

CANADIAN RURAL REVITALIZATION FOUNDATION
Financial Statements
Year Ended December 31, 2010

CANADIAN RURAL REVITALIZATION FOUNDATION

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Year Ended December 31, 2010

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Canadian Rural Revitalization Foundation

We have audited the accompanying financial statements of Canadian Rural Revitalization Foundation, which comprise the balance sheet as at December 31, 2010, and the statements of loss, fund balance and cash flows for the year then ended, 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 generally accepted accounting principles, 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 audit. We conducted our audit 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 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, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

St. John's, Newfoundland and Labrador
May 25, 2011


CHARTERED ACCOUNTANTS

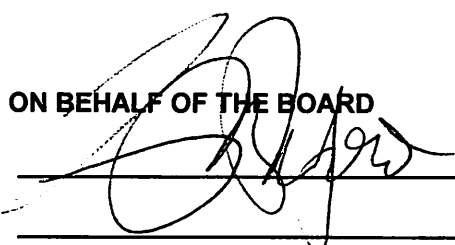
CANADIAN RURAL REVITALIZATION FOUNDATION

Balance Sheet

December 31, 2010

	2010	2009
ASSETS		
CURRENT		
Cash	\$ 10,394	\$ 4,607
Accounts receivable	1,277	17,634
	\$ 11,671	\$ 22,241
Liabilities and fund balance		
CURRENT		
Accounts payable	\$ 2,200	\$ 11,308
UNRESTRICTED SURPLUS	9,471	10,933
LIABILITIES AND FUND BALANCE	\$ 11,671	\$ 22,241

ON BEHALF OF THE BOARD



Director

Director

CANADIAN RURAL REVITALIZATION FOUNDATION

Statement of Fund Balance

Year Ended December 31, 2010

	2010	2009
UNRESTRICTED SURPLUS - BEGINNING OF YEAR	\$ 10,933	\$ 24,062
NET LOSS FOR THE YEAR	(1,462)	(13,129)
UNRESTRICTED SURPLUS - END OF YEAR	\$ 9,471	\$ 10,933

CANADIAN RURAL REVITALIZATION FOUNDATION**Statement of Loss****Year Ended December 31, 2010**

	2010	2009
EXPENSES		
Interest and bank charges	\$ 13	\$ 13
Meetings and conventions	-	(642)
Office	-	40
Conferences and workshops	13,868	11,359
Professional fees	7,280	-
	21,161	10,770
LOSS FROM OPERATIONS	(21,161)	(10,770)
OTHER INCOME		
Interest income	18	18
Miscellaneous revenue	1,030	680
Annual Fall Conference (<i>Schedule 1</i>)	23,071	8,985
Services Canada Contract (<i>Schedule 2</i>)	(4,420)	(12,042)
	19,699	(2,359)
NET LOSS	\$ (1,462)	\$ (13,129)

CANADIAN RURAL REVITALIZATION FOUNDATION

Statement of Cash Flows

Year Ended December 31, 2010

	2010	2009
OPERATING ACTIVITIES		
Net loss	\$ (1,462)	\$ (13,129)
Changes in non-cash working capital:		
Accounts receivable	16,357	(6,638)
Accounts payable	(9,108)	3,468
Current portion of deferred income	-	(680)
Marketable Securities	-	567
	7,249	(3,283)
INCREASE (DECREASE) IN CASH FLOW	5,787	(16,412)
Cash - beginning of year	4,607	21,019
CASH - END OF YEAR	\$ 10,394	\$ 4,607
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	\$ (18)	\$ (18)
Interest paid	\$ 12	\$ 12

CANADIAN RURAL REVITALIZATION FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2010

1. DESCRIPTION OF OPERATIONS

The Foundation promotes research on the changes in the rural soci-economic conditions of Canada. The Foundation 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

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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.

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.

CANADIAN RURAL REVITALIZATION FOUNDATION

Annual Fall Conference

(Schedule 1)

Year Ended December 31, 2010

	2010	2009
REVENUE		
Fall workshop and conference	\$ 23,071	\$ 8,985

CANADIAN RURAL REVITALIZATION FOUNDATION

Services Canada Contract

(Schedule 2)

Year Ended December 31, 2010

	2010	2009
REVENUE		
Services Canada	\$ 51,483	\$ 115,042
EXPENSES		
Project expenses	55,903	127,084
LOSS FROM OPERATIONS	\$ (4,420)	\$ (12,042)