

# 1998/99 RAFI Financial Report

## Treasurer's Report 1998/99

The 1998/99 fiscal year was a good one for RAFI, both programmatically and financially. This coincidence of events is rare. Our history has shown us that ambitious, cutting-edge work does not always attract the resources needed to support it. But this year, it did. RAFI's continued opposition to the seed-sterilizing "Terminator" technology won the support of several generous new supporters, while faithful past supporters continued to provide funding for our ongoing work. The result was not just a modest surplus, but enough future funding commitments to permit RAFI to hire additional full-time research staff. This puts RAFI in a stronger programmatic and financial position than it has ever been in.

We are therefore optimistic about the coming year, but also very mindful of our less secure past. We begin the new financial year with plans to develop a three-year program, in order to further solidify RAFI's long-term financial viability. At the same time, we will continue to manage our resources carefully and to carry out the pioneering research upon which rests the confidence of our valued donors and supporters.



Timothy Brodhead,  
Treasurer

## RAFI Supporters

Anonymous Foundation (USA) \* Canadian International Development Agency (International NGO Division) \* Community Biodiversity Development and Conservation Programme (Chile) \* CPRO-DLO Centre for Genetic Resources (Netherlands) \* CS Fund (USA) \* Foundation for Deep Ecology (USA) \* Geraldine R. Dodge Foundation (USA) \* Educational Foundation of America (USA) \* Sol Goldman Charitable Trust (USA) \* Greenville Foundation (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) \* Albert A. List Foundation (USA) \* Moriah Fund (USA) \* Netherlands Ministry for International Cooperation - DGIS \* NORAGRIC (Norway) \* Percy Gardiner Foundation (Canada) \* Presbyterian Hunger Program (USA) \* 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 \* United Nations Food and Agriculture Organization \* United Nations Development Program - Human Development Report \* 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.

# Auditor's Report

Balance Sheet As at August 31, 1999

**ASSETS**

1999

1998

**CURRENT ASSETS**

Cash	\$ 80,151	\$76,131
Term deposit	133,914	43,936
Subsidies receivable	5,832	18,582
Accounts receivable	19,038	6,154
Prepaid expenses	468	<b>388</b>
	239,403	\$145,191

**FIXED ASSETS**

Cost	66,673	56,058
Accumulated depreciation	66,671	56,056
	2	2
	239,405	\$ 145,193

**LIABILITIES**

**1999**

**1998**

**CURRENT LIABILITIES**

Accounts payable	\$ 4,334	\$6,070
Deferred subsidies (note 3)	119,008	47,118
	123,342	53,188

**NET ASSETS**

Unrestricted	16,063	2,005
<b>Internally Restricted Reserve Fund</b>	100,000	90,000
	116,063	92,005
	\$239,405	\$145,193

*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, 1999

	Unrestricted	Internally Restricted Reserve Fund	Total 1999	1998
NET ASSETS				
BEGINNING OF YEAR	\$ 2,005	90,000	92,005	70,312
Transfer from the Unrestricted Net Assets to the internally Restricted Reserve Fund	(10,000)	10,000	-	-
Excess of revenue over expenses	24,058	-	24,058	21,693
NET ASSETS, END OF YEAR	\$ 16,063	100,000	116,063	92,005

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

Revenue and Expenses  
For the Year Ended August 31, 1999

	1999	1998
<b>REVENUE</b>		
Subsidies (note 4)	244,473	270,662
RAFI-USA Contribution	72,890	-
Consulting fees	31,254	22,203
Donations	462	1,933
Other	35,298	39,607
	384,377	334,405
<b>EXPENSES</b>		
Salaries & employee benefits	156,048	140,247
Rent	9,163	10,074
Travel expenses	52,932	38,050
Office expenses	14,260	18,649
Telecommunication	21,503	17,647
Accounting	14,884	14,245
Professional fees	4,283	3,101
Meetings	7,935	5,221
Advertising and promotion	1,549	1,037
Write-off of fixed assets	10,614	10,871
Interest and bank charges	537	356
Books printing and distribution	25,713	22,542
Consulting fees	36,498	26,443
Research	4,400	3,922
Dissemination	-	307
Recovered administration costs (note 5)	-	-
	360,319	312,712
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 24,058</b>	<b>\$ 21,693</b>

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

Notes to Financial Statements  
As at August 31, 1999

**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 POLICY**

**Fixed assets**

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

**3. DEFERRED SUBSIDIES**

	<b>1999</b>	<b>1998</b>
International Development Research Centre	\$ 12,363	30,887
Community Biodiversity Development and Conservation Program	11,297	10,723
The Moriah Fund	-	4,760
International Development Research Centre	-	700
Interchurch Action	-	48
<b>SEARICE</b>	<b>18,949</b>	<b>-</b>
<b>RAFI-USA Contribution</b>	<b>76,399</b>	<b>-</b>
	<b>\$ 119,008</b>	<b>\$ 47,118</b>

**4. SUBSIDIES**

	<b>1999</b>	<b>1998</b>
	<b>\$ 244,473</b>	<b>270,662</b>

## **5. ADMINISTRATIVE COSTS ALLOCATED TO PROJECTS**

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

## **6. 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 rate risk or credit risk.

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

## **7. UNCERTAINTY DUE TO THE YEAR 2000 ISSUE**

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effect of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect the organization's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the organization, including those related to the efforts of suppliers or third parties, will be fully resolved.