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**CANADIAN RURAL REVITALIZATION FOUNDATION**  
**Financial Statements**  
**Year Ended December 31, 2020**

DRAFT

**HARRIS RYAN**

Completed by	Reviewed by
SS 6/18/21	SFH 6/29/21

# CANADIAN RURAL REVITALIZATION FOUNDATION

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Year Ended December 31, 2020

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Canadian Rural Revitalization Foundation

### *Qualified 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, 2020, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2020, 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 Qualified Opinion*

In common with many charitable organizations, the company derives revenue from donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the company and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

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 qualified audit 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, 2020**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 35,175	\$ 33,128
Marketable securities	26,277	25,499
Accounts receivable	433	529
	<b>\$ 61,885</b>	<b>\$ 59,156</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 1,826	\$ 4,825
<b>NET ASSETS</b>	<b>60,059</b>	<b>54,331</b>
<b>LIABILITIES AND NET ASSETS</b>	<b>\$ 61,885</b>	<b>\$ 59,156</b>

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**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

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See notes to financial statements

Prep \_\_\_\_\_ Added \_\_\_\_\_ Approved \_\_\_\_\_

**CANADIAN RURAL REVITALIZATION FOUNDATION**

**Statement of Changes in Net Assets**

**Year Ended December 31, 2020**

	<b>2020</b>	2019
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 54,331</b>	\$ 62,880
EXCESS OF REVENUES OVER EXPENSES	<u>5,728</u>	<u>(8,549)</u>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 60,059</u></b>	<b><u>\$ 54,331</u></b>

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**CANADIAN RURAL REVITALIZATION FOUNDATION****Statement of Revenues and Expenditures**

Year Ended December 31, 2020

	2020	2019
<b>REVENUES</b>		
Membership fees	\$ 3,397	\$ 1,497
Conferences and workshops	-	4,871
Donations	4,169	984
	<b>7,566</b>	<b>7,352</b>
<b>EXPENSES</b>		
Advertising and promotion	-	45
Interest and bank charges	82	69
Office	-	164
Research contributions	-	3,490
Professional fees	2,534	3,799
Travel	-	8,833
	<b>2,616</b>	<b>16,400</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>4,950</b>	<b>(9,048)</b>
OTHER INCOME	778	499
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ 5,728</b>	<b>\$ (8,549)</b>

**CANADIAN RURAL REVITALIZATION FOUNDATION****Statement of Cash Flows****Year Ended December 31, 2020**

	<b>2020</b>	2019
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ 5,728	\$ (8,549)
Item not affecting cash:		
Interest income	(778)	(499)
	<b>4,950</b>	(9,048)
Changes in non-cash working capital:		
Accounts receivable	96	(375)
Accounts payable	(2,999)	3,125
	<b>(2,903)</b>	2,750
Cash flow from (used by) operating activities	<b>2,047</b>	(6,298)
<b>INVESTING ACTIVITY</b>		
Purchase of property, plant and equipment	-	(25,000)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>2,047</b>	(31,298)
Cash - beginning of year	<b>33,128</b>	64,426
<b>CASH - END OF YEAR</b>	<b>\$ 35,175</b>	\$ 33,128



# CANADIAN RURAL REVITALIZATION FOUNDATION

## Notes to Financial Statements

Year Ended December 31, 2020

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### 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.

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### 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 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.

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

Financial liabilities measured at amortized cost include accounts payable.

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### 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, 2020.

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# CANADIAN RURAL REVITALIZATION FOUNDATION

## Notes to Financial Statements

Year Ended December 31, 2020

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### 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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### 4. OTHER MATTER

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the company's operations as at the date of these financial statements.

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