	739,256
<b>EXCESS OF INCOME OVER EXPENSES</b>		<b>25,587,176</b>	51,678,350

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

For the Years Ended July 31, 2012 and 2011  
(In Philippine Peso)

	Notes	Members' Contribution	Fund Balance	Fair value gain of financial asset-trust fund	Fair value gain on Available-For-Sale Financial Asset	Total
Balance at July 31, 2010		70,000	174,363,042	-	18,803	174,451,845
Excess of income over expenses		-	50,935,926	-	-	50,935,926
Fair value gain on financial asset – trust fund		-	-	739,256	-	739,256
Fair value gain on available-for-sale financial asset		-	-	-	3,168	3,168
Balance at July 31, 2011		70,000	225,298,968	739,256	21,971	226,130,195
Excess of income over expenses		-	25,145,817	-	-	25,145,817
Fair value gain on financial asset – trust fund	12	-	-	434,116	-	434,116
Fair value gain on available-for-sale financial asset	19	-	-	-	7,243	7,243
<b>Balance at July 31, 2012</b>		<b>70,000</b>	<b>250,444,785</b>	<b>1,173,372</b>	<b>29,214</b>	<b>251,717,371</b>

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## TROPICAL DISEASE FOUNDATION, INC.

*(A Non-Stock, Not-for-Profit Organization)*

### STATEMENTS OF CASH FLOWS

For the Years Ended July 31, 2012 and 2011

(In Philippine Peso)

	NOTES	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Excess of income over expenses before tax		25,259,650	51,061,557
Adjustments for:			
Depreciation	10	6,194,605	6,533,216
Unrealized foreign exchange loss – net	24	509,935	7,512,543
Provision for credit losses	23	274,458	-
Trust fund income	12	(2,927,486)	(258,988)
Finance income	21	(74,327)	(256,173)
Finance cost	25	-	232,445
Operating cash flows before changes in working capital		29,236,835	64,824,600
(Increase) Decrease in operating assets:			
Advances and other receivables		(1,580,305)	18,830,015
Refundable deposit		258,051	29,282
(Decrease) Increase in operating liabilities:			
Trade and other current liabilities		(1,880,084)	(12,158,070)
Funds held in trust		(60,896)	(228,542,618)
Net cash from (used) in operating activities		25,973,601	(157,016,791)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property and equipment	10	(1,084,364)	(2,555,670)
Additions to investment in trust fund		(52,847,795)	(105,210,953)
Finance income received	21	74,327	256,173
Net cash used in investing activities		(53,857,832)	(107,510,450)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of loans		-	(13,131,948)
Finance cost paid		-	(232,445)
Net cash used in financing activities		-	(13,364,393)
<b>EFFECTS OF FOREIGN EXCHANGE RATE</b>	24	(509,935)	(7,512,543)
<b>NET DECREASE IN CASH</b>		(28,394,166)	(285,404,177)
<b>CASH AT BEGINNING OF YEAR</b>	7	46,806,845	332,211,022
<b>CASH AT END OF YEAR</b>		18,412,679	46,806,845

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