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We all recall the turbulent beginning to 2005 for the Canadian Foundation for the Americas (FOCAL). For reasons reported to the Board and examined at the Special Meeting of the Board on May 26, the Canadian International Development Agency (CIDA) Contribution Agreement was not renewed, as had been anticipated, following the completion of the preceding agreement. We approached Guillermo Rishchynski, the Vice-President for the Americas at CIDA, and he authorized bridging funds, which carried us through two months of the four-month gap before a new Contribution Agreement came into effect.

A financial crisis became the honeymoon from hell for Eduardo del Buey (and staff). The crisis broke just as he took over as Executive Director, from Donald Mackay. Eduardo del Buey quickly inserted himself into the new negotiating process. As an immediate step, it was necessary to suspend two FOCAL officers.

FOCAL learned valuable lessons from this experience. I must add that we appreciated enormously the help provided and understanding shown by CIDA over this difficult period.

Once the storm had receded, FOCAL sailed through exceptionally busy, but calmer waters. We have deliberately kept the position of Deputy Director vacant, but with the successful negotiation of additional project agreements, the total number of staff grew to 12.

Negotiations advanced with the Department of Foreign Affairs and International Trade (DFAIT) for a one-year extension of its Contribution Agreement ($200,000, with signature in 2006). The agreement with the Ford Foundation, which provides support for FOCAL’s Cuba program, was renewed for one year at US$200,000 with the promise to renew for an additional year, for another US$200,000, if prescribed goals were met.

The Website Development and Information Dissemination Strategy Project funded by the International Development and Research Centre (IDRC), which has complemented FOCAL’s Cuba program, will be completed in July 2006. In October 2005, a one-year agreement was signed with the Washington-based National Endowment for Democracy, for $110,000, under which FOCAL is evaluating the role of civil society in the promotion and protection of democracy in the Americas.

FOCAL has continued to be a lead player in the development of civil society engagement with the Inter-American system. We have worked actively with other civil society organizations (particularly in Chile, Argentina, Colombia, Guatemala and the Dominican Republic). The impact of our organization’s pioneering role
in this sector has been readily acknowledged by the Organization of American States (OAS) and was manifest at the OAS General Assembly in Fort Lauderdale and at the Summit of the Americas in Mar del Plata.

FOCAL has also become recognized within the region for its work on the diasporas, migration, gender equality and corporate social responsibility (CSR). With respect to CSR, our participation has been critical in maintaining a Canadian presence in the CSR meetings mandated by the Quebec City Summit. FOCAL was the Canadian representative at the CSR meeting in Mexico City.

FOCAL has published a report on the Wilson House conference in September, entitled “The Role of the Private Sector in Rebuilding Haiti.” It is worth underlining the extraordinary impact of this conference, which brought together 18 representatives of the Haitian private sector with senior members of CIDA, DFAIT and the Inter-American Development Bank (IADB). This meeting was inspired and chaired by former Prime Minister Joe Clark (a FOCAL board member) and financially supported by both the IADB and CIDA. The presidents of both organizations, Enrique Iglesias and Robert Greenhill, attended as did the Prime Minister’s Senior Advisor to Haiti, Denis Coderre. This meeting created an awareness of the capacity and willingness of important segments of the Haitian private sector to play a role in rebuilding that country, and it opened the door for Haitian private sector participation in donor conferences concerning Haiti. Both Joe Clark and I had opportunities to brief the new president of the IADB, Luis Alberto Moreno, about the significance of the Wilson House meeting. Follow-up continues.

Another very successful special event was Where Are We Going? Canada and Mexico Looking Beyond 2006, held on November 24. It was attended by very senior representatives including DFAIT’s Deputy Minister, Peter Harder, and Mexico’s Under Secretary for North America, Gerónimo Gutiérrez.

This annual report includes a list of FOCAL’s 2005 publications, and the financial section lists its 2005 partnerships. Also, it is worth noting that the regular FOCAL website received an average of 20,000 “sessions” per month over the year, while our Cuba Source site began the year with 5,000 and more than doubled that number to 12,000 by December 31, 2005.

Since its founding 15 years ago, FOCAL has moved from an organization totally funded by government to one that is 74% funded by government (CIDA and DFAIT). Over this time FOCAL has developed a niche, unique in Canada, for providing the Canadian federal government with fresh thinking and constructive criticism on Latin America and the Caribbean in effect operating a think tank to analyze the regional connection in a way that government officers increasingly do not have the time or the “big picture” opportunities to do themselves.

Our mandate includes educating those both in Canada and abroad about Canadian policies and linkages with the region, and playing a facilitative role for Canadian civil society and private sectors. The fact that the government (CIDA
and DFAIT) has maintained substantial contributions in a period of fiscal restraint is a signal that the work is highly valued. However, we have been put on notice for several years that the government may not be able to sustain this funding. This warning was reiterated in 2005 by CIDA. Obviously, we hope that this tap will not be turned off, but it is essential that we are clearly aware that we cannot go forward on this assumption.

FOCAL has looked down this road before but so far inconclusively. Several years ago we contracted Bouza Associates, a consulting organization, to investigate fundraising opportunities for FOCAL. They concluded that FOCAL was a special sort of beast: a non-governmental organization that held little attraction for Canadian philanthropic foundations or major companies. We must re-examine that conclusion and try to identify foundations (in Canada or the United States) and major companies (in Canada) where there could be a productive fit between their interests and FOCAL’s professional capacity.

In the face of many difficult challenges, 2005 was a year of exceptional achievement on many fronts, for which the Chair wishes to recognize the dedicated professional commitment of the Executive Director and staff.

John W. Graham
In his report to the Board of Directors, John Graham noted, “A financial crisis became the honeymoon from hell for Eduardo del Buey (and staff.)” I beg to differ.

John Graham’s overwhelming support and help, and the professionalism and leadership displayed by staff at the Canadian Foundation for the Americas (FOCAL), quickly helped me realize I had joined a highly professional and motivated organization, whose members are fully capable of exercising leadership and working together effectively and cordially in times of crisis.

The challenge we faced at the beginning of my tenure at FOCAL, however, underscored the urgent need for a change of mentalities within the organization, and a transformation of our traditional relationships with our key funders, the Canadian International Development Agency (CIDA) and the Department of Foreign Affairs and International Trade (DFAIT). To address this need for change, we quickly undertook frequent and regular consultations with a broad range of colleagues at CIDA and DFAIT, to ensure they were fully informed about FOCAL’s activities and its progress toward meeting its corporate objectives. The consultations also allowed them to provide their input every step of the way.

A three-day retreat (under the aegis of a professional facilitator) was held over the summer to help FOCAL develop a vision for itself, redefine itself in light of evolving realities, and establish new management and operational procedures. A change in corporate culture is underway, aimed at creating an organization that is fully capable of dealing with today’s management requirements, and able to plan and execute programs and projects effectively and efficiently.

Indeed, results are what FOCAL is all about.

Throughout the year we worked to ensure that FOCAL became more entrepreneurial. A funding agreement was negotiated with the National Endowment for Democracy (thanks to an introduction by Board member Beatrice Rangel), and the Ford Foundation agreement was extended a further two years, with Year 2 funding to be released upon satisfactory completion of Year 1 activities.

In September 2005 FOCAL managed a highly successful two-day meeting between the Inter-American Development Bank, CIDA, DFAIT and the Haitian private sector. The meeting created a space for the participation of the Haitian private sector in the political, social and economic development of Haiti, thanks to the
effective intervention and leadership efforts of Board member the Rt. Hon. Joe Clark.

FOCAL also hosted a highly successful one-day conference, on November 26, on the future of Mexican foreign policy after the 2006 elections and change of government, and how this may shape the Canada-Mexico relationship. This marked the first time senior representatives of the three major Mexican political parties travelled abroad together to address a foreign audience on these issues.

Our efforts to bring together members of the Caribbean and Latin American diasporas resulted in two successful conferences in 2005. Indeed as a result of this process, the various Caribbean diaspora organizations are getting together as a group to pursue their interests, and the Latin American diaspora organizations are doing the same thing.

On April 21 and 22, FOCAL co-hosted a conference in Mexico City with FLACSO-Mexico and the Cuban Research Institute at Florida International University. The conference, entitled Governance and Social Justice in Cuba: Lessons for Cuba From the Latin American Experience, explored the interconnections between poverty, inequality and governance in Latin America, with the objective of identifying key lessons that could serve Cuba at present and in a future transition. We convened approximately 35 participants from Argentina, Canada, Chile, Colombia, the Dominican Republic, Mexico and the United States, as well as from inside Cuba.

In closing, I would like to express my appreciation for the strong support FOCAL has received from the Board during these times of change, and the steady support I have enjoyed from FOCAL’s highly professional and capable staff. We look forward to making the next year even more successful in terms of redefining FOCAL, refining our vision and mission, and ensuring an active future for the organization.

Eduardo del Buey
FOCAL:
A Policy Centre Focusing on
Canadian Engagement within the
Western Hemisphere

The Western Hemisphere is rapidly evolving into a complex matrix of realities, all of which affect Canadians directly. Security issues (e.g., transnational crime, narco-trafficking, gang-related violence), governance issues (e.g., democratic development, corruption, racism, inequality and inequity), and private sector development and corporate social responsibility issues all have a direct bearing on Canadians in business, academe and government.

The Canadian Foundation for the Americas (FOCAL) is the premier Canadian policy institute focusing on such hemispheric issues, and producing informed analysis and debate on political and economic issues facing the Americas. As Canada’s only think tank specializing in the Western Hemisphere, FOCAL ensures that Canadians have the insights required to manage these complex issues, and that the region understands Canada’s policies and positions on key issues.

Specifically, FOCAL:

1) encourages a broad dialogue in the hemisphere, engaging government, the private sector and civil society in a process of listening and learning from each other;
2) provides analysis and practical solutions/options on key hemispheric challenges to decision-makers and opinion leaders throughout the hemisphere;
3) promotes engagement in the hemisphere, by the Canadian government and by decision-makers in other sectors;
4) brings Latin American and Caribbean perspectives to Canada, to assist Canadians in the private and public sectors to learn from their counterparts in the region.

Our organization focuses on the major hemispheric themes of importance to Canada, including poverty and inequality; private sector growth, trade and economic development; inter-American affairs; and governance and democracy. FOCAL conducts extensive practical research on these issues, publishes regular policy papers, and provides clients with advice and intelligence related to these issues. In addition, we manage a Research Forum on Cuba and its website (www.cubasource.org), which focus on issues related to and affecting that country.
FOCAL was founded in 1990 and has a full-time staff of 12 people. Its analysts have decades of cumulative experience with the issues shaping the Western Hemisphere. The Board of Directors provides strategic guidance to the organization and its activities. Board members include former senior diplomats and government officials, senior staff from the private sector, and academics.

Funding for FOCAL comes from a variety of government and private sector sources, both Canadian and international. As a non-profit institution, financial support for FOCAL is fully tax-deductible according to Canadian taxation regulations.
FOCAL’s publications include policy papers, background briefings, conference and re-search reports, articles and the monthly newsletter, FOCAL-Point: Spotlight on the Americas. These are concise, analytical pieces on issues and developments in the hemisphere and are provided to decision-makers and opinion leaders in Canada and throughout the Western Hemisphere to contribute to policy development.

Some of FOCAL’s 2005 publications, which are all available free of charge from our website (www.focal.ca), are listed below.

**Policy Papers and Background Briefings**

Title: Cuba's Economic Future: The Search for Models  
Author: Daniel P. Erikson  
Series: Background Briefings on Cuba (RFC-05-03)  
Date published: December 2005

Title (English): An Overview of the Linkages Between Spain's Regions and Cuba  
Title (Spanish): Panorama General de los Vínculos entre Cuba y las Regiones Españolas  
Author: Christian Freres  
Series: Background Briefings on Cuba (RFC-05-02)  
Date published: May 2005

Title (English): MERCOSUR: A Different Approach to Institutional Development  
Title (Spanish): MERCOSUR, ¿Una Experiencia de Desarrollo Institucional Sus-tentable? (Published in the review journal of the Centre for International Studies, Ministry of International Relations and Culture of the Argentine Re-public.)  
Authors: Celina Pena and Ricardo Rozemberg  
Series: FOCAL Policy Paper (FPP-05-06)  
ISBN: 1-894992-29-6  
Date published: May 2005
Title (English): Conflict Prevention, Civil Society and International Organizations: The Difficult Path for Peace Building in Latin America and the Caribbean
Title (Spanish): La prevención de Conflictos, la Sociedad Civil y las Organizaciones Internacionales: El Difícil Camino hacia la Construcción de la Paz en América Latina y el Caribe
Authors: Francine Jácome, Paz Milet and Andrés Serbin
Series: FOCAL Policy Paper (FPP-05-05)
ISBN: 1-894992-24-5 (English); 1-894992-26-1 (Spanish)
Date published: March 2005 (English); May 2005 (Spanish)

Title (English): Inter-American Institutions and Conflict Prevention
Title (Spanish): Las Instituciones Interamericanas y la Prevención de Conflictos
Author: Stephen Baranyi
Series: FOCAL Policy Paper (FPP-05-04)
ISBN: 1-894992-23-7 (English); 1-894992-25-3 (Spanish)
Date published: March 2005 (English); May 2005 (Spanish)

Title (English): The Cuban Economy: Amid Economic Stagnation and Reversal of Reforms
Title (Spanish): Cuba: Entre el estancamiento económico y la reversión de las reformas
Author: Mauricio de Miranda Parrondo
Series: Background Briefings on Cuba (RFC-05-01)
ISBN: 1-894992-27-X (English); 1-894992-22-9 (Spanish)
Date published: April 2005 (English); March 2005 (Spanish)

Title (English): Brazil’s Tax System: The Dilemmas of Policy Reform
Title (Spanish): Español: El Sistema Tributario Brasileño y los Dilemas de las Reformas de las Políticas
Author: Celina Souza
Series: FOCAL Policy Paper (FPP-05-02)
ISBN: 1-896301-87-87
Date published: February 2005

Title (English): The Emerging Foreign Investment Regime in the Americas
Title (Spanish): Español: El Régimen Naciente de las Inversiones Extranjeras en las Américas
Author: Paul Alexander Haslam
Series: FOCAL Policy Paper (FPP-05-01)
Date published: January 2005
FOCALPoint: Spotlight on the Americas

Vol. 4, No. 10 (November/December 2005)
• Cuba and Venezuela United?/¿La Unificación de Cuba y Venezuela? by Ana Faya
• 29-Member FTAA: Nothing to Get Excited About, by Dean Foster
• Op-Ed: Of Ideological Convergence and Power in Nicaragua, by Manuel Orozco
• The 2005 Argentina Election, by Mark P. Jones
• Prospects for CARICOM Single Market and Economy, by W. Salas Hamilton
• Summits in the Americas: Convergences and Divergences, by Julieta Uribe
• The Ibero-American General Secretariat: A Starting Point for Coordinated Policies on Cuba? by Susanne Gratius
• Editorial: Mar del Plata Post Mortem and New Challenges

Vol. 4, No. 9 (October 2005)
• Cuba’s Ranking in the Human Development Index of 2005, by Carmelo Mesa-Lago
• Haitian Elections Delayed, by Carlo Dade
• North America: In the Aftermath of Katrina, by Olga Abizaid
• The Social Conflict in the Ecuadorian Amazon, by Karen Andrade, Paul Cisneros and Guillaume Fontaine

Vol. 4, No. 8 (September 2005)
• Brazil: The Good News Scandal? by Jean Daudelin
• Elba Esther Gordillo and Her Future in the PRI, by Joy Langston
• Hostages of Confrontation, by Ana J. Faya
• Indigenous Summits and the Summit of the Americas: Towards Continental Integration, by Omaira Mindiola
• Hu Jintao’s Visit to North America, by Renato Balderrama
• Editorial – Summit of the Americas 2009: Champion Needed

Vol. 4, No. 7 (July/August 2005)
• Immigrant Remittances Flows: Where Does Canada Fit? by Luz Rodríguez-Novoa
• Cuban Women Struggle Even After Pay Raise, by Ileana Fuentes
• Editorial – Race in the Americas: Memín Pinguín is the Least of Our Worries, by Carlo Dade

Vol. 4, No. 6 (June 2005)
• The OAS as Democratic Policeman? by Sean W. Burges
• A Welcome Uncertainty in Chilean Elections, by John M. Carey
• Consenso Cubano Is Common Sense, by Marifeli Pérez-Stable
• FTAA Decline: Losing the Bath Water and the Baby, by Laura Ritchie Dawson

Vol. 4, No. 5 (May 2005)
• China in the Caribbean: A Benign Dragon? by Dan Erikson
• Democratic Breakdown and the Role of the International Community: The Case of Ecuador, by Andrés Mejía Acosta
• Challenges for Andean Democracies, by Rodolfo Albán Guevara
• Nicaragua and the Crisis of 2005, by David Close
• Editorial: Yet Another Summit, by Eduardo del Buey

Vol. 4, No. 4 (April 2005)
• Democracy and the Rule of Law in Mexico’s 2006 Presidential Elections, by Kenneth F. Greene
• The Creation of the Ibero-American General Secretariat and the Implications for Latin America, by Carlos Malamud
• Barely Squeezing Through? US Politics and the Central American Free Trade Agreement, by Eric Jacobstein
• Cuba’s Revaluation(s) of the Peso(s): Back to the Future? by Nicholas Rowe
• Editorial: Canada’s International Policy Statement: What Does It Mean for Latin America and the Caribbean? by John W. Graham

Vol. 4, No. 3 (March 2005)
• Op-Ed: The Meeting in Waco, by Andrés Rozental
• Cuba in Geneva: The State of the Debate, by Ana J. Faya
• Bolivia: A Country in Constant Crisis, by Fran Espinoza
• Uruguay Shifts to the Left, by Eduardo Gudynas and Diego Martino
• The Vulnerabilities of Democracy and the Inter-American Democratic Charter, by Jennifer McCoy

Vol. 4, No. 2 (February 2005)
• The Role of Canada and the Inclusion of Latin Americans of African Descent, by Judith Morrison
• Colombia-Venezuela: Trade in a Volatile Relationship, by Vladimir Torres
• Two Days in the Sun: The CARICOM Heads of Government Meeting, by Laurie Cole and Noel Waghorn
• The European Union-Cuba Relationship: More of the Same? by Joaquín Roy
• Op-Ed: The Perfect Storm: Foreign Affairs Hits an Uncharted Rock, by Don Mackay

Vol. 4, No. 1 (January 2005)
• Bolivia’s 2004 Municipal Elections, by Rachel Gisselquist
• All Winners -No Losers?: Reflections on the Troubled State of Nicaragua’s Democracy, by Manuela Aguilar
• Political Instability in Ecuador: The Supreme Court, by Adrián Bonilla
• Post-MINUGUA Guatemala: Strengthening National Verification Through Civilian Oversight and Social Auditing in Security and Defence, by Colleen Duggan
• Cuba: Highlights of 2004, by Cristina Warren
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Chair
John W. Graham
Consultant

Vice-Chair
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Director and Professor, Norman Paterson School of International Affairs, Carleton University

Secretary
Michael Bell
Consultant, Justice Solutions Inc.

Treasurer
Anthony M.P. Tattersfield
Partner, Raymond Chabot Grant Thornton

Eduardo del Buey
(ex-officio)
Executive Director, FOCAL

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Consultant

Carmelita Boivin-Cole
Consultant

Rt. Hon. Joe Clark
Former Prime Minister of Canada
Winston Cox  
Deputy Secretary-General, Development Co-operation, Commonwealth Secretariat

Jean Daudelin  
Assistant Professor, Norman Paterson School of International Affairs, Carleton University

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(ex-officio)  
Ambassador and Permanent Representative of Canada to the Organization of American States

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Partner, Hodgson Russ

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Director, Latin America and Caribbean Pro-gram, Carter Center of Emory University

Beatrice E. Rangel  
Senior Advisor to the Chairman, Cisneros Television Group

Elizabeth Spehar  
Consultant

Brian J.R. Stevenson  
Executive Secretary for Integral Develop-ment, Organization of American States

Alan J. Stoga  
President, Zemi Communications

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Olga Abizaid, Policy Analyst  
Laurie Cole, Policy Analyst  
Carlo Dade, Senior Advisor  
Ana Julia Faya, Policy Analyst  
Miguel Guardado, Manager of Finance  
José Hernández, Webmaster / Publications Manager  
Florence Jubany, Senior Policy Analyst  
Diane Larabie, Office Manager  
Caroline Lavoie, Project Associate  
Omaira Mindiola, Visiting Researcher  
Cristina Warren, Program Director
## Statement of Financial Position

As at December 31

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$372,446</td>
<td>$249,795</td>
</tr>
<tr>
<td>Term deposits, 2% average rate maturing at various dates in 2006</td>
<td>26,233</td>
<td>26,133</td>
</tr>
<tr>
<td>Amounts receivable</td>
<td>64,226</td>
<td>193,323</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>8,187</td>
<td>8,341</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>$471,092</td>
<td>$477,592</td>
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<tr>
<td><strong>Capital Assets</strong></td>
<td>2,327</td>
<td>1,313</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$473,419</td>
<td>$478,905</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$141,348</td>
<td>$124,690</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>243,141</td>
<td>214,434</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$384,489</td>
<td>$339,124</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets</td>
<td>$2,327</td>
<td>$1,313</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>86,603</td>
<td>138,468</td>
</tr>
<tr>
<td></td>
<td>88,930</td>
<td>139,781</td>
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<tr>
<td><strong>Total Net Assets</strong></td>
<td>$473,419</td>
<td>$478,905</td>
</tr>
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</table>
## Schedule of Project Revenues

Year Ended December 31

<table>
<thead>
<tr>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian International Development Agency</td>
<td>$ 533,895</td>
</tr>
<tr>
<td>Department of Foreign Affairs and International Trade</td>
<td>214,842</td>
</tr>
<tr>
<td>Ford Foundation</td>
<td>168,474</td>
</tr>
<tr>
<td>Inter-American Development Bank</td>
<td>122,762</td>
</tr>
<tr>
<td>Inter-American Foundation</td>
<td>12,193</td>
</tr>
<tr>
<td>International Development Research Centre</td>
<td>107,947</td>
</tr>
<tr>
<td>International Institute for Sustainable Development</td>
<td>—</td>
</tr>
<tr>
<td>Carter Center</td>
<td>94,641</td>
</tr>
<tr>
<td>National Endowment for Democracy</td>
<td>7,205</td>
</tr>
<tr>
<td>Participa</td>
<td>6,709</td>
</tr>
</tbody>
</table>

$1,268,668 $1,406,550
### Statement of Revenue and Expenses

**Year Ended December 31**

#### Revenues

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>EHT recovery</td>
<td>$13,281</td>
<td>$8,310</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>1,862</td>
<td>498</td>
</tr>
<tr>
<td>Contributions in kind</td>
<td>27,190</td>
<td>45,032</td>
</tr>
<tr>
<td>Projects’ schedule</td>
<td>1,268,668</td>
<td>1,406,550</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,311,001</td>
<td>$1,460,390</td>
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</tbody>
</table>

#### Operating Expenses

<table>
<thead>
<tr>
<th>Branch</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization</td>
<td>$616</td>
<td>$25,519</td>
</tr>
<tr>
<td>Board and staff meetings</td>
<td>23,000</td>
<td>23,000</td>
</tr>
<tr>
<td>Communication</td>
<td>7,518</td>
<td>10,913</td>
</tr>
<tr>
<td>Insurance</td>
<td>4,371</td>
<td>4,372</td>
</tr>
<tr>
<td>Leases and maintenance</td>
<td>88,183</td>
<td>81,824</td>
</tr>
<tr>
<td>Office</td>
<td>10,554</td>
<td>15,096</td>
</tr>
<tr>
<td>Printing</td>
<td>1,008</td>
<td>780</td>
</tr>
<tr>
<td>Professional fees and consultants</td>
<td>22,343</td>
<td>27,559</td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>655,641</td>
<td>717,168</td>
</tr>
<tr>
<td>Travel</td>
<td>5,638</td>
<td>2,192</td>
</tr>
<tr>
<td></td>
<td>818,872</td>
<td>908,423</td>
</tr>
<tr>
<td>Less: allocated to projects</td>
<td>-734,382</td>
<td>-869,678</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$84,490</td>
<td>$38,745</td>
</tr>
</tbody>
</table>

#### Project Expenses

<table>
<thead>
<tr>
<th>Branch</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication</td>
<td>$35,534</td>
<td>$42,814</td>
</tr>
<tr>
<td>Internships</td>
<td>170</td>
<td>128,944</td>
</tr>
<tr>
<td>Meeting and seminar logistics</td>
<td>66,290</td>
<td>97,671</td>
</tr>
<tr>
<td>Office</td>
<td>2,117</td>
<td>8,882</td>
</tr>
<tr>
<td>Partnerships</td>
<td>99,191</td>
<td></td>
</tr>
<tr>
<td>Postage and courier</td>
<td>1,318</td>
<td>5,188</td>
</tr>
<tr>
<td>Printing</td>
<td>39,468</td>
<td>24,632</td>
</tr>
<tr>
<td>Project consulting</td>
<td>129,553</td>
<td>157,220</td>
</tr>
<tr>
<td>Travel</td>
<td>169,339</td>
<td>223,586</td>
</tr>
<tr>
<td></td>
<td>542,980</td>
<td>688,937</td>
</tr>
<tr>
<td>Add: Allocation of operating expenses</td>
<td>734,382</td>
<td>869,678</td>
</tr>
</tbody>
</table>

**Total expenses**

<table>
<thead>
<tr>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,277,362</td>
<td>$1,558,615</td>
</tr>
</tbody>
</table>

**Excess (deficiency) of revenues over expenses**

<table>
<thead>
<tr>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>($-50,851)</td>
<td>($-136,970)</td>
</tr>
</tbody>
</table>

These financial statements have been audited by van Berkom & Ritz, Chartered Accountants, and were approved by FOCAL’s Board of Directors on November 30, 2006.