



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City, Philippines

INDEPENDENT AUDITOR'S REPORT

THE TOURISM BOARD

Tourism Promotions Board
Legaspi Towers 300
Roxas Boulevard, Manila

Report on the Financial Statements

We have audited the accompanying Financial Statements of the Tourism Promotions Board, which comprise the Statement of Financial Position as at December 31, 2014, and the Statement of Profit or Loss, Statement of Changes in Equity and Statement of Cash Flows for the year 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 generally accepted state accounting principles, and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Philippine Public Sector 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 auditor's 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.

Basis for Qualified Opinion

As discussed Audit Observation No. 1, Part II, the procurement of Advertising Services Contract, its amendment, renewal and extension in the total amount of P1.2 billion entered into by and among the Department of Tourism (DOT), Tourism Promotion Board (TPB) and the Advertising Consultant (AC) to undertake the production of creative materials necessary for the implementation of the media plan for use in the "It's More Fun in the Philippines", that was not in accordance with various provisions of RA 9184 was deemed irregular.

As discussed Audit Observation No. 2, Part II, the prior years' cash advances amounting to P17.07 million and those granted in CY 2014 in the amount of P132.431 million were not liquidated in accordance with COA Circular No. 97-002 dated February 10, 1997, thus understating the Promotional and Advertising Expenses account while overstating the reported Income and Cash Advance account

As discussed Audit Observation No. 3, Part II, the recorded balance of Property Plant and Equipment (PPE) amounting to P49.284 million was overstated by P10 million while Advances to Contractor was understated by P0.712 million, due to the recognition of the budgeted amount for Buildings although the construction/rehabilitation of office spaces are still in progress. Balances of PPE between Accounting and Property Records showed a variance of P9.569 million.

Qualified Opinion

In our opinion except for the effects of the matters discussed in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Tourism Promotions Board as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with state accounting principles generally accepted in the Philippines.

Report on Supplementary Information Required Under BIR Revenue Regulation 15-2010

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties, and license fees paid or accrued during the taxable year described in Note 12 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. The information has been subjected to the auditing procedures applied in our audit 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.

COMMISSION ON AUDIT



HENEDINA R. OTADOY
Supervising Auditor

July 13, 2015

March 20, 2015

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

The Management of TOURISM PROMOTIONS BOARD (TPB) is responsible for the preparation and fair presentation of the financial statements as of December 31, 2014 in accordance with generally accepted and state accounting principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.


JOSELITO V. GREGORIO
Manager, Finance Department

DOMINGO RAMON C. ENERIO III
Chief Operating Officer

TOURISM PROMOTIONS BOARD PHILIPPINES

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**It's more fun in the
Philippines**

TOURISM PROMOTIONS BOARD
STATEMENT OF FINANCIAL POSITION
December 31, 2014
with corresponding figures for 2013)
(In Philippine Peso)

	Notes	2014	2013
ASSETS			
Current Assets			
Cash and Cash Equivalents	2a & 3	1,540,005,975	1,212,644,744
Receivable Accounts, Net	2b & 4	175,684,751	339,363,165
Inventories	2c & 5	7,452,377	2,258,988
Other Current Assets	2d & 6	1,481,238	1,583,117
Total Current Assets		1,724,624,341	1,555,850,014
Non-Current Assets			
Long-term Investments	2e & 7	123,600	123,600
Property and Equipment, Net	2f & 8	29,468,022	18,142,324
Other Assets	9	122,596,893	130,126,408
Total Non-Current Assets		152,188,515	148,392,332
TOTAL ASSETS		1,876,812,856	1,704,242,346
LIABILITIES AND NET WORTH			
Current Liabilities			
Payable Accounts	10	693,948,674	227,653,197
Inter-agency Payables	11	99,711,302	514,535,441
Other Current Liabilities	12	69,888,928	57,293,510
Deferred Credits	13	1,309,798	672,680
Total Current Liabilities		864,858,702	800,154,828
Net Worth		1,011,954,154	904,087,518
TOTAL LIABILITIES AND NET WORTH		1,876,812,856	1,704,242,346

The notes on pages 8 to 16 form part of these financial statements.

TOURISM PROMOTIONS BOARD
STATEMENT OF PROFIT OR LOSS
For the year ended December 31, 2014
(With corresponding figures for 2013)
(In Philippine Peso)

	Notes	2014	2013
REVENUES			
General Income	14		
Subsidy Income		1,397,538,811	1,330,978,274
Service Income		13,222,863	10,210,645
Other General Income		7,847,196	1,079,630
Gross Revenues		1,418,608,870	1,342,268,549
EXPENDITURES			
	15		
Personal Services		80,367,909	52,822,725
Maintenance and Other Operating Expenses		1,234,009,779	846,732,689
Financial Expenses		1,035,341	352,347
Total Expenditures		1,315,413,029	899,907,761
Income/(Loss) from Operation		103,195,841	442,360,788
OTHER REVENUES (EXPENDITURES)			
Interest Income	16	4,617,552	3,109,090
Gain/(Loss) on Foreign Exchange	17	210,907	635,542
Loss on Sale of Assets		(157,664)	-
Total Other Revenues/(Expenditures)		4,670,795	3,744,632
NET INCOME		107,866,636	446,105,420

The notes on pages 8 to 16 form part of these financial statements.

TOURISM PROMOTIONS BOARD
STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2014
 (With corresponding figures for 2013)
 (In Philippine Peso)

	2014	2013
RETAINED EARNINGS		
Balance at Beginning of the Year	904,087,518	207,982,098
Government Equity	-	250,000,000
Net Income	107,866,636	446,105,420
Balance at the End of the Year	1,011,954,154	904,087,518

The notes on pages 8 to 16 form part of these financial statements.

TOURISM PROMOTIONS BOARD
STATEMENT OF CASH FLOWS
For the year ended December 31, 2014
(With corresponding figures for 2013)
(In Philippine Peso)

	Notes	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Subsidy from the National Government	14	1,250,000,000	1,330,978,274
Advances from Other Government Agencies		5,250,000	943,939,997
Refunds from Cash Advances of Officers and Employees		13,775,971	9,852,419
Subsidy from Other National Government Agencies		125,845,856	-
Collection of Receivables		251,965,017	8,546,760
Employees' Mandatory Contributions and Withholding Taxes and Creditors' Withholding Taxes		20,992,216	21,713,153
Miscellaneous Receipts		81,584,201	5,614,183
Sponsorships from other GOCCs for Implementation of Projects		-	517,800
Reverted Outstanding Checks		-	56,843,136
Interest Income		4,002,181	3,109,090
Service Income-Participation Fees		13,222,864	10,210,645
Gain/(Loss) on Foreign Exchange		-	635,542
Other Assets - Restricted Fund		7,529,515	(105,828,842)
Purchase of Inventories		(5,205,801)	(248,351)
Personal Services		(51,739,889)	(52,365,225)
Maintenance and Other Operating Expenses		(605,453,597)	(616,449,000)
Advances to Officers and Employees		(79,660,552)	(101,830,385)
Payment of Obligations		(258,433,334)	(16,295,249)
Payment of Inter-Agency Payables		(441,066,356)	(502,277,899)
Guaranty Deposits		(200,000)	(252,353)
Prepaid Expenses		(63,121)	12,966
NET CASH PROVIDED BY OPERATING ACTIVITIES		332,345,171	996,426,661
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(4,983,940)	(10,876,247)
NET CASH USED IN INVESTING ACTIVITIES		(4,983,940)	(10,876,247)
NET INCREASE IN CASH AND CASH EQUIVALENTS		327,361,231	985,550,414
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,212,644,744	227,094,330
CASH AND CASH EQUIVALENTS AT END OF YEAR	3	1,540,005,975	1,212,644,744

The notes on pages 8 to 16 form part of these financial statements.

TOURISM PROMOTIONS BOARD
NOTES TO FINANCIAL STATEMENTS
(All amounts in Philippine Pesos)

1. AGENCY BACKGROUND

The Tourism Promotions Board (TPB), with legal address at 4th Floor, Legaspi Towers 300, Roxas Boulevard corner Vito Cruz, Manila, is a stock corporation attached to the Department of Tourism (DOT) and mandated to be responsible for marketing and promoting the Philippines domestically and internationally as a major global tourism and Meetings, Incentives, Conventions and Exhibitions (MICE) destination.

The TPB is governed and its powers exercised by a Board of Directors called the "Tourism Board" composed of six members from the government sector and five member-representatives from the private sector.

Republic Act No. 9593, known as the Tourism Act of 2009 and its Implementing Rules and Regulations (IRR) provided for the reorganization of the Philippine Convention and Visitors Corporation (PCVC) into the Tourism Promotions Board (TPB). The Tourism Board under Resolution No. 16, series of 2010, confirmed during its June 21, 2010 meeting the reorganization of the PCVC into the TPB.

The Governance Commission for Government Owned or Controlled Corporations (GCG) has approved a new Organization Structure and Staffing Pattern (OSSP) for TPB effective 30 June 2014. Accordingly, all positions under the old OSSP of TPB were deemed abolished. Employees who opted to be separated or considered early retirement were entitled to an approved Separation Incentive Package (SIP) pursuant to Board Resolution No. 50, s.2014 and its IRR while other employees, under judicious selection and placement of the TPB-Personnel Placement Committee (TPB-PPC) intended to remain on their old position and other signified desires to be considered to any positions declared open in the new OSSP. As of December 31, 2014, TPB-PPC, created through the Office Order No. 2013-097 dated 05 December, 2013, has issued 59 appointments and shortlisted 50 of the 57 evaluated candidates for Chief Operating Officer's (COO's) approval.

In CY 2014 & CY 2013, the Department of Budget and Management (DBM) through the Bureau of Treasury (BTr) released TPB's subsidy representing its 25 per cent share from the dividend remittances of the Philippine Amusement and Gaming Corporation (PAGCOR), airports and seaports for CY 2013 and CY 2014 including its annual appropriation of Five Hundred Million (P500 million) per year for the implementation of its Branding Campaign Programs for CY 2013 and CY 2014. Likewise, the 70 per cent share of TPB on the 50 per cent of Duty Free Philippines Corporation's net profit in CY 2013 and CY 2012 was remitted to TPB by the DOT. In addition, in CY 2014, a receivable from the DBM for the government equity contribution amounting to P250 million was collected.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were presented using the New Government Accounting System (NGAS) prescribed chart of accounts pursuant to COA Circular No. 2004-002 dated April 29, 2004.

- a. Dollar collections are translated into the local currency based on the Philippine National Bank's year-end guiding rate.
- b. Receivables that remained outstanding for more than five years and identified to be uncollectible are provided with 100 per cent allowance for bad debts.
- c. Valuation of inventories is at cost based on the moving average method of pricing.
- d. The asset method is used in recording disbursements when expenditures apply to more than one accounting period.
- e. Investments are valued at cost.
- f. Property and equipment are valued at historical cost and depreciation is computed using the straight-line method over the estimated useful life of depreciable assets with 10 per cent residual value. Depreciation for buildings, office equipment and motor vehicles are based on the estimated life of thirty (30), five (5) and seven (7) years, respectively.

3. CASH AND CASH EQUIVALENTS

This account includes the following:

Particulars	2014	2013
LBP-Current Account	1,195,074,641	1,130,398,973
LBP-High Yield Savings Account-Equity	250,000,000	-
LBP-High Yield Savings Account	58,489,848	57,980,611
LBP-Savings Deposit-Dollar Account	18,186,931	4,142,491
PNB-Savings Deposit-Dollar Account	11,722,856	10,704,578
LBP-Current Account-SPP Account	4,737,968	7,494,006
PNB-Peso Savings Account	1,774,139	1,772,342
Payroll Fund	19,592	111,743
Petty Cash Fund	-	40,000
Total Cash and Cash Equivalents	1,540,005,975	1,212,644,744

Cash in Banks earns interest at the respective bank deposit rates.

High Yield Savings Accounts pertains to peso savings account wherein funds are given pre-determined competitive rates of interest of 1.075 per cent for varying periods up to six months.

Dollar deposits are translated into the Philippine peso using the year-end foreign exchange rate of P44.956.

The decrease in *Petty Cash Fund* pertains to liquidated cash advances as of December 31, 2014 of retiring Accountable Officer (AO) who acts as Special Disbursing Officer. Un-refunded balance of the AO forms part of the Due from Officers and Employees.

Payroll Fund account represents unliquidated cash advances for salaries.

Interest income from Cash and Cash Equivalents in CY 2014 and CY 2013 amounted to P4,002,181 and P3,109,090, respectively.

4. RECEIVABLE ACCOUNTS

This account consists mainly of the following:

Particulars	2014	2013
Advances to Officers and Employees	149,505,324	88,142,696
Due from National Government Agencies	32,718,894	258,528,498
Due from Govt Owned or Controlled Corp.	2,269,531	2,269,531
Interest Receivable	615,370	-
Due from Officers and Employees	209,874	152,648
Other Receivables	124,752	122,481
	185,443,745	349,215,854
Allowance for Doubtful Accounts	9,758,994	9,852,689
Total Receivable Accounts, Net	175,684,751	339,363,165

Advances to Officers and Employees pertains to cash advances granted to AOs for official purposes and to Tourism Attaches on DOT regional and international offices which remained unliquidated as of December 31, 2014.

Due from National Government Agencies pertains to receivable of TPB from National Government Agencies. This includes receivables from the Department of Foreign Affairs (DFA) and the DOT amounting to P4,200,000 each representing unpaid annual contributions from other government agencies represented in the Board of Trustees of PCVC covering the period 1988-2008 at P200,000 per annum as provided for under Section 14.1 of Executive Order No. 120-A dated July 20, 1978. Receivables from these two agencies were not accrued since 2009.

An Allowance for Doubtful Accounts in the amount of P8,452,795 was provided for the unpaid contributions because of the uncertainty of collections since funds for this purpose were never appropriated. The Board of Directors approved the writing-off of the receivables from DOT and the DFA but still need the submission of approved budgets of these two agencies to prove that there were no appropriations provided for the annual contributions, as advised by the COA resident auditor. Once the documents required are complied with, the request for write-off shall be forwarded to the COA Adjudication and Settlement Board.

In CY 2013, included in the account is the receivable from the DBM for the government equity contribution amounting to P250,000,000. This was subsequently received in CY 2014 and placed to a high yield savings account.

Due from Government-Owned or Controlled Corporations (GOCCs) represents share of the Tourism Infrastructure and Enterprise Zone Authority (TIEZA), formerly Philippine Tourism Authority (PTA), in the American Society of Travel Agents (ASTA) World Travel Congress/other miscellaneous receivables and share on sponsorship from Duty Free Philippines (DFP) in the Philippine Travel Mart (PTM) 2013 in the amount of P1,769,531 and P500,000 respectively.

Due from Officers and Employees refers to receivables from employees' personal calls, leave without pay, overpayment of salary and overtime, and health premiums advanced

by the Corporation. An allowance of P36,558 was provided for employees who have already resigned.

Other receivables consist of overpayments to various suppliers.

Interest Receivables pertains to accrued interest from high yields savings accounts.

5. INVENTORIES

The account includes the following:

Office Supplies Inventory is composed of unissued office supplies of P135,080 and promotional materials inventory costing P6,831,601.

Other Supplies Inventory is composed of items costing below P10,000 that were classified as semi-expendable prior to 2005.

Particulars	2014	2013
Office Supplies Inventory	6,966,681	1,768,482
Other Supplies Inventory	485,696	490,506
Total Inventories	7,452,377	2,258,988

6. OTHER CURRENT ASSETS

The account consists of the following:

Particulars	2014	2013
Guaranty Deposits	1,418,117	1,583,117
Prepayments	63,121	-
Total Other Current Assets	1,481,238	1,583,117

This account consists of guaranty deposits made by TPB for gasoline, rentals and building protection and security deposits. It includes also pre-payments for insurance of the agency's vehicles, buildings and equipment which were amortized and adjusted annually.

7. LONG-TERM INVESTMENTS

This account represents investment amounting to P123,600 in Philippine Long Distance Telephone Company preferred shares of stocks as subscribers' investment for telephone lines as required by Presidential Decree No. 217.

8. PROPERTY AND EQUIPMENT, NET

This account consists of:

Particulars	Buildings and Other Structures	Motor Vehicles	Office Equipment	Furniture and Other Fixtures	Other PPE	Books	Total
As of December 31, 2013							
Cost	11,487,902	12,376,476	9,609,475	2,157,089	479,145	77,500	36,187,587
Accumulated Depreciation	(8,274,593)	(3,098,592)	(5,600,532)	(816,406)	(185,390)	(69,750)	(18,045,263)
Net Book Value	3,213,309	9,277,884	4,008,943	1,340,683	293,755	7,750	18,142,324
Year Ended December 31, 2013							
Opening Book Value	3,213,309	9,277,884	4,008,943	1,340,683	293,755	7,750	18,142,324
Additions	10,000,000		3,598,465	334,000	336,911	3,950	14,273,326
Disposals			(1,084,047)	(92,298)			(1,176,345)
Depreciation for the Year	(222,944)	(1,387,320)	(955,476)	(98,416)	(125,749)	(59)	(2,789,964)
Accumulated Depreciation on assets disposed			935,613	83,068			1,018,681
Closing Net Book Value	12,990,365	7,890,564	6,503,498	1,567,037	504,917	11,641	29,468,022
As of December 31, 2014							
Cost	21,487,902	12,376,476	12,123,893	2,398,791	816,056	81,450	49,284,568
Accumulated Depreciation	(8,497,537)	(4,485,912)	(5,620,395)	(831,754)	(311,139)	(69,809)	(19,816,546)
Net Book Value	12,990,365	7,890,564	6,503,498	1,567,037	504,917	11,641	29,468,022

Buildings and Other Structures consist of nine condominium units at Legaspi Towers 300 in Manila worth P8,762,465 and improvements of P2,725,437. During the year improvement/rehabilitation of the executive offices with a budget of P10 million has begun.

9. OTHER ASSETS

This account consists of:

Particulars	2014	2013
Restricted Fund - Cash	121,994,249	129,523,765
Cash Advances Granted to Overseas Officers	602,644	602,643
Total Other Assets	122,596,893	130,126,408

Restricted Fund - Cash consists mainly of the 10 per cent funds for promotions and marketing that was set aside as Special Contingency Fund of TPB and is deposited with the Land Bank of the Philippines (LBP). P95,559,542 of this account was placed to High Yield Savings Account and the other portion remains in the TPB-Current Account.

Cash Advances Granted to Overseas Officers refer to the advances of overseas officers whose whereabouts can no longer be located.

10. PAYABLE ACCOUNTS

This account consists of the following:

Particulars	2014	2013
Accounts Payable (domestic creditors)	663,855,428	225,931,172
Due to Officers and Employees	30,093,246	1,722,025
Total Payable Accounts	693,948,674	227,653,197

Accounts Payable represents outstanding unpaid obligations in the normal course of operation to suppliers and contractors for the promotional materials and the advertising campaign for It's More Fun in the Philippines.

Due to Officers and Employees represent unpaid salaries, bonus and salary differential of some employees. This includes unpaid obligations for employees who availed the Separation Incentive Package and payment of terminal leave benefit.

11. INTER-AGENCY PAYABLES

The account consists of payables to the following:

Particulars	2014	2013
Due to Other NGAs	95,460,764	509,418,745
Due to BIR	1,988,099	1,896,867
Due to Other GOCCs	1,828,631	2,663,751
Due to GSIS	405,942	550,669
Due to PAGIBIG	25,620	3,563
Due to PHILHEALTH	2,246	1,846
Total Inter-Agency Payables	99,711,302	514,535,441

Due to Other NGAs pertains to the remaining balances of fund transfers from advances received from DOT for the implementation of various tourism promotional/marketing projects and advertising campaign programs.

Due to GOCCs represents advances from TIEZA and DFP.

12. OTHER CURRENT LIABILITIES

This consists of the following:

Particulars	2014	2013
Performance/Bidders' Bond Payable	302,257	347,753
Tax Refund Payable	49,081	-
Other Payables	69,537,590	56,945,757
Total Other Current Liabilities	69,888,928	57,293,510

Tax Refund Payable refers to the over withheld taxes from employees during the year.

Other Payables is composed mainly of unreleased checks amounting to P68,678,114.68 as of December 31, 2014.

13. DEFERRED CREDITS

This account consists of CY 2015 participation fees collected in advance for the TPB projects such as the 2015 ASEAN Tourism Forum (ATF), Asia Pacific Incentives and Meetings Expo (AIME) and the Boot Dusseldorf 2015.

14. GENERAL INCOME

This account consists of the following:

Particulars	2014	2013
Subsidy Income-		
Subsidy from the National Government	1,250,000,000	1,330,978,274
Subsidy from Other National Government Agencies	147,538,811	-
	1,397,538,811	1,330,978,274
Service Income-		
Membership Fees	-	
Participation fees	13,222,863	10,210,645
	13,222,863	10,210,645
Other Income		
Miscellaneous income	7,847,196	1,079,630
	7,847,196	1,079,630
Gross Income/Revenue	1,418,608,870	1,342,268,549

Subsidy Income is the appropriation provided by the National Government to the corporation for its promotions and marketing expenses, broken down as follows:

Particulars	2014	2013
25% share remitted in CY 2013 and CY 2012 by PAGCOR, airports and seaports	750,000,000	750,435,917
National Government Subsidy remittance from BTr	500,000,000	500,000,000
Subsidy remittance from DFPC thru DOT	147,538,811	80,542,357
Total	1,397,538,811	1,330,978,274

Subsidy from other NGAs include accumulated savings originally credited under Trust Liability Accounts (TLA) – Due to Other NGAs which was reclassified in CY 2014 amounting to P57.126 million.

Service Income on participation fees are collected from participants to tourism-related seminars and conference/exhibits.

Miscellaneous Income is derived from sale of scrap materials, supplies and sponsorships to various projects.

15. EXPENDITURES

The accounts consist of the following:

Particulars	2014	2013
Personal Services		
Salaries and Wages	29,786,101	31,456,776
Other Compensation	8,799,085	9,271,934
Personnel Benefits Contribution	4,120,619	4,407,100
Other Personnel Benefits	37,662,104	7,686,915
	80,367,909	52,822,725
Maintenance and Other Operating Expenses		
Promotional and Marketing Expenses	514,541,058	134,019,508
Advertising Expenses	425,780,393	642,209,187
Contingent and Emergency Expenses	225,634,375	3,094,021
Printing and Binding	23,485,736	29,165,571
Professional Services	6,846,106	3,301,711
Training Expenses	4,611,340	1,994,121
Supplies and Materials Expenses	4,237,906	2,921,121
Rent Expenses	2,942,189	1,900,552
Security Services	2,721,916	2,866,129
Non-cash Expenses	2,696,268	4,867,639
Janitorial Services	2,644,690	1,987,470
Auditing Services	2,433,719	2,464,574
Utility Expenses	2,431,505	2,163,728
Communication Expenses	2,355,979	1,758,006
Repairs and Maintenance	1,900,366	1,971,508
Taxes, Insurance Premiums and Other Fees	1,729,899	1,542,849
Representation Expenses	1,238,645	1,650,284
Gender and Development Expenses	1,215,302	770,949
Delivery Expenses	1,188,828	1,857,474
Consultancy Services	1,158,855	297,752
Membership Dues and Contributions	979,061	1,126,995
Traveling Expense	791,675	398,110
Subscription Expenses	121,990	112,804
Cultural and Athletic Expenses	79,566	43,890
Donations	11,000	2,124,500
Miscellaneous Expense	231,412	122,236
	1,234,009,779	846,732,689
Financial Expenses	1,035,341	352,347
Total Expenditures	1,315,413,029	899,907,761

Other Personnel Benefits pertains to allowances and bonus given to TPB employees amounting to P37,662,104 and P7,686,915 in CY 2014 and CY 2013, respectively. The increase was due to Separation Pay and Terminal Leave Benefits payment during the year in the amount of P25,548,985 and P7,679,601, respectively.

The adequacy of funds brought by the remittances from the 25 per cent share of dividend remittances from Philippine Amusement and Gaming Corporation (PAGCOR), airports and seaports for P750 million and the government subsidy of P500 million were used to finance and implement the programs and projects of TPB. Thus, there was an increase in advertising campaign for "It's More in the Philippines" including promotional and marketing expenses were incurred for various tourism projects. Thus, resulted to the increase in Promotional and Marketing Expenses and Consultancy Services accounts.

Contingent and Emergency Expenses pertains to expenses made for compelling circumstances, urgent needs and unforeseen events that require emergency funding. The fund was drawn in the special contingency fund.

16. INTEREST INCOME

This consist of interest earned from Cash and Cash Equivalents amounting to P4,617,552 and P3,109,090, in CY 2014 and CY 2013 respectively. The Increase in Interest Income for the year was due to the additional P250 million for the Government Equity and P82.7 million short-term investments in a high-yield savings account with Land Bank of the Philippines.

17. GAIN ON FOREIGN EXCHANGE

This account consists of the difference between the foreign currency monetary items recorded using spot rates and the foreign currency monetary items translated using the closing rate. This amounted to P210,907 and P635,542 in CY 2014 and CY 2013 respectively.