



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
REGIONAL OFFICE NO. III
Brgy. Maimpis, City of San Fernando, Pampanga

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees

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

Qualified Opinion

We have audited the financial statements of the Philippine Rice Research Institute, which comprise the Statement of Financial Position as of December 31, 2021, 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, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly in all material respects, the financial position of the Philippine Rice Research Institute as of December 31, 2021, 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 Qualified Opinion

As discussed in Part II of this report, the Auditor rendered a qualified opinion on the fairness of the presentation of the financial statements for the year ended December 31, 2021 due to (a) non-reversion of long outstanding payables of ₱66,374,792.77 to Accumulated Surplus/(Deficit) account, overstating Accounts Payable; and (b) unadjusted abnormal/negative balances totaling ₱22,601,451.16, understating Accounts Payable by the same amount.

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 qualified opinion.

Key Audit Matters

Except for the matters described in the Basis for Qualified Opinion section, we have determined that there are no other key audit matters to communicate in our report.

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 International Public Sector Accounting Standards, 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 Agency's financial reporting process.

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:


MIRASOL B. LIWANAG
Supervising Auditor

May 16, 2022

Philippine Rice Research Institute
CONDENSED STATEMENT OF FINANCIAL POSITION
 ALL FUNDS (Corporate, BDD and Trust Funds)
 As at December 31, 2021
(With Comparative Figures for CY 2020)

	<i>Notes</i>	2021	2020
A S S E T S			
Current Assets			
Cash and Cash Equivalents	3.4, 4	₱ 2,945,475,452.05	₱ 1,509,077,442.32
Receivables, Net	3.5, 5	302,823,529.11	1,127,796,577.57
Inventories	3.6, 6	985,502,536.87	350,498,957.49
Other Assets	7	33,601,960.16	777,441,487.98
Total Current Assets		4,267,403,478.19	3,764,814,465.36
Non-Current Assets			
Property, Plant and Equipment, Net	3.7, 8	1,180,419,325.40	1,223,248,501.38
Biological Assets	9	103,740.00	92,740.00
Total Non-Current Assets		1,180,523,065.40	1,223,341,241.38
Total Assets		5,447,926,543.59	4,988,155,706.74
LIABILITIES			
Current Liabilities			
Financial Liabilities	3.3b, 10	382,762,663.04	1,036,133,394.89
Inter-Agency Payables	3.3b, 11	370,207,857.59	464,434,837.61
Intra-Agency Payables	3.3b, 12	0.00	190,618,221.44
Trust Liabilities	3.3b, 13	5,897,003.00	5,331,699.85
Deferred Credits/Unearned Income	3.3b, 14	29,574,937.93	49,251,145.44
Provisions	3.3b, 15	136,054,411.82	125,748,091.69
Other Payables	3.3b, 16	396,169,473.59	370,363,326.37
Total Current Liabilities		1,320,666,346.97	2,241,880,717.29
Total Liabilities		1,320,666,346.97	2,241,880,717.29
Total Assets less Liabilities		₱ 4,127,260,196.62	₱ 2,746,274,989.45
NET ASSETS/EQUITY			
Government Equity	27	₱ 4,127,260,196.62	₱ 2,746,274,989.45
Total Net Assets/Equity		₱ 4,127,260,196.62	₱ 2,746,274,989.45

**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, 2021
(With Comparative Figures for CY 2020)

	<i>Notes</i>	2021	2020
Revenue			
Service and Business Income	3.11, 17 ₱	161,371,408.20 ₱	132,120,798.42
Shares, Grants and Donations	3.10, 18	-	188,479.07
Total Revenue		161,371,408.20	132,309,277.49
Current Operating Expenses			
Personnel Services	19	298,383,024.88	272,770,384.76
Maintenance and Other Operating Expenses	20	2,413,513,633.19	2,716,336,061.15
Financial Expenses	21	61,220.00	58,800.00
Direct Costs	22	88,783,085.21	68,949,400.49
Non-Cash Expenses	23	91,982,739.62	83,702,112.41
Total Current Operating Expenses		2,892,723,702.90	3,141,816,758.81
Surplus/(Deficit) from Current Operations		(2,731,352,294.70)	(3,009,507,481.32)
Net Assistance/Subsidy (Financial Assistance/Subsidy /Contribution)	25	3,764,759,690.84	3,268,592,133.48
Other Non-Operating Income	24.1	4,305,396.33	2,206,455.29
Gains	24.2	995.75	1,223.10
Losses	24.3	(599,945.33)	(1,478,194.49)
Net Surplus/(Deficit) for the Period	₱	1,037,113,842.89 ₱	259,814,136.06

**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, 2021
(With Comparative Figures for CY 2020)

	NOTE*	Accumulated Surplus/(Deficit)	Government Equity	Total
BALANCE AT JANUARY 1, 2020		₱ 852,447,865.35	₱ 467,101,414.48	₱ 1,319,549,279.83
ADJUSTMENTS:				
Add/(Deduct):				
Changes in Accounting Policy	3.8, 3.15, 27	12,159,837.13	-12,215,351.26	(55,514.13)
Prior Period Errors	3.8, 3.16, 27	8,331,679.83	0.00	8,331,679.83
Other Adjustments	3.8, 3.15, 3.16, 27	1,158,635,407.86	0.00	1,158,635,407.86
RESTATED BALANCE AT JANUARY 1, 2020		2,031,574,790.17	454,886,063.22	2,486,460,853.39
Changes in Net Assets/Equity for CY 2020				
Add/(Deduct):				
Surplus/(Deficit) for the period	26, 27	259,814,136.06	0.00	259,814,136.06
BALANCE AT DECEMBER 31, 2020		2,291,388,926.23	454,886,063.22	2,746,274,989.45
Changes in Net Assets/Equity for CY 2021				
Add/(Deduct):				
Surplus/(Deficit) for the period	26, 27	1,037,113,842.89	0.00	1,037,113,842.89
Changes in Accounting Policy		-	-	-
Prior Period Errors		1,175,850,231.05	0.00	1,175,850,231.05
Other Adjustments		(813,062,276.07)	-18,916,590.70	(831,978,866.77)
BALANCE AT DECEMBER 31, 2021		₱ 3,691,290,724.10	₱ 435,969,472.52	₱ 4,127,260,196.62

**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, 2021
 (With Comparative Figures for CY 2020)

	<i>Notes</i>	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES			
Cash Inflows			
Proceeds from Sale of Goods and Services	3.11, 17	₱ 107,831,074.87	₱ 64,421,844.54
Collection of Income/Revenues	3.11, 17, 24	49,205,598.58	35,681,574.47
Receipt of Assistance/Subsidy from NG	25	3,765,998,522.03	3,293,037,447.16
Collection of Receivables	3.5, 5.1, 5.4	13,407,748.99	8,568,674.33
Receipt of Inter-Agency Fund Transfers	5.2, 11	889,919,429.71	2,311,478,159.49
Receipt of Intra-Agency Fund Transfers	5.3, 12	862,710,574.60	347,757,329.43
Trust Receipts	13	271,650,171.23	110,157,621.70
Other Receipts (Deferred Credits/payables)	14 - 15	2,749,747,634.97	272,890,635.54
Total Cash Inflows		8,710,470,754.98	6,443,993,286.66
Adjustments	3.8, 3.15-16	2,609,790,857.28	36,475,267.79
Adjusted Cash Inflows		11,320,261,612.26	6,480,468,554.45
Cash Outflows			
Remittance to National Treasury		0.00	0.00
Payment of Expenses	19-22	2,727,334,044.98	1,010,529,833.61
Purchase of Inventories	3.6, 6	2,815,263,543.52	1,579,633,143.37
Grant of Cash Advances	3.5, 7	20,843,333.20	18,638,134.51
Prepayments	3.5, 7	-	3,757,845.48
Refund of Deposits (receivables)	3.5, 5, 7	86,207.18	9,551,872.92
Payment of Accounts Payable	10	1,027,334,953.28	2,197,621,878.65
Remittance of Personnel Benefit			
Contributions	3.13	116,964,493.02	95,035,181.99
Grant of Financial Assistance/Subsidy to Stations	5.3, 12, 25	0.00	464,209,086.96
Release of Inter-Agency Fund Transfers	3.5, 5.2	367,853,930.73	168,673,793.25
Release of Intra-Agency Fund Transfers	3.5, 5.3	797,294,929.10	117,207,195.85
Other Disbursements	19 - 20	1,614,341,419.19	635,179,631.24
Total Cash Outflows		9,487,316,854.20	6,300,037,597.83
Adjustments	3.8, 3.15-16	11,414,562.49	41,000,877.82
Adjusted Cash Outflows		9,498,731,416.69	6,341,038,475.65
Net Cash Provided by Operating Activities	26	1,821,530,195.57	139,430,078.80
CASH FLOW FROM INVESTING ACTIVITIES			
Cash Inflows			
Purchase of Property & Equipment	3.7, 8	33,497.00	4,598,302.94
Cash Outflows			
Purchase of Property & Equipment	3.7, 8	385,147,682.84	
Purchase of Consumable Biological Assets		18,000.00	193,240,904.31
Total Cash Outflows		(385,132,185.84)	(188,642,601.37)
Net Cash Used in Investing Activities		(385,132,185.84)	(188,642,601.37)
Net Increase/(Decrease) in Cash and Cash Equivalents		1,436,398,009.73	(49,212,522.57)
Cash and Cash Equivalents, January 1	3.4, 4	1,509,077,442.32	1,558,289,964.89
Cash and Cash Equivalents, December 31	3.4, 4	₱ 2,945,475,452.05	₱ 1,509,077,442.32

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

Philippine Rice Research Institute
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
 ALL FUNDS (Corporate, BDD and Trust Funds)
 For the Year Ended December 31, 2021

PARTICULARS			Budgeted Amount			Actual Amounts on Comparable Basis	Difference in Final Budget and Actual								
			Original	Final											
		Notes													
RECEIPTS															
Services and Business Income	3.11, 17	₱	20,000,000.00	₱	161,262,445.51	₱	161,494,557.16	₱	-232,111.65						
Assistance and Subsidy															
Continuing Fund from Prior	3.12,														
Years Subsidy/Income	3.13		33,199,133.34		33,199,133.34		33,289,098.65		-89,965.31						
Subsidy from the National															
Government	25		3,757,506,000.00		3,757,506,000.00		3,600,844,423.38		156,661,576.62						
Shares, Grants and Donations	18		-		-		-								
Other	24		-		-		4,103,848.31		-4,103,848.31						
Total Receipts			3,810,705,133.34		3,951,967,578.85		3,799,731,927.50		152,235,651.35						
PAYMENTS															
Personnel Services	3.13, 19		256,080,510.00		266,140,304.28		298,383,024.88		(32,242,720.60)						
Maintenance and Other															
Operating Expenses	20, 21		3,276,491,000.00		3,617,121,726.17		3,224,122,982.29		392,998,743.88						
Capital Outlay	3.7, 8		176,294,000.00		59,999,330.95		24,934,210.95		35,065,120.00						
Total Payments			3,708,865,510.00		3,943,261,361.40		3,547,440,218.12		395,821,143.28						
NET RECEIPTS/PAYMENTS								₱	101,839,623.34	₱	8,706,217.45	₱	252,291,709.38	₱	(243,585,491.93)

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