



**Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City**

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees

Philippine Rice Research Institute
Maligaya, Science City of Munoz
Nueva Ecija

Unmodified Opinion

We have audited the financial statements of the Philippine Rice Research Institute, which comprise the Statement of Financial Position as of December 31, 2019, and the Statement of Financial Performance, Statement of Changes in Net Assets/Equity, Statement of Cash Flows and Statement of Comparison of Budget and Actual Amounts for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of the Philippine Rice Research Institute as of December 31, 2019, and its financial performance, its cash flows, and its statement of comparison of budget and actual amounts for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Unmodified Opinion

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). 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 are independent of the agency in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IPSASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.


Those charged with governance are responsible for overseeing the financial reporting process of the PhilRice.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 ISSAIs 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.

COMMISSION ON AUDIT

By:



IMELDA C. LACSON
OIC – Supervising Auditor

June 15, 2020

Philippine Rice Research Institute
CONDENSED STATEMENT OF FINANCIAL POSITION
 ALL FUNDS (Corporate, BDD and Trust Funds)
 As at December 31, 2019
(With Comparative Figures for CY 2018)

	<i>Notes</i>	2019	2018
ASSETS			
Current Assets			
Cash and Cash Equivalents	3.4, 4	₱ 1,558,289,964.89	₱ 1,390,104,785.98
Receivables, Net	3.5, 5	387,447,178.05	297,597,851.52
Inventories	3.6, 6	299,977,646.76	100,754,363.12
Other Current Assets	7	1,210,479,219.41	113,285,724.79
Total Current Assets		3,456,194,009.11	1,901,742,725.41
Non-Current Assets			
Property, Plant and Equipment, Net	3.7, 8	1,166,578,701.70	1,030,512,197.26
Biological Assets	9	93,340.00	3,377,330.80
Total Non-Current Assets		1,166,672,041.70	1,033,889,528.06
Total Assets		4,622,866,050.81	2,935,632,253.47
LIABILITIES			
Current Liabilities			
Financial Liabilities	3.13, 10	2,308,339,019.13	510,749,291.79
Inter-Agency Payables	11	452,138,100.73	428,546,914.40
Intra-Agency Payables	12	150,823,241.00	115,865,128.80
Trust Liabilities	13	4,038,552.71	2,330,398.38
Deferred Credits	14	41,133,689.42	10,336,654.39
Other Payables	15	346,844,167.99	335,690,633.71
Total Current Liabilities		3,303,316,770.98	1,403,519,021.47
Total Liabilities		3,303,316,770.98	1,403,519,021.47
Total Assets less Liabilities		₱ 1,319,549,279.83	₱ 1,532,113,232.00
NET ASSETS/EQUITY			
Government Equity	27	₱ 1,319,549,279.83	₱ 1,532,113,232.00
Total Net Assets/Equity		₱ 1,319,549,279.83	₱ 1,532,113,232.00

**This statement should be read in conjunction with the accompanying notes.*

Philippine Rice Research Institute
CONDENSED STATEMENT OF FINANCIAL PERFORMANCE
 ALL FUNDS (Corporate, BDD and Trust Funds)
 For the Year Ended December 31, 2019
(With Comparative Figures for CY 2018)

	<i>Notes</i>	2019	2018
Revenue			
Service and Business Income	3.10, 16 ₱	105,265,757.60 ₱	19,765,403.96
Shares, Grants and Donations	3.10, 17	2,679,637.08	94,125,922.84
Total Revenue		107,945,394.68	113,891,326.80
Current Operating Expenses			
Personnel Services	18	234,481,486.77	204,603,101.73
Maintenance and Other Operating Expenses	19	1,263,561,657.63	320,030,470.38
Financial Expenses	20	90,064.65	1,340,282.09
Direct Costs	21	48,292,548.44	0.00
Non-Cash Expenses	3.7, 22	71,275,416.97	49,386,366.64
Total Current Operating Expenses		1,617,701,174.46	575,360,220.84
Surplus/(Deficit) from Current Operations		(1,509,755,779.78)	(461,468,894.04)
Net Assistance/Subsidy (Financial Assistance/Subsidy /Contribution)	25	1,330,233,157.89	778,359,000.00
Other Non-Operating Income	23.1	4,509,890.61	4,109,429.91
Gains	23.2	1,359,467.28	7,947,183.46
Losses	24	(6,940,087.53)	(3,123,510.81)
Net Surplus/(Deficit) for the Period	₱	(180,593,351.53) ₱	325,823,208.52

**This statement should be read in conjunction with the accompanying notes.*

Philippine Rice Research Institute
STATEMENT OF CHANGES IN NET ASSETS/EQUITY
 ALL FUNDS (Corporate, BDD and Trust Funds)
 For the Year Ended December 31, 2019
 (With Comparative Figures for CY 2018)

NOTE*		Accumulated Surplus/(Deficit)	Government Equity	Total
BALANCE AT JANUARY 1, 2018		P 742,616,711.25	P 467,101,414.48	P 1,209,718,125.73
ADJUSTMENTS:				
Add/(Deduct):				
Changes in accounting policy	3.8, 3.15, 27	(71,215.79)	0.00	(71,215.79)
Prior period errors	3.8, 3.16, 27	20,392,185.16	0.00	20,392,185.16
Other adjustments	3.8, 3.15, 3.16, 27	(23,749,071.62)	0.00	(23,749,071.62)
RESTATED BALANCE AT JANUARY 1, 2018		739,188,609.00	467,101,414.48	1,206,290,023.48
Changes in Net Assets/Equity for CY 2018				
Add/(Deduct):				
Surplus/(Deficit) for the period	26	325,823,208.52	0.00	325,823,208.52
BALANCE AT DECEMBER 31, 2018		1,065,011,817.52	467,101,414.48	1,532,113,232.00
Changes in Net Assets/Equity for CY 2019				
Add/(Deduct):				
Surplus/(Deficit) for the period	26	(180,593,351.53)	0.00	(180,593,351.53)
Issuances of share capital		(435,956.70)	0.00	(435,956.70)
Additional capital from National Government		(14,854,949.89)	0.00	(14,854,949.89)
Other adjustments		(16,679,694.05)	0.00	(16,679,694.05)
BALANCE AT DECEMBER 31, 2019		P 852,447,865.35	P 467,101,414.48	P 1,319,549,279.83

*This statement should be read in conjunction with the accompanying notes.

Philippine Rice Research Institute
CONDENSED STATEMENT OF CASH FLOWS
 ALL FUNDS (Corporate, BDD and Trust Funds)
 For the Year Ended December 31, 2019
 (With Comparative Figures for CY 2018)

	Notes	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES			
Cash Inflows			
Proceeds from Sale of Goods and Services	3.11, 16	P 89,029,051.44	P 4,554,316.09
Collection of Income/Revenues	3.11, 16	46,597,172.82	55,246,801.06
Receipt of Assistance/Subsidy from NG	25	1,364,989,349.81	778,359,000.00
Collection of Receivables	3.5, 5	21,969,673.80	20,735,074.44
Receipt of Inter-Agency Fund Transfers	11	572,972,997.32	72,924,322.03
Receipt of Intra-Agency Fund Transfers	12	374,763,999.11	257,590,491.28
Trust Receipts	13	126,120,758.63	0.00
Other Receipts (Deferred Credits/payables)	14, 15	434,255,668.50	61,600,609.27
Total Cash Inflows		3,030,698,671.43	1,251,010,614.17
Adjustments	3.8, 3.15, 3.16	18,211,062.06	463,885,471.97
Adjusted Cash Inflows		3,048,909,733.49	1,714,896,086.14
Cash Outflows			
Remittance to National Treasury	11	2,978,686.30	461,736.83
Payment of Expenses	18, 19, 20, 21	650,460,675.19	496,442,562.79
Purchase of Inventories	3.6, 6	392,943,248.39	44,687,948.37
Grant of Cash Advances	3.5, 7	33,440,760.67	3,414,887.34
Prepayments	3.5, 7	7,806,207.22	27,080,261.78
Refund of Deposits (receivables)	3.5, 5, 7	72,911,242.86	77,542,015.21
Payment of Accounts Payable	10	334,157,563.38	163,845,523.42
Remittance of Personnel Benefit Contributions and Mandatory Deductions	3.13, 11	120,001,291.67	108,140,801.20
Grant of Financial Assistance/Subsidy to Stations	5.3, 12, 25	370,460,231.58	148,563,238.61
Release of Inter-Agency Fund Transfers	3.5, 5.2	446,121,078.56	46,836,343.59
Release of Intra-Agency Fund Transfers	3.5, 5.3	179,222,714.53	126,857,034.66
Other Disbursements	19-20	47,466,547.36	30,385,949.15
Total Cash Outflows		2,657,970,247.71	1,274,258,302.95
Adjustments	3.8, 3.15, 3.16	19,942,611.83	7,146,613.32
Adjusted Cash Outflows		2,677,912,859.54	1,281,404,916.27
Net Cash Provided by Operating Activities	26	370,996,873.95	433,491,169.87
CASH FLOW FROM INVESTING ACTIVITIES			
Cash Inflows			
Purchase of Property & Equipment	3.7, 8	5,601.00	-
Cash Outflows			
Purchase of Property & Equipment	3.7, 8	202,817,296.04	264,887,220.04
Total Cash Outflows		(202,811,695.04)	(264,887,220.04)
Net Cash Used in Investing Activities		(202,811,695.04)	(264,887,220.04)
Net Increase/(Decrease) in Cash and Cash Equivalents		168,185,178.91	168,603,949.83
Cash and Cash Equivalents, January 1	3.4, 4	1,390,104,785.98	1,221,500,836.15
Cash and Cash Equivalents, December 31		P 1,558,289,964.89	P 1,390,104,785.98

**This statement should be read in conjunction with the accompanying notes.*

Philippine Rice Research Institute
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
 ALL FUNDS (Corporate, BDD and Trust Funds)
 For the Year Ended December 31, 2019

PARTICULARS	Budgeted Amount		Actual Amounts on Comparable Basis	Difference in Final Budget and Actual	
	Original	Final			
Notes					
RECEIPTS					
Services and Business Income Assistance and Subsidy	3.11, 16	P 45,917,000.00	P 109,765,870.94	P 109,765,870.94	P 0.00
Continuing Fund from Prior Years Subsidy/Income	3.12, 3.13	5,287,190.73	5,287,190.73	5,287,190.73	0.00
Subsidy from the National Government	25	3,871,509,000.00	2,809,799,900.00	1,364,989,349.81	1,444,810,550.19
Total Receipts		3,922,713,190.73	2,924,852,961.67	1,480,042,411.48	1,444,810,550.19
PAYMENTS					
Personnel Services	3.13, 18	245,197,000.00	237,385,625.43	234,481,486.77	2,904,138.66
Maintenance and Other Operating Expenses	19, 20	3,317,652,694.07	2,328,350,715.26	962,990,088.37	1,365,360,626.89
Capital Outlay	3.7, 8	359,863,496.66	356,970,015.66	241,834,585.30	115,135,430.36
Total Payments		3,922,713,190.73	2,922,706,356.35	1,439,306,160.44	1,483,400,195.91
NET RECEIPTS/PAYMENTS	P	0.00	P 2,146,605.32	P 40,736,251.04	P (38,589,645.72)

**This statement should be read in conjunction with the accompanying notes.*