

1997/98 RAFI Financial Report

Treasurer's Report 1997/98

RAFI's programme is always a fine balance between planned and responsive activity. On one side is planned research and advocacy work, which is implemented more or less as scheduled. On the other side is RAFI's quick response to unforeseen events, which can hijack staff time for weeks or even months, and delay other activities. Financing RAFI's entire programme is always a bit of a conjuring act. Funding the responsive work, which has become RAFI's signature, is especially difficult, because it can't be anticipated. Yet it is the "value added" that gives RAFI its edge.

This year, the programme was tipped to the "responsive" side of the scale, with unanticipated work on Plant Breeder's Rights abuses, the Terminator, and the CGIAR Review, for instance, demanding a commitment of staff time that was not expected. It is a small miracle that some of our most loyal funders stepped in quickly to fill the financial gaps, and permitted this work to continue. Remarkably, RAFI ended 1997/98 in the black, thanks to a lucky combination of good management and good friends. But it wasn't easy. And it never will be, regardless of how well RAFI is managed.

Recognizing that RAFI will never be financially secure, the Board of Trustees agreed in 1997/98 to establish a Reserve Fund from a surplus that has steadily accumulated over the past seven years. It is intended to provide both stability for the organization, and a reassurance to funders that RAFI is solvent. The Fund has been set at a level sufficient to cover recurrent costs and obligations to staff for a minimum of three months. We hope it is a measure of RAFI's financial health, if also a reminder of its ongoing vulnerability.



Timothy Brodhead, Treasurer



R A F I S u p p o r t e r s

Canadian International Development Agency (International NGO Division) * Community Biodiversity Development and Conservation Programme (Chile) * CPRO-DLO Centre for Genetic Resources (Netherlands) * CS Fund (USA) * Geraldine R. Dodge Foundation (USA) * Educational Foundation of America (USA) * Foundation for Deep Ecology (USA) * Sol Goldman Charitable Trust (USA) * GTZ (Germany - in cooperation with SEARICE) * HIVOS (Netherlands - in cooperation with SEARICE) * HKH Foundation (USA) * Inter-Church Action (Canada) * International Development Research Centre (Canada) * Inter Pares (Canada) * International Plant Genetic Resources Institute - IPGRI (international) * Moriah Fund (USA) * Netherlands Ministry for International Cooperation - DGIS * NORAGRIC (Norway) * Percy Gardiner Foundation (Canada) * Right Livelihood Award Foundation (Sweden) * SEARICE (Philippines) * Swedish International Development Cooperation Agency - SIDA * Swedish Society for the Conservation of Nature (in cooperation with SEARICE) * United Church of Canada * Nations Food and Agriculture Organization * World Council of Churches *

Note: These organizations have contributed either to the RAFI International office in Canada, or to RAFI's international programme via RAFI-USA. The following financial report covers only the finances of the Canadian office. RAFI-USA is a separate legal entity, whose finances are audited in the USA. The Annual Report describes the programme activities of both offices.

A u d i t o r ' s R e p o r t

Balance Sheet As at August 31, 1998

ASSETS	1998	1997
CURRENT ASSETS		
Cash	\$ 76,131	\$ 76,800
Term deposit	43,936	55,452
Subsidies receivable	18,582	89,587
Accounts receivable	6,154	12,742
Prepaid expenses	388	588
	145,191	235,169
FIXED ASSETS		
Cost	56,058	45,741
Accumulated depreciation	56,056	45,739
	2	2
	\$ 145,193	\$ 235,171

LIABILITIES	1998	1997
CURRENT LIABILITIES		
Accounts payable	\$ 6,070	100,419
Deferred subsidies (note 3)	47,118	64,440
	53,188	164,859
NET ASSETS		
Unrestricted	2,005	70,312
Internally Restricted Reserve Fund	90,000	-
	92,005	70,312
	\$ 145,193	\$ 235,171

The accompanying notes are an integral part of the financial statements

ON BEHALF OF THE BOARD

(Signed)

Pat Mooney

Changes in Net Assets For the year ended August 31, 1998

	Unrestricted	Internally Restricted Reserve Fund	1998 Total	1997 Total
NET ASSETS				
BEGINNING OF YEAR	\$ 70,312	-	70,312	69,988
Transfer from the unrestricted net assets to the internally restricted Reserve Fund	(90,000)	90,000	-	-
Excess of revenue over expenses	21,693	-	21,693	324
NET ASSETS, END OF YEAR	\$ 2,005	90,000	92,005	70,312

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

Revenue and Expenses For the Year Ended August 31, 1997

	1998	1997
REVENUE		
Subsidies (note 5)	270,662	396,910
Consulting fees	22,203	1,045
Donations	1,933	2,910
Other	39,607	38,731
	334,405	439,596
EXPENSES		
Salaries & employee benefits	140,247	146,218
Rent	10,074	9,994
Travel expenses	38,050	46,052
Office expenses	18,649	13,161
Telecommunication	17,647	17,847
Accounting	14,245	13,878
Professional fees	3,101	4,434
Meetings	5,221	39,484
Advertising and promotion	1,037	1,865
Write-off of fixed assets	10,871	2,373
Interest and bank charges	356	351
Books printing and distribution	22,542	11,833
Consulting fees	26,443	93,607
Research	3,922	13,458
Dissemination	307	24,717
Recovered administration costs		-
	312,712	439,272
EXCESS OF (EXPENSES OVER REVENUE)		
REVENUE OVER EXPENSES	\$ 21,693	324

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

Notes to Financial Statements As at August 31, 1998

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.

2. SIGNIFICANT ACCOUNTING POLICY

Fixed assets

Assets purchased during the year are expensed in the year of acquisition.

3. DEFERRED SUBSIDIES

	1998	1997
International Development Research Centre	\$ 30,887	46,154
Community Biodiversity Development and Conservation Program	10,723	-
Swiss Development Corporation	-	962
Right Livelihood	-	3,375
International Plant Genetic Resources Institute	-	3,654
The Moriah Fund	4,760	7,906
World Council of Churches	-	2,389
International Development Research Centre	700	-
Interchurch Action	48	-
	\$ 47,118	\$64,440

4. FISCAL STATUS

Rural Advancement Foundation International (Canada) is a "charitable organization" as defined under section 149.1 of the Canadian Income Tax Act and as such, is tax exempt.

