

## ETC GROUP (FORMERLY RAFI) FINANCIAL REPORT 2000/01

This year, RAFI changed its name to "ETC group" (pronounced "etcetera"). The full legal name is "Action Group on Erosion, Technology and Concentration." The combined themes of Erosion (cultural and environmental); Technology (as it transforms society); and Concentration (of corporate power) form the operating framework for ETC group's programme of work. The new name reflects an expansion of our programme, and emphasizes the important work ETC group is doing in relation to human rights, democracy, and governance.

The ETC group is an international non-profit civil society organization headquartered in Winnipeg, Canada with small satellite offices in Mexico City, Quebec, and North Carolina, USA. For almost 25 years, we have been advocates on global issues such as the conservation of agricultural biodiversity and food security and on the impact of new technologies affecting the rural poor. Since the 1970's, we have been active critics of intellectual property (patents) especially with respect to living materials. In the 1990s, our work expanded to encompass concerns

related to biotechnology, biopiracy, human genomics, and a set of new technologies known as nanotechnologies. We have conducted groundbreaking research, education, and successful social action on issues involving agricultural biodiversity, biotechnology, intellectual property, and community knowledge systems. By coining popular terms such as "Biopiracy," "Terminator Technology", "Biosefdom", "Farmers' Rights, and "Gene Giants," ETC group has shaped the language of the global debate on these issues.



*GrassRoots by Erik Drooker, [www.drooker.com](http://www.drooker.com)*

# MESSAGE FROM THE TREASURER

The fiscal year 2000-2001 was a transition year for RAFI, which officially became ETC group during the Board meeting in Uppsala in June 2000. Shortly after the Board voted for this name change, the administrative change was also reflected in Canada (as a charitable organization) and in The Hague (as an international non-governmental organization). At the same time, ETC group filed for and was granted 501c(3) status as a charitable organization in the United States. An organization called Friends of ETC group with a separate US board of directors was set up for this purpose. The new charitable status in the US will significantly improve the administration of donations from our US supporters.

As the annual programme report makes clear, ETC group accomplished a great deal in the fiscal year, with a small and changing staff and relatively limited funds. Last year,

ETC group developed a new three-year programme and began to work and fundraise for this expanded programme. Successful fundraising efforts for this longer-term work have allowed ETC group to work on its more coordinated and integrated programme plan with great success.

Total revenues for 2000-2001 kept pace with the increase in expenditure incurred by its new programme initiatives. As my first year as Treasurer, it is with great pleasure that I announce ETC group's healthy fiscal situation and offer the following financial statements.



Nettie Wiebe  
Treasurer

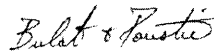
## AUDITORS' REPORT

We have audited the statement of financial position of Rural Advancement Foundation International (Canada) as at August 31, 2001 and the statements of operations 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 Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance 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 as at August 31, 2001 and the results of its operations and changes in net assets for the year then ended in accordance with Canadian generally accepted accounting principles.

The prior year figures were audited by another firm of chartered accountants.



BULAT & POUSTIE  
CHARTERED ACCOUNTANTS  
Winnipeg, Manitoba  
November 6, 2001

**RURAL ADVANCEMENT FOUNDATION INTERNATIONAL (CANADA)**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT AUGUST 31, 2001**

	2001	2000
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and short term deposits	\$ 596,012	\$ 282,678
Accounts receivable	89,856	23,797
Prepaid expenses	<u>4,041</u>	<u>454</u>
	689,909	306,929
<b>CAPITAL ASSETS, notes 2 and 3</b>	<u>20,962</u>	<u>15,463</u>
	<u>\$ 710,871</u>	<u>\$ 322,392</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 123,747	\$ 3,946
Deferred subsidies and contribution, note 4	<u>335,754</u>	<u>156,147</u>
	459,501	160,093
<b>NET ASSETS</b>		
<b>UNRESTRICTED</b>	45,410	46,839
<b>INVESTED IN CAPITAL ASSETS</b>	20,960	15,460
	<u>251,370</u>	<u>162,299</u>
	<u>\$ 710,871</u>	<u>\$ 322,392</u>

Approved on Behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

RURAL ADVANCEMENT FOUNDATION INTERNATIONAL (CANADA)

STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED AUGUST 31, 2001

	Core program/ Administration	CBDC IDRC	Philanthropic Collaborative Inc.	Greenville Foundation	CBDC Terminator Project	IATP Project	Education Foundation of America	SEARICE	Rockefeller Dresden	Total 2001 Foundation	Total 2000 2001	Total 2000
<b>REVENUE</b>												
Subsidies	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CIDA	120,000	58,473	29,590	7,900	78,086	22,500	187,500	30,364	8,827	233,703	656,943	418,564
HKI Foundation Grant	147,040										147,040	90,000
Deep Ecology	18,750										18,750	82,960
Consulting fees	18,591										18,591	28,305
Philanthropic Collaborative Inc.	7,500										7,500	70,007
Donations	3,060										3,060	700
Other	54,758										54,758	24,241
	369,659	58,473	29,590	7,900	78,086	22,500	187,500	30,364	8,827	233,703	1,028,642	714,777
<b>EXPENSES</b>												
Accounting	33,046										33,046	19,035
Advertising and promotion	781										781	1,237
Amortization	12,610										12,610	7,730
Bank charges and interest	1,927										1,927	706
Books, printing and distribution	19,963				10,181	1,067	8,040				39,251	4,533
Consulting fees	6,363		29,590		3,750	15,683	4,430				56,066	76,697
Fiscal sponsorship	3,000						18,750				25,500	
Meetings	33,165						3,699		8,827	142,598	188,289	88,536
Office	42,503										42,503	39,789
Professional fees	27,866										27,866	6,105
Rent	15,706										15,706	8,763
Research	31,450	84		7,900		4,500	13,453	2,680			10,580	20,123
Telephone	21,761	4,877			10,717		32,471	2,238			49,487	32,475
Travel	83,979	34,200			53,438		99,240	10,088			72,064	63,293
Wages and benefits	(57,432)	19,312				1,250	7,417	15,383			80,950	361,895
Administrative costs allocated to projects, note 5	276,688	58,473	29,590	7,900	78,086	22,500	187,500	30,389	8,827	14,070	937,571	668,541
	93,011	19,312	29,590	7,900	78,086	22,500	187,500	(72)	8,827	(3,915)	89,071	46,236

The accompanying notes are an integral part of the financial statements

**RURAL ADVANCEMENT FOUNDATION INTERNATIONAL (CANADA)**

**STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED AUGUST 31, 2001**

	Unrestricted	Invested In Capital Assets	Internally Restricted Reserve Fund note 6	2001	Total 2000
<b>SURPLUS, BEGINNING OF YEAR</b>	\$ 46,839	\$ 15,460	\$ 100,000	\$ 162,299	\$ 116,063
Excess revenue (expense)	16,681	(12,610)	85,000	89,071	46,236
Investment in capital assets	<u>(18,110)</u>	<u>18,110</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>SURPLUS, END OF YEAR</b>	<u>\$ 45,410</u>	<u>\$ 20,960</u>	<u>\$ 185,000</u>	<u>\$ 251,370</u>	<u>\$ 162,299</u>

The accompanying notes are an integral part of the financial statements

# RURAL ADVANCEMENT FOUNDATION INTERNATIONAL (CANADA)

## NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2001

### 1. 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.

### 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are in accordance with Canadian generally accepted accounting principles and reflect the following policies:

#### Capital Assets

Capital assets are recorded at cost.

Amortization is provided for as follows:

	<u>Rate</u>	<u>Method</u>
Computer equipment	33.3%	Straight line
Furniture and equipment	33.3%	Straight line

#### Revenue recognition

Revenue is recorded in the period specified in the funding agreements with government agencies and other organizations. Assistance received in advance of making the related expenditures is deferred.

### 3. CAPITAL ASSETS

	2001		2000	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 90,400	\$ 75,545	\$ 78,936	\$ 64,512
Furniture and fixtures	<u>17,573</u>	<u>11,466</u>	<u>10,927</u>	<u>9,888</u>
	<u>107,973</u>	<u>87,011</u>	<u>89,863</u>	<u>74,400</u>
Net Book Value	<u>\$ 20,962</u>		<u>\$ 15,463</u>	

## RURAL ADVANCEMENT FOUNDATION INTERNATIONAL (CANADA)

### NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2001

4. DEFERRED SUBSIDIES AND CONTRIBUTION	2001	2000
The Rockefeller Foundation	\$ 242,548	\$ 5,571
Canadian International Development Agency	30,000	-
The Greenville Foundation	29,600	-
RAFI-USA Contribution	15,460	70,442
Albert A. List Foundation	14,396	-
Foundation for Deep Ecology	3,750	-
The Philanthropic Collaborative Inc.	-	29,590
SEARICE	-	11,410
HKH Foundation	-	34,540
Community Biodiversity Development and Conservation Program	-	4,594
	<u>\$ 335,754</u>	<u>\$ 156,147</u>

#### 5. 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.

#### 6. INTERNALLY RESTRICTED RESERVE FUND

These funds have been appropriated and restricted to absorb working capital deficiencies should sources of funding not be readily available.

#### 7. 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.

#### 8. SUBSEQUENT EVENTS

Subsequent to the year end, the organization amended its articles to change its name to Action Group on Erosion, Technology and Concentration.