

Return of Organization Exempt From Income Tax

OMB No 1545-0047

2008

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2008 calendar year, or tax year beginning **01 January**, 2008, and ending **31 December**, 20 **08**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization International Institute of Rural Reconstruction		D Employer identification number 13 6175722	
		Doing Business As		E Telephone number (212) 880-9147	
		Number and street (or P.O. box if mail is not delivered to street address) 40 Exchange Place	Room/suite 1111	G Gross receipts \$ 3,831,453	
		City or town, state or country, and ZIP + 4 New York, NY 10005 - 2757, USA		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶	
F Name and address of principal officer Dr. Isaac B Bekalo Address Same as C above		I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
J Website: ▶ http://www.iirr.org		K Type of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			
L Year of formation 1960		M State of legal domicile DE			

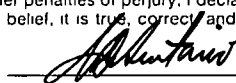
Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities. IIRR mission is to build the capacity of the poor and their organizations to overcome poverty. IIRR's efforts have enabled people to stabilize their income, expand their small businesses, obtain quality education, attain gender equality, mitigate disaster, manage conflict, protect and preserve the environment, cultivate their own food and access health services		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	15
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	14
	5 Total number of employees (Part V, line 2a)	5	3
	6 Total number of volunteers (estimate if necessary)	6	-0-
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	-0-
b Net unrelated business taxable income from Form 990-T, line 34	7b	-0-	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year \$ 2,609,112	Current Year \$ 2,680,233
	9 Program service revenue (Part VIII, line 2g)	1,230,518	988,125
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	28,590	17,460
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	32,220	145,635
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	\$ 3,900,440	\$ 3,831,453
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	-0-	-0-
	14 Benefits paid to or for members (Part IX, column (A), line 4)	-0-	-0-
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	1,441,370	1,556,676
	16a Professional fundraising fees (Part IX, column (A), line 11e)	-0-	-0-
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ \$100.387		
Net Assets or Fund Balances	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	2,020,857	2,332,205
	18 Total expenses—add lines 13-17 (must equal Part IX, column (A), line 25)	\$ 3,462,227	\$ 3,888,881
	19 Revenue less expenses. Subtract line 18 from line 12	\$ 438,213	(\$ 57,428)
	20 Total assets (Part X, line 16)	Beginning of Year \$ 4,297,031	End of Year \$ 3,866,941
21 Total liabilities (Part X, line 26)	334,515	395,220	
22 Net assets or fund balances. Subtract line 21 from line 20	3,962,516	\$ 3,471,721	

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here


 Signature of officer
ALDEN D. SECRETARIO - Chief
 Type or print name and title

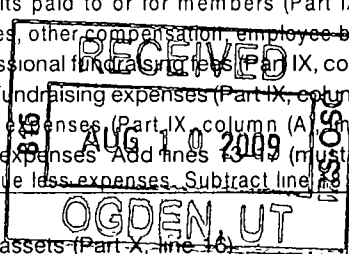
Paid Preparer's Use Only

Preparer's signature
 Firm's name (or yours if self-employed) address, and ZIP + 4

May the IRS discuss this return with the preparer shown above?

For Privacy Act and Paperwork Reduction Act Notice, see the separate

SCANNED AUG 24 2009



Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission
The International Institute of Rural Reconstruction (IIRR) mission is to build the capacity of the poor and their organization to overcome poverty

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code -) (Expenses \$ 2,234,841 including grants of \$ -0-) (Revenue \$ 2,680,233)
Learning Community Program.

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

4b (Code -) (Expenses \$ 872,948 including grants of \$ -0-) (Revenue \$ 871,994)
Education and Training Program.

This Program aims to share knowledge to strengthen the capacities of learning communities, development practitioners and the international development community to promote participatory human development through training courses, workshops, study programs, conferences and other educational fora.

4c (Code -) (Expenses \$ 201,221 including grants of \$ -0-) (Revenue \$ 21,039)
Publication and Communication Program.

This Program aims to share knowledge to strengthen the capacities of learning communities, development practitioners and the international development community to promote participatory human development through the production, distribution and use of publication and communication materials produced and shared using participatory approaches.

4d Other program services (Describe in Schedule O)
(Expenses \$ -0- including grants of \$ -0-) (Revenue \$ -0-)

4e Total program service expenses ▷ \$ 3,309,010 (Must equal Part IX, Line 25, column (B))

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	✓	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	✓	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		✓
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II		✓
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III		✓
6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		✓
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		✓
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		✓
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		✓
10 Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	✓	
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	✓	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII	✓	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	✓	
14a Did the organization maintain an office, employees, or agents outside of the U S ?	✓	
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? If "Yes," complete Schedule F, Part I		✓
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II		✓
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III		✓
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I		✓
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		✓
19 Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		✓
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H		✓
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		✓
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		✓
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J		✓
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25		✓
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		✓
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		✓
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		✓
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		✓
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part I		✓
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		✓
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III		✓

Part IV Checklist of Required Schedules (continued)

		Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee		
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII Section A)? <i>If "Yes," complete Schedule L, Part IV</i>		✓
b	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		✓
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		✓
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	✓	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		✓
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		✓
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		✓
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		✓
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		✓
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		✓
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		✓
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		✓

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U S Information Returns Enter -0- if not applicable		
	1a -0-		
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable		
	1b -0-		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	✓	
	1c		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	2a 3		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)	✓	
	2b		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		✓
	3a		
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O		
	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	✓	
	4a		
b	If "Yes," enter the name of the foreign country Kenya, Ethiopia, Uganda and Philippines See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts		
	4b		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		✓
	5a		
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		✓
	5b		
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
	5c		
6a	Did the organization solicit any contributions that were not tax deductible?		✓
	6a		
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	6b		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?		✓
	7a		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		✓
	7c		
d	If "Yes" indicate the number of Forms 8282 filed during the year		
	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		✓
	7e		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		✓
	7f		
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
	7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
	7h		
8	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		✓
	8		
9	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?		✓
	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		✓
	9b		
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12		
	10a -		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
	10b -		
11	Section 501(c)(12) organizations. Enter.		
a	Gross income from members or shareholders		
	11a -		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
	11b -		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
	12b -		

Part VII Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code)

Section A. Governing Body and Management

For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

		Yes	No
1a	Enter the number of voting members of the governing body		
1b	Enter the number of voting members that are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		✓
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		✓
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		✓
5	Did the organization become aware during the year of a material diversion of the organization's assets?		✓
6	Does the organization have members or stockholders?		✓
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		✓
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		✓
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	The governing body?	✓	
8b	Each committee with authority to act on behalf of the governing body?	✓	
9a	Does the organization have local chapters, branches, or affiliates?	✓	
9b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	✓	
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990.		✓
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O.		✓

Section B. Policies

		Yes	No
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13.	✓	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	✓	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done.		✓
13	Does the organization have a written whistleblower policy?	✓	
14	Does the organization have a written document retention and destruction policy?	✓	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:		
15a	The organization's CEO, Executive Director, or top management official?		✓
15b	Other officers or key employees of the organization? Describe the process in Schedule O (see instructions).		✓
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		✓
16b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed: California, Pennsylvania, New York & New Jersey
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: Alden Secretario / Leslie Enright / 40 Exchange Place Suite 1111, New York, USA Tel. 212-880-9147

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Use Schedule J-2 if additional space is needed

o List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid

o List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

o List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

o List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

Check this box if the organization did not compensate any officer, director, trustee, or key employee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Anthony C. Gooch Chair - Board of Trustee	25	✓						\$ -0-	\$ -0-	\$ -0-
James F. Kelly Vice Chair & Treasurer - Board of Trustee	10	✓						-0-	-0-	-0-
Jane K. Boorstein Member - Board of Trustee	8	✓						-0-	-0-	-0-
Mary Chan Member - Board of Trustee	5	✓						-0-	-0-	-0-
James C. Diao Member - Board of Trustee	1	✓						-0-	-0-	-0-
Donald L. Holley Member - Board of Trustee	0	✓						-0-	-0-	-0-
Sirkka Korpela Member - Board of Trustee	1	✓						-0-	-0-	-0-
Allan Leedy Member - Board of Trustee	1	✓						-0-	-0-	-0-
J. Eugene Marans Member - Board of Trustee	5	✓						-0-	-0-	-0-
Mary Racelis Member - Board of Trustee	1	✓						-0-	-0-	-0-
Goturi Narayana Reddi Member - Board of Trustee	0	✓						-0-	-0-	-0-
Francis M. Ssekandi Member - Board of Trustee	3	✓						-0-	-0-	-0-
George SyCip Member - Board of Trustee	4	✓						-0-	-0-	-0-
Wigberto Tañada Member - Board of Trustee	0	✓						-0-	-0-	-0-
Juan Miguel Luz President	40	✓		✓				-0-	-0-	121,738
Cardo A. Anzaldúa - Montoya General Counsel / Secretary	2			✓				-0-	-0-	-0-
Leslie Enright Assistant Secretary	40			✓				83,471	-0-	4,357

Part VIII Statement of Revenue			(A)	(B)	(C)	(D)		
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513 or 514		
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a	\$ 31				
	b	Membership dues	1b	-0-				
	c	Fundraising events	1c	-0-				
	d	Related organizations	1d	-0-				
	e	Government grants (contributions)	1e	298,273				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	2,381,960				
	g	Noncash contributions included in lines 1a-1f: \$		30,000				
	h	Total. Add lines 1a-1f		\$ 2,680,233				
Program Service Revenue			Business Code					
	2a	Technical Assistance	900099	472,862	472,862	-0-	-0-	
	b	Training Courses	900099	270,188	270,188	-0-	-0-	
	c	Study Programs	900099	86,636	86,636	-0-	-0-	
	d	Workshops	900099	42,308	42,308	-0-	-0-	
	e	Publication Sales	900099	21,039	21,039	-0-	-0-	
	f	All other program service revenue	900099	95,092	95,092	-0-	-0-	
g	Total. Add lines 2a-2f		988,125					
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		17,460	17,460	-0-	-0-	
	4	Income from investment of tax-exempt bond proceeds		-0-	-0-	-0-	-0-	
	5	Royalties		-0-	-0-	-0-	-0-	
	6a	Gross Rents	(i) Real	-0-				
			(ii) Personal	-0-				
			b	Less: rental expenses	-0-			
			c	Rental income or (loss)	-0-			
	d	Net rental income or (loss)		-0-	-0-	-0-	-0-	
	7a	Gross amount from sales of assets other than inventory	(i) Securities	-0-				
			(ii) Other	-0-				
			b	Less cost or other basis and sales expenses	-0-			
			c	Gain or (loss)	-0-			
	d	Net gain or (loss)		-0-	-0-	-0-	-0-	
	8a	Gross income from fundraising events (not including \$ -0- of contributions reported on line 1c) See Part IV, line 18	a	-0-				
			b	Less direct expenses	-0-			
c			Net income or (loss) from fundraising events		-0-	-0-	-0-	-0-
9a	Gross income from gaming activities See Part IV, line 19	a	-0-					
		b	Less direct expenses	-0-				
		c	Net income or (loss) from gaming activities		-0-	-0-	-0-	-0-
10a	Gross sales of inventory, less returns and allowances	a	-0-					
		b	Less cost of goods sold	-0-				
		c	Net income or (loss) from sales of inventory		-0-	-0-	-0-	-0-
Miscellaneous Revenue		Business Code						
11a	Miscellaneous Revenues	900099	145,635	145,635	-0-	-0-		
b			-0-	-0-	-0-	-0-		
c			-0-	-0-	-0-	-0-		
d	All other revenue		-0-	-0-	-0-	-0-		
e	Total. Add lines 11a-11d		145,635					
12	Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e		\$ 3,831,453	\$ 1,151,220	-0-	-0-		

Part X Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	-0-	-0-		
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22	-0-	-0-		
3	Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	-0-	-0-		
4	Benefits paid to or for members	-0-	-0-		
5	Compensation of current officers, directors, trustees, and key employees	363,705	298,238	50,919	14,548
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	-0-	-0-	-0-	-0-
7	Other salaries and wages	875,661	712,877	120,397	42,387
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	101,328	83,089	14,186	4,053
9	Other employee benefits	169,886	139,150	23,627	7,109
10	Payroll taxes	46,096	37,798	6,454	1,844
11	Fees for services (non-employees)				
a	Management	23,471	19,031	3,002	1,438
b	Legal	8,359	6,778	1,069	512
c	Accounting	31,546	28,102	3,377	67
d	Lobbying	-0-	-0-	-0-	-0-
e	Professional fundraising services See Part IV, line 17	-0-	-0-	-0-	-0-
f	Investment management fees	-0-	-0-	-0-	-0-
g	Other	279,671	250,693	27,508	1,470
12	Advertising and promotion	-0-	-0-	-0-	-0-
13	Office expenses	134,331	112,558	16,035	5,738
14	Information technology	-0-	-0-	-0-	-0-
15	Royalties	-0-	-0-	-0-	-0-
16	Occupancy	246,961	204,465	34,880	7,616
17	Travel	242,898	218,813	19,478	4,607
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	-0-	-0-	-0-	-0-
19	Conferences, conventions, and meetings	219,233	210,342	8,037	854
20	Interest	12,743	10,332	1,630	781
21	Payments to affiliates	-0-	-0-	-0-	-0-
22	Depreciation, depletion, and amortization	93,103	86,415	6,005	683
23	Insurance	1,815	1,658	149	8
24	Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	Field Program Expenses	58,729	58,482	247	-0-
b	Printing and Publications	36,288	31,124	3,426	1,738
c	Loss on changes in MV of investment	257,521	128,760	128,761	-0-
d	Collaborating Agency Expenses	605,038	605,038	-0-	-0-
e		-0-	-0-	-0-	-0-
f	All other expenses	80,498	65,267	10,267	4,934
25	Total functional expenses. Add lines 1 through 24f	\$ 3,888,881	\$ 3,309,010	\$ 479,484	\$ 100,387
26	Joint Costs. Check here <input type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
Assets	1	Cash—non-interest-bearing	\$ 482,793	1	\$ 419,547
	2	Savings and temporary cash investments	-0-	2	-0-
	3	Pledges and grants receivable, net	2,304,673	3	2,402,992
	4	Accounts receivable, net	307,687	4	218,476
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties Complete Part II of Schedule L	98,367	5	104,787
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L	-0-	6	-0-
	7	Notes and loans receivable, net	-0-	7	-0-
	8	Inventories for sale or use	-0-	8	-0-
	9	Prepaid expenses and deferred charges	37,118	9	24,200
	10a	Land, buildings, and equipment cost basis	\$ 1,877,221		
	b	Less accumulated depreciation Complete Part VI of Schedule D	1,702,633	10c	174,588
	11	Investments—publicly traded securities	796,102	11	522,351
	12	Investments—other securities See Part IV, line 11	-0-	12	-0-
	13	Investments—program-related See Part IV, line 11	-0-	13	-0-
	14	Intangible assets	-0-	14	-0-
	15	Other assets See Part IV, line 11	-0-	15	-0-
16	Total assets. Add lines 1 through 15 (must equal line 34)	\$ 4,297,031	16	\$ 3,866,941	
Liabilities	17	Accounts payable and accrued expenses	330,251	17	390,956
	18	Grants payable	-0-	18	-0-
	19	Deferred revenue	-0-	19	-0-
	20	Tax-exempt bond liabilities	-0-	20	-0-
	21	Escrow account liability Complete Part IV of Schedule D	-0-	21	-0-
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L	-0-	22	-0-
	23	Secured mortgages and notes payable to unrelated third parties	-0-	23	-0-
	24	Unsecured notes and loans payable	-0-	24	-0-
	25	Other liabilities Complete Part X of Schedule D	4,264	25	4,264
	26	Total liabilities. Add lines 17 through 25	334,515	26	395,220
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	743,143	27	64,371
	28	Temporarily restricted net assets	2,501,391	28	2,689,368
	29	Permanently restricted net assets	717,982	29	717,982
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds	-0-	30	-0-
	31	Paid-in or capital surplus, or land, building, or equipment fund	-0-	31	-0-
	32	Retained earnings, endowment, accumulated income, or other funds	-0-	32	-0-
33	Total net assets or fund balances	3,962,516	33	3,471,721	
34	Total liabilities and net assets/fund balances	\$ 4,297,031	34	\$ 3,866,941	

Part XI Financial Statements and Reporting

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?	<input checked="" type="checkbox"/>	
b Were the organization's financial statements audited by an independent accountant?	<input checked="" type="checkbox"/>	
c If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	<input checked="" type="checkbox"/>	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		<input checked="" type="checkbox"/>
b If "Yes," did the organization undergo the required audit or audits?		

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2008

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions

Name of the organization International Institute of Rural Reconstruction	Employer identification number 13 : 6175722
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Part I Reason for Public Charity Status (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is (Please check only **one** organization)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**. (Attach Schedule H)
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II)
- 9 An organization that normally receives (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III)
- 10 An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**. (see instructions)
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h
 - a Type I b Type II c Type III—Functionally integrated d Type III—Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) A family member of a person described in (i) above?
- (iii) A 35% controlled entity of a person described in (i) or (ii) above?

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

h Provide the following information about the organizations the organization supports

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
 (Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1-3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	%
16a 33 1/3% support test—2008. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
b 33 1/3% support test—2007. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here . The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here . Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total Add lines 1-5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support. (Add lines 9, 10c, 11, and 12)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	%

- 19a **33 1/3 % support tests—2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶
- b **33 1/3 % support tests—2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶
- 20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶

**SCHEDULE D
(Form 990)**

Supplemental Financial Statements

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

Name of the organization: **International Institute of Rural Reconstruction** Employer identification number: **13 6175722**

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

- 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? Yes No
- 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? Yes No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7

- 1 Purpose(s) of conservation easements held by the organization (check all that apply)
- Preservation of land for public use (e.g., recreation or pleasure)
 - Preservation of an historically important land area
 - Protection of natural habitat
 - Preservation of certified historic structure
 - Preservation of open space
- 2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶
- 4 Number of states where property subject to conservation easement is located ▶
- 5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? Yes No
- 6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶
- 7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ \$
- 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No
- 9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items
- b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items
- (i) Revenues included in Form 990, Part VIII, line 1 ▶ \$
 - (ii) Assets included in Form 990, Part X ▶ \$
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items
- a Revenues included in Form 990, Part VIII, line 1 ▶ \$
 - b Assets included in Form 990, Part X ▶ \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIV and complete the following table
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21? Yes No
- b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	\$ 796,102				
b Contributions	13,237				
c Investment earnings or losses	(249,816)				
d Grants or scholarships	-0-				
e Other expenditures for facilities and programs	(37,172)				
f Administrative expenses	-0-				
g End of year balance	\$522,351				

- 2 Provide the estimated percentage of the year end balance held as
- a Board designated or quasi-endowment ▶ 0 %
 - b Permanent endowment ▶ 100 %
 - c Term endowment ▶ 0 %

- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- | | Yes | No |
|-----------------------------|-----|----|
| (i) unrelated organizations | | ✓ |
| (ii) related organizations | | ✓ |

- b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?
- 4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments – Land, Buildings, and Equipment. See Form 990, Part X, line 10

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land	\$ -0-	\$ -0-		\$ -0-
b Buildings	-0-	623,096	(\$ 569,406)	53,690
c Leasehold improvements	-0-	47,975	(41,473)	6,502
d Equipment	-0-	1,067,515	(974,757)	92,758
e Other	-0-	138,635	(116,997)	21,638
Total. Add lines 1a–1e (Column (d) should equal Form 990, Part X, column (B), line 10(c))				\$ 174,588

Part XIII Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	\$ 3,831,453
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	3,888,881
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	(\$ 57,428)
4	Net unrealized gains (losses) on investments	4	-0-
5	Donated services and use of facilities	5	-0-
6	Investment expenses	6	-0-
7	Prior period adjustments	7	-0-
8	Other (Describe in Part XIV)	8	-0-
9	Total adjustments (net) Add lines 4-8	9	-0-
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	(\$ 57,428)

Part XIII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	\$ 3,831,453
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-0-
b	Donated services and use of facilities	2b	-0-
c	Recoveries of prior year grants	2c	-0-
d	Other (Describe in Part XIV)	2d	-0-
e	Add lines 2a through 2d	2e	-0-
3	Subtract line 2e from line 1	3	\$ 3,831,453
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	-0-
b	Other (Describe in Part XIV)	4b	-0-
c	Add lines 4a and 4b	4c	-0-
5	Total revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	\$ 3,831,453

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	\$ 3,888,881
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	-0-
b	Prior year adjustments	2b	-0-
c	Losses reported on Form 990, Part IX, line 25	2c	-0-
d	Other (Describe in Part XIV)	2d	-0-
e	Add lines 2a through 2d	2e	-0-
3	Subtract line 2e from line 1	3	\$ 3,888,881
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	-0-
b	Other (Describe in Part XIV)	4b	-0-
c	Add lines 4a and 4b	4c	-0-
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	\$ 3,888,881

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

.....

Alice Yen Endowment Fund. Earnings and appreciation on The Alice Yen Fund may be used for purposes that honor the memory of Alice Yen and her contributions to rural reconstruction and those that relate to education, training, research programs of IIRR and professional development of its staff.

.....

Reader's Digest Endowment Fund. Earnings on The Reader's Digest Endowment for Publications may be used for Publication Expenses.

.....

Part XIV Supplemental Information (continued)

Employee's Welfare Fund. Earnings and appreciation on The Employee's Welfare Fund may be used for any purposes that tends to give a sense of security to IIRR's staff members

Mr. & Mrs. Yen Mei Tang Memorial Fund. Earnings and appreciation on The Mr. & Mrs. Yen Mei Tang Memorial Fund may be used for purposes that honor the memory of Mr. and Mrs. Yen Mei Tang and meet any of the following conditions:

- a. Send promising IIRR staff members, holding bachelor's degrees, to study for master's degrees at the University of the Philippines.
- b. Enable promising young staff members to attend short-term courses or to receive training in subjects related to IIRR's mission and language, computer science or to other subjects relating to their work for IIRR.
- c. Provide grants to finance on-site study of successful rural reconstruction efforts.
- d. Finance expenditures on facilities and equipment that improve staff effectiveness
- e. Finance publications of IIRR staff members related to rural reconstruction.

**SCHEDULE E
(Form 990 or 990-EZ)**

Department of the Treasury
Internal Revenue Service

Schools

▶ To be completed by organizations that answer "Yes" to Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48
▶ Attach to Form 990 or Form 990-EZ.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization

International Institute of Rural Reconstruction

Employer identification number

13 : 6175722

	YES	NO
1 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	✓	
2 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	✓	
3 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe. If "No," please explain.	✓	
4 Does the organization maintain the following?		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	✓	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	✓	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	✓	
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (if you need more space, attach a separate statement).	✓	
5 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?		✓
b Admissions policies?		✓
c Employment of faculty or administrative staff?		✓
d Scholarships or other financial assistance?		✓
e Educational policies?		✓
f Use of facilities?		✓
g Athletic programs?		✓
h Other extracurricular activities? If you answered "Yes" to any of the above, please explain (if you need more space, attach a separate statement).		✓
6a Does the organization receive any financial aid or assistance from a governmental agency?	✓	
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either line 6a or line 6b, please explain using an attached statement.		✓
7 Does the organization certify that it has complied with the applicable requirements of sections 401 through 405 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation.	✓	

**SCHEDULE J
(Form 990)**

OMB No 1545-0047

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

Name of the organization International Institute of Rural Reconstruction	Employer identification number 13 : 6175722
--	---

Part I Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input checked="" type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input checked="" type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
b If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	✓
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	✓
3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. <input type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations <input checked="" type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee		
4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a		
a Receive a severance payment or change of control payment?	4a	✓
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	✓
c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4c	✓
Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.		
5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a The organization?	5a	✓
b Any related organization? If "Yes" to line 5a or 5b, describe in Part III	5b	✓
6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a The organization?	6a	✓
b Any related organization? If "Yes" to line 6a or 6b, describe in Part III	6b	✓
7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	✓
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III	8	✓

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space is needed

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Juan Miguel Luz	(i)	-0-	-0-	-0-	-0-	-0-	-0-	\$121,738
	(ii)							
Leslie Enright	(i)	83,471	-0-	-0-	-0-	4,357	87,828	87,828
	(ii)							
Pedro F. Lagleva, Jr.	(i)	-0-	-0-	-0-	-0-	-0-	-0-	33,364
	(ii)							
Isaac Bekalo	(i)	-0-	-0-	-0-	-0-	-0-	-0-	138,413
	(ii)							
	(i)							
	(ii)							
	(i)							
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	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Part II Juan Miguel Luz (Filipino), Pedro F. Lagleva, Jr (Filipino), Isaac Bekalo (Ethiopian) employed in the Philippines and in Ethiopia respectively, no Form W-2

or 1099-MISC compensation for them

**SCHEDULE M
(Form 990)**

NonCash Contributions

OMB No 1545-0047

2008

**Open To Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ To be completed by organizations that answered "Yes"
on Form 990, Part IV, lines 29 or 30
▶ Attach to Form 990

Name of the organization
International Institute of Rural Reconstruction

Employer identification number
13 : 6175722

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution (historic structures)				
14 Qualified conservation contribution (other)				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (Write-off Liability)	✓	1	\$ 30,000	Cost
26 Other ▶ (.....)				
27 Other ▶ (.....)				
28 Other ▶ (.....)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement

29

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1–28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?		✓
b If "Yes," describe the arrangement in Part II		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?		✓
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?		✓
b If "Yes," describe in Part II		
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II		

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

**Open to Public
Inspection**

Name of the organization

International Institute of Rural Reconstruction

Employer identification number

13 : 6175722

Part VI, Line 18 and 19:

The Form 990, governing documents, conflict of interest policy and financial statements are available to the public inspection upon request

Part XI, Line 2c

The Finance and Budget Committee of the Board of Trustee assumes responsibility for oversight of the audit, review or compilation of its financial statement and selection of an independent accountant

Part VI, Line 10:

No review was conducted.



SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Phone (632) 891 0307
Fax. (632) 819 0872
www.sgv.com.ph

BOA/PRC Reg. No. 0001
SEC Accreditation No 0012-FR-1

INDEPENDENT AUDITORS' REPORT


The Board of Trustees
International Institute of Rural Reconstruction

We have audited the accompanying statements of financial position of International Institute of Rural Reconstruction (a nonprofit, nonstock organization), incorporated in Delaware, United States of America, as of December 31, 2008 and 2007, and the related statements of activities, statements of changes in net assets and statements of cash flows for the years then ended. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Institute's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Institute of Rural Reconstruction as of December 31, 2008 and 2007, and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

SYCIP GORRES VELAYO & CO.


Juanito A. Fullecido
Partner

May 29, 2009

INTERNATIONAL INSTITUTE OF RURAL RECONSTRUCTION
(A Nonprofit, Nonstock Organization)

STATEMENTS OF FINANCIAL POSITION

	December 31	
	2008	2007
ASSETS		
Cash and Cash Equivalents (Note 3)	\$419,547	\$482,793
Investments (Note 3)	522,351	796,102
Contributions Receivable (Note 4)	2,402,992	2,304,673
Other Receivables (Note 5)	323,263	406,054
Property and Equipment - net (Note 6)	174,588	270,291
Prepayments and Other Assets	24,200	37,118
	\$3,866,941	\$4,297,031
LIABILITIES AND NET ASSETS		
Accounts Payable and Other Current Liabilities (Note 7)	\$390,956	\$330,251
Funds Held in Trust (Note 9)	4,264	4,264
Total Liabilities	395,220	334,515
Net Assets		
Unrestricted	64,371	743,143
Temporarily restricted (Note 10)	2,689,368	2,501,391
Permanently restricted (Note 10)	717,982	717,982
Total Net Assets	3,471,721	3,962,516
	\$3,866,941	\$4,297,031

See accompanying Notes to Financial Statements

FEDERAL INSTITUTE OF RURAL RECONSTRUCTION
(Nonstock Organization)
STATEMENTS OF CHANGES IN NET ASSETS

Years Ended December 31

	2008				2007			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beginning of year	\$743,143	\$2,501,391	\$717,982	\$3,962,516	\$1,105,056	\$1,599,954	\$717,982	\$3,422,992
Increases	(678,772)	187,977	-	(490,795)	(361,913)	901,437	-	539,524
Decreases	\$64,371	\$2,689,368	\$717,982	\$3,471,721	\$743,143	\$2,501,391	\$717,982	\$3,962,516

See Notes to Financial Statements

INTERNATIONAL INSTITUTE OF RURAL RECONSTRUCTION
(A Nonprofit, Nonstock Organization)

STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenues, gains and other support over expenses of continuing operations	(\$57,428)	\$438,213
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Effect of foreign exchange rate changes on translation	(410,234)	81,716
Loss (gain) on changes in market value of investments (Note 3)	257,521	(149,013)
Depreciation and amortization (Notes 6 and 12)	93,103	112,305
Decrease (increase) in:		
Contributions receivable	(98,319)	(794,095)
Other receivables	82,791	(69,056)
Prepayments and other assets	12,918	8,758
Increase (decrease) in accounts payable and other current liabilities	60,705	(12,564)
Net cash used in operating activities	(58,943)	(383,736)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property and equipment (Note 6)	(20,533)	(52,603)
Decrease in investments (Note 3)	16,230	157,276
Net cash provided by (used in) investing activities	(4,303)	104,673
NET DECREASE IN CASH AND CASH EQUIVALENTS	(63,246)	(279,063)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	482,793	761,856
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$419,547	\$482,793

See accompanying Notes to Financial Statements

INTERNATIONAL INSTITUTE OF RURAL RECONSTRUCTION
(A Nonprofit, Nonstock Organization)

NOTES TO FINANCIAL STATEMENTS

1. Organization Information

The International Institute of Rural Reconstruction (IIRR or the Institute) is a not-for-profit organization formed in 1960 under the laws of the State of Delaware, United States of America (U.S.A.). IIRR Headquarters is located in the Philippines. IIRR has regional centers in Asia (Philippines) and Africa (Kenya) and offices in Addis Ababa, Ethiopia; Kampala, Uganda; and New York, U.S.A.

IIRR is a tax-exempt organization under Section 501(c)(3) of the United States Internal Revenue Code. IIRR is a recognized public charity. Contributions to IIRR qualify for the maximum allowable charitable deduction in the U.S.A. In the opinion of the management, IIRR has operated under this tax-exempt code and has no unrelated business income.

IIRR is a global learning, training and capacity development organization which, with its predecessor organizations, has more than 80 years of experience and commitment to rural development. The Institute's program services has three main functional categories (described in Note 12), i.e. learning community program, education and training program, and publication and communication program. Resource generation is focused on unrestricted contributions, restricted grants, earned revenue through trainings, workshops, study programs, customized courses, technical assistance, use of campus facilities, publication sales and investment return on endowment funds.

2. Summary of Significant Accounting and Financial Reporting Policies

Basis of Preparation

The accompanying financial statements of IIRR have been prepared in compliance with accounting principles generally accepted in the U.S.A., applicable to a not-for-profit organization as described in American Institute of Certified Public Accountants Audit and Accounting Guide, "Not-for-Profit Organization."

Classification of Net Assets

The net assets of IIRR 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 Board of Trustees (BOT).

▪ Temporarily Restricted Net Assets

Net assets that are subject to donor-imposed stipulations that may be met either by actions of IIRR or by passage of time. When a restriction expires, that is, a stipulated time restriction ends or a 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.

- **Permanently Restricted Net Assets**

Net assets that are subject to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by IIRR. Generally, the donors of these assets permit IIRR to use all or part of the investment return on these assets.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Revenues are recorded when earned and expenses when incurred and measurable, regardless of when the related cash flows take place. Nonexchange transactions, in which IIRR receives value without directly giving equal value in exchange, include grants and private donations. On an accrual basis, revenues from these transactions are recognized in the year in which all criteria are satisfied, if measurable and probable of collection.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S.A. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues, expenses, or other changes in net assets during the year. Actual results could differ from these estimates.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

Investments

Investments are reported at fair value based on quoted market prices. Gains and losses on investments are based on the appreciation or depreciation of the market values at the earlier of the end of the year (unrealized) or the time of sale (realized) and are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation.

Contributions and Other Receivables

Contributions and other receivables are recognized initially at fair value. After initial measurement, contributions and other receivables are carried at amortized cost using the effective interest rate method, less any allowance for impairment. The allowance is established by charges to the statement of activities in the form of provision for doubtful accounts.

Property and Equipment

Property and equipment are carried at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and amortization and any impairment in value.

The initial cost of property and equipment consists of its purchase price, including other directly attributable costs of bringing the property and equipment to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statement of activities in the year such costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives:

Leasehold improvements	10 to 25 years or the term of the lease, whichever period is shorter
Buildings	10 years
Furniture and office equipment	5 to 8 years
Transportation equipment	5 to 7.5 years
Other equipment	5 to 10 years

The useful lives and depreciation and amortization method are reviewed periodically to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

When property and equipment are retired or otherwise disposed of, the cost and related accumulated depreciation and amortization and any impairment in value are removed from the accounts and any resulting gain or loss is credited or charged to statement of activities.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that their carrying value may not be recoverable. If any such indication exists and when the carrying values exceed the estimated recoverable amount, the assets are written down to their fair value. Any impairment loss is recognized in the statement of activities.

Fully depreciated property and equipment is retained in the account until it is no longer in use and no further depreciation is credited or charged to current activities.

Revenue and Expense Recognition

Contributions and grants, which include unconditional promises to give (pledges), are recognized as revenues 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 documentation.

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 investments and other assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation.

Revenues from other services, such as training, workshops, study programs, customized courses and technical assistance, are recognized when services have been rendered and collection is reasonably assured.

Revenues from use of campus facilities are recognized based on actual occupancy and when collection is reasonably assured.

Revenues 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 and the amount of revenues can be reliably measured.

Expenses are generally reported as decreases in unrestricted net assets. Expirations of donor-imposed stipulations or of the BOT designations that simultaneously increase one class of net assets and decrease another are reported as transfers between the applicable classes of net assets.

Allocation of Expenses

The cost incurred in the various programs and other activities has been summarized on a functional basis (see Note 12). Directly identifiable expenses are charged to program and supporting services. Expenses related to more than one function are charged to program and supporting services using the prevailing IIRR cost allocation methodology.

Pension Cost

IIRR's pension cost related to the defined benefit pension plan for employees in the Philippines and defined contribution pension plan for employees in the U.S.A. and Africa Regional Center includes the service cost determined under the projected unit credit method. This method reflects benefits earned by the employees to the date of the valuation taking into consideration the employees' projected salaries.

Translation of Philippine and Other Regional Centers' Financial Statements

Financial statements of IIRR's Philippine and other Regional Centers are translated in accordance with Statement of Financial Accounting Standard No. 52, "Foreign Currency Translation." Under this method, assets and liabilities, expressed in Philippine pesos, Kenyan shillings, Ugandan shillings and Ethiopian birr, have been translated into U.S. dollar amounts at the closing exchange rates at the financial position date, while revenues and expenses have been translated at the average exchange rate of each center for the year. Other changes in fund balances are translated at the rate in effect in the year the transactions were originally recorded. The accumulated loss on translation adjustment of \$1,326,820 and \$893,453 as of December 31, 2008 and 2007, respectively, is reflected as a component of unrestricted net assets.

Functional and Reporting Currency

The functional and reporting currency of IIRR is the U.S. dollar. All values are rounded to the nearest dollar unit, unless otherwise indicated.

Fair Value of Financial Instruments

Fair value of financial instruments is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The fair values of cash and cash equivalents, other receivables, and accounts payable and other current liabilities approximate their carrying values due to the relatively short-term maturity of these financial instruments.

The fair value of contributions receivable is based on the discounted value of future cash flows using the prevailing risk free Euro and U.S. dollar interest rates plus spread.

3. Cash and Cash Equivalents and Investments

The cash and cash equivalents account consists of:

	2008	2007
Cash in banks	\$367,780	\$481,222
Short-term investments	50,550	-
Cash on hand	1,217	1,571
	\$419,547	\$482,793

Cash in banks earn interest at the respective bank deposit rates. Short-term investments are made for varying periods of one day and three months depending on the immediate cash requirements of the Institute and earn interest at the respective short-term investment rates.

The movements in the investments held in the U.S.A. are as follows:

	2008			
	Short-term		Long-term	
	Equity Stocks	Money Market Placements	U.S. Treasury Notes	Total
Cost at January 1, 2008	\$473,191	\$33,896	\$98,062	\$605,149
Gain on changes in market value at January 1, 2008	186,612	-	4,341	190,953
Market value at January 1, 2008	659,803	33,896	102,403	796,102
Deposits/acquisitions	9,787	1,514	1,936	13,237
Interest and dividends	-	7,705	-	7,705
Withdrawals	-	(37,172)	-	(37,172)
Loss due to change in market value during the year (Note 12)	(255,208)	-	(2,313)	(257,521)
Market value at December 31, 2008	\$414,382	\$5,943	\$102,026	\$522,351
Cost at December 31, 2008	\$482,978	\$5,943	\$99,998	\$588,919
Gain (loss) on changes in market value at December 31, 2008	(68,596)	-	2,028	(66,568)
	\$414,382	\$5,943	\$102,026	\$522,351

	2007			
	Short-term		Long-term	
	Equity Stocks	Money Market Placements	U.S. Treasury Notes	Total
Cost at January 1, 2007	\$627,965	\$33,314	\$101,146	\$762,425
Gain on changes in market value at January 1, 2007	40,633	-	1,307	41,940
Market value at January 1, 2007	668,598	33,314	102,453	804,365
Deposits	-	33,797	-	33,797
Interest and dividends	-	16,067	-	16,067
Withdrawals	(154,774)	(49,282)	(3,106)	(207,162)
Interest accrued	-	-	22	22
Gain due to change in market value during the year	145,979	-	3,034	149,013
Market value at December 31, 2007	\$659,803	\$33,896	\$102,403	\$796,102

	2007			Total
	Short-term		Long-term	
	Equity Stocks	Money Market Placements	U.S. Treasury Notes	
Cost at December 31, 2007	\$473,191	\$33,896	\$98,062	\$605,149
Gain on changes in market value at December 31, 2007	186,612	-	4,341	190,953
	\$659,803	\$33,896	\$102,403	\$796,102

Concentrations of Risks

Custodial Credit Risk. Cash and cash equivalents are maintained with several financial institutions. Deposits held with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions of reputable credit and therefore bear minimal credit risk.

Interest Rate Risk. Disclosure of the maturities of investments is required when the fair market value is adversely affected by changes in interest rates. Investments are intended to be held for an undefined period.

The main investment management objective is to maintain security and liquidity. To achieve this objective, IIRR seeks the highest possible return on its investments. Investments are governed by the BOT. IIRR is restricted to invest in investment instruments which are obligations of a limited class of issuers, primarily government or government-guaranteed obligations and corporate obligations.

Foreign Currency Risk. IIRR has no significant foreign investments for 2008 and 2007 exposed to changes in exchange rates that will adversely affect the fair market value of an investment or a deposit. Deposits are maintained mainly in U.S. dollars.

4. Contributions Receivable

These receivables are covered by signed grant agreements.

Realization of the pledges is expected in the following periods:

	2008	2007
In one year or less	\$ 1,731,812	\$1,160,321
Between one and five years	734,143	1,236,195
	2,465,955	2,396,516
Less discount	62,963	91,843
	\$2,402,992	\$2,304,673

Movements in discount on contributions receivable are as follows:

	2008	2007
Balance at beginning of year	\$91,843	\$31,203
Accretion income	(91,660)	(14,618)
Additions during the year	62,780	75,258
Balance at end of year	\$62,963	\$91,843

5. Other Receivables

This account consists of:

	2008	2007
Advances to officers and employees	\$104,787	\$98,367
Other receivables	219,677	311,418
	324,464	409,785
Less allowance for impairment losses	1,201	3,731
	\$323,263	\$406,054

Other receivables include receivables arising from training courses, workshops, study programs, technical assistance, publication sales, deposits to suppliers and creditors, and other staff receivables.

Movements in the allowance for impairment losses are as follows:

	2008	2007
Balance at beginning of year	\$3,731	\$3,731
Amounts written-off against allowance	(2,530)	-
Balance at end of year	\$1,201	\$3,731

6. Property and Equipment

This account consists of:

	Leasehold Improvements	Buildings	Furniture and office equipment	Transportation Equipment	Other equipment	Total
Cost						
Balance at January 1, 2007	\$46,513	\$603,907	\$664,487	\$383,509	\$131,580	\$1,829,996
Additions	-	-	50,539	1,477	587	52,603
Disposals	-	-	(7,664)	-	-	(7,664)
Cumulative translation adjustments	8,638	113,378	85,734	40,874	24,682	273,306
Balance at December 31, 2007	55,151	717,285	793,096	425,860	156,849	2,148,241
Additions	-	-	9,918	8,195	2,420	20,533
Cumulative translation adjustments	(7,176)	(94,189)	(109,554)	(60,000)	(20,634)	(291,553)
Balance at December 31, 2008	\$47,975	\$623,096	\$693,460	\$374,055	\$138,635	\$1,877,221
Accumulated Depreciation and Amortization						
Balance at January 1, 2007	\$37,715	\$497,764	\$545,320	\$334,826	\$103,973	\$1,519,598
Depreciation and amortization	1,320	28,350	58,695	19,678	4,262	112,305
Disposals	-	-	(7,664)	-	-	(7,664)
Cumulative translation adjustments	7,187	97,481	92,888	36,279	19,876	253,711
Balance at December 31, 2007	46,222	623,595	689,239	390,783	128,111	1,877,950
Depreciation and amortization	1,398	32,284	27,989	23,730	7,702	93,103
Cumulative translation adjustments	(6,147)	(86,473)	(100,331)	(56,653)	(18,816)	(268,420)
Balance at December 31, 2008	\$41,473	\$569,406	\$616,897	\$357,860	\$116,997	\$1,702,633
Net Book Value						
At December 31, 2008	\$6,502	\$53,690	\$76,563	\$16,195	\$21,638	\$174,588
At December 31, 2007	8,929	93,690	103,857	35,077	28,738	270,291

IIRR donated its land in Cavite, Philippines 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 IIRR 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 \$286 until May 25, 2000. On May 23, 2000, IIRR and PRRM executed a contract to confirm their agreement to share the Cavite campus for rural reconstruction work. The contract permits IIRR 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. The fair value of the free rent of \$15,152 in 2008 and \$17,442 in 2007 is recognized as part of other revenues and program services in the statements of activities.

As of December 31, 2008 and 2007, fully depreciated assets amounting to \$1,140,188 and \$1,137,673, respectively, were still in use.

7. Accounts Payable and Other Current Liabilities

This account consists of:

	2008	2007
Vouchers payable	\$324,170	\$302,271
Accrued expenses	66,301	27,495
Others	485	485
	<u>\$390,956</u>	<u>\$330,251</u>

Vouchers payable are noninterest-bearing and are generally on 30 to 60 days' term. Accrued expenses represent statutory payables such as withholding taxes, social security premiums and other liabilities to the government.

8. Pension Plans

IIRR has a defined benefit pension plan for its employees in the Philippines and a defined contribution pension plan covering its employees in the U.S.A. and Africa Regional Center. Pension cost for these plans amounted to \$70,929 and \$105,217 in 2008 and 2007, respectively.

- Pension Plan for the Philippines

The defined benefit pension plan (Plan) is a funded noncontributory retirement plan covering all regular employees in the Philippines except for certain staff members covered by other plans. A local bank, appointed as trustee, administers the Plan. IIRR's policy is to fund accrued pension costs.

Effective July 1, 2000, the Institute amended the plan to change the benefit formula to a cash balance formula from the existing benefit calculation based upon years of service and final pay. The benefits accrued as of June 30, 2000 under the old formula were credited to each employee's personal retirement account (PRA). A fixed percentage of the employee's monthly salary (at the time earned) beginning July 1, 2000 is also being credited to the employee's PRA.

Normal retirement date is upon attainment by a member of age 60 while early retirement is at age 50, with at least 10 years of service. Upon retirement, an employee receives in one lump sum the amount credited to his/her PRA or the legally mandated minimum retirement benefit, whichever is higher. In case of voluntary resignation, the employee is entitled to receive the amount standing to his/her credit upon the member attaining the age of 50 or after having completed at least 10 years of continuous service. A member who resigns from the employment of the Institute before completing 10 years of continuous service shall be entitled to receive one-half of the amount standing to his/her credit upon resignation and the balance of such amount standing to his/her credit upon attaining the age of 50. Alternatively, he/she may request for his/her fund balance to be transferred to another qualified plan. The fund is required to be under trusteeship to comply with the Philippine requirement for tax qualification. No part of the amount of the fund may be used for or diverted to any purpose other than for the benefit of the members and their beneficiaries.

The following table sets forth IIRR Plan's status:

	2008	2007
Accumulated benefit obligation	\$134,220	\$412,416
Projected benefit obligation (PBO)	\$134,220	\$412,416
Plan assets at fair value	134,220	412,416
Required additional pension liability	\$-	\$-
Unrecognized amortization:		
Prior service cost	\$-	\$-
Net gain	-	-
	\$-	\$-

The net pension cost for the Plan includes the following elements:

	2008	2007
Benefit cost:		
Service cost	\$35,745	\$52,319
Interest cost on PBO	14,754	8,986
Expected return on assets	(14,754)	(8,986)
Curtailment loss	(19,081)	-
Net amortization cost	1,086	1,046
Pension cost	\$17,750	\$53,365
Benefits paid	\$12,745	\$16,491
Contributions made	\$35,745	\$52,319

The projected benefit obligation assumes a discount rate of 8% in 2008 and 2007, and a 5% rate of compensation increases in 2007 and per year thereafter. The expected long-term rate of return on Plan assets is 6% in 2008 and 8% in 2007.

The changes in PBO are as follows:

	2008	2007
PBO at beginning of year	\$412,416	\$305,015
Service cost	35,745	52,319
Interest cost on PBO	14,754	8,986
Benefits paid	(12,745)	(16,491)
Effect of curtailment	(277,138)	-
Translation adjustment (Philippine peso to U.S. dollar)	(38,812)	62,587
PBO at end of year	\$134,220	\$412,416

The changes in fair value of plan assets are as follows:

	2008	2007
Fair value of plan assets at beginning of year	\$412,416	\$305,015
Actual return on plan assets	14,754	8,986
Contributions made	35,745	52,319
Benefits paid	(12,745)	(16,491)
Effect of curtailment	(277,138)	-
Translation adjustment (Philippine peso to U.S. dollar)	(38,812)	62,587
Fair value of plan assets at end of year	\$134,220	\$412,416

The Plan is funded by contributions of the Institute to a trust fund managed by a Philippine bank. The plan assets of the Institute include Philippine peso and U.S. dollar-denominated investments. The market value of the plan assets is determined by the fund trustee.

Notwithstanding any other provisions of the trust agreement, the fund trustee shall use its best efforts to maintain allocation of the investment of the provident fund as established by the Institute's retirement committee and approved by the Institute's BOT. Funds delivered to the trustee in Philippine pesos shall be invested in Philippine peso-denominated investments. Funds delivered to the trustee in U.S. dollars shall be invested in U.S. dollar-denominated investments.

Allocation of the trust fund is as follows:

	2008	2007
Type of Investment (Philippine peso-denominated):		
Government securities	60%	57%
Short-term money market	19%	29%
Commercial loan	21%	14%
	100%	100%
Type of Investment (U.S. dollar-denominated):		
Mutual fund	91%	100%
Short-term money market	9%	-
	100%	100%

- Pension Plan for Other Countries

Net pension cost for the defined contribution pension plan amounted to \$53,179 in 2008 and \$51,852 in 2007.

9. Funds Held in Trust

This is a liability account consisting of the loan fund portions of project grants from Deutsche Welthungerhilfe/German Agro Action to IIRR to be transferred to beneficiary organizations once they have established their capabilities to manage such funds. These funds have been used to provide loans to cooperatives and other village-based people's organizations for specific purposes and with specific maturities.

The remaining fund is attributed to Santo Domingo People's Cooperative a multi-purpose secondary cooperative/federation of various primary cooperatives in Santo Domingo, Albay, Philippines established in 1989 through the efforts and assistance of the Institute under its Local Resource Management - Bicol Project.

10. Net Assets

a. Temporarily restricted net assets are available for the following program service expenditures:

	2008	2007
Program services	\$2,686,698	\$2,449,311
The Alice Yen Senior Fellowship Fund (The Alice Yen Fund)	—	34,168
The Mr. & Mrs. Yen Mei Tang Memorial Fund	—	13,672
The Reader's Digest Endowment for Publications	2,670	4,240
	<u>\$2,689,368</u>	<u>\$2,501,391</u>

b. Permanently restricted net assets as of December 31, 2008 and 2007 consist of the following endowment funds:

	2008	2007
The Alice Yen Fund	\$500,000	\$500,000
The Reader's Digest Endowment for Publications	100,000	100,000
The Employees' Welfare Fund	62,982	62,982
The Mr. & Mrs. Yen Mei Tang Memorial Fund	55,000	55,000
	<u>\$717,982</u>	<u>\$717,982</u>

Earnings and appreciation of permanently restricted net assets were included as part of temporarily restricted net assets.

Earnings and appreciation on The Alice Yen Fund may be used for purposes that honor the memory of Alice Yen and her contributions to rural reconstruction and those that relate to education, training, research programs of IIRR and professional development of its staff.

Earnings on The Reader's Digest Endowment for Publications may be used for publication expenses.

Earnings and appreciation on The Employees' Welfare Fund may be used for any purpose that tends to give a sense of security to IIRR's staff members.

Earnings and appreciation on The Mr. & Mrs. Yen Mei Tang Memorial Fund may be used for purposes that honor the memory of Mr. and Mrs. Yen Mei Tang and meet any of the following conditions:

- a. Send promising IIRR staff members, holding bachelor's degrees, to study for master's degrees at the University of the Philippines.
- b. Enable promising young staff members to attend short-term courses or to receive training in subjects related to IIRR's mission and language, computer science or to other subjects relating to their work for IIRR.
- c. Provide grants to finance on-site study of successful rural reconstruction efforts.
- d. Finance expenditures on facilities and equipment that improve staff effectiveness.
- e. Finance publications of IIRR staff members related to rural reconstruction.

In 2003, the Institute transferred the Rural Reconstruction Endowment Fund amounting to \$50,128 to an endowment trust, which is a separate entity. The endowment trust is organized exclusively for the benefit of the Institute and shall operate as a supporting organization of the Institute in accordance with Section 509 (a)(3) of the U.S. Internal Revenue Code. The Institute has no control over the trust. The earnings of the fund will be for the benefit of the Institute only upon the determination of the distributable amount by the trustees of the endowment trust. Any earnings not distributed shall be accumulated to the principal. The value of the endowment trust as of December 31, 2008 and 2007 amounted to \$54,605 and \$63,528, respectively.

11. Commitments and Contingencies

IIRR leases various office spaces for its operations. The terms of these leases range from one to three years. Total rent expense amounted to \$65,629 in 2008 and \$55,918 in 2007.

12. Expenses

This account consists of expenses from continuing operation of IIRR:

	2008							Total Expenses
	Program Services		Publication and Communication	Total	Management and General	Fund Raising	Total	
Staff cost (see Note 8)	\$760,182	\$393,298	\$105,011	\$1,258,491	\$213,504	\$69,005	\$282,509	\$1,541,000
Collaborating agency expenses	605,038	-	-	605,038	-	-	-	605,038
Loss on changes in market value of investments (see Note 3)	51,504	51,504	25,752	128,760	128,761	-	128,761	257,521
Travel	125,112	85,909	7,792	218,813	19,478	4,607	24,085	242,898
Contractual services	141,404	62,618	10,647	214,669	25,795	509	26,304	240,973
Food and accommodation	142,156	58,084	10,102	210,342	8,037	854	8,891	219,233

(Forward)

	2008							
	Program Services				Supporting Services			
	Learning Community	Education and Training	Publication and Communication	Total	Management and General	Fund Raising	Total	Total Expenses
Rental and maintenance of premises (see Notes 6 and 11)	\$73,939	\$37,830	\$10,967	\$122,736	\$27,514	\$7,232	\$34,746	\$157,482
Depreciation and amortization (see Note 6)	45,143	29,793	11,479	86,415	6,005	683	6,688	93,103
Rental and maintenance of furniture, equipment and vehicle	58,853	22,530	2,004	83,387	7,515	392	7,907	91,294
Communication	41,314	20,536	4,398	66,248	9,978	3,896	13,874	80,122
Consultants	40,960	22,439	727	64,126	5,090	1,028	6,118	70,244
Field program expenses	23,852	33,528	1,102	58,482	247	-	247	58,729
Supplies and materials	32,254	12,906	1,150	46,310	6,057	1,842	7,899	54,209
Printing and publication	22,331	8,139	654	31,124	3,426	1,738	5,164	36,288
Staff education	8,881	3,343	437	12,661	2,079	936	3,015	15,676
Others	61,918	30,491	8,999	101,408	15,998	7,665	23,663	125,071
	\$2,234,841	\$872,948	\$201,221	\$3,309,010	\$479,484	\$100,387	\$579,871	\$3,888,881

	2007							
	Program Services				Supporting Services			
	Learning Community	Education and Training	Publication and Communication	Total	Management and General	Fund Raising	Total	Total Expenses
Staff cost (see Note 8)	\$552,113	\$475,066	\$141,595	\$1,168,774	\$185,225	\$87,371	\$272,596	\$1,441,370
Collaborating agency expenses	480,112	-	-	480,112	-	-	-	480,112
Travel	88,669	95,420	11,817	195,906	26,781	12,584	39,365	235,271
Contractual services	108,304	63,431	33,153	204,888	46,761	2,364	49,125	254,013
Food and accommodation	98,100	93,234	35,056	226,390	4,075	1,951	6,026	232,416
Rental and maintenance of premises (see Notes 6 and 11)	44,353	30,780	24,358	99,491	19,498	7,249	26,747	126,238
Depreciation and amortization (Note 6)	33,294	53,800	14,462	101,556	10,360	389	10,749	112,305
Rental and maintenance of furniture, equipment and vehicle	52,116	17,029	3,490	72,635	7,340	902	8,242	80,877
Communication	36,238	18,359	16,641	71,238	11,134	3,406	14,540	85,778
Consultants	4,900	622	311	5,833	816	1,515	2,331	8,164
Field program expenses	42,451	77,096	5,169	124,716	7,863	-	7,863	132,579
Supplies and materials	24,265	23,157	7,195	54,617	23,699	2,331	26,030	80,647
Printing and publication	29,153	6,872	26,356	62,381	3,545	773	4,318	66,699
Staff education	12,868	960	480	14,308	7,854	-	7,854	22,162
Others	39,027	36,308	18,253	93,588	6,217	3,791	10,008	103,596
	\$1,645,963	\$992,134	\$338,336	\$2,976,433	\$361,168	\$124,626	\$485,794	\$3,462,227

The foregoing expenses and costs incurred by IIRR are classified by functional category of program and supporting 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 is achieved at the community level through this program.

b. Education and Training Program

This program aims to share knowledge to strengthen the capacities of learning communities, development practitioners and the international development community to promote participatory human development through training courses, workshops, study programs, conferences and other educational means.

c. Publication and Communication Program

This program aims to share knowledge to strengthen the capacities of learning communities, development practitioners and the international development community to promote participatory human development through the production, distribution and use of publication and communication materials produced and shared using participatory approaches.

INTERNATIONAL INSTITUTE OF RURAL RECONS'
(A Nonprofit, Nonstock Organization)

STATEMENTS OF ACTIVITIES

	T
	Unrestricted
CONTINUING OPERATIONS	
REVENUES, GAINS AND OTHER SUPPORT	
Contributions/Grants	
Foundations - net of \$62,780 discount in 2008 and inclusive of \$41,329 and \$14,618 accretion income in 2008 and 2007, respectively (Note 4)	\$36,195
Governments - net of \$75,258 discount in 2007 and inclusive of \$50,331 accretion income in 2008 (Note 4)	-
Individuals	138,854
Corporations	5,214
Technical assistance	472,862
Training courses	270,188
Use of campus facilities by development organizations	95,092
Study programs	86,636
Workshops	42,308
Publication sales	21,039
Gain on changes in market value of investments (Note 3)	-
Others (Notes 3 and 6)	163,095
Net assets released from restrictions.	
Satisfaction of program restrictions	2,136,993
Expiration of time restrictions	175,000
	3,643,476
EXPENSES (Note 12)	
Program services (Notes 6, 8 and 11)	
Learning community	2,234,841
Education and training	872,948
Publication and communication	201,221
	3,309,010
Supporting services (Notes 6, 8 and 11)	
Management and general	479,484
Fund raising	100,387
	579,871
	3,888,881
EXCESS (DEFICIENCY) OF REVENUES, GAINS AND OTHER	
SUPPORT OVER EXPENSES OF CONTINUING OPERATIONS	
	(245,405)
Translation gain (loss)	(433,367)
CHANGE IN NET ASSETS	(\$678,772)

See accompanying Notes to Financial Statements.

TRUCTION

Years Ended December 31

2008				2007		
Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
2,157,352	\$-	\$2,193,547	\$34,585	\$1,056,439	\$-	\$1,091,024
298,373	-	298,373	-	1,153,860	-	1,153,860
44,006	-	182,860	217,751	60,411	-	278,162
239	-	5,453	43,452	42,614	-	86,066
-	-	472,862	444,889	-	-	444,889
-	-	270,188	341,512	-	-	341,512
-	-	95,092	95,039	-	-	95,039
-	-	86,636	83,865	-	-	83,865
-	-	42,308	83,335	-	-	83,335
-	-	21,039	32,865	-	-	32,865
-	-	-	149,013	-	-	149,013
-	-	163,095	60,810	-	-	60,810
(1,136,993)	-	-	1,236,887	(1,236,887)	-	-
(175,000)	-	-	175,000	(175,000)	-	-
187,977	-	3,831,453	2,999,003	901,437	-	3,900,440
-	-	2,234,841	1,645,963	-	-	1,645,963
-	-	872,948	992,134	-	-	992,134
-	-	201,221	338,336	-	-	338,336
-	-	3,309,010	2,976,433	-	-	2,976,433
-	-	479,484	361,168	-	-	361,168
-	-	100,387	124,626	-	-	124,626
-	-	579,871	485,794	-	-	485,794
-	-	3,888,881	3,462,227	-	-	3,462,227
187,977	-	(57,428)	(463,224)	901,437	-	438,213
-	-	(433,367)	101,311	-	-	101,311
187,977	\$-	(\$490,795)	(\$361,913)	\$901,437	\$-	\$539,524

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1704

▶ File a separate application for each return

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
 - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed)

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only

All other corporations (including 1120-C filers) partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-1). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3 month extension or (2) you file Forms 990-BL, 6069, or 8870 group returns, or a composite or consolidated Form 990-1. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*

Type or print	Name of Exempt Organization International Institute of Rural Reconstruction	Employer identification number 13 6175722
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions 40 Exchange Place, Suite 1111	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions New York, NY 10005	

Check type of return to be filed (file a separate application for each return)

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-1 (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

◦ The books are in the care of ▶ **International Institute of Rural Reconstruction**

Telephone No ▶ (**212**) **880-9147** FAX No ▶ (**212**) **880-9148**

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3 month (6 months for a corporation required to file Form 990-1) extension of time until **August 15**, 20**09**, to file the exempt organization return for the organization named above. The extension is for the organization's return for
 ▶ calendar year 20**08** or
 ▶ tax year beginning _____, 20____ and ending _____, 20____

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$
3b If this application is for Form 990-PF or 990-1, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$
3c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FID coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box **Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1)

Part II Additional (Not Automatic) 3-Month Extension of Time. You must file original and one copy

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization	Employer identification number
	Number, street, and room or suite no. If a P.O. box, see instructions	For IRS use only
	City, town or post office, state and ZIP code. For a foreign address, see instructions	

- Check type of return to be filed (File a separate application for each return)
- | | | | |
|--------------------------------------|---|--------------------------------------|------------------------------------|
| <input type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 4720 | <input type="checkbox"/> Form 8870 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 5227 | |

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of Telephone No. () FAX No. ()
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for

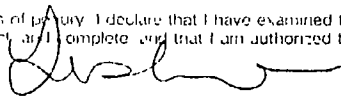
- I request an additional 3 month extension of time until , 20
- For calendar year or other tax year beginning, 20 and ending 20.
- If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- State in detail why you need the extension

8a. If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax less any nonrefundable credits. See instructions.	8a	\$
8b. If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$
8c. Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and I complete and that I am authorized to prepare this form.

Signature ▶



Title ▶ Director, US Office

Date ▶ 3/17/09