



CANADIAN RURAL REVITALIZATION FOUNDATION
Financial Statements
Year Ended December 31, 2019



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HARRIS RYAN



CANADIAN RURAL REVITALIZATION FOUNDATION
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Year Ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of Canadian Rural Revitalization Foundation

Opinion

We have audited the financial statements of Canadian Rural Revitalization Foundation (the Company), which comprise the statement of financial position as at December 31, 2019, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, and the results of its operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-profit Organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CANADIAN RURAL REVITALIZATION FOUNDATION
Statement of Financial Position
December 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 33,128	\$ 64,426
Marketable securities	25,499	-
Accounts receivable	529	154
	<u>\$ 59,156</u>	<u>\$ 64,580</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 4,825	\$ 1,700
NET ASSETS	<u>54,331</u>	62,880
LIABILITIES AND NET ASSETS	<u>\$ 59,156</u>	<u>\$ 64,580</u>

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ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

See notes to financial statements

CANADIAN RURAL REVITALIZATION FOUNDATION
Statement of Changes in Net Assets
Year Ended December 31, 2019

	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 62,880	\$ 47,810
DEFICIENCY OF REVENUES OVER EXPENSES	(8,549)	15,070
NET ASSETS - END OF YEAR	\$ 54,331	\$ 62,880

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CANADIAN RURAL REVITALIZATION FOUNDATION
Statement of Revenues and Expenditures
Year Ended December 31, 2019

	2019	2018
REVENUES		
Membership fees	\$ 1,497	\$ 1,863
Conferences and workshops	4,871	28,950
Donations	984	6,408
	<u>7,352</u>	<u>37,221</u>
EXPENSES		
Advertising and promotion	45	4,000
Donations	-	100
Interest and bank charges	69	53
Office	164	28
Research contributions	3,490	9,075
Professional fees	3,799	2,070
Travel	8,833	6,825
	<u>16,400</u>	<u>22,151</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	(9,048)	15,070
OTHER INCOME		
Interest income	499	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (8,549)	\$ 15,070

CANADIAN RURAL REVITALIZATION FOUNDATION**Statement of Cash Flows****Year Ended December 31, 2019**

	2019	2018
OPERATING ACTIVITIES		
excess (deficiency) of revenues over expenses	\$ (8,549)	\$ 15,070
Item not affecting cash:		
Interest income	(499)	-
	<u>(9,048)</u>	<u>15,070</u>
Changes in non-cash working capital:		
Accounts receivable	(375)	(154)
Accounts payable	3,125	-
	<u>2,750</u>	<u>(154)</u>
Cash flow from (used by) operating activities	<u>(6,298)</u>	<u>14,916</u>
INVESTING ACTIVITY		
Purchase of short-term investments	<u>(25,000)</u>	<u>-</u>
INCREASE (DECREASE) IN CASH FLOW	(31,298)	14,916
Cash - beginning of year	<u>64,426</u>	<u>49,510</u>
CASH - END OF YEAR	\$ 33,128	\$ 64,426

See notes to financial statements

CANADIAN RURAL REVITALIZATION FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2019

1. PURPOSE OF THE COMPANY

Canadian Rural Revitalization Foundation (the "foundation") promotes research on the changes in the rural socio-economic conditions of Canada. It is a not-for-profit organization and is a registered charity. As such, it is exempt from income tax under Section 149(1)(l) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-profit Organizations (ASNFPO).

Revenue recognition

The foundation follows the deferral method of accounting for contributions. Restricted revenue from grants is recorded when the related expenses are incurred.

Membership revenue is deferred and recognized in the year it is earned.

Fundraising revenue is recognized in the year it is earned.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for notfor-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

3. FINANCIAL INSTRUMENTS

The company is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the company's risk exposure and concentration as of December 31, 2019.

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CANADIAN RURAL REVITALIZATION FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2019

3. FINANCIAL INSTRUMENTS *(continued)*

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company is exposed to this risk mainly in respect of its receipt of funds, and accounts payable.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The company is not exposed to market risk.

Unless otherwise noted, it is management's opinion that the company is not exposed to significant other price risks arising from these financial instruments.

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