



2011 IIRR Annual Report



MESSAGE FROM THE CHAIRMAN OF THE BOARD OF TRUSTEES AND THE PRESIDENT



It is not possible that any one organization can provide all of the needed resources and support for millions of communities trapped in the quagmire of poverty. It is for this reason that partnerships are central to IIRR in successfully implementing our 5-year plan, Strategy 2015. The Institute's primary partners are communities affected by poverty - mainly youth, women and children. At IIRR, we believe that these communities are able to solve their own problems. What they need is a partner with technical know-how to start them on the path to recovery and lasting development. In our work with communities, we adhere to the teachings of our founder Dr. James Yen that "outsiders can help, but insiders must do the job." IIRR also forms strategic partnerships with like-minded organizations (NGOs, donors, bilateral and multilateral organizations, UN agencies, and governments). By working in partnership with these organizations, we leverage the experience, skills and other resources to achieve our common goals quickly and more effectively.

As a teaching institution, we are able to enhance South-South and South-North learning and partnership across countries and continents through our Applied Learning program. In targeted and practical trainings, workshops and study programs, we bring together hundreds of development workers and build the skills of the wider development community. Further, we work at catalyzing the formation of learning alliances of practitioners and community representatives. With our partners, we document, publish, and widely disseminate good development practices to encourage scaling up and replication of what works.

This report contains stories of some of our successes this year, among them:

- In the Philippines, with the Department of Education and other local partners, we implemented a school health and nutrition program in 27 elementary schools. This was made possible through multi-year funding from Wendy O'Neill and George Sycip.
- In Uganda, in partnership with the Food and Agriculture Organization of the United Nations (UN FAO), IIRR worked with 60 Farmer Field School groups to improve food security, entrepreneurship and market linkages.
- In Kenya and Uganda, with multi-year funding from the Ford Foundation, IIRR built the skills of 142 community development practitioners drawn from diverse Government institutions, NGOs, CBOs, Church Organizations and Private Service Providers in value chain development and access to markets and financial services. At present, 202 practitioners have benefited from capacity building and value chain development services.
- In Ethiopia, partnering with 6 local NGOs and supported by the Royal Netherlands Government, IIRR implemented an "Earn and Learn" program that created employment for 670 youth who re-entered school.
- In Ethiopia, Kenya and Uganda, IIRR in partnership with over 25 community-based organizations, local government and local NGOs, more than 8,700 pre-primary and primary school kids have been enrolled and have access to quality education. The multi-year program is funded by an anonymous family foundation and Abby and George O'Neill.
- In nine villages of the Rosario municipality in the Philippines, IIRR, in partnership with municipal and provincial Disaster Risk Reduction (DRR) departments, piloted a Community Managed Disaster Risk Reduction (CMDRR) program enabling communities to assess disaster risks, map their capacity and identify vulnerable groups to aid in disaster response and risk mitigation.

None of these successes would be possible without our individual and institutional supporters who advise and partner with us to provide the financial resources needed to attain our goal of "overcoming poverty through innovation and community empowerment". With their support during the course of 2011, we regained the top 4-star rating from Charity Navigator, the agency that monitors the performance of U.S. non-profit organizations.

Sadly, in 2011, the IIRR family mourned the death of James (Jimmy) G. Johnson Jr., who had served on IIRR's Board of Trustees for 30 years, many as Chairman. Jimmy had worked in China in the 1940s and knew Dr. Yen's work there firsthand. He will be remembered and missed by all of us. In his memory, IIRR has established the James G. Johnson, Jr. Fellowship to support promising under-privileged youth with internships to prepare them for future employment.

Finally, and most importantly, as we review the accomplishments of 2011, we wish to sincerely thank all of our partner communities in Ethiopia, Kenya, The Philippines, South Sudan, and Uganda for their hard work, trust, and confidence in our joint efforts.

James F. Kelly

Chairman, Board of Trustees

Isaac Bekalo

President

We envision a world of equity, justice, and peace where people achieve their full potential and live a life of quality and dignity in harmony with the environment.

CORE VALUES

We are inspired and live by our credo. Our continuous effort to build the capacity of the poor and those who work with them is based on our belief in the following principles:

Partnership: We work in partnership based on mutual respect, knowledge, trust, and help

Teamwork: A Multi-disciplinary approach valuing diversity and inclusive communication

Excellence: Highly professional work that demands accountability and good governance

Individual qualities of character, Competence, Commitment, and Creativity

We enable communities and those who work with them to develop innovative yet practical solutions to poverty through a community-led development approach and widely share these lessons to encourage replication.



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IIRR partners with community-based organizations, local and national governments, schools, and individuals to build food security and promote asset-building through 4 main projects;

- The Value Chain Development project supports farmers to improve production, transfer knowledge to other community members, and improve access to markets (Kenya, Uganda).
- The “Earn and Learn” project encourages on-going education along with micro-enterprise and business development (Ethiopia).
- The Farmer Field Schools project works to implement small-scale farmer-to-farmer agricultural training and support programs (Uganda).
- The Bio-Intensive Gardening project promotes sustainable agriculture by placing an emphasis on diversity and on the use of indigenous vegetables and various eco-friendly methods in preparing, maintaining, and growing gardens optimally without chemical inputs (Philippines).



Food Security and Sustainable Wealth Creation



27 School Gardens

In the Philippines, protein-energy malnutrition and micronutrient deficiencies are a growing problem. To address low vegetable consumption that contributes to malnutrition and deficiencies in micronutrients, IIRR conducted a series of activities in partnership with the Department of Education, Cavite through the Sustainable Agriculture Technical Vocational Education project. The project was funded by the generous support of George Sycip and Wendy O'Neill.

Twenty-seven schools now have bio-intensive gardens providing fresh, nutritious vegetables for students' lunches. The gardens mainly use indigenous vegetables that are hardy and naturally pest tolerant. Additionally, as part of the BIG methodology, trees are planted around the garden, deep digging techniques are used, vertical gardens and container plantings are included, and organic matter is used as mulch. All of the BIG techniques help the garden to withstand climate change effects.

The project featured festivals that promoted indigenous crops with high nutritional value, and vegetables with superior health benefits, which were planted in school gardens. Through the nutrition festivals, information campaigns, training, and cooking demonstrations, teachers, and other community members began to understand and appreciate the importance of indigenous vegetables, and are now able to prepare and serve the vegetables grown in the school gardens. Informational materials, including posters and brochures, were also developed to promote cultivation and consumption of indigenous vegetables.

The Food and Nutrition Research Institute (FNRI) is the lead research agency of the Philippine government in food, nutrition and other science and technology research and development. Through well-designed studies, FNRI recommends science-based effective strategies and interventions to address malnutrition, and is well placed to support the efforts of IIRR. IIRR's partnership with FNRI was made possible through the recommendation of International Development Research Center (IDRC), Canada given its interest in food security and nutrition. The IIRR and FNRI partnership will work on a research project looking at an integrated approach that includes school gardening through Bio-intensive Gardening (BIG), supplementary feeding, and nutrition education, to address issues of food and nutrition security in the Philippines.

In cooperation with Loma Linda University, IIRR hosted a research team to study the school feeding programs in Cavite Province, Philippines. The results of their work continue to inform IIRR's community and school gardening projects.



Supporting Entrepreneurs

In addition to funding Value Chain Development work in Kenya and Uganda, the Ford Foundation awarded a grant to IIRR to establish a Virtual Livelihood School in Kenya. The initiative is a four-country cooperative effort to generate knowledge resources and learning tools towards measurable achievement of sustainable livelihoods and poverty reduction. The school will be a platform for actors in livelihoods to develop capacity building tools and training modules. In 2011, the initiative recruited 11 partners from government ministries, research institutions, universities, civil society organizations, and microfinance institutions.

60 Farmer Field Schools

Since 2007, IIRR Uganda, in partnership with the Food and Agriculture Organization of the United Nations (FAO), has implemented Farmer Field Schools (FFS) in Northern Uganda, offering an alternative and sustainable mechanism for teaching rural farmers. In 2011, IIRR established 60 FFS in post-conflict Gulu. Each school has an average membership of 30 students, and combined, the schools have 1,675 enrolled students, 65% of them female, and 70% youth.

The students at the Farmer Field Schools learn improved farming technologies, such as integrated pest management and organic farming, build skills, raise group incomes, and develop sustainable farming strategies. The farmers also learn techniques for backyard farming, which will increase access to fresh vegetables and improve household nutrition. IIRR also incorporated lessons on drought-tolerant planting techniques, short-term, high-value crops, disaster risk reduction, and prevention of gender-based violence.

Rural farmers also attend classes on saving and micro-loans, and are taught to incorporate these concepts into their own businesses. Marketing, market analysis, and enterprise selection skills also play a large role in the core curriculum. From the skills gained, farmers are able to mobilize resources to set up local, sustainable businesses. Farmers reported increased credit and access to loans from larger financial institutions facilitating larger agricultural outputs. IIRR also trains the farmers on soil and water conservation to prevent water run-off, soil erosion, and other degradation.

In 2012 and beyond, IIRR will continue to scale up the Farmer Field School approach through community engagement and knowledge sharing so that more rural farmers can gain the necessary skills to build a thriving business. By July 2012, IIRR plans to establish an additional 60 Farmer Field Schools within the same district, while continuing to monitor the progress of the already established schools.



Through innovative partnerships with local organizations, NGO's, and government agencies, IIRR is working in regions particularly prone to natural disasters to encourage Community-Managed Disaster Risk Reduction in order to build community resilience. IIRR works with communities to identify, map, and analyze hazards, and facilitates contingency planning. The Community Managed Disaster Risk Reduction method builds individual survivability and community readiness, and prevents or mitigates the effects of environmental disasters. In 2011, IIRR began integrating Climate Change Adaptation into its Disaster Risk Reduction teachings.

Disaster Risk Reduction and Climate Change Adaptation



1 Safer School

In a joint effort with the Metrobank Foundation, IIRR is piloting the “Safe Schools to Offset Vulnerabilities and Increase Empowerment of Children” (SOLVE) and “Building Community Resilience through Civil Military Community Managed Disaster Risk Reduction” (CMDRR²) projects in the Philippines.

The SOLVE project builds the resilience of children against natural and health hazards as well as strengthens the capacities of teachers and parents to reinforce disaster preparedness. In an area without an early warning system or safe area identified for evacuation, the pilot program implemented contingency plans for flash floods, earthquakes, and ash falls. IIRR hopes to replicate this project in other disaster-prone areas in the future.

The CMDRR² project, in collaboration with The Organization of Philippine Soldiers with Outstanding Leadership, Dedication, Integrity, and Excellence, and Responsibility to Society, trains local armed forces in building resilient communities.



9 Safer Communities

The Modeling Climate and Disaster Resilient Communities project, supported by the United Methodist Committee of Relief (UMCOR), commenced in 2011 for 9 villages in Rosario, Cavite. The project pilots the integration of Community Managed Disaster Risk Reduction and Climate Change Adaptation in local government planning, connecting health, natural resource management, livelihood and organizational development. All 9 villages have developed their 5-year disaster risk reduction and management plans through participatory disaster and climate risk assessment analyses. Villagers, including youth, women, elderly, health sector representatives, religious groups, and community based organizations have actively participated, and the project is expected to benefit 31,600 people.

To further mitigate the impacts of climate change and environmental degradation and disasters, IIRR is supporting the work of The Partners for Resilience (PfR). Through this partnership, the Dutch branches of CARE, Red Cross, RedCross Climate Center, Wetlands International, and IIRR’s field partner, Cordaid, are initiating disaster risk reduction programs in the Philippines. In 2011, IIRR participated in the first PfR workshop in the Netherlands.

“These activities that [IIRR] is doing are very good for our children, and us too. We are learning a lot from your trainings on disaster risk reduction.”

-IIRR Disaster-Resilient Community Program Participant

Strengthening Karamoja, Uganda

In 2011, most regions in Uganda experienced unpredictable weather patterns causing numerous weather-related disasters. The Karamoja region suffered the most, is the least developed in Uganda, and is marked by inadequate preparedness of communities, limited capacity of local governments, sporadic utilization of early warning information, and few resources. IIRR’s Community Managed Disaster Risk Reduction program in Uganda is designed to strengthen community-managed approaches for disaster resilience, help communities develop mechanism to cope with hazards, enable local actors to mainstream climate change adaption measures, and distribute information.



Through capacity building of local organizations, governments, parents' associations, and communities, IIRR designs, implements, and monitors education programs for pastoralists in East Africa. By placing a strong focus on the education of local communities, IIRR is promoting leadership and sustainable development at the grass-roots level, enabling communities to develop and implement lasting solutions to poverty.



8,700+ Students Enrolled

In Ethiopia and Kenya, the Pastoralist Education Program, funded by an anonymous family foundation and George and Abby O'Neill, had an especially successful year.

In Ethiopia, enrollment increased by 50.6%, and 5,313 students were enrolled in 34 existing schools and 1 newly built school. 10 girls were awarded scholarships to attend college.

In Kenya, enrollment increased by 44.2%, for a total of 3,310 children in school. Only 7% of the enrolled students dropped out, compared to the nationwide average of 36%. 85 girls were awarded scholarships to attend college.

Pre-schools were also integrated into 8 existing schools, with 448 boys and 512 girls attending. 24 teachers were trained for pre-school specific teaching, and 5 schools were provided with basic pre-school education kits.

Finally, 7 schools were provided with solar panel lighting to support evening classes and to motivate more herders to attend classes.

22 Pre-School Graduates

In Uganda, IIRR promotes the importance of early childhood development and pre-school education, and in 2011 enrollment increased to 141 children. 2011 also saw the first graduating class of 22, and the occasion was marked by a community celebration.

A number of parents and community adults attended IIRR's Functional Adult Learning classes, which helps them acquire basic skills in writing and computation, and to gain skills as they engage in farming as a business.



Aloyo to Greaty, a student from the first graduating class in Uganda, practices her writing with her mother

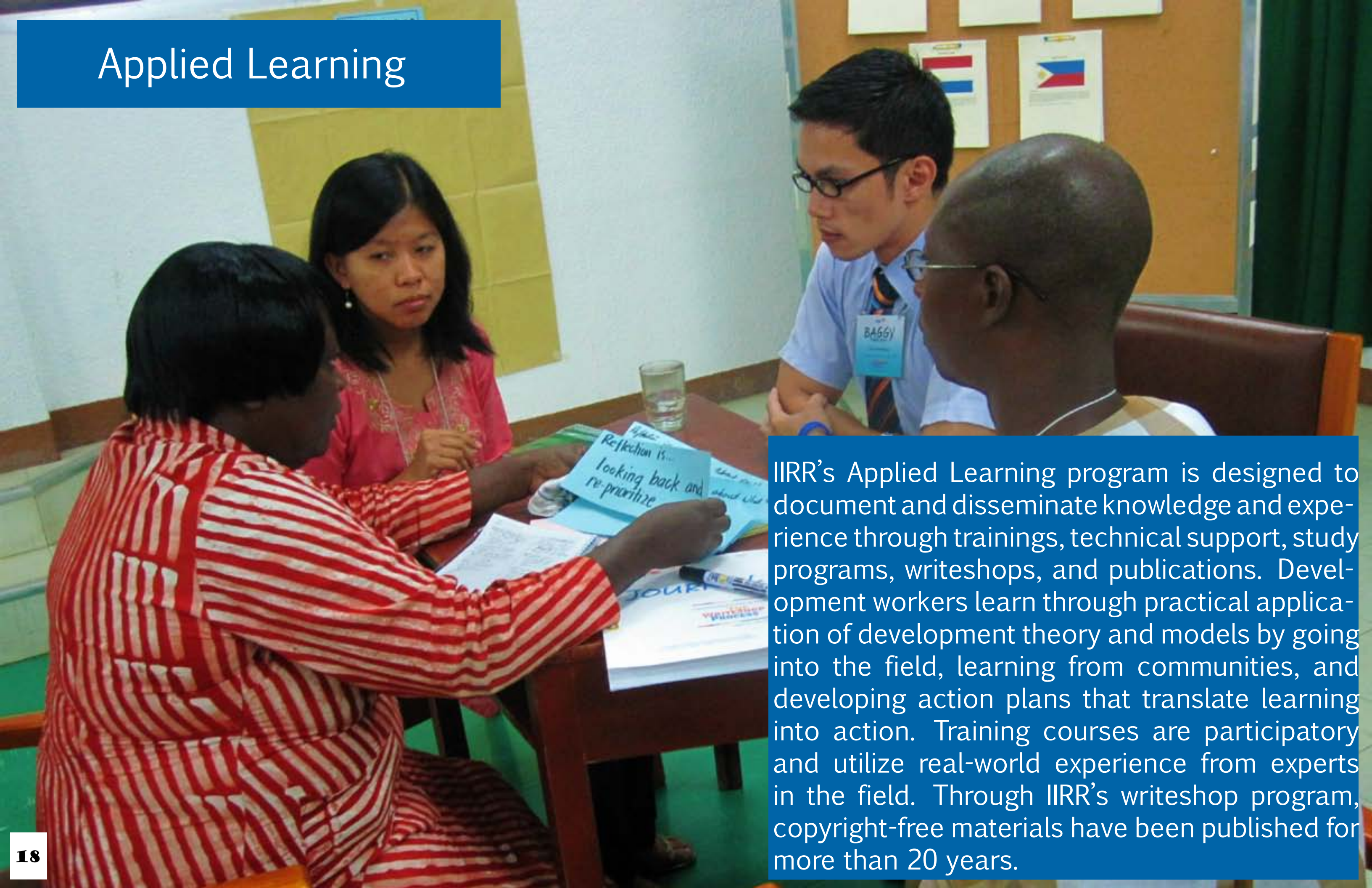
Joshua Gayere, a bright future

At a towering 6 feet tall, 19 year-old Joshua Gayere is easily recognizable not only as a community leader, but also for his success in school. He earned top scores on his exams and was awarded a scholarship to attend boarding school in Tirime, Kenya. Now he is looking beyond school and has set his sights on becoming a neurosurgeon; the first from the Rendille Tribe of Northern Kenya.

From a young age, Joshua says he knew that livestock rustling was not the life he was meant to live. He jumped at the chance to take evening shepherd classes through a partnership between IIRR and a local women's group. "My life will never be the same again," he says. After the classes introduced him to reading, writing, and mathematics, he elaborated, "(I changed) from a prospective fully beaded and armed Moran (traditional warrior) to a young man with dreams of becoming a neurosurgeon and helping my community in the future."



Applied Learning



IIRR's Applied Learning program is designed to document and disseminate knowledge and experience through trainings, technical support, study programs, writeshops, and publications. Development workers learn through practical application of development theory and models by going into the field, learning from communities, and developing action plans that translate learning into action. Training courses are participatory and utilize real-world experience from experts in the field. Through IIRR's writeshop program, copyright-free materials have been published for more than 20 years.

90 Trainings & Courses Worldwide

In 2011, IIRR worked with 39 organizations through study programs and customized courses and 51 organizations in its international training courses run by the Regional Offices in Africa and Asia. Some notable attendees included: World Vision, UN Habitat, Netherlands Red Cross, CARE Somaliland, Oxfam Novib, Save the Children (Uganda), Plan International, Catholic Justice and Peace Commission, Belgian Red Cross, UNICEF Namibia, and Heifer International-Zambia.

IIRR Asia successfully conducted 6 of the international trainings and 4 of the customized courses and hosted participants from Africa, Europe, and Asia. Topics ranged from disaster risk reduction, food security in the context of climate change, to organizational development. As in all IIRR trainings, a field practicum was included so that hands-on-learning and community exposure were integrated in the courses allowing participants to learn alongside the community. IIRR Asia also began offering courses on the innovative Writeshop Process developed by IIRR.



Experiential Learning in Ethiopia

In June 2011, the Community Managed Disaster Risk Reduction (CMDRR) International training was held in Dire Dawa, Ethiopia. IIRR worked with local partner, Jerusalem Children and Community Development Organization to expose the participants to both theory and practice of the CMDRR approach. The highlight of the training was a two-day field practicum where participants stayed in the community and carried out a participatory disaster risk assessment and prepared CMDRR plans. Participants visited the Addis Alem community to illustrate how communities take ownership of local CMDRR projects.

2011 Donors

At IIRR, we are very grateful to our donors and take this special opportunity to acknowledge the following individuals and institutions for their commitment to the rural poor. Your generosity and support are helping us to enable communities to reach their full potential and implement solutions to poverty. THANK YOU!

DEVELOPMENT AGENCIES, GOVERNMENTS, and ACADEMIC INSTITUTIONS

Catholic Organization for Relief and Development (CORDAID)
Combined Federal Campaign, Global
Combined Federal Campaign, United States
Department of Social Welfare and Development, Philippines (DSWD)
Food and Agriculture Organization of the United Nations (FAO), Uganda
Interchurch Organization for Development Cooperation (ICCO)
Loma Linda University (LLU)
Organization for Rehabilitation and Development (ORDA), Ethiopia
Oxfam Novib
The Royal Netherlands Embassy, Ethiopia
United Nations Human Settlements Programme, UN-HABITAT

FOUNDATIONS

Anonymous Family Foundation
Charina Foundation
ETC Foundation
International Development Research Centre (IDRC)
Metrobank Foundation, Inc. (MFI)
Practical Action
Starr International Foundation
Strong Foundation
The Ford Foundation
United Methodist Committee on Relief (UMCOR)
United Way of New York City

COMPANIES AND COMPANY-SPONSORED FOUNDATIONS

ACM Landholdings, Inc.
Baker & Taylor
Give With Liberty (Matching Employee Donations)
GV Design Studio
HSBC Philanthropic Programs (Matching Employee Donations)
Random House

OTHER INSTITUTIONS

Cavite Home Economic Teachers Association (CHETA)
Foundation for Advanced Studies for International Development (FASID)

The Jimmy Yen Society

IIRR's Board of Trustees created the Jimmy Yen Society for the purpose of honoring supporters who have included IIRR in their estate planning - including a bequest to IIRR in a Will, naming IIRR as the beneficiary of an insurance policy, or endowing a fund or program. If you or a family member should be added to this list, please let us know. Thank you to all of the generous Jimmy Yen Society members that we have been made aware of:

Anthony C. Gooch	Y.C. James Yen	Pam S. Levin	Marie Simpson
Arthur Gritz	Dorothy H. Cooke	Rebecca Lippincott	Abbie Mann Sparks
James G. Johnson, Jr.	Maisie Fulton	G. A. Mudge	Ellen Auchincloss Tiffany
Elizabeth Leslie	Florence K. Gardner	Henrietta H. Swope	DeWitt Wallace

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Mrs. Pam S. Levin
Mr. & Mrs. George D. O'Neill
Ms. Wendy O'Neill
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Ms. Xiao-Qing Yen & Mr. Ziyang Cheng

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Ms. Phyllis Wittner
Ms. Jessie Yan

Statement of Financial Position

Statement of Activities

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

STATEMENTS OF FINANCIAL POSITION (In U.S. Dollars)

2011	As of December 31	
	2010	2011
ASSETS		
Cash and Cash Equivalents	\$ 1,692,793	\$ 1,309,991
Investments	759,985	757,156
Contributions Receivable	2,369,075	2,271,889
Other Receivables	128,839	272,647
Property and Equipment - net	139,300	228,850
Prepayments and Other Assets	34,165	17,848
Pension Asset	-	2,606
TOTAL ASSETS	5,124,157	4,860,987
LIABILITIES AND NET ASSETS		
Accounts Payable and Other Current Liabilities	249,812	343,773
Pension liability	29,855	-
TOTAL LIABILITIES	279,667	343,773
Net Assets		
Unrestricted	300,682	125,925
Temporarily restricted	3,825,826	3,673,307
Permanently restricted	717,982	717,982
TOTAL NET ASSETS	4,844,490	4,517,214
TOTAL LIABILITIES AND NET ASSETS	\$ 5,124,157	\$ 4,860,987

2011 REVENUES, GAINS AND OTHER SUPPORT	Year Ending December 31			Total 2011	Total 2010
	Unrestricted	Temporarily Restricted	Permanently Restricted		
Contributions/Grants:					
Foundations	\$ 256,743	\$ 1,636,598	\$ -	\$ 1,893,341	\$ 1,580,154
Governments	-	10,766	-	10,766	1,793,515
Individuals	162,069	109,758	-	271,827	264,747
Corporations	2,099	4,939	-	7,038	3,264
Workshops	168,974	-	-	168,974	340,240
Training Courses	276,037	-	-	276,037	362,273
Technical Assistance	344,826	-	-	344,826	318,182
Gain on changes in market value of investments	2,814	-	-	2,814	67,979
Use of Campus Facilities	201,061	-	-	201,061	67,327
Study Programs	125,266	-	-	125,266	117,671
Publication Sales	26,329	-	-	26,329	20,993
Others	90,415	-	-	90,415	53,181
Net assets released from restrictions:					
Satisfaction of program restrictions	1,789,580	(1,789,580)	-	-	-
Expiration of time restrictions	125,000	(125,000)	-	-	-
	3,571,213	(152,519)	-	3,418,694	4,989,526
EXPENSES					
Program Services:					
Learning Community	2,211,111	-	-	2,211,111	1,690,806
Education and Training	683,154	-	-	683,154	609,504
Publication and Communication	292,363	-	-	292,363	285,924
	3,166,628	-	-	3,166,628	2,586,234
Supporting Services:					
Management and General	362,442	-	-	362,442	303,140
Fund Raising	78,225	-	-	78,225	88,310
	440,667	-	-	440,667	391,450
	3,607,295	-	-	3,607,295	2,977,684
EXCESS (DEFICIENCY) OF REVENUES, GAINS AND OTHER SUPPORT OVER EXPENSES OF CONTINUING OPERATIONS	(36,082)	(152,519)	-	(188,601)	2,011,842
Translation Gain (Loss)	(138,675)	-	-	(138,675)	(425,443)
NET ASSETS AT BEGINNING OF YEAR	300,682	3,825,826	717,982	4,844,490	3,258,091
NET ASSETS AT END OF YEAR	\$ 125,925	\$ 3,673,307	\$ 717,982	\$ 4,517,214	\$ 4,844,490

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.

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.

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.

- Data extracted from the audited financial statements of IIRR for the year ended 2011. The audited financial statements for 2011 and prior years available by writing to IIRR.
- Latest annual report filed with the Attorney General of the State of New York is available from IIRR or from the offices of the Attorney General of the State of New York, Department of Law, Charities Bureau, 120 Broadway, New York, NY 10271.
- The Institute is exempt from Federal income taxes under Section 501 (c) (3) of the U.S. Internal Revenue Code and has been classified as an organization which is not a private foundation under Section 509 (a). The Institute qualifies as an organization to which contributions are subject to special limitation provisions under Section 170 (b) (1) (a) of the Code.

Financial Performance

International Institute of Rural Reconstruction

(A Nonprofit, Nonstock Organization)

REVIEW OF FINANCIAL PERFORMANCE IN 2011

OVERVIEW

The 2011 Operating Basis, IIRR recorded a surplus of \$151,966, as compared with 2010 surplus of \$344,855. In accordance with generally accepted accounting principles as applied to not-for-profit corporations, IIRR showed a deficit of \$188,601 in 2011 before currency translation loss, as compared with 2010 surplus of \$2,011,842. The deficit in 2011 was mainly attributable to substantial multi-year grants obtained and recorded in prior years and implemented in the current year 2011.

Of total revenues, gains and other support (\$3,418,694) in 2011, \$2,182,972 (64%) consisted of contributions and grants, and \$1,235,722 (36%) consisted of earned income from training courses, technical assistance, workshops, study programs, use of campus facilities, publication sales and other earned income.

REVENUES, GAINS AND OTHER SUPPORT

Contributions and Grants

Total contributions and grants in 2011 were \$2,182,972, a decrease of \$1,458,708 (40%) from 2010, principally because of the recognition of significant multi-year grants in 2010, as noted above. Particularly notable was a grant from Dutch Embassy (Euro 1,203,427) for Economic and Social Empowerment of Youth (ESEY) in Ethiopia which is scheduled to run from July 16, 2010 to December 31, 2013.

Training Courses, Technical Assistance, Workshops, Study Programs, Use of Campus Facilities and Other Earned Income

Aggregate income in these categories was \$1,235,722, a decrease of \$112,124 (8%) from 2010. The decreases in earned revenue from workshops and training courses were partially offset by increases in the use of campus facilities and technical assistance.

EXPENSES

Program Services

Program service expenses are classified in accordance with IIRR's current program components: the learning community program, the education and training program, and the publication and communication program. Aggregate expenses of program services were \$3,166,628 in 2011, an increase of 22% over 2010. Expenses of the learning community program increased by \$520,305 (31%), expenses for the education and training program increased by \$53,650 (9%), and expenses for the publication and communication program increased by \$6,349 (2%). The increase in expenses for the education and training program was attributable to the corresponding increase in the revenues from technical assistance and study programs.

Supporting Services

Aggregate expenses for supporting services were \$440,667, or 12% of total expenditures in 2011 which is comparable with \$391,450 (13%) in 2010.

LIQUIDITY AND CAPITAL RESOURCES

Cash at year-end was lower in 2011 compared with 2010. The decrease was attributable to increases in Other Receivables. Total net assets were lower on December 31, 2011 as compared with the prior year, by 6%. Of total net assets at December 31, 2011, \$125,925 (3%) were unrestricted, \$3,673,307 (81%) were temporarily restricted, and \$717,982 (16%) were permanently restricted endowment funds. The temporarily restricted funds will become available for use in 2012 and subsequent years, upon compliance with donor restrictions and agreements.

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