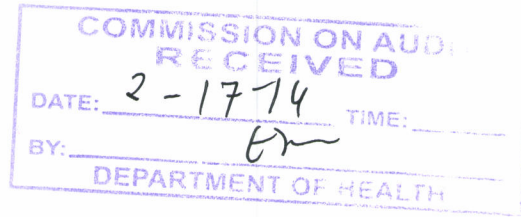


file



February 12, 2016

**Ms. MARIETA V. ANDOY**  
State Auditor V  
Commission on Audit  
This Department

Dear **Auditor Andoy**,

Respectfully submitting the Financial Reports of *Special Accounts – Locally Funded (Fund 151-Central Office)* for the year ended December 31, 2015:

1. Statement of Management's Responsibility
2. Notes to Financial Statements
3. Pre-Closing Trial Balance
4. Statement of Financial Performance – Condensed/Detailed/Comparative
5. Statement of Cash Flows

Thank you.

Very truly yours,

  
**RACQUEL P. ALVENDIA, CPA, MBAH**  
Chief Accountant 

cc: Government Accountancy Sector (GAS)  
Commission on Audit  
Commonwealth, Quezon City

Office of the Secretary  
Department of Budget and Management (DBM)  
Bureau B, Malacañang, Manila



Republic of the Philippines  
Department of Health  
**OFFICE OF THE SECRETARY**

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS**

The management of **DEPARTMENT OF HEALTH – SPECIAL ACCOUNTS – LOCALLY FUNDED (FUND 151- Central Office)** is responsible for all information and representations contained in the accompanying Statement of Financial Position as of December 31, 2015, and the related Statement of Financial Performance, Statement of Cash Flows, Statement of Changes in Net Assets/Equity, and the Notes to Financial Statements for the year ended. The financial statements have been prepared in conformity with Philippine Public Sector Accounting Standards and generally accepted state accounting principles, and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.

  
**LAUREANO C. CRUZ, MPA**

OIC-Director IV  
Financial and Management Service  
*or Jm*

\_\_\_\_\_  
Date Signed

  
**NEMESIO T. GAKO, MD, MPH, CESO I**

Undersecretary of Health  
Office for Administration, Finance and Procurement

\_\_\_\_\_  
Date Signed



**CENTRAL OFFICE**

**Special Accounts – Locally Funded (Fund 151)**

**Notes to Financial Statements**

For the year ended December 31, 2015

**1. General Information/Agency Profile**

The financial statements of *Special Accounts – Locally Funded (Fund 151-Central Office)* were authorized for issue on February 14, 2016 as shown in the Statement of Management's Responsibility for Financial Statements signed by Nemesio T. Gako, MD, MPH, CESO I; the Undersecretary of Health, Office for Administration, Finance & Procurement.

The Fund 151 is used for the transactions of White Cross Children's Home, Phil. Charity Sweepstakes Office (PCSO) and Phil. Tuberculosis Society with regard to their percentage shares from the Value Added Taxes paid by the Manila Jockey Club, Inc. and Philippine Racing Club.

**2. Statement of Compliance and Basis of Preparation of Financial Statements**

The financial statements have been prepared in accordance with and comply with the Philippine Public Sector Accounting Standards (PPSAS) issued by the Commission on Audit per COA Resolution No. 2014-003 dated January 24, 2014.

**3. Summary of Significant Accounting Policies**

**3.1 Basis of accounting**

The financial statements are prepared on an accrual basis in accordance with the Philippine Public Sector Accounting Standards (PPSAS).

**3.2 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash at bank. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits.

**4. Maintenance and Other Operating Expenses**

**4.1 Other Maintenance and Operating Expenses**

Particulars	2015	2014
Donations	P 6,150,753.27	P 5,025,793.00
Other Maintenance and Operating Expenses		
<b>Total Other Maintenance and Operating Expenses</b>	<b>P 6,150,753.27</b>	<b>P 5,025,793.00</b>

*Donations* account balance increased due to higher amount paid by the Manila Jockey Club and Philippine Racing Club to White Cross Children's Home, Phil. Charity Sweepstakes Office (PCSO) and Phil. Tuberculosis Society for the horse races held during the reporting year.



Republic of the Philippines  
Department of Health  
**CENTRAL OFFICE**

**Special Accounts – Locally Funded (FUND 151)**  
**Notes to Financial Statements**  
For the year ended December 31, 2015

**5. Net Financial Assistance/Subsidy**

**Financial Assistance/Subsidy from NGAs, LGUs, GOCCs**

Particulars	2015	2014
Subsidy from National Government	P 6,150,753.27	P 5,025,793.00
<b>Total Financial Assistance/Subsidy from NGAs, LGUs, GOCCs</b>	<b>P 6,150,753.27</b>	<b>P 5,025,793.00</b>

**Less: Financial Assistance/Subsidy to NGAs, LGUs, GOCCs, NGOs/POs**

Particulars	2015	2014
<b>Total Financial Assistance/Subsidy to NGAs, LGUs, GOCCs</b>	<b>0</b>	<b>0</b>

<b>Net Financial Assistance/Subsidy</b>	<b>P 6,150,753.27</b>	<b>P 5,025,793.00</b>
---	-----------------------	-----------------------

*Subsidy from National Government* account balance increased due to higher amount of NCA received to cover payment of percentage shares of the White Cross Children's Home, Phil. Charity Sweepstakes Office (PCSO) and Phil. Tuberculosis Society from the Value Added Taxes paid by the Manila Jockey Club, Inc. and Philippine Racing Club.



**Department of Health**

San Lazaro Compound, Sta. Cruz, Manila

Central Office

**Pre-Closing Trial Balance**

As of December 31, 2015

Special Accounts - Locally Funded

Account Title	Account Code	Debit	Credit
Subsidy from National Government	40301010		6,150,753.27
Donations	50299080	6,150,753.27	
<b>TOTAL</b>		<b>6,150,753.27</b>	<b>6,150,753.27</b>

Certified Correct :

**RACQUEL P. ALVENDIA**

Chief Accountant

Financial and Management Service



Department of Health  
Central Office  
**Condensed Statement of Financial Performance**  
For the period ending December 31, 2015  
Special Accounts - Locally Funded

Less: Current Operating Expenses

Maintenance and Other Operating Expenses

6,150,753.27

**Current Operating Expenses**

6,150,753.27

**Surplus/(Deficit) from Current Operations**

(6,150,753.27)

Net Financial Assistance/Subsidy

6,150,753.27

**Surplus/(Deficit) for the period**

0.00



**Department of Health**  
**Central Office**  
**Detailed Statement of Financial Performance**  
For the period ending December 31, 2015  
**Special Accounts - Locally Funded**

Less: Current Operating Expenses		
Maintenance and Other Operating Expenses		
Other Maintenance and Operating Expenses		
Donations	<u>6,150,753.27</u>	<u>6,150,753.27</u>
<b>Total Operating Expenses</b>		<u>6,150,753.27</u>
<b>Surplus/(Deficit) from Current Operations</b>		<u>(6,150,753.27)</u>
Financial Assistance/Subsidy from LGUs, GOCCs		
Subsidy from National Government	6,150,753.27	6,150,753.27
<b>Surplus(Deficit) for the period</b>		<u><u>0.00</u></u>



**Department of Health**  
**Detailed Statement of Financial Performance**  
 December 31, 2014 and 2015

(With Comparative Figures for CY 2015)

	2015	2014	Increase (Decrease)	Percentage
Less: Current Operating Expenses				
Maintenance and Other Operating Expenses				
Other Maintenance and Operating Expenses				
Donations	6,150,753.27	5,025,793.00	1,124,960.27	22.38
	<u>6,150,753.27</u>	<u>5,025,793.00</u>	1,124,960.27	22.38
<b>Current Operating Expenses</b>	<u>6,150,753.27</u>	<u>5,025,793.00</u>	1,124,960.27	22.38
<b>Surplus/(Deficit) from Current Operations</b>	<u>(6,150,753.27)</u>	<u>(5,025,793.00)</u>	(1,124,960.27)	22.38
Financial Assistance/Subsidy from LGUs, GOCCs				
Subsidy from National Government	6,150,753.27	5,025,793.00	1,124,960.27	22.38
<b>Surplus(Deficit) for the period</b>	<u>0.00</u>	<u>0.00</u>	0.00	0.00





Department of Health  
Central Office  
**Statement of Cash Flows**

For The Period January 01, 2015 To December 31, 2015

**Special Accounts - Locally Funded**

**CASH FLOWS FROM OPERATING ACTIVITIES**

**Cash Inflows**

Receipt of Notice of Cash Allocation (NCA)

6,150,754.00

**Cash Outflows**

Grant of Financial Assistance / Subsidy

(6,150,753.27)

Adjustments

(0.73)

**Total Cash Outflows**

(6,150,754.00)

**Add : Cash Balance, Beginning Jan 1 2015**

0.00

**Cash Balance, Ending Dec 31 2015**

0.00