

**International Institute of Rural Reconstruction (IIRR)**

**IIRR Philippines**  
Km. 39 Aguinaldo Highway  
IIRR Y.C. James Yen Center  
Biga 2, Silang, Cavite 4118  
Philippines  
Tf: +63 917 869 6213

**Operational Headquarters**  
Km. 39 Aguinaldo Highway  
IIRR Y.C. James Yen Center  
Biga 2, Silang, Cavite 4118  
Philippines

**Founders**  
Y.C. James Yen (1893-1990)  
Alice Huie Yen (1895-1980)

**Trustees**  
Diana Armoa  
James C. Diao  
Udo Lange  
Paul Marquardt  
Mary Racelis  
Dane Smith  
George SyCip  
Juan Paolo Villonco

**Trustees (Officers)**  
Emily Cheng  
(Chair)

**Peter G. Williams**  
(President)

**Bhavya Kapoor**  
(Secretary)

**Aurelie Pujo**  
(Treasurer)

**Country offices**

**Cambodia**  
E [cambodia@iirr.org](mailto:cambodia@iirr.org)

**Ethiopia**  
E [ethiopia@iirr.org](mailto:ethiopia@iirr.org)

**Kenya**  
E [kenya@iirr.org](mailto:kenya@iirr.org)

**Myanmar**  
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**Philippines**  
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**South Sudan**  
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**Uganda**  
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**United States**  
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**Zimbabwe**  
E [zimbabwe@iirr.org](mailto:zimbabwe@iirr.org)

[www.iirr.org](http://www.iirr.org)

**HON. LEONARDO M. JAVIER, JR.**  
Vice Governor  
Province of Leyte

Dear Vice Governor Javier:

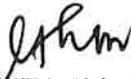
In response to your Notice of Call for Accreditation, kindly be informed that the International Institute of Rural Reconstruction (IIRR), with office address at Km. 39, Aguinaldo Highway, Y.C. James Yen Center, Biga 2, Silang, Cavite, would like to seek accreditation by the Sangguniang Panlalawigan - Leyte.

In support of this application are the following administrative requirements:

1. Duly accomplished Application Form for Accreditation;
2. Duly approved Silang Management Team (SMT) Resolution signifying intention for accreditation for the purpose of representation in the local special body;
3. Certificate of Registration issued by the Securities and Exchange Commission (SEC);
4. List of Current Officers;
5. CY 2024 Minutes of the Annual Meeting;
6. CY 2024 Annual Accomplishment Report; and
7. CY 2023 Financial Statements

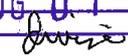
Thank you.

Sincerely,

  
**EMILITA MONVILLE ORO**  
Country Director, Philippines

Item No: **43**  
**IIRR**  
Date: **5 2025 AUG**

**Sangguniang Panlalawigan**  
**Province of Leyte**  
**RECEIVED**

Date: **AUG 01 2025**  
By: 

APPLICATION FORM FOR ACCREDITATION

Name of Organization:

INTERNATIONAL INSTITUTE OF RURAL RECONSTRUCTION (IIRR)

Address: KM. 39 AGUINALDO HIGHWAY Y.C. JAMES YEN CENTER BIGA 2 SILANG CAVITE 4118

Contact No.: +63 9178696213 Email address (optional): \_\_\_\_\_

Date Organized: October 27, 1960 Sector/s Represented: \_\_\_\_\_

Purposes/Objectives: To empower rural people to build resilient communities and attain socioeconomic equity through creative and community-led action.

Services that the organization provides or can participate in:

Health, Education, Environment, Food Security and Nutrition and Livelihood

Registering Agency:

Date Registered: September 8, 1964

Securities and Exchange Commission (SEC)

Cooperative Development Authority (CDA)

Department of Labor and Employment (DOLE)

Department of Human Settlements and Urban Development (DHSUD), formerly the Housing and Land Use Regulatory Board (HLURB)

National Commission on Indigenous Peoples (NCIP) *\*certification*

Accrediting Agency (if any):

Date Accredited: November 10, 2020

Commission on Population and Development (POPCOM)

Department of Agriculture (DA)

Department of Public Works and Highways (DPWH)

Department of Social Welfare and Development (DSWD)

Department of Agriculture (DA)

Department of the Interior and Local Government (DILG)

Department of Labor and Employment (DOLE)

National Commission for Culture and the Arts (NCCA)

Presidential Commission for the Urban Poor (PCUP)

Philippine Drug Enforcement Agency (PDEA)

Department of Labor and Employment (DOLE)

Others (specify): \_\_\_\_\_

**Organizational Level:**

Barangay-level

Chapter

Affiliate of a larger organization (identify organization): \_\_\_\_\_

Others (specify): \_\_\_\_\_

Projects Implemented in the see attached list of projects of \_\_\_\_\_

Year	Project	Cost	Financing Source/Scheme	Beneficiaries	Status	
					Completed	Ongoing

Depending on your organization's technical area of expertise and scope of activity, which Local Special Body are you most capable to be a member of?

Local Development Council

Local Health Board

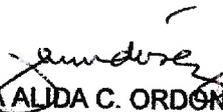
Local School Board

Local Peace and Order Council

**WE HEREBY CERTIFY** to the correctness of the above information.

  
EMILITA MONVILLE ORO

Philippines Country Director

  
MAITA ALIDA C. ORDÓÑEZ

Human Resources Coordinator



**International Institute of Rural Reconstruction (IIRR)  
Km. 39, Aguinaldo Highway, Y.C. James Yen Center, Biga 2, Silang, Cavite**

**SILANG MANAGEMENT TEAM (SMT) RESOLUTION NO 004-2025**

**WHEREAS**, Section 108 of the Local Government Code of 1991 (RA 7160) provides for the accreditation of civil society organizations

**WHEREAS**, on \_\_\_\_\_, the Department of the Interior and Local Government issued Memorandum Circular No. 2025-060, on the Guidelines on the Accreditation of Civil Society Organizations and Selection of Representatives to the Local Special Bodies;

**WHEREAS**, the International Institute of Rural Reconstruction (IIRR) is a civil society organization duly registered with the Securities and Exchange Commission, and existing under Philippine laws;

**WHEREAS**, in the International Institute of Rural Reconstruction Special Silang Management Team Meeting held at Km. 39, Aguinaldo Highway, Y.C. James Yen Center, Biga 2, Silang, Cavite on February 27, 2025, attended by the following Silang Management Team (SMT) present, the following resolution was approved and adopted:

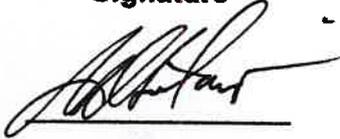
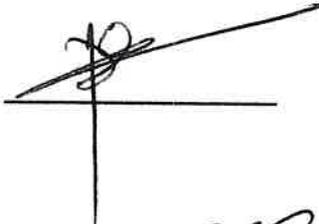
**RESOLVED, AS IT IS HEREBY RESOLVED**, to signify our intention to be an accredited civil society organization with the Sangguniang Bayan, pursuant to the procedures and guidelines set forth in Section 108 of the Local Government Code of 1991 and DILG Memorandum Circular 2025-060, and to apply for membership in a local special body in the Province of Leyte;

**RESOLVED FURTHER**, to forward a copy of this RESOLUTION to the Chair of the Sanggunian Committee on Accreditation, the Honorable Vice Governor Leonardo M. Javier, Jr.

**RESOLVED FURTHERMORE**, that the following representative/s of the Organization is/are authorized and directed to take any action necessary to effectuate the foregoing resolution: Juvilyn S. Dormitorio.

**ADOPTED** unanimously by the Silang Management Team (SMT) of the International Institute of Rural Reconstruction (IIRR) this 21<sup>st</sup> day of July 2025 in the Municipality of Silang, Cavite.

Annex E: Board Resolution - Intention for Accreditation

Name	Position	Signature
<u>ALDEN D. SECRETARIO</u>	ASSSTANT CORPORATE SECRETARY / FINANCE DIRECTOR	
<u>EMILITA MONVILLE ORO</u>	PHILIPPINES COUNTRY DIRECTOR	
<u>PHILIP U. USI</u>	YEN CENTER DIRECTOR	
		

**ALDEN D. SECRETARIO**  
Assistant Corporate Secretary

SUBSCRIBED AND SWORN TO before me this      day of JUL 24 2025, 202   in SILANG, CAVITE, Affiant exhibiting to me his/her PASSPORT with valid identification no. P9175676 B issued on MARCH 15, 2022 at DFA MANILA.

Doc No: 434  
Page No: 88  
Book No: 113  
Series of: 2025

  
**ATTY. GRACE M. GOL-LOD - MARAYAG**  
NOTARY PUBLIC  
NOT. COM. NO. TG-24-015  
Until December 31, 2026  
PTR No. 9425443/01-02-2025/TMC, CAVITE  
IBP Lifetime Member Roll No. 015403  
MCLE Compliance No. VIII - 0009655/04-14-2028  
244 Villanueva St., San Miguel I, Silang, Cavite  
Roll No. 50596

## CSO DATA SHEET

As of July 3, 2025

**Name of CSO: International Institute of Rural Reconstruction**

**Address: Km. 39, Aguinaldo Highway, Y.C. James Yen Center, Biga 2, Silang, Cavite 4118**

### A. PROFILE OF BOARD OF TRUSTEES

Name	Position Title	Home Address	Contact Numbers	Nationality	Government Issued Valid ID			Picture
					ID Type	Number	Date Issued	
1. <b>Cheng, Emily</b> Chair, IIRR	Artist, professor, and curator	439 Lafayette Street 3A New York, NY 10003	Cell: 1-917-957-4466	American	Passport/545439291/03/09/16			
2. <b>Amoa, Diana Mutanu Kiluta</b>	Chief Investment Officer of Long Biased Strategies at Kirkoswald, based in New York	Global Nomads Group One Penn Plaza, Suite 6224 New York, NY 10119 USA	+1 203 979 5358	British	Passport/142071209/07/14/23			
3. <b>Diao, James Chih-Chien</b>	Investment Banker	1 Hudson Road East Irvington, NY 10533	Tel: 1-914-591-8248 Fax: 1-914-591-8438 Cell: 1-917-747-6743 Skype: jim.diao	American	Passport/550470249/10/20/16			
4. <b>Kapoor, Bhavya</b> Secretary, IIRR	Managing Director, Avanade, South East Asia	66 Tanah Merah kechil avenue #03-31 Singapore -465532	Cell: +65 9853 0445	Indian	Passport/Z5300646/04/22/19			
5. <b>Lange, Udo</b>	CEO, Stolt-Nielsen	off add: Aldwych House 71-91 Aldwych, London +C2B 4HN, UK	+44 748 306 8095	German	Passport/C4FWPLZ24/08/31/20			
6. <b>Marquardt, Paul David</b>	Partner, Davis Polk & Wardwell LLP	3147 Adams Mills Rd, NW Washington, DC 20010	Tel: 1-202-974-1648	American	Driver's License/1502426/08/22/17			

## B. PROFILE OF EMPLOYEES

Names of Key Employees and Position/Designation (Indicate if Regular, Casual, Contractual or Volunteer)	Place of Assignment (Indicate name of Office/Unit and Location)	Educational Attainment	Address	Contact Numbers	Nationality	Government Issued Valid ID			Picture
						ID Type	Number	Date Issued	
1. <b>Oro, Emilita Monville</b> Acting Asia Regional Director cum Philippine Country Director Regular Employee	Regional Center for Asia/ Philippine Program/ Silang, Cavite	Master's in Public Health / Bachelor of Science in Nursing	Cottage 11, IIRR Y.C. James Yen Center, Biga 2, Silang, Cavite	Cel: +63 920 568 2510	Filipino	Passport/P9160277B/03/12/2022			
2. <b>Secretario, Alden Dilao</b> Finance Director Regular Employee	Headquarters/Silang, Cavite	Certified Public Accountant / Master's in Business Administration / Bachelor of Science in Accountancy	Phase 1 Block 5 Lot 1 Metrogate Estate Beluso Silang Cavite	Cel: +63 905 333 3906	Filipino	Passport/P9175876B/03/15/2022			
3. <b>Usi, Philip Uriarte</b> Yen Center Administrator Regular Employee	Yen Center/Silang, Cavite	Bachelor of Science in Hotel & Restaurant Management	Vilbay St. Maitim 2nd East Tagaytay City 4120	Cel: +63 917 634 5354	Filipino	Driver's License/N26-97-008382/ 11/15/2022			
4. <b>Rosimo, Magnolia Madet</b> Deputy Director, Philippine Program Regular Employee	Philippine Program/ Silang, Cavite	MS Environmental Studies (21 units) / BA Social Science	8D Masigla St, Brgy. Central, Quezon City	Cel: +63 917 854 3098	Filipino	Passport/P9618801B/04/13/2022			

Name	Position Title	Home Address	Contact Numbers	Nationality	Government Issued Valid ID			Picture
					ID Type	Number	Date Issued	
<b>7. Pujo, Aurélie</b> Angelique Veronique Treasurer, IIRR	Senior Advisor, Amethis	49 rue des martyrs, 75009 Paris, France	+212(0)661180949 +33(0)761840404	French	Passport/20D170510/09/23/20			
<b>8. Racelis, Mary</b>	Fmr. Regional Director, UNICEF	26 First Avenue Beverly Hills Antipolo City, 1870 PHILIPPINES <i>Visits 1-2 months/yr:</i> 7041 W. County Club Drive N, Unit 117 Sarasota, FL 34243-3515 Tel: 941-355-2666 <i>Daughter's address:</i> c/o Theresa Hollnsteiner 10 Amelia Court Staten Island, NY 10310 Tel: 718-448-2368	Tel: (63-2) 658-5081 Cell: (63)9177948428	American	Passport/565951667/05/14/19			
<b>9. Smith Jr., Dane</b> Farnsworth	Fmr. US Ambassador, Senegal and Guinea	7628 17 <sup>th</sup> Street NW Washington, DC 20012	Tel: 1-202-882-3021	American	Passport/539143487/01/25/16			
<b>10. SyCip, George Edwin</b>	Chairman, Give2Asia	1896 Pacific Ave, Apt #304 San Francisco, CA 94109 <i>Office:</i> 233 Sansome Street, #928 San Francisco, CA 94104	SF: 1-415-677-9515 Phil: (632) 864-0691 Hm: 1-415-885-2380 Skype: gsyncip	American	Passport/A37321245/12/31/24			
<b>11. Villonco, Juan Paolo T.</b>	President, Astro Robotics	c/o 4th Floor, Saville Building, 8728 Paseo de Roxas corner Gil Puyat, Makati City, Metro Manila	Cell: (63) 9178919692	Filipino	Passport/P3119480B/09/08/19			
<b>12. Williams, Peter G.</b> President, IIRR	Organization Growth/Development/ Strategic Leadership	450 Riverside Drive, New York, NY 10027, United States	Tel: +1347 443 6116	American	Passport/545829878/05/03/16			



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**International Institute of Rural Reconstruction (IIRR)**

**Activity: Annual Silang Management Team (SMT) Meeting**

**Operational Headquarters**  
Km. 39 Aguinaldo Highway  
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Philippines

**Participants:**

**Founders**  
Y.C. James Yen (1893-1990)  
Alice Huie Yen (1895-1980)

1. Emilita Monville Oro
2. Alden D. Secretario
3. Philip U. Usi
4. Maita Alida C. Ordonez

**Trustees**  
Diana Amoa  
James C. Diao  
Udo Lange  
Paul Marquardt  
Mary Racelis  
Dane Smith  
George SyCip  
Juan Paolo Villonco

**Date and Time: February 27, 2025; 2:00pm**

**Expectations for the Activity:** To come up with the plan for the provincial and municipal accreditation (Leyte (Palo, Santa Fe, Alangalang, San Miguel), Quezon (Guinayangan), Capiz (Ivisan) and Cavite (Silang, Bailen).

**Trustees (Officers)**  
Emily Cheng  
(Chair)

**General Objective:** Plan out the needed requirements and schedule the submission for the provincial and municipal accreditation.

**Peter G. Williams**  
(President)

**Specific Objectives:**

**Bhavya Kapoor**  
(Secretary)

- To inquire and get the requirements for accreditation from provincial and municipal level
- To comply on the required accreditation requirements

**Aurelie Pujo**  
(Treasurer)

**Agenda:**

**Country offices**

**Cambodia**  
E [cambodia@iirr.org](mailto:cambodia@iirr.org)

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**Myanmar**  
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**South Sudan**  
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**Uganda**  
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**United States**  
E [us.office@iirr.org](mailto:us.office@iirr.org)

**Zimbabwe**  
E [zimbabwe@iirr.org](mailto:zimbabwe@iirr.org)

1. Agenda 1: Requirements for accreditation at the Provincial and Municipal Level

The Silang Management Team (SMT) have decided to pursue the intent to accredit the IIRR at the provincial and municipal level. One of the IIRR staff have already coordinated with the provincial and municipal office to ask for the accreditation requirements. There is a need to comply the needed requirements for accreditation.

The purpose for the accreditation is to formally recognize and authorize the operations in the province and municipal jurisdiction. To be able to participate in local governance, particularly given representation and meaningfully participate in local special bodies and influence on policy and decision-making at the local level. It ensures that IIRR operates in a transparent, accountable, and legal manner, aligned with local development goals and regulations. And in return to the local governments support, IIRR can also extend its support once needed. This was discussed and agreed by the Silang Management Team (SMT) during the discussion on this agenda.

[www.iirr.org](http://www.iirr.org)



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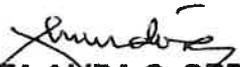
Zimbabwe  
E [zimbabwe@iirr.org](mailto:zimbabwe@iirr.org)

[www.iirr.org](http://www.iirr.org)

The schedule of the preparation for the necessary documents for accreditation will be on the month of July 2025, from preparation of the documents till submission of the required documents. As agreed, Maita Alida C. Ordonez will take the lead in the preparation of all the documents and other IIRR staff will support on the needed details and other tasks.

A Silang Management Team (SMT) resolution will be attached on the application for accreditation and it was agreed that a Silang Management Team (SMT) resolution will also be prepared along with the meeting today.

Prepared by:

  
**MAITA ALIDA C. ORDONEZ**  
Human Resources Coordinator

**NOTED AND APPROVED BY:**

  
**EMILITA MONVILLE ORO**  
Philippines Country Director

  
**ALDEN D. SECRETARIO**  
Finance Director

  
**PHILIP U. USI**  
Yen Center Director

Annex H: Annual Accomplishment Report

**International Institute of Rural Reconstruction**

Name of Program/Project/Activity	Objective/s	Duration/Date	Status		Budget	Remarks
			Completed	Ongoing		
KUNA (Kommunidad para sa Unang Isang libong araw ng mga Nanay at Anak)	Project KUNA o Komunidad Para sa Unang Isang Libong Araw ng mga Nanay at Anak aims to create a strong foundation of health and nutrition for women, pregnant women, newborns, and children under 5 years old.	October 2022- May 2024	x		\$ 256,000.00	
Building supportive mechanisms and interventions for health and nutrition, livelihoods and education in Guinayangan, Quezon: an integrated approach	The project aims to contribute to a sustainable and healthy food system and economic empowerment of the most vulnerable and marginalized families in the Municipality of Guinayangan, Quezon. This will be achieved through conserving and promoting nutrient dense crops for steady source of fresh, safe and nutritious foods for these households, especially those with pregnant and lactating women, children 0-2 years old (F1K) and young children (3-12 years old)	October 2023- to September 2024	x		\$ 12,000.00	
Fruit and Vegetables for Sustainable Healthy Diets FRESH Phase 2	The project aims to conserve, collect, increase access and availability of priority indigenous vegetables and fruits in the Philippines relevant to schools and farm-producers through innovative seed delivery models and seed systems; and collaboratively design and carry out a workshop with WorldVeg and DOST-FNRI to assess food environments in the Philippines.	August - March 2024	x		\$ 95,000.00	

Annex H: Annual Accomplishment Report

<p>Building an Evidence Base for Inclusive Nature-based Climate Solutions in Small-scale Aquaculture for Sustainable Aquatic Food Systems in the Philippines and Cambodia</p>	<p>A research project aims to provide an evidence-based and conducive environment to support actions, learning and sharing on inclusive nature-based climate solutions in small-scale aquaculture in the Philippines and Cambodia.</p>	<p>September 2023 to August 2026</p>		<p>x</p>	<p>\$ 323,013.38</p>	
<p>Scoping the opportunity for urban and peri-urban agricultural development in Southeast Asia</p>	<p>This study will scope and enhance understanding of the current contribution of urban and peri-urban agriculture to livelihoods and food and nutrition security in selected cities in the Philippines, with a focus on vegetables and on poor and marginalized populations. Findings will inform recommendations for future investments to enhance livelihoods and diets of urban populations. IIRR will provide country-level leadership, coordination and research inputs for this project.</p>	<p>October 16, 2023 - Oct 31, 2025</p>		<p>x</p>	<p>\$ 36,800.00</p>	
<p>Strengthening Food Security and Nutrition Initiatives through inclusive Youth Engagement and integrated nutrition for children in the communities</p>	<p>This project aims to make a lasting impact in the ongoing fight against malnutrition, contributing to the broader goals outlined in regional and national plans.</p>	<p>January to December 2024</p>	<p>x</p>		<p>\$ 30,000.00</p>	
<p>Fueling Bright Futures "Revolutionalizing School Nutrition for a Malnutrition-Free Philippines"</p>	<p>The project aims to improve the Integrated School Nutrition Model (ISNM), which is designed to strengthen the synergy between school gardening, supplementary feeding, and nutrition education to address child malnutrition. This one-year project (February 2024 to January 2025) aims to empower children with the skills to make</p>	<p>March 2024 - February 2025</p>			<p>\$ 13,928.00</p>	

Annex H: Annual Accomplishment Report

	healthy choices and enhance the school food environment, including engagement of canteen managers and vendors, to promote locally sourced, nutritious foods.					
Youth Leaders for Nutrition Program	The mission of the National Youth Coordinators is to build powerful movements of youth activists and youth-led groups in their country to improve nutrition for all. With these youth activists they will identify the most marginalized communities and hold dialogues with them to understand their barriers to accessing nutrition. In partnership with the communities, the young people will then develop localized policy solutions and advocacy strategies to secure their adoption.	March 2024 - December 2025		x	\$ 10,000.00	
Fruit and Vegetables for Sustainable Healthy Diets (Fruits and Vegetables) Phase III		June 15-December 31, 2024	x		\$ 139,001.45	
Demonstration of Traditional Vegetables in Quezon City, the Philippines under One CGIAR Resilient Cities Through Sustainable Urban and Peri-urban Agrifood Systems	The overall goal of this proposed project is to provide technical assistance to Quezon City Local Government Unit to establish a demonstration garden for diverse selection of locally-adapted and nutrient-dense vegetable species in an urban set-up.	August 1-December 31, 2024	x		\$20,000.00	
Youth Ambassadors Program - East Asia & Pacific (YAP-EAP)	YAP-EAP will engage 42 participants including: 20 youth & three mentors from the Philippines; 10 youth & two mentors from Burma; and six youth & one mentor from Pacific Island countries in gaining a deep appreciation for civic leadership in the U.S. and engaging a wider group of program beneficiaries in their schools and communities through follow-on projects.	Nov 20, 2024 - September 30, 2025		x	\$39,454.00	

Annex H: Annual Accomplishment Report

<p>Improving production, accessibility and increase consumption of a diverse and nutrient-dense foods through the establishment of gardens at the Day Care Schools and Households</p>	<p>This project aims to enhance the production, accessibility, and consumption of diverse, nutrient-dense, and climate-resilient foods among preschoolers enrolled in Child Development Centers (CDCs) across selected barangays in the mentioned sites. We will establish demonstration gardens in CDCs and promote homestead gardens within households to support school feeding programs and improve access to nutritious foods at home.</p>	<p>January to June 2025</p>		<p>x</p>	<p>\$80,478.89</p>	
<p>Youth in Action: Strengthening Food Security and Nutrition for Sustainable Communities</p>	<p>A 1-year project to engage youth, women, smallholder farmers, and local government units in food security and nutrition initiatives by promoting access to diverse, nutrient-dense, and climate-resilient fruits and vegetables through nutrition-sensitive, nature-based food production approaches and advocacy for community-based interventions to ensure sustainable health, nutrition, and well-being.</p>	<p>January to December 2025</p>		<p>x</p>	<p>\$ 30,000.00</p>	
<p>Extending climate and disaster risk and resilience to community level in the Philippines – a proof-of-concept</p>	<p>An 8 month initiative that will build on the lessons from the CGIAR's Research Initiative on Climate Resilience (ClimBeR) by integrating and developing further social equity diagnostic tools and risk mapping. The project aims to build on local capacity of researchers from the University of the Philippines Los Baños (UPLB) supported by the Philippine Council for Agriculture, Aquatic, and Natural Resources Research and Development (PCAARRD), participatory climate action work by IIRR and other NGOs.</p>	<p>February 03, 2025 - October 10, 2025</p>		<p>x</p>	<p>\$ 18,911.00</p>	

Annex H: Annual Accomplishment Report

<p>Local Natural Environment Stewardship In Leyte Sab-a Basin Peatland (Luyon)</p>	<p>Research-to-action activities include: establishment of local conservation areas by local government; participatory action research on sustainable, climate-smart agriculture and enterprises; communications, media and policy support; conduct of annual national multi stakeholder platforms. On-granting mechanisms will address huge gaps related to lack of local financing. A study program for all major peatland areas in the Philippines and one regional writeshop to document exemplary practices from other parts of Southeast Asia are planned.</p> <p>Main beneficiaries are people in four municipalities of Leyte Sab-a Peatlands(88,279) and downstream Tacloban City(~250,000).</p>	<p>March 2025 to January 2029</p>		<p>x</p>	<p>\$1,747,713.52</p>	
<p>Expanding the role of nutrient-rich, hardy vegetables in home and community gardens in Quezon City</p>	<p>The overall objective (high-level output) is defined as          "Evidence-based innovations and business models to improve safe, nutritious, and climate-resilient urban food production."</p> <p>More specifically, the objective of this assignment is to integrate a greater diversity of hardy, nutrient- dense vegetables into existing home and community gardens, while also exploring the potential of informal, unregulated planting in urban areas—also called "guerrilla gardening."</p>	<p>June 1 to December 31, 2025</p>		<p>x</p>	<p>\$ 30,000.00</p>	

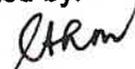
Annex H: Annual Accomplishment Report

Prepared by:

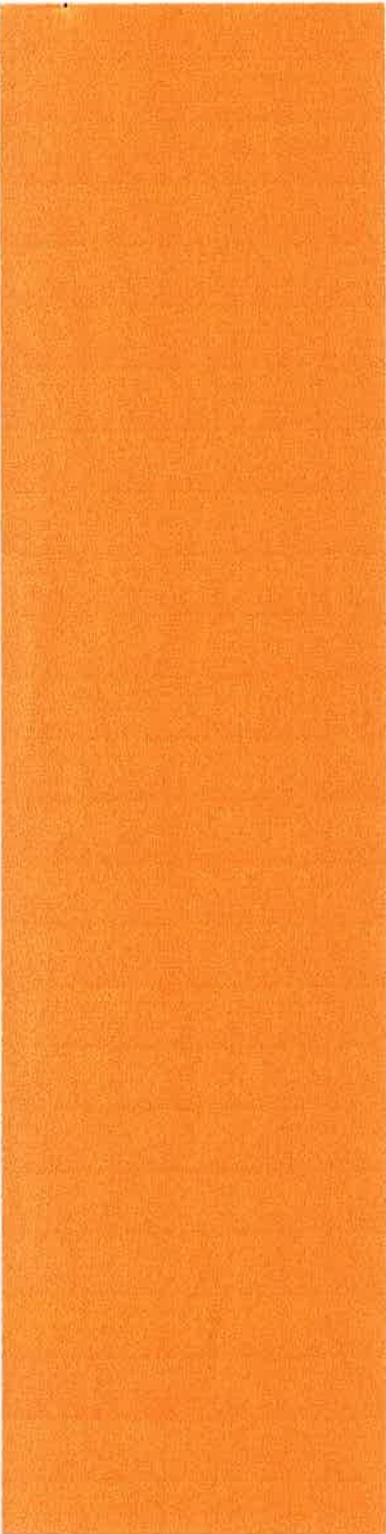
  
MAITA ALIDA C. ORDONEZ

Human Resources Coordinator

Noted by:

  
EMILITA MONVILLE ORO

Philippines Country Director



# International Institute of Rural Reconstruction - Philippine Office (A Nonprofit, Nonstock Organization)

**Financial Statements**

**As at and for the years ended December 31, 2022 and 2021**



## **Independent Auditor's Report**

To the Board of Trustees of  
**International Institute of Rural Reconstruction**  
(A Nonprofit, Nonstock Organization)  
Philippine Office  
IIRR YC James Yen Center  
Km. 39 Aguinaldo Highway  
Biga 2, Silang, Cavite, 4118 Philippines

### **Report on the Audits of the Financial Statements**

#### ***Our Opinion***

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Philippine Office of International Institute of Rural Reconstruction (the "Philippine Office") as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small Entities (PFRS for SE) Accounting Standard.

#### ***What we have audited***

The financial statements of the Philippine Office comprise:

- the statements of assets, liabilities and net assets as at December 31, 2022 and 2021;
- the statements of activities for the years ended December 31, 2022 and 2021;
- the statements of changes in net assets for the years ended December 31, 2022 and 2021;
- the statements of cash flows for the years ended December 31, 2022 and 2021; and
- the notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

#### ***Basis for Opinion***

We conducted our audits 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 Philippine Office 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.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines  
T: +63 (2) 8845 2728, [www.pwc.com/ph](http://www.pwc.com/ph)



Independent Auditor's Report  
To the Board of Trustees of  
International Institute of Rural Reconstruction  
Philippine Office  
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***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 SE Accounting Standard, 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 Philippine Office'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 Philippine Office or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Philippine Office'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.

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 Philippine Office's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Independent Auditor's Report  
To the Board of Trustees of  
International Institute of Rural Reconstruction  
Philippine Office  
Page 3

- 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 Philippine Office'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 Philippine Office 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.

#### **Report on the Bureau of Internal Revenue (BIR) Requirements**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under BIR Revenue Regulations Nos. 34-2020 and 15-2010 in Note 14 to the financial statements is presented for the purposes of filing with the BIR and is not a required part of the basic financial statements. Such information is the responsibility of management of the Philippine Office. 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.

**Isla Lipana & Co.**

A handwritten signature in black ink that reads "Paul Chester U. See". The signature is written in a cursive, flowing style.

Paul Chester U. See  
Partner

CPA Cert. No. 104941

P.T.R. No. 0011425; issued on January 3, 2025 at Makati City

T.I.N. 202-215-515

BIR A.N. 08-000745-122-2024; issued on February 13, 2024; effective until February 12, 2027

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City  
May 20, 2025

**International Institute of Rural Reconstruction**  
(A Nonprofit, Nonstock Organization)  
Philippine Office

Statements of Assets, Liabilities and Net Assets  
As at December 31, 2022 and 2021  
(All amounts in Philippine Peso)

	Notes	2022	2021
<b>Assets</b>			
<b>Current assets</b>			
Cash	2	52,348,338	34,282,538
Receivables and other current assets	3	77,451,205	32,359,412
<b>Total current assets</b>		<b>129,799,543</b>	<b>66,641,950</b>
<b>Non-current assets</b>			
Property and equipment, net	4	3,748,275	2,305,017
Retirement benefit asset, net	8	3,291,261	1,978,536
<b>Total non-current assets</b>		<b>7,039,536</b>	<b>4,283,553</b>
<b>Total assets</b>		<b>136,839,079</b>	<b>70,925,503</b>
<b>Liabilities and Net Assets</b>			
<b>Current liability</b>			
Trade payables and other current liabilities	5	37,811,380	37,915,586
<b>Non-current liability</b>			
Operating funds held	9	134,000	135,724
<b>Total liabilities</b>		<b>37,945,380</b>	<b>38,051,310</b>
<b>Net assets</b>			
Unrestricted		76,328,492	27,981,614
Temporarily restricted		22,565,207	4,892,579
<b>Total net assets</b>		<b>98,893,699</b>	<b>32,874,193</b>
<b>Total liabilities and net assets</b>		<b>136,839,079</b>	<b>70,925,503</b>

The notes on pages 1 to 12 are an integral part of these financial statements.

**International Institute of Rural Reconstruction**  
(A Nonprofit, Nonstock Organization)  
Philippine Office

Statements of Activities  
For the years ended December 31, 2022 and 2021  
(All amounts in Philippine Peso)

	Notes	December 31, 2022			December 31, 2021		
		Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
<b>Revenue, Gains and Other Support</b>							
Contributions/Grants:							
Foundations		-	59,463,338	59,463,338	-	23,685,802	23,685,802
Government		-	1,803,483	1,803,483	-	1,408,565	1,408,565
Individuals		1,392,902	1,419,907	2,812,809	611,307	-	611,307
Use of campus facilities		7,347,994	-	7,347,994	5,837,449	-	5,837,449
Training courses, study missions and technical assistance		8,334,639	-	8,334,639	3,425,840	-	3,425,840
Publication sales		-	-	-	8,880	-	8,880
Interest income from cash in banks	2	3,893	-	3,893	148	-	148
Other income	10	44,467,230	-	44,467,230	5,141,446	-	5,141,446
Net assets released from restrictions - Satisfaction of program activities		45,014,100	(45,014,100)	-	28,902,451	(28,902,451)	-
<b>Total revenue, gains and other support</b>		<b>106,560,828</b>	<b>17,672,628</b>	<b>124,233,456</b>	<b>43,927,521</b>	<b>(3,808,084)</b>	<b>40,119,437</b>
<b>Expenses</b>							
Program services:							
Learning community		34,092,200	-	34,092,200	22,615,950	-	22,615,950
Applied learning		12,059,730	-	12,059,730	9,784,825	-	9,784,825
<b>Total expenses from program services</b>		<b>46,151,930</b>	<b>-</b>	<b>46,151,930</b>	<b>32,400,775</b>	<b>-</b>	<b>32,400,775</b>
Support services:							
Management and general		10,240,238	-	10,240,238	6,847,742	-	6,847,742
Fund raising		1,821,782	-	1,821,782	1,745,627	-	1,745,627
<b>Total expenses from support services</b>		<b>12,062,020</b>	<b>-</b>	<b>12,062,020</b>	<b>8,593,369</b>	<b>-</b>	<b>8,593,369</b>
<b>Total expenses</b>		<b>58,213,950</b>	<b>-</b>	<b>58,213,950</b>	<b>40,994,144</b>	<b>-</b>	<b>40,994,144</b>
<b>Excess (Deficiency) of receipts over expenses</b>		<b>48,346,878</b>	<b>17,672,628</b>	<b>66,019,506</b>	<b>2,933,377</b>	<b>(3,808,084)</b>	<b>(874,707)</b>

The notes on pages 1 to 12 are integral part of these financial statements.

**International Institute of Rural Reconstruction**  
(A Nonprofit, Nonstock Organization)  
Philippine Office

Statements of Changes in Net Assets  
For the years ended December 31, 2022 and 2021  
(All amounts in Philippine Peso)

	Unrestricted	Temporarily restricted	Total
<b>Balances at January 1, 2021</b>	25,048,237	8,700,663	33,748,900
Excess (Deficiency) of receipts over expenses	2,933,377	(3,808,084)	(874,707)
<b>Balances at December 31, 2021</b>	27,981,614	4,892,579	32,874,193
Excess of receipts over expenses	48,346,878	17,672,628	66,019,506
<b>Balances at December 31, 2022</b>	76,328,492	22,565,207	98,893,699

The notes on pages 1 to 12 are integral part of these financial statements.

**International Institute of Rural Reconstruction**  
(A Nonprofit, Nonstock Organization)  
Philippine Office

Statements of Cash Flows  
For the years ended December 31, 2022 and 2021  
(All amounts in Philippine Peso)

	Notes	2022	2021
<b>Cash flows from operating activities</b>			
Excess (Deficiency) of receipts over expenses		66,019,506	(874,707)
Non-cash adjustments for:			
Unrealized foreign currency exchange gain	11	(13,915,716)	(4,169,519)
Depreciation	4	1,047,884	1,121,008
Adjustments in property and equipment	4	(505,601)	467,980
Reversal of retirement benefit expense, net	8	(381,197)	(1,972,460)
Interest income	2	(3,893)	(148)
Operating income (loss) before working capital changes		52,260,983	(5,427,846)
Changes in working capital:			
Receivables and other current assets		(38,824,556)	(560,628)
Trade payables and other current liabilities		1,357,608	23,421,319
Operating funds held		(1,724)	3,398
Cash generated from operations		14,792,311	17,436,243
Contributions to retirement fund	8	(931,528)	(1,372,276)
Interest received	2	3,893	148
Net cash provided by operating activities		13,864,676	16,064,115
<b>Cash flow from investing activity</b>			
Additions to property and equipment	4	(1,985,541)	(244,253)
<b>Net increase in cash for the year</b>		11,879,135	15,819,862
Cash at beginning of the year		34,282,538	16,698,747
Effects of foreign exchange rate changes on cash		6,186,665	1,763,929
<b>Cash at end of the year</b>	2	52,348,338	34,282,538

The notes on pages 1 to 12 are an integral part of these financial statements.

**International Institute of Rural Reconstruction**  
(A Nonprofit, Nonstock Organization)  
Philippine Office

Notes to the Financial Statements  
As at and for the years ended December 31, 2022 and 2021  
(All amounts are in Philippine Peso, unless otherwise stated)

**1 General information**

The International Institute of Rural Reconstruction (IIRR) is a nonprofit, nonstock organization formed in 1960 under the laws of the State of Delaware, United States of America (U.S.A.). IIRR is a global learning, training and capacity development organization with experience and commitment to rural development. IIRR's program service has two main functional categories: learning community program and applied learning program (Note 7). Resource generation is focused on unrestricted contributions, restricted grants, earned revenue through trainings, workshops, study programs, customized courses, technical assistance, use of campus facilities by development organizations and endowment fund.

On September 8, 1964, the Philippine Securities and Exchange Commission (SEC) approved the application of IIRR to establish an office in the Philippines (the Philippine Office). The Philippine Office has been authorized to do training of personnel and to conduct operational research relating to rural reconstruction and development in the Philippines.

The Philippine Office, being an international nonprofit, nonstock organization, is exempt from the payment of gift, franchise, specific, percentage, real property and all other taxes, duties and fees under Republic Act (RA) No. 3538, as amended by RA No. 4169 and Presidential Decree (PD) No. 246, and further amended by PD No. 728, which particularly includes the Philippine Office as a recipient of the exemptions and privileges provided in Section I of RA 3538. The Philippine Office is assumed exempt from the withdrawal effect of Executive Order (EO) No. 93, dated December 17, 1986, being an international institution. EO No. 93 withdrew the tax and duty exemption privileges, including the preferential tax treatment of government and private entities except:

- a. Those covered by the non-impairment clause of the Philippine Constitution;
- b. Those conferred by effective international agreements to which the government of the Republic of the Philippines is a signatory.

Also, as a nonprofit, nonstock organization, the Philippine Office is exempt from the payment of income tax under provisions of Section 30(h) of the Tax Reform Act of 1997.

The Philippine Office's registered office address and principal place of business is at IIRR YC James Yen Center, Km. 39 Aguinaldo Highway, Biga 2, Silang, Cavite, 4118 Philippines.

The financial statements have been approved and authorized for issuance by the Chairman of the Board of Trustees (BOT) on May 20, 2025.

**2 Cash**

Cash as at December 31 consist of:

	2022	2021
Cash in banks	52,298,338	34,234,521
Cash on hand	50,000	48,017
	<u>52,348,338</u>	<u>34,282,538</u>

Cash in banks earn interest at their respective bank deposit rates. For the year ended December 31, 2022, interest income earned, net of withholding taxes, amounted to P3,893 (2021 - P148).

### 3 Receivables and other current assets

This account as at December 31 consist of:

	Note	2022	2021
Contribution receivables		45,054,460	7,267,018
Due from related parties	6	28,672,140	23,114,570
Trade receivables		2,855,447	1,501,781
Advances to officers and employees		840,405	422,967
Other current assets		28,753	53,076
		<b>77,451,205</b>	<b>32,359,412</b>

Contribution receivables are due within one year and are covered by signed grant agreements.

Trade receivables consist of grants from technical assistance, study programs, training courses, and other income such as proceeds from farm (Note 10).

Advances to officers and employees are cash given in advance for the purposes of carrying out the Philippine Office' technical assistance, study programs, training courses and other projects.

These receivables are non-interest bearing and have an average term of one year.

### 4 Property and equipment, net

Details of property and equipment and its movements as at and for the years ended at December 31 are as follows:

	Note	Leasehold improvements	Buildings	Furniture and office equipment	Transportation equipment	Other equipment	Total
<b>Cost</b>							
At January 1, 2021		3,962,047	31,875,532	28,179,367	12,907,123	6,658,249	83,582,318
Additions		-	-	244,253	-	-	244,253
Adjustments		-	-	75,877	10,425	-	86,302
At December 31, 2021		3,962,047	31,875,532	28,499,497	12,917,548	6,658,249	83,912,873
Additions		261,899	348,515	1,047,910	184,433	142,784	1,985,541
Adjustments		-	-	101,051	16,557	-	117,608
At December 31, 2022		4,223,946	32,224,047	29,648,458	13,118,538	6,801,033	86,016,022
<b>Accumulated depreciation</b>							
At January 1, 2021		2,456,901	31,633,895	28,065,555	12,234,402	5,541,813	79,932,566
Depreciation	7	172,568	173,425	472,377	221,445	81,193	1,121,008
Adjustments		-	68,212	(38,435)	455,672	68,833	554,282
At December 31, 2021		2,629,469	31,875,532	28,499,497	12,911,519	5,691,839	81,607,856
Depreciation	7	172,733	76,371	459,994	254,481	84,305	1,047,884
Adjustments		-	(68,213)	176,681	(427,753)	(68,708)	(387,993)
At December 31, 2022		2,802,202	31,883,690	29,136,172	12,738,247	5,707,436	82,267,747
<b>Net book value</b>							
At December 31, 2021		1,332,578	-	-	6,029	966,410	2,305,017
At December 31, 2022		1,421,744	340,357	512,286	380,291	1,093,597	3,748,275

The adjustments made in 2022 and 2021 are due to the foreign currency translation differences for the amounts purchased in US dollars.

The Philippine Office donated its land in Cavite to the Philippine Rural Reconstruction Movement, Inc. (PRRM) in 1975. Excluded from this donation were buildings and other improvements on such land. In the same year, PRRM and the Philippine Office entered into a lease agreement on the land in Cavite for a period of 25 years, renewable for another 25 years upon mutual agreement of the parties concerned. The annual rental under the lease contract was P15,175 until May 25, 2000.

On May 23, 2000, the Philippine Office and PRRM executed a contract to confirm their agreement to share the Cavite campus for rural reconstruction work. The contract permits the Philippine Office to use its portion of the campus without rent through May 25, 2025 and may be extended for another 25 years upon mutual agreement of the parties concerned.

Management believes that there is no indication of impairment on its property and equipment as at December 31, 2022 and 2021.

## 5 Trade payables and other current liabilities

This account as at December 31 consist of:

	Note	2022	2021
Due to related parties	6	26,854,051	28,411,340
Trade payables		10,688,523	9,342,056
Payable to government agencies		268,806	162,190
		37,811,380	37,915,586

These payables are non-interest bearing and are generally on 30 to 60 days' term.

Payable to government agencies represents statutory payables such as withholding taxes, SSS premiums and other liabilities to the government.

## 6 Related party transactions

In the normal course of business, the Philippine Office transacts with its other operating's offices which are considered related parties under Section 26 of PFRS for SEs, "Related Party Disclosures".

The transactions and outstanding balances of the Philippine Office with its related parties as at and for the years ended December 31 are as follows:

	2022		2021		Terms and conditions
	Transactions	Receivables (Payables)	Transactions	Receivables (Payables)	
Headquarter (i)	906,503	15,085,961	11,673,949	14,179,458	Unsecured, non-interest bearing and on demand
US (ii)	167,211	1,969,835	1,179,700	1,802,625	
Global (i)	1,236,644	8,157,219	6,920,575	6,920,575	
Myanmar (i, ii)	(82,157)	129,755	211,912	211,912	
Cambodia (i, ii)	3,329,370	3,329,370	(2,195,116)	-	
	5,557,571	28,672,140	17,791,021	23,114,570	
Global (i)	(429,480)	(10,146,001)	(4,643,821)	(9,716,521)	
Headquarter (i)	(711,834)	(13,374,846)	(12,663,011)	(12,663,011)	
US (ii)	(99,494)	(1,172,095)	(1,072,600)	(1,072,600)	
Myanmar (i, ii)	1,662,297	(2,155,536)	(502,907)	(3,817,834)	
Cambodia (i, ii)	1,135,801	(5,573)	(1,141,374)	(1,141,374)	
	1,557,290	(26,854,051)	(20,023,713)	(28,411,340)	

- (i) The Philippine Office, being a cost center, incurs various obligations to sustain the operation of its units. These expenses are to be shared and charged to other operating offices. The settlement usually occurs in cash and is collectible or payable on demand.
- (ii) These are shared donations to be allocated or to be received to or from other operating offices.

The Philippine Office has not made any provision for doubtful accounts relating to amounts owed by its related parties in 2022 and 2021. This assessment is undertaken each financial year through examination of the financial position of the related parties and the market in which they operate.

## 7 Expenses

Expenses for the years ended December 31 are as follow:

2022								
	Notes	Learning community	Applied learning	Subtotal	Management and general	Fund raising	Subtotal	Total
Field program expenses		23,125,537	-	23,125,537	-	-	-	23,125,537
Staff costs	8	7,980,164	8,361,247	16,341,411	4,244,137	635,139	4,879,276	21,220,687
Rental and maintenance		1,258,316	1,579,276	2,837,592	843,132	534,934	1,378,066	4,215,658
Headquarter costs		-	-	-	4,028,198	-	4,028,198	4,028,198
Contractual services		595,654	680,851	1,276,505	354,625	141,996	496,621	1,773,126
Foreign exchange loss		379,696	569,543	949,239	316,413	316,413	632,826	1,582,065
Depreciation	4	320,791	394,564	715,355	209,576	122,953	332,529	1,047,884
Travel		287,872	292,611	580,483	147,095	7,898	154,993	735,476
Supplies and materials		27,793	29,282	57,075	14,888	2,481	17,369	74,444
Communication		18,172	23,528	41,700	12,657	8,927	21,584	63,284
Others - net		98,205	128,828	227,033	69,517	51,041	120,558	347,591
		34,092,200	12,059,730	46,151,930	10,240,238	1,821,782	12,062,020	58,213,950

2021								
	Notes	Learning community	Applied learning	Subtotal	Management and general	Fund raising	Subtotal	Total
Staff costs	8	5,676,582	6,083,603	11,760,185	3,109,638	678,367	3,788,005	15,548,190
Field program expenses		13,878,502	-	13,878,502	-	-	-	13,878,502
Rental and maintenance		1,196,206	1,456,898	2,653,104	771,898	434,486	1,206,384	3,859,488
Foreign exchange loss		1,026,569	1,239,043	2,265,612	654,934	354,122	1,009,056	3,274,668
Headquarter costs		-	-	-	1,780,770	-	1,780,770	1,780,770
Depreciation	4	324,242	417,363	741,605	224,201	155,202	379,403	1,121,008
Contractual services		231,151	285,943	517,094	152,103	91,320	243,423	760,517
Supplies and materials		115,527	120,971	236,498	61,392	9,074	70,466	306,964
Communication		43,147	53,353	96,500	28,377	17,009	45,386	141,886
Travel		16,477	16,569	33,046	8,300	153	8,453	41,499
Others - net		107,547	111,082	218,629	56,129	5,894	62,023	280,652
		22,615,950	9,784,825	32,400,775	6,847,742	1,745,627	8,593,369	40,994,144

The foregoing expenses incurred by the Philippine Office are classified by functional category of program and support services. The functional categories included under program services are described as follows:

### a. Learning Community Program

This program aims to: (1) enable people and their communities to effect meaningful change in their lives through research and learning process; and (2) generate knowledge about participatory human development through practical experience. Capacity building of people and their institutions are achieved at the community level through this program.

### b. Applied Learning Program

This program aims to contribute to the global body of knowledge on organizational and program effectiveness and good governance through practical trainings, workshops, conferences, technical assistance, study programs and publications. The focus is to transform field experience into a unique, informed, evolving and on-site learning through interaction between community members and development practitioners engaged at national, regional and global levels.

## 8 Retirement benefits

The Philippine Office has a funded, non-contributory defined benefit pension plan, administered by a trustee, covering substantially all of its qualified employees.

Retirement benefit costs pertain to the monthly contributions made by the Philippine Office to the fund for the credit of each member an amount equal to 10% of the monthly salary. The members shall not be required to make contributions to the fund, but each member shall be entitled to make a voluntary contribution to the plan.

Retirement benefit asset as at December 31 consists of the following:

	2022	2021
Accrued retirement benefits	(8,544,538)	(10,085,066)
Fair value of plan assets	11,835,799	12,063,602
	3,291,261	1,978,536

Reversal of retirement benefit expense, net for the years ended December 31 consists of the following:

	2022	2021
Adjustments in accrued retirement benefits	(517,843)	(2,208,653)
Adjustments in plan assets	136,646	236,193
	(381,197)	(1,972,460)

Movements in accrued retirement benefits for the years ended December 31 are as follow:

	2022	2021
January 1	10,085,066	19,617,244
Adjustments in accrued retirement benefits	(517,843)	(2,208,653)
Benefits paid	(1,022,685)	(7,323,525)
	8,544,538	10,085,066

Movements in fair value of plan assets for the years ended December 31 are as follow:

	2022	2021
January 1	12,063,602	18,251,044
Contributions made	931,528	1,372,276
Adjustments in plan assets charged to profit or loss	(136,646)	(236,193)
Benefits paid	(1,022,685)	(7,323,525)
	11,835,799	12,063,602

Reversal of retirement benefit expense, net is included as part of "Staff cost" in Note 7.

The plan is funded by contributions of the Philippine Office to a trust account managed by a Philippine bank. The plan assets of the Philippine Office are denominated in Philippine Peso and U.S. Dollar denominated.

Notwithstanding any other provisions of the trust agreement, the fund trustee shall use its best effort to maintain allocation of the investment of the provident fund as established by the Philippine Office's retirement committee and approved by the Philippine Office's BOT.

## 9 Operating funds held

IIRR and National College of Science and Technology (NCST) established a 15-year partnership of creating opportunities for the Filipino Youth coming from poor and marginalized families; the NCST will use the IIRR campus buildings as classrooms and dormitories for their students, thus, NCST provided operating funds to IIRR to cover costs incurred for electricity and water.

The amount of the funds held as operating fund amounted to P134,000 as at December 31, 2022 (2021 - P135,724).

## 10 Other income

Other income for the years ended December 31 are as follow:

	Note	2022	2021
Foreign exchange gain, net	11	40,854,638	3,211,682
Proceeds from farm		476,363	778,346
Others		3,136,229	1,151,418
		44,467,230	5,141,446

Others consist of souvenir sales, fee for layout publication, and other program events.

## 11 Foreign currency denominated monetary assets and liabilities

The Philippine Office's foreign currency denominated monetary assets and liabilities as at December 31 consist of:

	2022	2021
Assets	1,609,014	1,172,255
Liabilities	(193,955)	(227,664)
Net foreign currency assets	1,415,059	944,591
Year-end exchange rates	56.00	51.00
Philippine Peso equivalent	79,243,304	48,174,141

Details of net foreign exchange gain for the years ended December 31 are as follows:

	2022	2021
Cumulative translation gain	1,477,393	161,456
Unrealized gain	13,915,716	4,169,519
Realized gain (loss)	25,461,529	(1,119,293)
	40,854,638	3,211,682

Cumulative translation gain charged directly to net assets - unrestricted pertains to the effect of changes in exchange rates between Philippine Peso and U.S. Dollars on its beginning balances.

## 12 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 12.1 Basis of preparation

The financial statements of the Philippine Office have been prepared in accordance with the PFRS for SE Accounting Standard (the "Framework") as approved by the Philippine Financial Reporting Standards Council, Board of Accountancy, and Securities and Exchange Commission (SEC) on the mandatory effective date of January 1, 2019.

As defined by the SEC, small entities are those that meet all of the following criteria:

- Total assets of between P3.0 million to P100.0 million or total liabilities of between P3.0 million to P100.0 million;
- Are not required to file financial statements under Part II of SRC Rule 68;
- Are not in the process of filing their financial statements for the purpose of issuing any class of instruments in public market; and
- Are not holders of secondary licenses issued by regulatory agencies.

These financial statements have been prepared under the historical cost convention.

As at December 31, 2022, the Philippine Office breached the threshold and is qualified to adopt PFRS for Small Medium-sized Entities (SME) Accounting Standard. The breach is not expected to be continuing after December 31, 2022 as management believes that the current level of contributions received by the Philippine Office is temporary, considering a number of operational factors and it is anticipated that contribution levels may fall below the threshold in the coming years. Accordingly, the balance of contribution receivables is expected to significantly decrease.

## **12.2 Financial instruments**

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognized when an entity becomes a party to its contractual provisions. The Philippine Office classifies its financial instruments into the following categories: (a) basic financial instruments; and (b) other financial instruments.

The Philippine Office's basic financial instruments consist of cash (Note 12.4), receivables (Note 12.5), and trade payables and other current liabilities (Note 12.8). The Philippine Office does not have other financial instruments.

### **12.3 Basic financial instruments**

#### *Initial measurement*

On initial recognition, a debt financial instrument is measured at transaction price (including transaction costs), unless the arrangement is in effect a financing transaction. In this case, it is measured at present value of the future payment discounted using a market rate of interest for a similar debt instrument.

#### *Subsequent measurement*

The Philippine Office's debt financial instruments are subsequently measured at amortized cost using the effective interest method.

#### *Impairment of financial instruments measured at amortized cost*

At each reporting date, the Philippine Office assesses whether there is objective evidence of impairment on any financial assets that are measured at amortised cost. Where there is any objective evidence of impairment, an impairment loss is recognized immediately in profit or loss.

The impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

#### *Derecognition of financial assets*

An entity only derecognizes a financial asset when the contractual rights to the cash flows from the assets have expired or are settled, or an entity has transferred to another party substantially all the risks and rewards of ownership relating to the financial asset.

#### *Derecognition of financial liabilities*

Financial liabilities are derecognized only when these are extinguished - that is, when the obligation is discharged, cancelled or has expired.

### **12.4 Cash**

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

## 12.5 Receivables

Receivables are recognized initially at the transaction price 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 Philippine Office will not be able to collect all amounts due according to the original terms of receivables.

## 12.6 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation 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 Philippine Office and the cost of the item can be measured reliably. All other costs, classified as 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:

Leasehold improvements	10 to 25 years or the term of the lease, whichever period is shorter
Buildings	10 to 25 years
Furniture and office equipment	3 to 5 years
Transportation equipment	5 to 8 years
Other equipment	5 to 10 years

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 asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying value is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the revenue, gains and other supports section of the statement of activities. 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).

Property and equipment and other non-financial assets that are subject to depreciation and amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. When an impairment indicator is identified, the carrying value of the asset is tested for impairment. 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. If the recoverable amount cannot be estimated for an individual asset, the Philippine Office estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are independent of the cash flows from other assets within the Philippine Office.

If an impairment indicator no longer exists or the recoverable amount has increased subsequently, the Philippine Office will determine the amount of impairment loss that can be reversed to the extent that the reversal should not result in a carrying amount of the asset that is higher had no impairment loss was recognized in the prior years.

### **12.8 Trade payables and other current liabilities**

Trade payables and other current liabilities are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

### **12.9 Provisions**

Provisions are recognized when: the Philippine Office has an obligation as a result of a past event; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

When the effect of time value is material, provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate(s) that reflect(s) current market assessments of the time value of money and the risks specific to the obligation. Changes in the provisions due to passage of time are recognized in profit or loss.

### **12.10 Classification of net assets**

The net assets of the Philippine Office and changes therein are classified and reported on the basis of the existence or absence of donor-imposed restrictions, as follows:

- **Unrestricted net assets**

Net assets that are not subject to any donor-imposed stipulations. Unrestricted assets may be designated for specific purposes by action of the BOT.

- **Temporarily restricted net assets**

Net assets that are subject to donor-imposed stipulations that may be met either by actions of the Philippine Office or by passage of time. When a restriction expires, that is, a stipulated time restriction ends or purpose restriction is accomplished, the assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

### **12.11 Revenue and expense recognition**

Contributions and grants, which include unconditional promises to give (pledges), are recognized as revenue in the year they are received or promised, whichever is earlier. An unconditional promise to give is recognized when a promise is made or received, provided there is sufficient evidence in the form of verifiable document. Unconditional promise to give in future periods are initially recorded at estimated fair value determined using the discounted present value of expected cash flows and subsequently amortized over the expected payment period, net of allowance for impairment. The discount rates are determined at the time the unconditional promise to give is initially received.

The allowance is established by charges to the profit or loss. The allowance for uncollectible contributions receivable is based upon the Philippine Office's analysis of past collection experience, pledge activity and other judgmental factors.

Donor-restricted contributions whose restrictions are met in the same reporting year are classified as unrestricted support. Contributions and grants received, intended for projects to be undertaken in future years, are accounted for as temporarily restricted net assets. Gains and losses on assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation.

Revenue from training courses, study missions and technical assistance and use of campus facilities are recognized when the amount can be measured reliably and collection is probable.

Revenue from sale of books and other published materials are recognized when the significant risks and rewards of ownership of the published materials have passed to the buyer, the amount of revenue can be reliably measured and collection is probable.

Expenses are generally reported as decreases in unrestricted net assets. Expirations of donor-imposed stipulations or BOT designations that simultaneously increase one classification of net assets and decrease another are reported as transfers between the applicable classifications of net assets. Expenses are recognized in profit or loss in the period these are incurred.

#### **12.12 Allocation of expenses**

The cost incurred in the various programs and other activities has been summarized on a functional basis. Directly identifiable expenses are charged to program and support services. Expenses related to more than one function are charged to program and support services using the prevailing Philippine Office's cost allocation ratios.

#### **12.13 Retirement benefits**

The Philippine Office accounts for its post-employment benefit plan using the accrual approach in accordance with the minimum retirement benefits required under Republic Act (RA) No. 7641, otherwise known as The Philippine Retirement Pay Law, or entity policy if superior than that provided by RA 7641. Accrual approach is applied by calculating the expected liability as of reporting date using the current salary of the entitled employees and the employees' years of service, without consideration of future changes in salary rates and service periods.

The Philippine Office shall recognize the liability for such post-employment benefit plan at the net total of the accrued amount of the retirement benefits at the reporting date less the fair value of plan assets (if any) at the reporting date out of which the obligations are to be settled directly.

#### **12.14 Leases**

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

The Philippine Office recognizes all lease payments as expenses in profit or loss in the period in which they are incurred.

#### **12.15 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 entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its shareholders.

Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market. Due to/from related parties are initially recorded at transaction price and are subsequently measured at amortized cost using the effective interest method.

#### **12.16 Foreign currency transactions and translation**

##### **(a) Functional and presentation currency**

Items included in the financial statements of the Philippine Office are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Philippine Peso, which is the Philippine Office's functional and presentation currency.

(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 and liabilities 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 activities through 'other income, net'.

**12.17 Events after the reporting date**

Post year-end events that provide additional information about the Philippine Office's financial 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.

**13 Other matters**

As at date of approval of financial statements, the Philippine Office believes that there are no asset impairment indicators, the liquidity risk is low and have therefore no reason to assume that the situation warrants disclosure of a specific material going concern uncertainty for the Philippine Office in preparing the December 31, 2022 and 2021 financial statements. However, it is currently uncertain what the magnitude of the impact will be and the effect on the next financial year. This will depend, among others, on the continuing spread of the virus and how long the restrictive measures taken by the government will last. The Philippine Office is closely monitoring the status of the COVID-19 pandemic and continues to look for measures to mitigate and reduce the negative impact on the Philippine Office's activities.

**14 Supplementary information required by the Bureau of Internal Revenue (BIR)**

The following supplementary information for the year ended December 31, 2022 required by Revenue Regulations (RR) is presented for purposes of filing with the BIR and is not a required part of the basic financial statements:

RR no. 15-2010

*(a) Output and Input VAT*

The Philippine Office has not entered into transactions which are subject to output VAT. The Philippine Office has not recognized any input VAT from its transactions during the year.

*(b) Importations*

The Philippine Office did not have any importations. The Philippine Office is exempt from paying any taxes as discussed in Note 1.

*(c) Excise tax*

The Philippine Office did not have transactions subject to excise taxes during the year. The Philippine Office is exempt from paying excise taxes as discussed in Note 1.

*(d) Documentary stamp tax*

The Philippine Office is exempt from paying documentary taxes as discussed in Note 1.

*(e) All other local and national taxes*

The Philippine Office is exempt from paying other local and national taxes as discussed in Note 1.

(f) *Withholding taxes*

Withholding taxes paid and accrued and/or withheld for the year ended December 31, 2022 consist of:

	Paid	Accrued	Total
Withholding tax on compensation	1,226,340	92,550	1,318,890
Expanded withholding tax	132,862	7,998	140,860

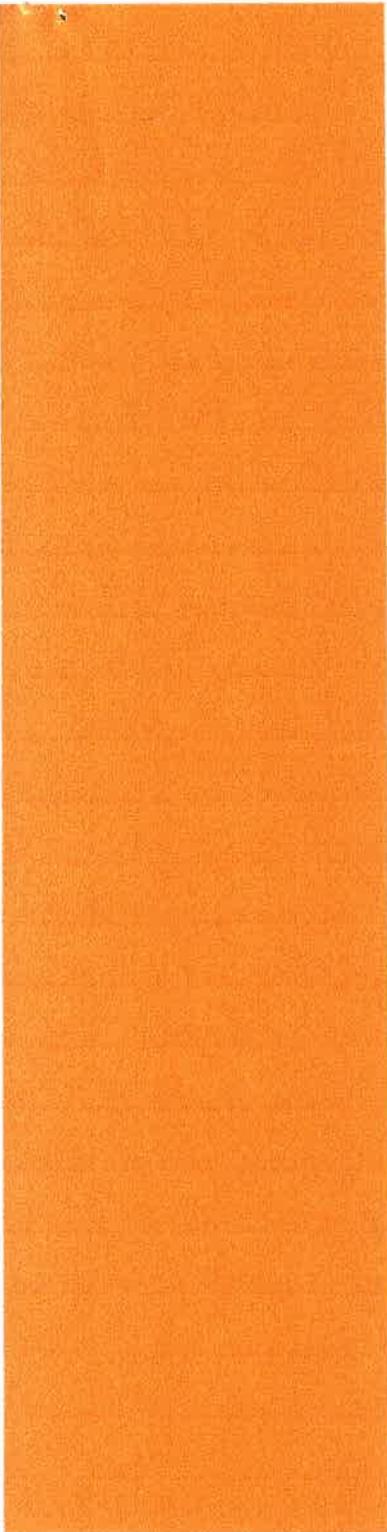
(g) *Tax assessments/cases*

There are no outstanding tax assessments with the BIR and cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR as at December 31, 2022.

RR No. 34-2020

On December 18, 2020, BIR issued RR No. 34-2020, Prescribing the Guidelines and Procedures for the Submission of BIR Form No. 1709, Transfer Pricing Documentation (TPD) and other Supporting Documents, Amending for this Purpose the Pertinent Provisions of RR Nos. 19-2020 and 21-2002, as amended by RR No. 15-2010, to streamline the guidelines and procedures for the submission of BIR Form No. 1709, TPD and other supporting documents by providing safe harbors and materiality thresholds. Section 2 of the RR provides the list of taxpayers that are required to file and submit the RPT Form, together with the Annual Income Tax Return.

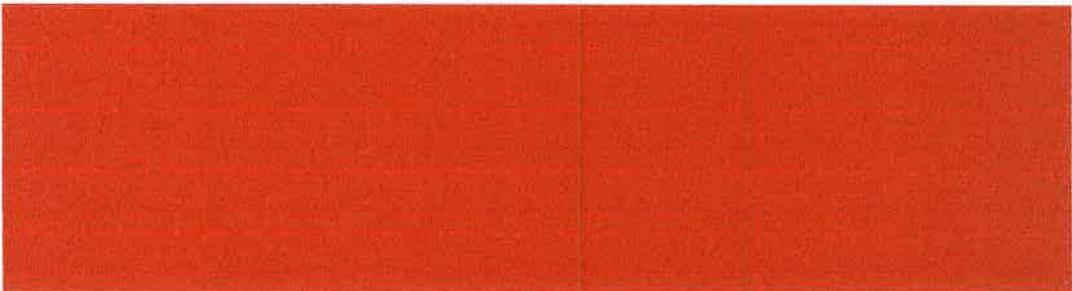
The Philippine Office is not covered by the requirements and procedures for related party transactions provided under this RR as it does not meet any criteria of taxpayers prescribed in Section 2 of the RR.



# International Institute of Rural Reconstruction - Philippine Office (A Nonprofit, Nonstock Organization)

**Financial Statements**

**As at and for the years ended December 31, 2023 and 2022**





## **Independent Auditor's Report**

To the Board of Trustees of  
**International Institute of Rural Reconstruction**  
(A Nonprofit, Nonstock Organization)  
Philippine Office  
IIRR YC James Yen Center  
Km. 39 Aguinaldo Highway  
Biga 2, Silang, Cavite, 4118 Philippines

### **Report on the Audits of the Financial Statements**

#### ***Our Opinion***

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Philippine Office of International Institute of Rural Reconstruction (the "Philippine Office") as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards for Small Entities (PFRS for SE) Accounting Standard.

#### ***What we have audited***

The financial statements of the Philippine Office comprise:

- the statements of assets, liabilities and net assets as at December 31, 2023 and 2022;
- the statements of activities for the years ended December 31, 2023 and 2022;
- the statements of changes in net assets for the years ended December 31, 2023 and 2022;
- the statements of cash flows for the years ended December 31, 2023 and 2022; and
- the notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

#### ***Basis for Opinion***

We conducted our audits 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 Philippine Office 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.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines  
T: +63 (2) 8845 2728, [www.pwc.com/ph](http://www.pwc.com/ph)



Independent Auditor's Report  
To the Board of Trustees of  
International Institute of Rural Reconstruction  
Philippine Office  
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***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 SE Accounting Standard, 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 Philippine Office'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 Philippine Office or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Philippine Office'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.

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 Philippine Office's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Independent Auditor's Report  
To the Board of Trustees of  
International Institute of Rural Reconstruction  
Philippine Office  
Page 3

- 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 Philippine Office'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 Philippine Office 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.

#### **Report on the Bureau of Internal Revenue (BIR) Requirements**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under BIR Revenue Regulations Nos. 34-2020 and 15-2010 in Note 13 to the financial statements is presented for the purposes of filing with the BIR and is not a required part of the basic financial statements. Such information is the responsibility of management of the Philippine Office. 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.

**Isla Lipana & Co.**

A handwritten signature in black ink that reads "Paul Chester U. See".

Paul Chester U. See  
Partner  
CPA Cert. No. 104941  
P.T.R. No. 0011425; issued on January 3, 2025 at Makati City  
T.I.N. 202-215-515  
BIR A.N. 08-000745-122-2024; issued on February 13, 2024; effective until February 12, 2027  
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City  
June 9, 2025

**International Institute of Rural Reconstruction**  
(A Nonprofit, Nonstock Organization)  
Philippine Office

Statements of Assets, Liabilities and Net Assets  
As at December 31, 2023 and 2022  
(All amounts in Philippine Peso)

	Notes	2023	2022
<b>Assets</b>			
<b>Current assets</b>			
Cash	2	69,203,681	52,348,338
Receivables and other current assets	3	120,573,776	77,451,205
<b>Total current assets</b>		<b>189,777,457</b>	<b>129,799,543</b>
<b>Non-current assets</b>			
Property and equipment, net	4	6,207,651	3,748,275
Retirement benefit asset, net	8	4,983,090	3,291,261
<b>Total non-current assets</b>		<b>11,190,741</b>	<b>7,039,536</b>
<b>Total assets</b>		<b>200,968,198</b>	<b>136,839,079</b>
<b>Liabilities and Net Assets</b>			
<b>Current liability</b>			
Trade payables and other current liabilities	5	41,666,147	37,811,380
<b>Non-current liability</b>			
Operating funds held	9	70,000	134,000
<b>Total liabilities</b>		<b>41,736,147</b>	<b>37,945,380</b>
<b>Net assets</b>			
Unrestricted		94,242,286	76,328,492
Temporarily restricted		64,989,765	22,565,207
<b>Total net assets</b>		<b>159,232,051</b>	<b>98,893,699</b>
<b>Total liabilities and net assets</b>		<b>200,968,198</b>	<b>136,839,079</b>

The notes on pages 1 to 12 are an integral part of these financial statements.

**International Institute of Rural Reconstruction**  
(A Nonprofit, Nonstock Organization)  
Philippine Office

Statements of Activities  
For the years ended December 31, 2023 and 2022  
(All amounts in Philippine Peso)

	Notes	December 31, 2023			December 31, 2022		
		Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
<b>Revenue, Gains and Other Support</b>							-
Contributions/Grants:							
Foundations		834,446	110,357,125	111,191,571	-	59,463,338	59,463,338
Government		-	-	-	-	1,803,483	1,803,483
Individuals		3,001	723,186	726,187	1,392,902	1,419,907	2,812,809
Use of campus facilities		12,121,767	-	12,121,767	7,347,994	-	7,347,994
Training courses, study missions and technical assistance		3,593,731	-	3,593,731	8,334,639	-	8,334,639
Interest income from cash in banks	2	30,048	-	30,048	3,893	-	3,893
Other income	10	21,091,248	-	21,091,248	44,467,230	-	44,467,230
Net assets released from restrictions -							
Satisfaction of program activities		68,655,753	(68,655,753)	-	45,014,100	(45,014,100)	-
<b>Total revenue, gains and other support</b>		<b>106,329,994</b>	<b>42,424,558</b>	<b>148,754,552</b>	<b>106,560,828</b>	<b>17,672,628</b>	<b>124,233,456</b>
<b>Expenses</b>	7						
Program services:							
Learning community		48,983,591	-	48,983,591	34,092,200	-	34,092,200
Applied learning		20,930,838	-	20,930,838	12,059,730	-	12,059,730
<b>Total expenses from program services</b>		<b>69,914,429</b>	<b>-</b>	<b>69,914,429</b>	<b>46,151,930</b>	<b>-</b>	<b>46,151,930</b>
Support services:							
Management and general		15,574,678	-	15,574,678	10,240,238	-	10,240,238
Fund raising		2,927,093	-	2,927,093	1,821,782	-	1,821,782
<b>Total expenses from support services</b>		<b>18,501,771</b>	<b>-</b>	<b>18,501,771</b>	<b>12,062,020</b>	<b>-</b>	<b>12,062,020</b>
<b>Total expenses</b>		<b>88,416,200</b>	<b>-</b>	<b>88,416,200</b>	<b>58,213,950</b>	<b>-</b>	<b>58,213,950</b>
<b>Excess of receipts over expenses</b>		<b>17,913,794</b>	<b>42,424,558</b>	<b>60,338,352</b>	<b>48,346,878</b>	<b>17,672,628</b>	<b>66,019,506</b>

The notes on pages 1 to 12 are integral part of these financial statements

**International Institute of Rural Reconstruction**  
(A Nonprofit, Nonstock Organization)  
Philippine Office

Statements of Changes in Net Assets  
For the years ended December 31, 2023 and 2022  
(All amounts in Philippine Peso)

	Unrestricted	Temporarily restricted	Total
<b>Balances at January 1, 2022</b>	27,981,614	4,892,579	32,874,193
Excess of receipts over expenses	48,346,878	17,672,628	66,019,506
<b>Balances at December 31, 2022</b>	76,328,492	22,565,207	98,893,699
Excess of receipts over expenses	17,913,794	42,424,558	60,338,352
<b>Balances at December 31, 2023</b>	94,242,286	64,989,765	159,232,051

The notes on pages 1 to 12 are integral part of these financial statements.

**International Institute of Rural Reconstruction**  
(A Nonprofit, Nonstock Organization)  
Philippine Office

Statements of Cash Flows  
For the years ended December 31, 2023 and 2022  
(All amounts in Philippine Peso)

	Notes	2023	2022
<b>Cash flows from operating activities</b>			
Excess of receipts over expenses		60,338,352	66,019,506
Non-cash adjustments for:			
Unrealized foreign currency exchange gain	11	(20,960,740)	(13,915,716)
Depreciation	4	1,520,006	1,047,884
Adjustments in property and equipment	4	(1,093,115)	(505,601)
Reversal of retirement benefit expense, net	8	(599,394)	(381,197)
Interest income	2	(30,048)	(3,893)
Operating income before working capital changes		39,175,061	52,260,983
Changes in working capital:			
Receivables and other current assets		(32,336,304)	(38,824,556)
Trade payables and other current liabilities		5,655,884	1,357,608
Operating funds held		(64,000)	(1,724)
Cash generated from operations		12,430,641	14,792,311
Contributions to retirement fund	8	(1,092,435)	(931,528)
Interest received	2	30,048	3,893
Net cash provided by operating activities		11,368,254	13,864,676
<b>Cash flow from investing activity</b>			
Additions to property and equipment	4	(2,886,267)	(1,985,541)
<b>Net increase in cash for the year</b>		8,481,987	11,879,135
Cash at beginning of the year		52,348,338	34,282,538
Effects of foreign exchange rate changes on cash		8,373,356	6,186,665
<b>Cash at end of the year</b>	2	69,203,681	52,348,338

The notes on pages 1 to 12 are an integral part of these financial statements.

**International Institute of Rural Reconstruction**  
(A Nonprofit, Nonstock Organization)  
Philippine Office

Notes to the Financial Statements  
As at and for the years ended December 31, 2023 and 2022  
(All amounts are in Philippine Peso, unless otherwise stated)

**1 General information**

The International Institute of Rural Reconstruction (IIRR or "Headquarter") is a nonprofit, nonstock organization formed in 1960 under the laws of the State of Delaware, United States of America (U.S.A.). IIRR is a global learning, training and capacity development organization with experience and commitment to rural development. IIRR's program service has two main functional categories: learning community program and applied learning program (Note 7). Resource generation is focused on unrestricted contributions, restricted grants, earned revenue through trainings, workshops, study programs, customized courses, technical assistance, use of campus facilities by development organizations and endowment fund.

On September 8, 1964, the Philippine Securities and Exchange Commission (SEC) approved the application of IIRR to establish an office in the Philippines (the Philippine Office). The Philippine Office has been authorized to do training of personnel and to conduct operational research relating to rural reconstruction and development in the Philippines.

The Philippine Office, being an international nonprofit, nonstock organization, is exempt from the payment of gift, franchise, specific, percentage, real property and all other taxes, duties and fees under Republic Act (RA) No. 3538, as amended by RA No. 4169 and Presidential Decree (PD) No. 246, and further amended by PD No. 728, which particularly includes the Philippine Office as a recipient of the exemptions and privileges provided in Section I of RA 3538. The Philippine Office is assumed exempt from the withdrawal effect of Executive Order (EO) No. 93, dated December 17, 1986, being an international institution. EO No. 93 withdrew the tax and duty exemption privileges, including the preferential tax treatment of government and private entities except:

- a. Those covered by the non-impairment clause of the Philippine Constitution;
- b. Those conferred by effective international agreements to which the government of the Republic of the Philippines is a signatory.

Also, as a nonprofit, nonstock organization, the Philippine Office is exempt from the payment of income tax under provisions of Section 30(h) of the Tax Reform Act of 1997.

The Philippine Office's registered office address and principal place of business is at IIRR YC James Yen Center, Km. 39 Aguinaldo Highway, Biga 2, Silang, Cavite, 4118 Philippines.

The financial statements have been approved and authorized for issuance by the Chairman of the Board of Trustees (BOT) on June 9, 2025.

**2 Cash**

Cash as at December 31 consist of:

	2023	2022
Cash in banks	69,163,916	52,298,338
Cash on hand	39,765	50,000
	69,203,681	52,348,338

Cash in banks earn interest at their respective bank deposit rates. For the year ended December 31, 2023, interest income earned, net of withholding taxes, amounted to P30,048 (2022 - P3,893).

### 3 Receivables and other current assets

This account as at December 31 consist of:

	Note	2023	2022
Contribution receivables		79,118,087	45,054,460
Due from related parties	6	36,343,897	28,672,140
Trade receivables		1,630,908	2,855,447
Advances to officers and employees		205,363	840,405
Other current assets		3,275,521	28,753
		120,573,776	77,451,205

Contribution receivables are due within one year and are covered by signed grant agreements.

Trade receivables consist of grants from technical assistance, study programs, training courses, and other income such as proceeds from farm (Note 10).

Advances to officers and employees are cash given in advance for the purposes of carrying out the Philippine Office' technical assistance, study programs, training courses and other projects.

These receivables are non-interest bearing and have an average term of one year.

### 4 Property and equipment, net

Details of property and equipment and its movements as at and for the years ended at December 31 are as follows:

	Note	Leasehold improvements	Buildings	Furniture and office equipment	Transportatio n equipment	Other equipment	Total
<b>Cost</b>							
At January 1, 2022		3,962,047	31,875,532	28,499,497	12,917,548	6,658,249	83,912,873
Additions		261,899	348,515	1,047,910	184,433	142,784	1,985,541
Adjustments		-	-	101,051	16,557	-	117,608
At December 31, 2022		4,223,946	32,224,047	29,648,458	13,118,538	6,801,033	86,016,022
Additions		-	-	1,465,387	1,272,980	147,900	2,886,267
Adjustments		-	281,878	736,841	1,236	(35,345)	984,610
At December 31, 2023		4,223,946	32,505,925	31,850,686	14,392,754	6,913,588	89,886,899
<b>Accumulated depreciation</b>							
At January 1, 2022		2,629,469	31,875,532	28,499,497	12,911,519	5,691,839	81,607,856
Depreciation	7	172,733	76,371	459,994	254,481	84,305	1,047,884
Adjustments		-	(68,213)	176,681	(427,753)	(68,708)	(387,993)
At December 31, 2022		2,802,202	31,883,690	29,136,172	12,738,247	5,707,436	82,267,747
Depreciation	7	220,748	131,766	666,253	392,803	108,436	1,520,006
Adjustments		-	-	(104,584)	(3,462)	(459)	(108,505)
At December 31, 2023		3,022,950	32,015,456	29,697,841	13,127,588	5,815,413	83,679,248
<b>Net book value</b>							
At December 31, 2022		1,421,744	340,357	512,286	380,291	1,093,597	3,748,275
At December 31, 2023		1,200,996	490,469	2,152,845	1,265,166	1,098,175	6,207,651

The adjustments made in 2023 and 2022 are due to the foreign currency translation differences for the amounts purchased in US dollars.

The Philippine Office donated its land in Cavite to the Philippine Rural Reconstruction Movement, Inc. (PRRM) in 1975. Excluded from this donation were buildings and other improvements on such land. In the same year, PRRM and the Philippine Office entered into a lease agreement on the land in Cavite for a period of 25 years, renewable for another 25 years upon mutual agreement of the parties concerned. The annual rental under the lease contract was P15,175 until May 25, 2000.

On May 23, 2000, the Philippine Office and PRRM executed a contract to confirm their agreement to share the Cavite campus for rural reconstruction work. The contract permits the Philippine Office to use its portion of the campus without rent through May 25, 2025 and may be extended for another 25 years upon mutual agreement of the parties concerned.

Management believes that there is no indication of impairment on its property and equipment as at December 31, 2023 and 2022.

## 5 Trade payables and other current liabilities

This account as at December 31 consist of:

	Note	2023	2022
Due to related parties	6	27,675,095	26,854,051
Trade payables		13,517,121	10,688,523
Payable to government agencies		473,931	268,806
		41,666,147	37,811,380

These payables are non-interest bearing and are generally on 30 to 60 days' term.

Payable to government agencies represents statutory payables such as withholding taxes, SSS premiums and other liabilities to the government.

## 6 Related party transactions

In the normal course of business, the Philippine Office transacts with its other operating's offices which are considered related parties under Section 26 of PFRS for SEs, "Related Party Disclosures".

The transactions and outstanding balances of the Philippine Office with its related parties as at and for the years ended December 31 are as follows:

	2023		2022		Terms and conditions
	Transactions	Receivables (Payables)	Transactions	Receivables (Payables)	
Headquarter (i)	(88,511)	14,997,449	906,503	15,085,961	
US (ii)	(11,570)	1,958,265	167,211	1,969,835	
Global (i)	(390,774)	7,766,446	1,236,644	8,157,219	
Myanmar (i, ii)	(762)	128,993	(82,157)	129,755	
Cambodia (i, ii)	8,162,820	11,492,190	3,329,370	3,329,370	
Uganda (i)	554	554	-	-	
	7,671,757	36,343,897	5,557,571	28,672,140	Unsecured, non-interest bearing and on demand
Global (i)	650,713	(9,495,288)	(429,480)	(10,146,001)	
Headquarter (i)	78,561	(13,296,285)	(711,834)	(13,374,846)	
US (ii)	6,885	(1,165,210)	(99,494)	(1,172,095)	
Myanmar (i, ii)	(1,557,236)	(3,712,772)	1,662,297	(2,155,536)	
Cambodia (i, ii)	33	(5,540)	1,135,801	(5,573)	
	(821,044)	(27,675,095)	1,557,290	(26,854,051)	

(i) The Philippine Office, being a cost center, incurs various obligations to sustain the operation of its units. These expenses are to be shared and charged to other operating offices. The settlement usually occurs in cash and is collectible or payable on demand.

(ii) These are shared donations to be allocated or to be received to or from other operating offices.

The Philippine Office has not made any provision for doubtful accounts relating to amounts owed by its related parties in 2023 and 2022. This assessment is undertaken each financial year through examination of the financial position of the related parties and the market in which they operate.

There were no key management compensation given that the key management functions are being performed by Headquarter personnel.

## 7 Expenses

Expenses for the years ended December 31 are as follow:

		2023						
	Notes	Learning community	Applied learning	Subtotal	Management and general	Fund raising	Subtotal	Total
Staff costs	8	13,438,754	14,004,518	27,443,272	7,096,553	942,940	8,039,493	35,482,765
Field program expenses		29,809,009	-	29,809,009	-	-	-	29,809,009
Contractual services		1,853,483	2,315,320	4,168,803	1,234,633	769,727	2,004,360	6,173,163
Rental and maintenance		1,574,554	2,098,857	3,673,411	1,136,813	873,839	2,010,652	5,684,063
Headquarter costs		-	-	-	4,816,548	-	4,816,548	4,816,548
Foreign exchange loss		955,020	962,900	1,917,920	482,764	13,133	495,897	2,413,817
Depreciation	4	490,991	578,749	1,069,740	304,002	146,264	450,266	1,520,006
Communication		168,858	249,531	418,389	138,211	134,455	272,666	691,055
Travel		231,902	236,608	468,510	119,088	7,842	126,930	595,440
Supplies and materials		9,055	9,791	18,846	5,018	1,227	6,245	25,091
Printing and publications		7,117	8,443	15,560	4,443	2,210	6,653	22,213
Others - net		444,848	466,121	910,969	236,605	35,456	272,061	1,183,030
		48,983,591	20,930,838	69,914,429	15,574,678	2,927,093	18,501,771	88,416,200

		2022						
	Notes	Learning community	Applied learning	Subtotal	Management and general	Fund raising	Subtotal	Total
Field program expenses		23,125,537	-	23,125,537	-	-	-	23,125,537
Staff costs	8	7,980,164	8,361,247	16,341,411	4,244,137	635,139	4,879,276	21,220,687
Rental and maintenance		1,258,316	1,579,276	2,837,592	843,132	534,934	1,378,066	4,215,658
Headquarter costs		-	-	-	4,028,198	-	4,028,198	4,028,198
Contractual services		595,654	680,851	1,276,505	354,625	141,996	496,621	1,773,126
Foreign exchange loss		379,696	569,543	949,239	316,413	316,413	632,826	1,582,065
Depreciation	4	320,791	394,564	715,355	209,576	122,953	332,529	1,047,884
Travel		287,872	292,611	580,483	147,095	7,898	154,993	735,476
Supplies and materials		27,793	29,282	57,075	14,888	2,481	17,369	74,444
Communication		18,172	23,528	41,700	12,657	8,927	21,584	63,284
Others - net		98,205	128,828	227,033	69,517	51,041	120,558	347,591
		34,092,200	12,059,730	46,151,930	10,240,238	1,821,782	12,062,020	58,213,950

The foregoing expenses incurred by the Philippine Office are classified by functional category of program and support services. The functional categories included under program services are described as follows:

### a. Learning Community Program

This program aims to: (1) enable people and their communities to effect meaningful change in their lives through research and learning process; and (2) generate knowledge about participatory human development through practical experience. Capacity building of people and their institutions are achieved at the community level through this program.

### b. Applied Learning Program

This program aims to contribute to the global body of knowledge on organizational and program effectiveness and good governance through practical trainings, workshops, conferences, technical assistance, study programs and publications. The focus is to transform field experience into a unique, informed, evolving and on-site learning through interaction between community members and development practitioners engaged at national, regional and global levels.

## 8 Retirement benefits

The Philippine Office has a funded, non-contributory defined benefit pension plan, administered by a trustee, covering substantially all of its qualified employees.

Retirement benefit costs pertain to the monthly contributions made by the Philippine Office to the fund for the credit of each member an amount equal to 10% of the monthly salary. The members shall not be required to make contributions to the fund, but each member shall be entitled to make a voluntary contribution to the plan.

Retirement benefit asset as at December 31 consists of the following:

	2023	2022
Accrued retirement benefits	(9,536,415)	(8,544,538)
Fair value of plan assets	14,519,505	11,835,799
	4,983,090	3,291,261

Reversal of retirement benefit expense, net for the years ended December 31 consists of the following:

	2023	2022
Adjustments in accrued retirement benefits	1,772,510	(517,843)
Adjustments in plan assets	(2,371,904)	136,646
	(599,394)	(381,197)

Movements in accrued retirement benefits for the years ended December 31 are as follow:

	2023	2022
January 1	8,544,538	10,085,066
Adjustments in accrued retirement benefits	1,772,510	(517,843)
Benefits paid	(780,633)	(1,022,685)
	9,536,415	8,544,538

Movements in fair value of plan assets for the years ended December 31 are as follow:

	2023	2022
January 1	11,835,799	12,063,602
Contributions made	1,092,435	931,528
Adjustments in plan assets charged to profit or loss	2,371,904	(136,646)
Benefits paid	(780,633)	(1,022,685)
	14,519,505	11,835,799

Reversal of retirement benefit expense, net is included as part of "Staff cost" in Note 7.

The plan is funded by contributions of the Philippine Office to a trust account managed by a Philippine bank. The plan assets of the Philippine Office are denominated in Philippine Peso and U.S. Dollar denominated.

Notwithstanding any other provisions of the trust agreement, the fund trustee shall use its best effort to maintain allocation of the investment of the provident fund as established by the Philippine Office's retirement committee and approved by the Philippine Office's BOT.

## 9 Operating funds held

IIRR and National College of Science and Technology (NCST) established a 15-year partnership of creating opportunities for the Filipino Youth coming from poor and marginalized families; the NCST will use the IIRR campus buildings as classrooms and dormitories for their students, thus, NCST provided operating funds to IIRR to cover costs incurred for electricity and water.

The amount of the funds held as operating fund amounted to P70,000 as at December 31, 2023 (2022 - P134,000).

## 10 Other income

Other income for the years ended December 31 are as follow:

	Note	2023	2022
Foreign exchange gain, net	11	5,549,691	40,854,638
Donated assets		1,282,154	-
Proceeds from farm		826,466	476,363
Others		13,432,937	3,136,229
		21,091,248	44,467,230

Others consist of souvenir sales, fee for layout publication, and other program events.

## 11 Foreign currency denominated monetary assets and liabilities

The Philippine Office's foreign currency denominated monetary assets and liabilities as at December 31 consist of:

	2023	2022
Assets	2,595,572	1,609,014
Liabilities	(243,998)	(193,955)
Net foreign currency assets	2,351,574	1,415,059
Year-end exchange rates	55.40	56.00
Philippine Peso equivalent	130,277,200	79,243,304

Details of net foreign exchange gain for the years ended December 31 are as follows:

	2023	2022
Cumulative translation gain	34,058	1,477,393
Unrealized gain	20,960,740	13,915,716
Realized (loss) gain	(15,445,107)	25,461,529
	5,549,691	40,854,638

Cumulative translation gain credited directly to net assets - unrestricted pertains to the effect of changes in exchange rates between Philippine Peso and U.S. Dollars on its beginning balances.

## 12 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 12.1 Basis of preparation

The financial statements of the Philippine Office have been prepared in accordance with the PFRS for SE Accounting Standard (the "Framework") as approved by the Philippine Financial and Sustainability Reporting Standards Council, Board of Accountancy, and Securities and Exchange Commission (SEC) on the mandatory effective date of January 1, 2019.

As defined by the SEC, small entities are those that meet all of the following criteria:

- Total assets of between P3.0 million to P100.0 million or total liabilities of between P3.0 million to P100.0 million;
- Are not required to file financial statements under Part II of SRC Rule 68;
- Are not in the process of filing their financial statements for the purpose of issuing any class of instruments in public market; and
- Are not holders of secondary licenses issued by regulatory agencies.

These financial statements have been prepared under the historical cost convention.

As at December 31, 2023 and 2022, the Philippine Office breached the threshold and is qualified to adopt PFRS for Small Medium-sized Entities (SME) Accounting Standard. The breach is not expected to be continuing after December 31, 2023 as management believes that the current level of contributions received by the Philippine Office is temporary, considering a number of operational factors and it is anticipated that contribution levels may fall below the threshold in the coming years. Accordingly, the balance of contribution receivables is expected to significantly decrease in the long-term.

## **12.2 Financial instruments**

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. A financial instrument is recognized when an entity becomes a party to its contractual provisions. The Philippine Office classifies its financial instruments into the following categories: (a) basic financial instruments; and (b) other financial instruments.

The Philippine Office's basic financial instruments consist of cash (Note 12.4), receivables (Note 12.5), and trade payables and other current liabilities (Note 12.8). The Philippine Office does not have other financial instruments.

## **12.3 Basic financial instruments**

### *Initial measurement*

On initial recognition, a debt financial instrument is measured at transaction price (including transaction costs), unless the arrangement is in effect a financing transaction. In this case, it is measured at present value of the future payment discounted using a market rate of interest for a similar debt instrument.

### *Subsequent measurement*

The Philippine Office's debt financial instruments are subsequently measured at amortized cost using the effective interest method.

### *Impairment of financial instruments measured at amortized cost*

At each reporting date, the Philippine Office assesses whether there is objective evidence of impairment on any financial assets that are measured at amortised cost. Where there is any objective evidence of impairment, an impairment loss is recognized immediately in profit or loss.

The impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

### *Derecognition of financial assets*

An entity only derecognizes a financial asset when the contractual rights to the cash flows from the assets have expired or are settled, or an entity has transferred to another party substantially all the risks and rewards of ownership relating to the financial asset.

### *Derecognition of financial liabilities*

Financial liabilities are derecognized only when these are extinguished - that is, when the obligation is discharged, cancelled or has expired.

#### **12.4 Cash**

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

#### **12.5 Receivables**

Receivables are recognized initially at the transaction price 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 Philippine Office will not be able to collect all amounts due according to the original terms of receivables.

#### **12.6 Property and equipment**

Property and equipment are stated at historical cost less accumulated depreciation 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 Philippine Office and the cost of the item can be measured reliably. All other costs, classified as 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:

Leasehold improvements	10 to 25 years or the term of the lease, whichever period is shorter
Buildings	10 to 25 years
Furniture and office equipment	3 to 5 years
Transportation equipment	5 to 8 years
Other equipment	5 to 10 years

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 asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying value is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the revenue, gains and other supports section of the statement of activities. 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).

Property and equipment and other non-financial assets that are subject to depreciation and amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. When an impairment indicator is identified, the carrying value of the asset is tested for impairment. 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. If the recoverable amount cannot be estimated for an individual asset, the Philippine Office estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are independent of the cash flows from other assets within the Philippine Office.

If an impairment indicator no longer exists or the recoverable amount has increased subsequently, the Philippine Office will determine the amount of impairment loss that can be reversed to the extent that the reversal should not result in a carrying amount of the asset that is higher had no impairment loss was recognized in the prior years.

### **12.8 Trade payables and other current liabilities**

Trade payables and other current liabilities are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

### **12.9 Provisions**

Provisions are recognized when: the Philippine Office has an obligation as a result of a past event; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

When the effect of time value is material, provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate(s) that reflect(s) current market assessments of the time value of money and the risks specific to the obligation. Changes in the provisions due to passage of time are recognized in profit or loss.

### **12.10 Classification of net assets**

The net assets of the Philippine Office and changes therein are classified and reported on the basis of the existence or absence of donor-imposed restrictions, as follows:

- **Unrestricted net assets**

Net assets that are not subject to any donor-imposed stipulations. Unrestricted assets maybe designated for specific purposes by action of the BOT.

- **Temporarily restricted net assets**

Net assets that are subject to donor-imposed stipulations that may be met either by actions of the Philippine Office or by passage of time. When a restriction expires, that is, a stipulated time restriction ends or purpose restriction is accomplished, the assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

### **12.11 Revenue and expense recognition**

Contributions and grants, which include unconditional promises to give (pledges), are recognized as revenue in the year they are received or promised, whichever is earlier. An unconditional promise to give is recognized when a promise is made or received, provided there is sufficient evidence in the form of verifiable document. Unconditional promise to give in future periods are initially recorded at estimated fair value determined using the discounted present value of expected cash flows and subsequently amortized over the expected payment period, net of allowance for impairment. The discount rates are determined at the time the unconditional promise to give is initially received.

The allowance is established by charges to the profit or loss. The allowance for uncollectible contributions receivable is based upon the Philippine Office's analysis of past collection experience, pledge activity and other judgmental factors.

Donor-restricted contributions whose restrictions are met in the same reporting year are classified as unrestricted support. Contributions and grants received, intended for projects to be undertaken in future years, are accounted for as temporarily restricted net assets. Gains and losses on assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation.

Revenue from training courses, study missions and technical assistance and use of campus facilities are recognized when the amount can be measured reliably and collection is probable.

Revenue from sale of books and other published materials are recognized when the significant risks and rewards of ownership of the published materials have passed to the buyer, the amount of revenue can be reliably measured and collection is probable.

Expenses are generally reported as decreases in unrestricted net assets. Expirations of donor-imposed stipulations or BOT designations that simultaneously increase one classification of net assets and decrease another are reported as transfers between the applicable classifications of net assets. Expenses are recognized in profit or loss in the period these are incurred.

#### **12.12 Allocation of expenses**

The cost incurred in the various programs and other activities has been summarized on a functional basis. Directly identifiable expenses are charged to program and support services. Expenses related to more than one function are charged to program and support services using the prevailing Philippine Office's cost allocation ratios.

#### **12.13 Retirement benefits**

The Philippine Office accounts for its post-employment benefit plan using the accrual approach in accordance with the minimum retirement benefits required under Republic Act (RA) No. 7641, otherwise known as The Philippine Retirement Pay Law, or entity policy if superior than that provided by RA 7641. Accrual approach is applied by calculating the expected liability as of reporting date using the current salary of the entitled employees and the employees' years of service, without consideration of future changes in salary rates and service periods.

The Philippine Office shall recognize the liability for such post-employment benefit plan at the net total of the accrued amount of the retirement benefits at the reporting date less the fair value of plan assets (if any) at the reporting date out of which the obligations are to be settled directly.

#### **12.14 Leases**

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

The Philippine Office recognizes all lease payments as expenses in profit or loss in the period in which they are incurred.

#### **12.15 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 entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its shareholders.

Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market. Due to/from related parties are initially recorded at transaction price and are subsequently measured at amortized cost using the effective interest method.

#### **12.16 Foreign currency transactions and translation**

##### **(a) Functional and presentation currency**

Items included in the financial statements of the Philippine Office are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Philippine Peso, which is the Philippine Office's functional and presentation currency.

##### **(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 and liabilities 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 activities through 'other income, net'.

#### **12.17 Events after the reporting date**

Post year-end events that provide additional information about the Philippine Office's financial 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.

### **13 Supplementary information required by the Bureau of Internal Revenue (BIR)**

The following supplementary information for the year ended December 31, 2023 required by Revenue Regulations (RR) is presented for purposes of filing with the BIR and is not a required part of the basic financial statements:

#### **RR no. 15-2010**

##### ***(a) Output and Input VAT***

The Philippine Office has not entered into transactions which are subject to output VAT. The Philippine Office has not recognized any input VAT from its transactions during the year.

##### ***(b) Importations***

The Philippine Office did not have any importations. The Philippine Office is exempt from paying any taxes as discussed in Note 1.

##### ***(c) Excise tax***

The Philippine Office did not have transactions subject to excise taxes during the year. The Philippine Office is exempt from paying excise taxes as discussed in Note 1.

##### ***(d) Documentary stamp tax***

The Philippine Office is exempt from paying documentary taxes as discussed in Note 1.

(e) *All other local and national taxes*

The Philippine Office is exempt from paying other local and national taxes as discussed in Note 1.

(f) *Withholding taxes*

Withholding taxes paid and accrued and/or withheld for the year ended December 31, 2023 consist of:

	Paid	Accrued	Total
Withholding tax on compensation	1,192,188	92,802	1,284,990
Expanded withholding tax	225,382	27,993	253,375

(g) *Tax assessments/cases*

There are no outstanding tax assessments with the BIR and cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR as at December 31, 2023.

RR No. 34-2020

On December 18, 2020, BIR issued RR No. 34-2020, Prescribing the Guidelines and Procedures for the Submission of BIR Form No. 1709, Transfer Pricing Documentation (TPD) and other Supporting Documents, Amending for this Purpose the Pertinent Provisions of RR Nos. 19-2020 and 21-2002, as amended by RR No. 15-2010, to streamline the guidelines and procedures for the submission of BIR Form No. 1709, TPD and other supporting documents by providing safe harbors and materiality thresholds. Section 2 of the RR provides the list of taxpayers that are required to file and submit the RPT Form, together with the Annual Income Tax Return.

The Philippine Office is not covered by the requirements and procedures for related party transactions provided under this RR as it does not meet any criteria of taxpayers prescribed in Section 2 of the RR.

REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF COMMERCE AND INDUSTRY  
**Securities and Exchange Commission**

~~Manila~~  
Makati, Rizal

**TO ALL TO WHOM THESE PRESENTS MAY COME, GREETINGS:**

WHEREAS, INTERNATIONAL INSTITUTE OF RURAL RECONSTRUCTION  
a corporation organized and existing under the laws of the State of  
Delaware, U. S. A.

filed on the 5th day of JUNE, nineteen hundred  
and sixty-four, with the SECURITIES AND EXCHANGE COMMISSION under and  
in accordance with the provisions of Act Numbered Fourteen hundred and fifty-nine  
of the Philippine Commission, as amended, and of Republic Act Numbered Ten hundred  
and fifty-five, the statement required by section sixty-eight of Act Numbered Fourteen  
hundred and fifty-nine, as amended, and a duly certified copy of the charter of said  
corporation; and

WHEREAS, the Secretary of Commerce and Industry  
issued an order dated the 22th day of September, nineteen hundred  
and sixty-four, for the issuance of a license to said corporation  
to engage in the training of personnel and conducting operational research ~~business~~  
in the field of rural reconstruction and development  
in the Philippines;

NOW, THEREFORE, by virtue of the powers and duties vested in me by law, I do  
hereby license the said corporation INTERNATIONAL INSTITUTE OF RURAL RECONSTRUCTION  
to engage in said business in the Philippines as the said corporation is authorized to  
do under its charter and the said order of the Secretary of Commerce and Industry  
and Act Numbered Fourteen hundred and fifty-nine of the Philippine Commission, as  
amended, subject to the prohibitions and limitations of the laws of the Philippines as  
regards foreign corporations and as regards domestic corporations of like nature.

IN TESTIMONY WHEREOF, I have hereunto set my hand and  
caused the official seal of the SECURITIES AND EXCHANGE COM-  
MISSION to be affixed at Makati, Rizal, Philippines, 1964  
day of September, Anno Domini, nineteen  
hundred and sixty-four, and of the Independence  
of the Philippines the \_\_\_\_\_

CERTIFIED TRUE COPY  
Page 1 of 1 pages  
Verified by: J. G. SORIANO Date: JUL 1 1964

Mariano L. Soriano  
MARIANO L. SORIANO  
Secretary and Chairman

*M. Soriano*

Republic of the Philippines  
**SECURITIES AND EXCHANGE COMMISSION**

2

I hereby certify that (a) this is a true copy of the document stored in the SEC i-View facility to which proper security measures were employed to ensure data integrity, consisting of one page(s); and (b) at all times, the SEC i-View Facility was operating in a manner that did not affect the integrity of the electronic document.

*International Institute of Rural Reconstruction*

Verified by: *Jhy*  
JESSYNA CRAMATA

Fees Php 60 paid under  
E-Filed JUL 13 2016

Doc No: 1678357

**IASIS: ELECTRONIC RECORDS FROM MICROFILM**



*Romeo B. Camano*

SEC PSRU Specialist II

Electronic Records Management Division  
Information and Communications Technology Department