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FINANCIAL REPORT



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Financial Statements as at
August 31, 2000, and
Accompanying Reports

RAFI

Annex to the
1999-2000 Annual Report

Financial Statements as at
August 31, 2000, and
Accompanying Reports

FINANCIAL REPORT

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A Message From the Treasurer

In Financial Year 1999-2000, RAFI completed a process of organizational consolidation that had begun the previous year. We and our sister organization RAFI-USA redefined our collaboration, and in January 2000, RAFI assumed full responsibility for the employment of RAFI's Research Director Hope Shand. Until then, Hope had been an employee of RAFI-USA, working in close cooperation with RAFI on our joint programmes. We thank RAFI-USA sincerely for their willing contribution to an almost-seamless transition to our new working arrangements.

Two new full-time research staff were fully integrated into RAFI's programme work during this year. Julie Delahanty is now working from Ottawa and Silvia Ribeiro from Mexico, who was established there with the help of GEA (Grupo de Estudios Ambientales), a Mexican organization with which RAFI cooperates. We thank them for their moral and programme support. Having two RAFI staff in Latin America for the year 2000 (Pat Mooney and Silvia Ribeiro) both broadened and deepened RAFI's contacts and impact in Mexico and in Central and South America in ways that will endure for years to come.

RAFI further expanded our programme capacity by hiring six consultants on a range of projects during the year. Between them, they analysed new patents, produced timely cartoons, and conducted research on human genomics, biopiracy, and industry consolidation. In addition, RAFI contracted a team of researchers in Mexico to document examples of biopiracy in that country. In Ottawa, doctoral student Diego Martino continued his voluntary translations into Spanish of many RAFI materials. We thank all of them.

Happily, RAFI's increased responsibilities were matched by increased revenues – partly thanks to Yutta Fricke, who was hired half-time in Winnipeg to ensure good, well-managed relations with our growing list of financial supporters, and partly thanks to Jean Christie and Maurice St. Pierre, who did much of this work until Yutta's arrival.

Total revenues for 1999-2000 more than kept pace with increased expenditures. RAFI ended the year with a surplus of \$46,235, a 70% increase in expenses over the previous year. We are pleased that an expanded RAFI is operating on a firm financial footing, and we thank our part-time accountant Maurice St. Pierre for his excellent stewardship of RAFI's finances.

Finally, RAFI has begun a process of three-year programme planning; the results of which we hope will be felt from 2001 to 2004. With a financial base that now permits us to think long-term, and known future commitments that underpin all of RAFI's activities, we have developed a three-year budget for which we will be seeking support. Though new initiatives will emerge as they always have to shape and re-direct our attentions, and project funding will continue to augment our recurring costs, we are hopeful that many of our supporters will recognize the integration of RAFI's constantly-evolving programme, and offer support to all or parts of a three-year budget.

Following a year of accomplishment and consolidation, it is with pleasure that I announce RAFI's good health, and present the following financial statements.

Timothy Brodhead
Treasurer

Auditors' Report

MARCIL, LAVALLÉE, LOYER & ASSOCIÉS/PARTNERS

To the members

Rural Advancement Foundation International (Canada)

We have audited the balance sheet of Rural Advancement Foundation International (Canada) for the year ended August 31, 2000, and the statements of revenue and expenses and changes in net assets for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization for the year ended August 31, 2000, and the results of its operations for the year then ended in accordance with generally accepted accounting principles. As required by the Canada Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Chartered Accountants

Ottawa, Ontario

December 5, 2000



Balance Sheet

As at August 31, 2000

ASSETS	2000	1999
Current Assets		
Cash	\$103,892	80,381
Term Deposits	178,786	133,914
Subsidies Receivable	--	5,832
Accounts Receivable	23,797	18,808
Prepaid Expenses	454	468
	306,929	239,403
Fixed Assets (note 3)	15,462	2
	\$322,391	239,405

LIABILITIES

Current Liabilities

Accounts Payable and Accrued Liabilities	3,946	4,334
Deferred Subsidies and Contribution (note 4)	156,147	119,008
	160,093	123,342

NET ASSETS

Unrestricted	46,836	16,061
Invested in Fixed Assets	15,462	2
Internally Restricted Reserve Fund	100,000	100,000
	162,298	116,063
	\$322,391	239,405

The accompanying notes are an integral part of the financial statements.

Changes in Net Assets

For the Year Ended August 31, 2000

NET ASSETS	UNRESTRICTED	INVESTED ¹	RESTRICTED ²	2000	1999
Beginning of Year	\$16,061	2	100,000	116,063	92,005
Excess of Revenue Over Expenses	53,965	(7,730)	--	46,235	24,058
Investment in Fixed Assets	(23,190)	23,190	--	--	--
End of Year	\$46,836	15,462	100,000	162,298	116,063

1: Invested in Fixed Assets
2: Internally Restricted Reserve Fund

The accompanying notes are an integral part of the financial statements.



Revenue and Expenses

As at August 31, 2000

REVENUE	1	2	3	4	5	6	7	2000	1999
Subsidies (note 7)	\$90,000	40,259	233,686	30,987	36,703	61,929	15,000	508,564	244,473
RAFI-USA Contribution	70,007	--	--	--	--	--	--	70,007	72,890
HKH Foundation Grant	77,960	--	--	--	--	--	--	77,960	--
Consulting Fees	28,305	--	--	--	--	--	--	28,305	31,254
Donations	700	--	--	--	--	--	--	700	462
Other	29,239	--	--	--	--	--	--	29,239	35,298
	296,211	40,259	233,686	30,987	36,703	61,929	15,000	714,775	384,377
EXPENSES									
Salaries and Benefits	72,243	15,088	181,253	18,455	12,482	--	--	299,521	156,048
Rent	8,763	--	--	--	--	--	--	8,763	9,163
Travel Expenses	33,604	6,524	2,918	5,662	14,585	--	--	63,293	52,932
Office Expenses	34,652	--	--	--	--	--	--	34,652	14,260
Telecommunication	32,084	--	--	--	390	--	15,062	47,536	21,503
Accounting	19,035	--	--	--	--	--	--	19,035	14,884
Professional Fees	6,105	--	--	--	--	--	--	6,105	4,283
Meetings	26,607	--	--	--	--	61,929	--	88,536	7,935
Advertising and Promotion	1,237	--	--	--	--	--	--	1,237	1,549
Depreciation of Fixed Assets	7,730	--	--	--	--	--	--	7,730	10,614
Interest and Bank Charges	668	37	--	--	--	--	--	705	537
Books, Printing, and Distribution	4,533	--	1,891	--	3,246	--	--	9,670	25,713
Consulting Fees	22,291	5,000	40,125	5,681	3,600	--	--	76,697	36,498
Research	--	502	4,499	59	--	--	--	5,060	4,400
Administration Costs Allocated to Projects (note 5)	(19,645)	13,108	3,000	1,137	2,400	--	--	--	--
	249,907	40,259	233,686	30,994	36,703	61,929	15,062	668,540	360,319
EXCESS (expenses over revenue)	\$46,304	--	--	(7)	--	--	(62)	46,235	24,058

1: Administration	5: Policies Phase II
2: SEARICE Bio-Piracy	6: Rockefeller Dresden
3: CBDC Terminator Project	7: Latin America Web Site
4: CBDC IDRC	

The accompanying notes are an integral part of the financial statements.

Note 1 to the Financial Statements

STATUTE AND NATURE OF OPERATIONS

Rural Advancement Foundation International (Canada), a non-profit organization incorporated without share capital under the Canada Corporations Act, provides technical assistance, financial aid, and educational programs internationally for rural areas.

The organization is a "charitable organization", as defined under section 149.1 of the Canadian Income Tax Act, and as such is tax exempt.

Note 2 to the Financial Statements

SIGNIFICANT ACCOUNTING POLICY

Fixed Assets

Fixed assets are recorded at cost. Depreciation of fixed assets is provided for over the estimated useful life, using the straight-line method.

Computer: 3 years
Furniture and Equipment: 3 years

Note 3 to the Financial Statements

FIXED ASSETS	1	2	2000	1999
Computer	\$78,936	64,512	14,424	1
Furniture and Equipment	10,927	9,889	1,038	1
	\$89,863	74,401	15,462	2

1: Cost

2: Accumulated Depreciation

Note 4 to the Financial Statements

DEFERRED SUBSIDIES AND CONTRIBUTION	2000	1999
International Development Research Centre	--	12,363
Community Biodiversity Development & Conservation Program	\$4,594	11,297
The Rockefeller Foundation	5,571	--
The Philanthropic Collaborative Inc.	29,590	--
HKH Foundation	34,540	--
SEARICE	11,410	18,949
RAFI-USA Contribution	70,442	76,399
	\$156,147	119,008

Note 5 to the Financial Statements

ADMINISTRATION COSTS ALLOCATED TO PROJECTS

Administrative costs, including salaries and benefits, are allocated to projects on the basis of estimates prepared by the organization's management to the best of their knowledge.

Note 6 to the Financial Statements

FINANCIAL INSTRUMENTS

The organization's financial instruments include cash, term deposits, subsidies receivable, accounts receivable, accounts payable, and accrued liabilities. Unless otherwise mentioned, the organization is not subject to any important interest rate risk or credit risk.

The fair value of the financial instruments is comparable to the value recorded in the financial statements.

Note 7 to the Financial Statements

As at August 31, 2000

SUBSIDIES	1	2	3	4	5	6	7	2000	1999
Canadian International Development Agency – INGO	\$90,000	--	--	--	--	--	--	90,000	94,000
RAFI-USA	--	--	213,667	--	--	--	--	213,667	3,832
Interchurch Action	--	--	--	--	--	--	--	--	10,048
CS Fund	--	--	20,019	--	--	--	--	20,019	--
International Development Research Centre	--	--	--	30,987	--	--	--	30,987	21,423
Presbyterian Church	--	--	--	--	--	--	--	--	15,000
Community Biodiversity Development & Conservation Program	--	--	--	--	36,703	--	--	36,703	87,144
Philanthropic Trust	--	--	--	--	--	--	15,000	15,000	--
The Moriah Fund	--	--	--	--	--	--	--	--	47,60
The Rockefeller Foundation	--	--	--	--	--	61,929	--	61,929	--
SEARICE	--	40,259	--	--	--	--	--	40,259	8,266
	\$90,000	40,259	233,686	30,987	36,703	61,929	15,000	508,564	244,473

1: Administration	5: Policies Phase II
2: SEARICE Bio-Piracy	6: Rockefeller Dresden
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RAFI

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RAFI

THE RURAL ADVANCEMENT FOUNDATION INTERNATIONAL

RAFI is an international civil society organization headquartered in Winnipeg, Canada, and governed by a Board of Trustees with members from five continents. RAFI is dedicated to the conservation and sustainable use of biodiversity, and to the socially responsible development of technologies useful to rural societies. RAFI is concerned about the loss of agricultural biodiversity, the impact of intellectual property on biotechnology and food security, and the governance of international institutions that affect rural communities.

RAFI has roster status with the United Nations Economic and Social Council (ECOSOC) and consulting status with the UN Conference on Trade and Development (UNCTAD) and the UN Food and Agriculture Organization (FAO). RAFI is a member of the Canadian Council for International Cooperation, in compliance with its Code of Ethics for members.