
***Mindoro Biodiversity
Conservation
Foundation, Inc.***

(A non-stock, non-profit
organization)

Financial Statements

As at and for the year ended December 31, 2016

**(With comparative amounts and notes as at and for the year
ended December 31, 2015)**



Independent Auditor's Report

To the Board of Trustees of
Mindoro Biodiversity Conservation Foundation, Inc.
(A non-stock, non-profit organization)
Gumamela Street Barangay Suqui
Calapan City Oriental Mindoro

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Mindoro Biodiversity Conservation Foundation, Inc. (the "Foundation") as at December 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards for Small and Medium-Sized Entities (PFRS for SMEs).

What we have audited

The financial statements of the Foundation comprise:

- the statement of assets, liabilities and fund balance as at December 31, 2016;
- the statement of total comprehensive income for the year ended December 31, 2016;
- the statement of changes in fund balance for the year ended December 31, 2016;
- the statement of cash flows for the year ended December 31, 2016; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for Our Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

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 our 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.

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RDO No. 63 Calapan City

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BERNADETTE M. MAGBOO

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Other matter

The financial statements of Mindoro Biodiversity Conservation Foundation, Inc. as at and for the year then ended December 31, 2015 were audited by another independent auditor whose report, dated April 11, 2016, expressed an unqualified opinion on those statements. Our opinion is not qualified in respect of this matter.

As part of our audit of the 2016 financial statements, we also audited the adjustments described in Note 13 that were applied to restate the financial statements as at and for the year ended December 31, 2015. In our opinion, such adjustments are appropriate and properly applied. We were not engaged to audit, review or apply any procedures to the financial statements as at and for the year ended December 31, 2015 other than with respect to the adjustments, and accordingly, we do not express opinion or any other form of assurance on these financial statements taken as a whole.

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 SMEs, 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.

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.

Auditor's 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 an auditor's 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, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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To the Board of Trustees of
Mindoro Biodiversity Conservation Foundation, Inc.
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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 effectiveness of 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 auditor's 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 auditor's 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 a manner that achieves fair presentation.

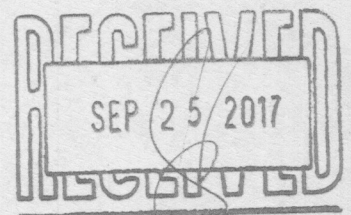
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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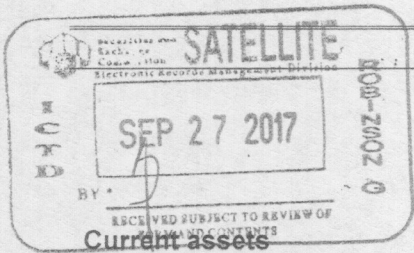
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Mindoro Biodiversity Conservation Foundation, Inc.
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Statement of Assets, Liabilities and Fund Balance
As at December 31, 2016
(With comparative amounts as at December 31, 2015)
(All amounts in Philippine Peso)



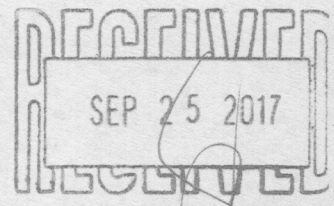
	Notes	2016	2015 (As restated)
ASSETS			
Current assets			
Cash on hand and in-bank	2	14,814,209	11,857,962
Receivables	6	49,500	-
Prepayments and other current assets	3,10	585,537	687,295
Total current assets		15,449,246	12,545,257
Non-current assets			
Property and equipment, net	4	755,787	357,342
Total assets		16,205,033	12,902,599
LIABILITIES AND FUND BALANCE			
Current liabilities			
Accrued expenses and other current liabilities	5	468,626	265,777
Fund balance			
Prior period accumulated excess of receipts over expenses		12,636,822	5,374,830
Excess of receipts over expenses		3,099,585	7,261,992
Total fund balance		15,736,407	12,636,822
Total liabilities and fund balance		16,205,033	12,902,599

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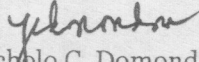


Independent Auditor's Report
To the Board of Trustees of
Mindoro Biodiversity Conservation Foundation, Inc.
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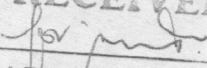
Report on the Bureau of Internal Revenue Requirements

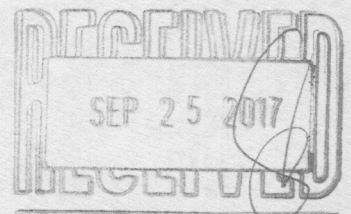
Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 14 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Isla Lipana & Co.


Pocholo C. Domondon
Partner
CPA Cert. No. 108839
P.T.R. No. 0011401; issued on January 6, 2017 at Makati City
SEC A.N. (individual) as general auditors 1567-A, Category A; effective until June 9, 2019
SEC A.N. (firm) as general auditors 0009-FR-4; Category A; effective until July 15, 2018
T.I.N. 213-227-235
BIR A.N. 08-000745-128-2016; issued on January 26, 2016; effective until January 25, 2019
BOA/PRC Reg. No. 0142, effective until September 30, 2020

Makati City
August 30, 2017

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Statement Required by Section 8-A, Revenue Regulation No. V-1

To the Board of Trustees of
Mindoro Biodiversity Conservation Foundation, Inc.
(A non-stock, non-profit organization)
Gumamela Street Barangay Suqui, Calapan City Oriental Mindoro

None of the partners of the firm have any financial interest in Mindoro Biodiversity Conservation Foundation, Inc. or any family relationships with its president, manager, or trustees.

The supplementary information on taxes and licenses is presented in Note 14 to the financial statements.

Isla Lipana & Co.

Pocholo C. Domondon
Partner

CPA Cert. No. 108839

P.T.R. No. 0011401; issued on January 6, 2017 at Makati City

SEC A.N. (individual) as general auditors 1567-A, Category A; effective until June 9, 2019

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Mindoro Biodiversity Conservation Foundation, Inc.
(A non-stock, non-profit organization)

Statement of Total Comprehensive Income
For the year ended December 31, 2016
(With comparative amounts for the year ended December 31, 2015)
(All amounts in Philippine Peso)

	Notes	2016	2015 (as restated)
Receipts			
Donations	7	17,988,099	15,267,800
Interest income	2	51,218	-
Total receipts		18,039,317	15,267,800
Expenses			
Program expenses	8	(11,997,137)	(6,522,695)
Operating expenses	9	(2,942,595)	(1,483,113)
Total expenses		(14,939,732)	(8,005,808)
Excess of receipts over expenses		3,099,585	7,261,992
Other comprehensive income		-	-
Total comprehensive income for the year		3,099,585	7,261,992

The notes on pages 1 to 10 are integral part of these financial statements.

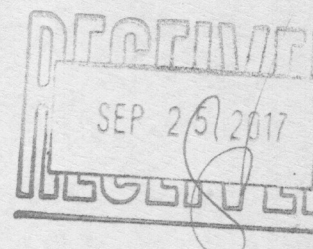
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Mindoro Biodiversity Conservation Foundation, Inc.
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Statement of Changes in Fund Balance
For the year ended December 31, 2016
(With comparative amounts for the year ended December 31, 2015)
(All amounts in Philippine Peso)

	Total
Balance at January 1, 2015	5,374,830
Comprehensive income for the year	
Excess of receipts over expenses for the year	7,261,992
Other comprehensive income	-
Total comprehensive income for the year	7,261,992
Balance at December 31, 2015, as restated	12,636,822
Comprehensive income for the year	
Excess of receipts over expenses for the year	3,099,585
Other comprehensive income	-
Total comprehensive income for the year	3,099,585
Balance at December 31, 2016	15,736,407

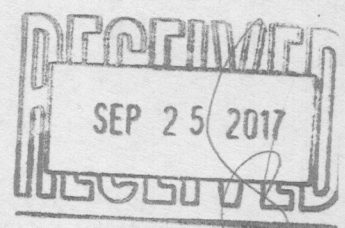
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Mindoro Biodiversity Conservation Foundation, Inc.
(A non-stock, non-profit organization)

Statement of Cash Flows
For the year ended December 31, 2016
(With comparative amounts for the year ended December 31, 2015)
(All amounts in Philippine Peso)

	Notes	2016	2015 (as restated)
Cash flows from operating activities			
Excess of revenue over expenses		3,099,585	7,261,992.
Adjustments for:			
Depreciation and amortization	4	288,637	261,132
Interest earned	2	(51,218)	-
Excess of receipts over expenses before working capital changes		3,337,004	7,523,124
Changes in:			
Receivables		(49,500)	-
Prepayments and other current assets		101,758	(396,231)
Accrued expenses and other current liabilities		202,849	(582,177)
Cash generated from operations		3,592,111	6,544,716
Interest received		51,218	-
Net cash provided by operating activities		3,643,329	6,544,716
Cash flows from an investing activity			
Acquisition of property and equipment	4	(687,082)	(509,055)
Net increase in cash on hand and in banks		2,956,247	6,035,661
Cash on hand and in banks at beginning of year		11,857,962	5,822,301
Cash on hand and in banks at end of year	2	14,814,209	11,857,962

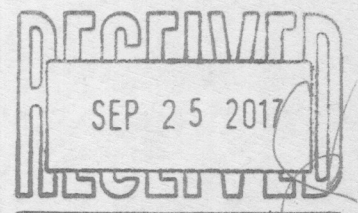
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Mindoro Biodiversity Conservation Foundation, Inc.
(A non-stock, non-profit organization)

Notes to the Financial Statements

As at and for the year ended December 31, 2016

(With comparative amounts as at and for the year ended December 31, 2015)

(All amounts are shown in Philippine Peso unless otherwise stated)

DATE: SEP 20 2017

Note 1 - General information

Mindoro Biodiversity Conservation Foundation, Inc. (the "Foundation") is a non-stock and non-profit organization formed under the laws of Republic of the Philippines. It was registered with the Securities and Exchange Commission on March 19, 2008.

The purpose of the Foundation is: (1) to enable the conservation of Mindoro's unique and threatened environment, biodiversity and natural resources into perpetuity; (2) to establish an integrated and properly structured biodiversity; (3) to promote greater awareness and concern for the environment; (4) to complete and produce/publish relevant information; (5) to strengthen local expertise and capacity with a view to the improved protection, restoration and management of the island's few remaining natural resources; and (6) to recognize and integrate indigenous knowledge, systems and sustainable practices towards more effective resources management.

Its operations are funded mainly by Shell Philippines Exploration B.V., Chevron Malampaya LLC, and Philippine National Oil Company-Exploration Corporation, joint venture partners of the Malampaya Joint Venture. The Foundation also receives contributions from other organizations.

The Foundation is an organization which is operated mainly for the promotion of social welfare as contemplated under Section 30 (g) of the Tax Code, and therefore, exempt from payment of tax on income received by it. However, it is subject to corresponding internal revenue taxes imposed under the Tax Code on its income derived from any of its properties, real or personal, or any activities conducted for profit regardless of the disposition.

The Foundation's registered office, which is also its principal place of business, is located at Gumamela Street Barangay Suqui, Calapan City, Oriental Mindoro. As at December 31, 2016 and 2015, the Foundation has no regular employees.

The financial statements were approved and authorized for issue on August 30, 2017 by the Board of Trustees of the Foundation.

Note 2 - Cash on hand and in banks

Cash on hand and in banks as at December 31 consist of:

	2016	2015
Cash on hand	-	20,000
Cash in banks	14,814,209	11,837,962
	14,814,209	11,857,962

Cash in banks denominated in foreign currency amounted to USD660 (2015 - USD658). Cash in banks earn interest at prevailing bank deposit rates. For the year ended December 31, 2016, interest income earned amounted to P51,218 (2015 - nil).

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Note 3 - Prepayments and other current assets

Prepayment and other current assets as at December 31 consist of the following:

	Note	2016	2015
Staff advances		448,033	583,479
Deposits	10	132,420	16,500
Other receivable		5,084	5,084
Prepayments		-	82,232
		585,537	687,295

Note 4 - Property and equipment, net

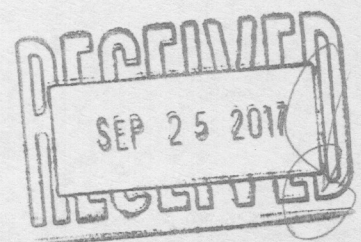
Property and equipment as at December 31 consist of the following:

	Notes	Leasehold improvement	Furniture and equipment	Computer software and accessories	Total
Cost					
At January 1, 2015		7,700	168,930	441,271	617,901
Additions		-	183,485	325,570	509,055
At December 31, 2015		7,700	352,415	766,841	1,126,956
Accumulated depreciation and amortization					
At January 1, 2015		7,273	144,692	356,517	508,482
Depreciation and amortization	8, 9	427	87,844	172,861	261,132
At December 31, 2015		7,700	232,536	529,378	769,614
Net book value at December 31, 2015		-	119,879	237,463	357,342
Cost					
At January 1, 2016		7,700	352,415	766,841	1,126,956
Additions		-	438,694	248,388	687,082
At December 31, 2016		7,700	791,109	1,015,229	1,814,038
Accumulated depreciation and amortization					
At January 1, 2016		7,700	232,536	529,378	769,614
Depreciation and amortization	8, 9	-	167,659	120,978	288,637
At December 31, 2016		7,700	400,195	650,356	1,058,251
Net book value at December 31, 2016		-	390,914	364,873	755,787

Depreciation and amortization have been charged in program expenses and operating expenses as follows:

	Notes	2016	2015
Program expenses	8	216,478	195,849
Operating expenses	9	72,159	65,283
		288,637	261,132

As at December 31, 2016 and 2015, there is no impairment charge recorded against the Foundation's property and equipment.



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Note 5 - Accrued expenses and other current liabilities

Accrued expenses and other current liabilities as at December 31 consist of the following:

	2016	2015
Accounts payable	251,709	168,322
Accrued expenses	150,500	500
Withholding tax payable	66,417	96,955
	468,626	265,777

Accrued expenses pertain to unpaid various program expenses and administrative expenses.

Note 6 - Related party transactions

In the normal course of its operations, the Foundation transacts with companies considered as related parties under Section 33, *Related Party Disclosures*. Transactions with donors mainly consist of (a) funding of expenses and (b) recoveries of expenses for the Foundation's core programs.

In 2016, donations amounting to P15,224,000 (2015 - P15,000,000) and P2,014,050 (2015 - nil) were received from Shell Philippines Exploration BV and Philippine Tropical Forest Conservation Foundation, Inc., respectively. As at December 31, 2016, receivable from donors for the recovery of expenses amounted to P49,500 (2015 - nil).

The Foundation does not pay its trustees any compensation, and has no receivable from or payable to them.

Note 7 - Donations

Donations for the years ended December 31 consist of the following:

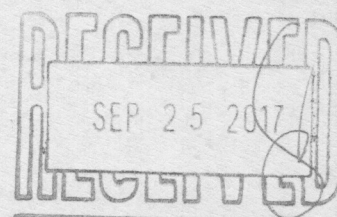
	Note	2016	2015
Shell Philippines Exploration BV	6	15,224,000	15,000,000
Philippine Tropical Forest Conservation Foundation, Inc.	6	2,014,050	-
Deutsche Gessellschaft fur Internationale Zusammenarbeit		566,690	257,800
Department of Environment and Natural Resources		160,000	-
Haribon Foundation Inc.		23,359	-
Provincial Treasurer of Oriental Mindoro		-	10,000
		17,988,099	15,267,800

Note 8 - Program expenses

The components of program expenses for the years ended December 31 are as follows:

	2016	2015
MISSION	5,493,571	2,770,007
CARE	3,785,020	2,545,716
RESEARCH	2,718,546	1,206,972
	11,997,137	6,522,695

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(a) *Resources, Environment, Species and Ecological Assessment for Responsible Change*
(RESEARCH)

This program involves project site profiling, habitat and/or species focused research, studies on ecological services and functions and regular biodiversity monitoring. The Foundation explores the possibility of engaging partnership with research and academic institutions and/or other interested and competent organizations in the implementation of this program.

Program strategies entail conservation research and monitoring, species and/or habitat-focused researches, perception survey, project sites profiling, studies on ecological services and function, and regular biodiversity monitoring.

(b) *Conservation Awareness Raising and Education (CARE)*

This program aims to popularize the biodiversity and cultural significance of Mindoro to gain broader support for its protection and conservation from the general public. Various information, education and communication strategies shall be developed and implemented to increase the conservation awareness of the Mangyans, non- Indigenous People communities and other stakeholders.

Program strategies include communication material development, interpersonal approach of communication, conservation events, flagship species campaign, and providing access to information.

(c) *Mindoro Island Symbolic Species Icons of Nature (MISSION)*

The purpose of this project is to facilitate the formation of community-based biodiversity protection groups who shall take the lead in protecting the different ecosystems, habitats, and threatened endemic species which are symbolic icons of Mindoro Island. This involves development and implementation of intensive biodiversity protection and law enforcement to curtail illegal and destructive activities in conservation priority sites especially in protected areas.

The Foundation intends to design and implement culturally appropriate and sustainable livelihood that would reduce pressure on natural resources and mitigate threats to Mindoro's biodiversity.

Note 9 - Operating expenses

Operating expenses for the years ended December 31 consist of the following:

	Notes	2016	2015
Supplies and materials		524,021	265,986
Staff fees		436,716	332,133
Staff meeting/workshop		419,770	111,592
Rental	10	364,527	109,200
Transportation and travel		261,333	56,897
Staff benefits		226,350	65,965
Professional fees		183,332	150,521
Board meetings and planning		106,975	32,316
Depreciation and amortization	4	72,159	65,283
Communication, light and water		54,994	127,931
Taxes and licenses		31,458	26,122
Miscellaneous		260,960	139,167
		2,942,595	1,483,113

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12.2 Amendments to PFRS for SMEs not yet adopted by the Foundation

DATE: _____

On August 12, 2016, the Financial Reporting Standards Council has adopted the 2016 amendments to International Financial Reporting Standards for Small and Medium-Sized Entities as 2016 amendments to the PFRS for SMEs. The amendments will become mandatory beginning on or after January 1, 2017 and are still subject to approval by the Board of Accountancy.

- Section 5, *Statement of Comprehensive Income and Income Statement*. The amendment included a requirement that entities shall group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss - based on Presentation of Items of Other Comprehensive Income (Amendments to PAS 1) issued in June 2011. The adoption of the amended standard will only affect the presentation of items in other comprehensive income but will not have a significant impact on the Foundation's financial statements taken as a whole.
- Section 17, *Property, Plant and Equipment*. Under the amendment, an entity has now the option to choose either the cost model or the revaluation model as its accounting policy and shall apply that policy to an entire class of property, plant and equipment. The adoption of the amended section will not have significant impact to the Foundation's financial statements since it does not expect to change its accounting policy from cost model to revaluation model.
- Section 20, *Leases*. The amended section clarifies that leases with an interest rate variation clause that is linked to market interest rates will be under the scope of Section 20, *Leases* instead of Section 12, *Other Financial Instruments Issues*. The adoption of the amended section will not have significant impact to the Foundation's financial statements since it does not have lease agreements with an interest rate variation clause.
- Section 33, *Related Party Disclosures*. The amended section aligned the definition of related party with PAS 24, which includes a management entity providing key management personnel services in the definition of a related party.

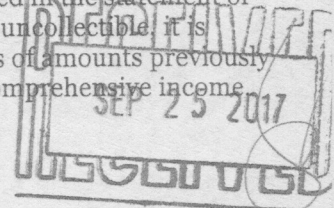
There are no other amendments or interpretations that are effective beginning or after January 1, 2017 that are expected to be relevant to the Foundation.

12.3 Cash on hand and in banks

Cash includes cash on hand and deposits held at call with banks. These are carried in the statement of assets, liabilities and fund balance at face amount or at nominal amount.

12.4 Receivables

Receivables are recognized initially at fair value and subsequently measured at amortized cost using effective interest method, less any provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Foundation will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered as indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of total comprehensive income within 'operating expenses'. When a receivable is uncollectible, it is written off against the allowance account for receivable. Subsequent recoveries of amounts previously written off are credited against 'operating expenses' in the statement of total comprehensive income.



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Receivables are derecognized when collected or when the rights to receive cash flows have expired or have been transferred and the Foundation has transferred substantially all risks and rewards of ownership.

12.5 Prepayments and other current assets

Prepayments, which are carried at cost, are expenses paid in cash and recorded as assets before these are used or consumed, as the service or benefit will be received in the future. Prepayments expire and are recognized as expense either with the passage of time or through use or consumption.

Other current assets are recorded at cost and include assets that are realized as part of the normal operating cycle and are expected to be realized within twelve months after the reporting period. Otherwise, these are presented as non-current assets.

12.6 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and amortization and accumulated impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items, which comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which these are incurred.

Depreciation is calculated using the straight-line method to allocate their cost amounts to their residual values over their estimated useful lives (in years), as follows:

Computer software and accessories	3 years
Furniture and equipment	3 years
Leasehold improvements	Shorter of 3 years or lease term

The estimated useful lives and depreciation method are reviewed annually based on expected asset utilization to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal at which time the cost, appraisal increase and their related accumulated depreciation are removed from the accounts. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the receipts section of the statement of total comprehensive income. Fully depreciated assets are retained in the account until these are no longer in use.

12.7 Impairment of non-financial assets

Property and equipment and other non-financial assets that are subject to depreciation and amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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(b) Transactions and balances

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions. Outstanding foreign currency denominated monetary assets are translated at the exchange rate prevailing at reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rate of monetary assets denominated in foreign currencies are recognized in the statement of total comprehensive income through excess of receipts over expenses.

12.14 Related party relationships and transactions

Related party relationships exist when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among donors with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

12.15 Events after the reporting date

Post year-end events that provide additional information about the Foundation's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

Note 13 - Restatement

The Foundation restated its financial statements as at and for the year ended December 31, 2015 to recognize donations, program and operating expenses received/incurred in 2015 that were previously unrecognized.

(a) Impact of restatement on the statement of assets, liabilities and fund balance

The restatement did not have an impact on the beginning balance as at January 1, 2015 as it only affected the December 31, 2015 balances thus the third statement of assets, liabilities and fund balance was not presented.

Accounts affected	As previously stated	Effects of restatements	As restated
Assets			
Cash on hand and in banks	11,590,162	267,800	11,857,962
Prepayments and other current assets	2,023,276	(1,335,981)	687,295
Liability			
Accrued expenses and other current liabilities	(460,705)	194,928	(265,777)
Fund balance			
Excess of receipts over expenses	(8,135,245)	873,253	(7,261,992)

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(b) *Impact of restatement on the statement of total comprehensive income*

The impact of the restatement on the statement of total comprehensive income are as follows:

Accounts affected	As previously stated	Effects of restatements	As restated
Donations	15,000,000	267,800	15,267,800
Program expenses	(5,705,815)	(816,880)	(6,522,695)
Operating expenses	(1,158,940)	(324,173)	(1,483,113)

(c) *Impact of restatement on the statement of changes in fund balance*

The restatement did not have an impact on the beginning balance of accumulated excess receipts over expenses as it only affected the December 31, 2015 balances. Such impact has been presented in statement of changes in fund balance.

(d) *Impact of restatement on statement of cash flows*

The restatement did not have an impact on the Foundation's cash flows from operating and financing activities for the year ended December 31, 2015 since the decrease in excess of receipts over expenses and increase in prepayments and other current assets and accrued expenses and other current liabilities were offset.

Note 14 - Supplementary information required by the BIR

The following information is presented for purposes of filing with the BIR as required by Revenue Regulation No. 15-2010 and is not a required part of the basic financial statements.

(a) *Other local and national taxes*

All other local and national taxes paid for the year ended December 31, 2016 and presented under operating expenses consist of:

Business permit	10,463
Community tax	1,191
Barangay clearance	540
Others	19,264
	<u>31,458</u>

(b) *Withholding taxes*

Withholding taxes paid and accrued as at and for the year ended December 31, 2016 are as follows:

Paid	490,647
Accrued	66,417
	<u>557,064</u>

(c) *Tax assessments and cases*

The Foundation does not have any tax assessments and tax cases as at December 31, 2016.

All other requirements of RR15-2010 are not applicable because the Foundation is a non-profit organization.

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN



The Management of Mindoro Biodiversity Conservation Foundation Inc. is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2016. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited financial statements for the year ended December 31, 2016 and the accompanying Annual Income Tax Return are in accordance with the books and records of Mindoro Biodiversity Conservation Foundation Inc. is complete and correct in all material respects. Management likewise affirms that:

- (a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances; and
- (c) Mindoro Biodiversity Conservation Foundation Inc. has filed all applicable tax returns, reports and statements required to be filed under Philippines tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

SEBASTIAN C. QUINONES JR

Chairman of the Board

SABINO L. SANTOS

President

RAMON D. DEL ROSARIO

Treasurer

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63 Calapan City

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BERNADETTE M. MAGBOO
OIC. Chief Collection Section

TIN: 134-601-418-000

DATE: SEP 20 2017

Signed this 30th day of August 2017



Mindoro Biodiversity Conservation Foundation Inc.

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