



REVIEW REPORT

# **Financial Statements for the year ended October 31, 2014**

The John D.V. Salvador Foundation, US



**Non-binding advance copy dated January 26, 2015, not to be issued to third parties**

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**General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Audit Firms) in the version dated January 1, 2002**

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# 1 Attestation Report Based on the Review

To The John D.V. Salvador Foundation, US

We have reviewed the accompanying annual financial statements comprising the statement of financial position as of October 31, 2014, the statement of activities from November 1, 2013 to October 31, 2014 and the statement of cash flows from November 1, 2013 to October 31, 2014 as well as the notes to the annual financial statements of The John D.V. Salvador Foundation, US. The preparation of the annual financial statements in accordance with U.S. generally accepted accounting principles is the responsibility of The John D.V. Salvador Foundation, US's management. Our responsibility is to issue an attestation report on the annual financial statements based on our review.

We performed our review of the annual financial statements in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and conduct the review so that we can preclude through critical evaluation, with a certain level of assurance, that the annual financial statements have not been prepared, in material respects, in accordance with the requirements of U.S. generally accepted accounting principles. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review no matters have come to our attention that causes us to presume that the annual financial statements have not been prepared in all material respects in accordance with the requirements of U.S. generally accepted accounting principles.

This review report is issued for information purposes to The John D.V. Salvador Foundation, US and must not be used in any other context than information purposes to the directors and officers of The John D.V. Salvador Foundation, US. This review report must not, in particular, be handed out to third parties or included in sales prospectuses or similar public documents or media.

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Our assignment and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Audit Firms) in the version dated January 1, 2002. By reading and using the information contained in this report, each recipient confirms notice of provisions of the General Engagement Terms (including the limitation of our liability as stipulated in No. 9) and accepts the validity of the attached General Engagement Terms with respect to us.

Frankfurt am Main, January 30, 2015

KPMG AG  
Wirtschaftsprüfungsgesellschaft

Becker  
Wirtschaftsprüfer  
German Public Auditor

Wiechens  
Wirtschaftsprüfer  
German Public Auditor

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## 2 Statement of Financial Position

|   | Oct 31st, 2014 | Oct 31st, 2013 |
|---|----------------|----------------|
|   | \$             | \$             |
| Assets                                  |                |                |
| Cash and cash equivalents               | 87,646         | 61,821         |
| <b>Total assets</b>                     | <b>87,646</b>  | <b>61,821</b>  |
| Liabilities and net assets              |                |                |
| Unrestricted net assets                 | 87,646         | 61,821         |
| <b>Total liabilities and net assets</b> | <b>87,646</b>  | <b>61,821</b>  |

See accompanying notes to financial statements.

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### 3 Statement of Activities

| For the years ended October 31, | 2014          | 2013          |
|---------------------------------|---------------|---------------|
|                                 | \$            | \$            |
| <b>Revenues</b>                 |               |               |
| Contributions                   | 46,427        | 11,405        |
| Investment income               | 71            | 101           |
| <b>Total revenues</b>           | <b>46,498</b> | <b>11,506</b> |
| <b>Expenses</b>                 |               |               |
| Management and general          | 4,439         | 4,373         |
| Cost of Charity Event           | 16,234        | -             |
| Total expenses                  | 20,673        | 4,373         |
| Increase in net assets          | 25,825        | 7,133         |
| Net assets at beginning of year | 61,821        | 54,688        |
| Net assets at end of year       | 87,646        | 61,821        |

All funds held by the foundation are unrestricted general funds.

See accompanying notes to financial statements.



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## 4 Statement of Cash Flows

| For the years ended October 31,  | 2014          | 2013          |
|--|---------------|---------------|
|  | \$            | \$            |
| Cash flows from operating activities   |               |               |
| Change in net assets   | 25,825        | 7,133         |
| Adjustments to reconcile change in net assets to net cash used in /<br>provided by operating activities: |               |               |
| Changes in assets and liabilities  |               |               |
| Decrease (Increase) in prepaid expenses  | -             | -             |
| Net cash provided by operating activities  | 25,825        | 7,133         |
| Cash and cash equivalents, beginning of year   | 61,821        | 54,688        |
| <b>Cash and cash equivalents, end of year</b>  | <b>87,646</b> | <b>61,821</b> |

See accompanying notes to financial statements.

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## 5 Notes to Financial Statements

### Note 1 - Nature of organization

The John D.V. Foundation, US (the "Foundation") was established in 2005 as a not-for-profit organization. The objectives of the Foundation are to relieve poverty, hardship and distress and to further the education of children and young people, in particular but not exclusively, in the Philippines by providing such funds to finance and support such projects as the trustees think fit.

### Note 2 - Summary of significant accounting policies

The following summary of accounting policies is to enhance the usefulness of the financial statements.

#### a) Basis of presentation

The financial statements are presented in accordance with U.S. generally accepted accounting principles, in particular with the requirements of the Financial Accounting Standards Board ASC 958, Not-For-Profit Entities.

#### b) Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

#### c) Cash and cash equivalents

Cash and cash equivalents consist of operating cash held in bank accounts in financial institutions and a PayPal Account.

#### d) Unrestricted net assets

Unrestricted net assets include all resources of the Foundation that are expendable for carrying on the Foundation's mission.

#### e) Contributions

Contributions are reported as revenues in the period received. All contributions to the Foundation to date have been unrestricted.

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**f) Expenses**

All expenses are accounted for on an accrual basis and have been classified under headings that aggregate all costs related to the category. Mostly all expenditures recorded relate to expenses for local projects of the John D.V. Salvador Foundation, US in the Philippines or organization of charity events.

**g) Taxation**

The Foundation is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**h) Use of estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from those estimates.

**i) Subsequent events**

The Foundation evaluated its October 31, 2014 financial statements for subsequent events through January 30, 2015, the date the financial statements were available to be issued. The Foundation is not aware of any subsequent events, which would require recognition or disclosure in the financial statements.



# **Appendix**

## **General Engagement Terms**