



CANADIAN RURAL REVITALIZATION FOUNDATION
Financial Statements
Year Ended December 31, 2022



HARRIS RYAN



CANADIAN RURAL REVITALIZATION FOUNDATION
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Year Ended December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members of Canadian Rural Revitalization Foundation

Qualified Opinion

We have audited the financial statements of Canadian Rural Revitalization Foundation (the foundation), which comprise the statement of financial position as at December 31, 2022, 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 foundation as at December 31, 2022, 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 not-for-profit organizations, the foundation derives revenue from donations and membership fees the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the foundation. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2022, current assets and net assets as at December 31, 2022. Our audit opinion on the financial statements for the year ended December 31, 2021 was modified accordingly because of the possible effects of this limitation of scope.

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 foundation 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 foundation'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 foundation or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Independent Auditor's Report to the Members of Canadian Rural Revitalization Foundation *(continued)*

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 foundation'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 foundation'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 foundation 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.



St. John's, Newfoundland and Labrador
October 5, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

CANADIAN RURAL REVITALIZATION FOUNDATION
Statement of Financial Position
December 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 35,854	\$ 35,329
Term deposit	27,761	27,078
Accounts receivable	-	1,436
	\$ 63,615	\$ 63,843
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 3,611	\$ 1,825
NET ASSETS	60,004	62,018
LIABILITIES AND NET ASSETS	\$ 63,615	\$ 63,843

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, 2022

	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 62,018	\$ 60,059
DEFICIENCY OF REVENUES OVER EXPENSES	(2,014)	1,959
NET ASSETS - END OF YEAR	\$ 60,004	\$ 62,018

CANADIAN RURAL REVITALIZATION FOUNDATION
Statement of Revenues and Expenditures
Year Ended December 31, 2022

	2022	2021
REVENUES		
Membership fees	\$ 783	\$ 2,370
Donations	457	1,541
Government funding	3,750	-
	4,990	3,911
EXPENSES		
Business taxes, licenses and memberships	-	457
Contract costs	3,250	-
Insurance	284	-
Interest and bank charges	37	27
Office	197	55
Professional fees	2,893	2,214
Travel	1,026	-
	7,687	2,753
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	(2,697)	1,158
OTHER INCOME		
Interest income	683	801
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (2,014)	\$ 1,959

CANADIAN RURAL REVITALIZATION FOUNDATION
Statement of Cash Flows
Year Ended December 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (2,014)	\$ 1,959
Changes in non-cash working capital:		
Accounts receivable	1,436	(1,004)
Accounts payable	1,785	-
	3,221	(1,004)
Cash flow from operating activities	1,207	955
INVESTING ACTIVITY		
Increase in term deposit	(682)	(801)
INCREASE IN CASH FLOW	525	154
Cash - beginning of year	35,329	35,175
CASH - END OF YEAR	\$ 35,854	\$ 35,329

CANADIAN RURAL REVITALIZATION FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2022

1. PURPOSE OF THE 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.

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 (ASNPO).

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, and when the amount can be reasonably estimated and collection is reasonably assured.

Fundraising revenue is recognized in the year it is earned, and when the amount can be reasonably estimated and collection is reasonably assured.

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.

CANADIAN RURAL REVITALIZATION FOUNDATION

Notes to Financial Statements

Year Ended December 31, 2022

3. 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, 2022.

(a) Liquidity risk

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