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**CANADIAN RURAL REVITALIZATION FOUNDATION**  
**Financial Statements**  
**Year Ended December 31, 2012**

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**HARRIS RYAN**  
*Chartered Accountants*

**CANADIAN RURAL REVITALIZATION FOUNDATION**

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**Year Ended December 31, 2012**

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**INDEPENDENT AUDITOR'S REPORT**

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To the Directors of Canadian Rural Revitalization Foundation

We have audited the accompanying financial statements of Canadian Rural Revitalization Foundation, which comprise the statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011, and the statements of revenues and expenditures, changes in net assets and cash flows for the years ended December 31, 2012 and December 31, 2011, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Rural Revitalization Foundation as at December 31, 2012, December 31, 2011 and January 1, 2011, and the results of its operations and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

St. John's, Newfoundland and Labrador

July 9, 2013

*Harris Ryan*  
CHARTERED ACCOUNTANTS

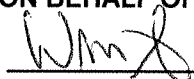
**CANADIAN RURAL REVITALIZATION FOUNDATION**

**Statement of Financial Position**

**December 31, 2012**

	<i>December 31</i> <b>2012</b>	<i>December 31</i> 2011	<i>January 1</i> 2011
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash	\$ 16,784	\$ 9,404	\$ 10,394
Accounts receivable	-	-	1,277
Goods and services tax recoverable	140	500	-
	<b>\$ 16,924</b>	<b>\$ 9,904</b>	<b>\$ 11,671</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT</b>			
Accounts payable	\$ 2,200	\$ 2,200	\$ 2,199
<b>NET ASSETS</b>			
General fund	14,724	7,704	9,472
	<b>\$ 16,924</b>	<b>\$ 9,904</b>	<b>\$ 11,671</b>

**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, 2012**

	<b>2012</b>	<b>2011</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 7,704</b>	<b>\$ 9,471</b>
Excess of revenue over expenses	<u>7,020</u>	<u>(1,767)</u>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 14,724</u></b>	<b><u>\$ 7,704</u></b>

**CANADIAN RURAL REVITALIZATION FOUNDATION****Statement of Revenues and Expenditures****Year Ended December 31, 2012**

	<b>2012</b>	<b>2011</b>
<b>REVENUE</b>		
Annual fall conference	\$ 4,836	\$ 4,750
Miscellaneous revenue	10,100	-
Service Canada contract	-	1,500
	<b>14,936</b>	<b>6,250</b>
<b>EXPENSES</b>		
Conferences and workshops	6,067	5,935
Interest and bank charges	6	-
Office	65	-
Professional fees	1,784	2,103
	<b>7,922</b>	<b>8,038</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	<b>7,014</b>	<b>(1,788)</b>
<b>OTHER INCOME</b>	<b>6</b>	<b>21</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>\$ 7,020</b>	<b>\$ (1,767)</b>

See notes to financial statements

**CANADIAN RURAL REVITALIZATION FOUNDATION****Statement of Cash Flows****Year Ended December 31, 2012**

	2012	2011
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ 7,020	\$ (1,767)
Changes in non-cash working capital:		
Accounts receivable	-	1,030
GST payable (receivable)	360	(253)
	360	777
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>7,380</b>	<b>(990)</b>
Cash - beginning of year	9,404	10,394
<b>CASH - END OF YEAR</b>	<b>\$ 16,784</b>	<b>\$ 9,404</b>
<b>CASH FLOWS SUPPLEMENTARY INFORMATION</b>		
Interest received	\$ (6)	\$ (21)
Interest paid	\$ 6	\$ -

See notes to financial statements

# CANADIAN RURAL REVITALIZATION FOUNDATION

## Notes to Financial Statements

Year Ended December 31, 2012

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### 1. NATURE AND PURPOSE OF FOUNDATION

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.

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### 2. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year the foundation adopted Canadian accounting standards for not-for-profit organizations (ASNFPO). These financial statements are the first prepared in accordance with these standards. The adoption of ASNFPO had no impact on net assets as at January 1, 2011 or revenues and expenditures or cash flows for the year ended December 31, 2011 as previously reported.

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 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.

Investment income is recognized on the accrual basis.

#### Capital assets

Capital assets are expensed in the year of acquisition. Currently the foundation does not own any capital assets.

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-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.

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# CANADIAN RURAL REVITALIZATION FOUNDATION

## Notes to Financial Statements

Year Ended December 31, 2012

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### 4. FINANCIAL INSTRUMENTS

The foundation 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 foundation's risk exposure and concentration as of December 31, 2012.

#### Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the foundation manages exposure through its normal operating and financing activities. The foundation is exposed to interest rate risk primarily through its bank account.

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