



**RURAL ONTARIO
INSTITUTE**

**Building Vision,
Voice and Leadership
for a strong and vibrant
rural Ontario**



Annual Report 2012/2013



“In every sphere of agriculture there is a need for leaders: men and women who can distinguish between fact and emotion, who can analyze situations and take decisive action, and who can inspire others to do the same. A lifetime of working with others has taught me the importance of these skills. Good citizens, interested in helping peers, family and country, need to learn to think for themselves and to communicate clearly.”

—WILLIAM A. STEWART

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**Ministry of Agriculture
and Food
Ministry of Rural Affairs**

**Ministère de l'Agriculture
et de l'Alimentation
Ministère des Affaires rurales**



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**A Message from the Honourable Kathleen Wynne, Minister
and the Honourable Jeff Leal, Minister**

On behalf of the Ontario Ministry of Agriculture and Food and the Ministry of Rural Affairs we are pleased to offer our greetings to the members of the Rural Ontario Institute (ROI).

As you celebrate the successes of the year behind and prepare for the year ahead, we applaud the efforts of the ROI in working towards our common goal of fostering rural development for a healthy, strong and vibrant Ontario.

This province has benefited from the exemplary work that ROI has carried out, strengthening the capacities of communities and leaders across the agri-food sector and within rural communities. ROI also provides the government with the rural perspective and valuable on-the-ground intelligence on issues important to the people of Ontario.

Our ministries are pleased to support key initiatives such as the Advanced Agricultural Leadership Program as well as stakeholder engagement and we look forward to our continued collaboration in the future.

Please accept our very best wishes for a successful annual meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathleen Wynne".

Kathleen Wynne
Minister of Agriculture and Food

A handwritten signature in black ink, appearing to read "Jeff Leal".

Jeff Leal
Minister of Rural Affairs



Ontario agriculture depends on strong leadership and the Ontario Federation of Agriculture congratulates the Rural Ontario Institute on its important role in building future leaders.

We are a proud founding partner of the Advanced Agricultural Leadership Program, and a committed supporter of the ongoing leadership work of the Rural Ontario Institute. Leadership capacity building and advocacy has never been more important for the long-term health and stability of Ontario's agri-food sector. Together, we must invest in training future leaders to maintain and grow our industry's position as a key economic driver in Ontario.

In its short three-year history, the Rural Ontario Institute has demonstrated its ability to effectively engage rural stakeholders, deliver community engagement strategies and inform key decision makers about rural issues that are critical to strong communities and a vibrant agriculture industry.

The Ontario Federation of Agriculture looks forward to working closely with the Rural Ontario Institute in the years to come to ensure agriculture and rural Ontario achieve their full potential.

On behalf of Ontario farmers, thank you Rural Ontario Institute, we appreciate your excellent leadership.

Regards,

A handwritten signature in black ink that reads 'Mark Wales'.

Mark Wales
President
Ontario Federation of Agriculture

Message from the Chair and Chief Executive Officer

As we turn the page on another year of activity at the Rural Ontario Institute (ROI) the need to raise awareness about rural Ontario and to support progress has never been clearer. Rural Ontario has faced a number of unique issues and challenges in the past few years. For example, our soon to be launched “Focus on Rural Ontario” factsheets show a significant difference in employment trends between rural and urban Ontario; in some counties a decline in population; and a challenging shifting demographic across rural Ontario – with aging and youth out-migration. Yet, despite these challenges, rural Ontario also provides much to our economy and our quality of life. From agri-food and natural resources to tourism and emerging trends in the creative economy, rural Ontario offers potential solutions to many of the challenges facing our province and our country. This is evident in the increased attention to rural issues at the political level in Ontario this past year. With this in mind ROI will continue to articulate the potential value of a provincial rural strategy that helps all of us to address the challenges and capitalize on our many opportunities.

ROI strives to provide vision, voice and leadership for rural Ontario and we have stayed focused on making progress in our three key results areas:

- Strong leaders, strong organizations and strong rural communities
- Effective facilitation of dialogue and collaboration on rural issues and opportunities
- An effective Rural Ontario Institute

This annual report captures some of the highlights of a busy year in each of these areas, and we would like to take this opportunity to thank our sponsors, donors, program partners, board members, volunteers and friends for their support. In particular we would like to acknowledge the continued support of the Ontario Ministry of Agriculture and Food and the Ministry of Rural Affairs for their continued support of ROI programs.

At ROI, we will continue to do our part to develop leaders, initiate dialogue and support collaboration on both the issues and exciting new opportunities for rural Ontario. We appreciate your continued support.



Rob Hannam
Chair
Rural Ontario Institute



Rob Black
Chief Executive Officer
Rural Ontario Institute

BOARD OF DIRECTORS



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(Chair)**
Guelph, ON



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(Past Chair)**
Wasaga Beach, ON



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Leadership Programs



**Kathie
MacDonald**
Communications
Manager/
AALP Coordinator



Norman Ragetlie
Director, Policy
and Stakeholder
Engagement



Rick Upfold
AALP Curriculum
Advisor

AALP ADVISORY COMMITTEE

Dan Wright*, (Chair)

Monsanto Canada Inc. & AALP Class 10

Sara Avoledo*

AALP Class 12

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Farm Credit Canada & AALP Class 13

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& AALP Class 12

Teresa Van Raay*

Van Raay Farms & AALP Class 9

Rick Upfold

Curriculum Advisor

Kathie MacDonald

ROI Communications Manager/
AALP Coordinator

Rob Black

ROI Chief Executive Officer

*indicates AALP graduate

Reflecting Back. Planning Forward.

Our Vision

Building vision, voice and leadership for a strong and vibrant rural Ontario.

Our Mission

Developing leaders, initiating dialogue, supporting collaboration and promoting action on issues and opportunities facing rural Ontario.

The Rural Ontario Institute has been making great strides in fulfilling its mission and vision during 2012/2013. New program development, evaluating and revising existing programs, creating stronger relationships within rural communities and with policy makers have contributed to ROI's success and set the stage for continued growth and development among Ontario's agriculture and rural sectors.

The 2012/2013 Rural Ontario Institute annual report showcases activities that have delivered on key results areas:

- Strong leaders, strong organizations and strong rural communities
- Effective facilitation of dialogue and collaboration on rural issues and opportunities
- An effective Rural Ontario Institute

Every direction, every decision and every action at the Rural Ontario Institute is put through the filter of "Will this help make a difference to agriculture and/or rural communities in Ontario?"

Leadership is the capacity to translate vision into reality.

—WARREN BENNIS

Developing strong leaders, strong organizations and strong rural communities

The Rural Ontario Institute runs two main programs: **Steps to Leadership** and the **Advanced Agricultural Leadership Program (AALP)**. Both programs are designed to develop effective leadership within the total sphere of influence of an individual – from being captain of a hockey team to leading a volunteer committee or running for political office. Leadership skills are required everywhere and age is irrelevant – that’s why these programs span from teens to retirees!

Steps to Leadership

The need for leadership in rural Ontario continues to grow. The greatest potential for success is reaching the next generation of leaders, bringing them in contact with existing leaders, and fostering them through a continuum of leadership learning opportunities.

During 2012, Steps to Leadership boosted leadership skills for more than 130 participants in communities across



Whatever you are, be a good one.

—ABRAHAM LINCOLN

Leadership and learning are indispensable to each other.

—JOHN F. KENNEDY

the province, including the City of Temiskaming Shores, Thunder Bay, the Town of Smiths Falls, and the Francophone communities in Eastern Ontario and Hamilton/Niagara.

A goal of Steps to Leadership is to enable access to affordable and quality leadership training – with more than \$16,000 provided to nearly 100 individuals in rural communities through the *Registration and Travel Reimbursement* program.

The Leading Edge Summit was held October 16 and 17, 2012 at Hockley Valley Resort in Orangeville. More than 75 people from across rural Ontario gathered together to **explore bold leadership for recharging our communities** – moving beyond familiar ways of leading and working together to energize and mobilize participation.

The Summit explored the edges of leadership and encouraged people to push themselves out of their comfort zones. Using the highly participatory Art of Hosting approach, three dynamic facilitators – Erika Bailey, Jean Ogilvie and Tenneson Woolf – created an experience to harvest new knowledge, insight and relationships. Participants shared experiences and stories in a variety of engaging formats, learned new principles and processes for holding meaningful conversations and meetings, developed new relationships and began working on important issues in rural Ontario.

Advanced Board and Personal Leadership Training

The Ontario Cattlemen’s Association contracted the Rural Ontario Institute to lead a second successful BUILD Leadership training program with 17 of OCA’s visionary leaders, to help move the Ontario beef industry forward.

The Rural Ontario Institute also ran a number of skills-based leadership and organizational development training seminars and workshops for rural Ontarians and individual organizations. Two successful webinar series on community and leadership development were offered to individuals across the province and beyond.

Advanced Agricultural Leadership Program (AALP)

AALP produced 30 graduates from Class 14 when their 19-month executive leadership training wrapped up in March 2013. Class 14 traveled to eight seminars located throughout the province, completed an in-depth Issues Analysis Project and presented it to their sponsor organizations, traveled to Washington, DC to better understand US policies and intricacies of trade, and then experienced the sights and smells of India on their International Study Tour.



AALP Class 14 at the Indian Agriculture Research International Food Policy Institute, Delhi.

The 10th **William A. Stewart Public Lecture and Reception** featured Mark Lynas, environmental writer, journalist and author. Lynas provoked thinking and questions as he explained how he publicly reversed his adversarial position on GMOs and now speaks to support the importance of technology and modern agriculture. More than 250 people from Ontario's agriculture industry came together in London, Ontario in early April 2013 to attend the lecture.

Class 15 is scheduled to begin in September 2013 and incorporates curriculum revisions based on results from a study done by Harry Cummings of the University of Guelph. Class 15 will participate in eight seminars, two study tours, seven one-hour compulsory webinars (new) and self-directed study (Issue Analysis Project). There will now be two optional activity days at the Toronto and Northern Ontario seminars.

A leader is a dealer in hope. —NAPOLEON BONAPARTE

AALP FOUNDING PARTNERS



AALP EVALUATION

Dr. Harry Cummings and researchers from the School of Environmental Design and Rural Development at the University of Guelph were retained by the Rural Ontario Institute in fall 2012 to conduct an evaluation of AALP. They set out to understand, improve and renew the overall effectiveness of the program. Research was conducted between September 2012 and January 2013, and looked at the impact of AALP on individuals working in the agricultural, agri-food and rural sectors in Ontario, and suggested ways to improve the program.

Study results showed overwhelming agreement that AALP continues to provide relevant content – based on feedback from participants and other industry stakeholders. The study also highlighted areas for improvement with many suggestions made that are being implemented:

- Shortening some of the seminars and study tours
- Creating webinars to reduce travel and away-from-home time
- Creating further networking and learning opportunities after graduation

SOCIAL AND ECONOMIC RETURN ON INVESTMENT

In early 2013, the George Morris Centre completed a study that reaffirmed the tremendous value of AALP to Ontario society and the economy. The study evaluated the "social return on investment" of the leadership program. Social return on investment is a method to track and capture the impact a program has on the lives of its participants. The social return on investment from AALP is 25%. That means for every \$1 invested in AALP, the social return on investment is \$1.25.

The overall social return on investment of AALP was estimated using employment and volunteer activities of AALP graduates. Career-related benefits were considered for an 11-year period after graduation, while volunteer benefits were considered through the entire 30-year period of AALP.

Investment in this project has been provided by Agriculture and Agri-Food Canada through the Canadian Agricultural Adaptation Program (CAAP). In Ontario, this program is delivered by the Agricultural Adaptation Council.

Both studies are available at www.ruralontarioinstitute.ca

Effective facilitation of dialogue and collaboration on rural issues and opportunities

The Rural Ontario Institute provides opportunities for rural communities across the province to work together on various challenges they face. Over the past few years, more and more dialogue has happened online and in person.

ROI now has more than 650 subscribers, a 17% increase over last year. The Rural Ontario Reader service provides RSS feeds from rural news organizations, social media sources and government communications.

The Rural Ontario Institute website is becoming a source for information. In 2012/2013, it boasted 25 blogs covering other rural organization's events, commentary on leadership or non-profit issues, providing notice of government consultations and sharing policy submissions from ROI.

If your actions inspire others to dream more, learn more, do more and become more, you are a leader. —JOHN QUINCY ADAMS

The Rural Ontario Institute continues to collaborate, facilitate and participate in conversations about rural issues and policy. Here are just a few examples:

EVENT	TOPIC	ROLE	PARTICIPANTS
ROMA conference	What's on the Rural Community Agenda?	Facilitation	Rural municipal councilors
Social Innovation Pop-Up Labs	Finance, Farms and Food Shared Spaces and Community Bonds	Co-present with Centre for Social Innovation	Rural non-profit organizations and social enterprises
Discovery Workshops	Health Issues and Labour Force Challenges for Rural Health Services Immigrant Attraction Downtown Revitalization Community Engaged Research	Collaboration with the Monieson Centre	Wellington Rural Health Network Chatham-Kent New Tecumseth Tilsonburg/South-Central Ontario Region Southwest Economic Alliance
Webinar series and focus groups	Youth Entrepreneurship, Economic Gardening and Timebanking	Organized in partnership with OACFDC, EDCO, CCEDNET	Rural community economic development practitioners
Workshops	Measuring Adoption, Access and Economic Impact of Rural Regional Broadband	Co-host with University of Guelph Presentation to Eastern Ontario Municipal councilors and staff	Western Ontario Wardens Caucus, OMAF, MRA, MGS and SWEA

Never doubt that a small group of thoughtful, concerned citizens can change world. Indeed it is the only thing that ever has. —MARGARET MEAD



Chartered Accountants
and Business Advisors

People Count.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of: Rural Ontario Institute

We have audited the accompanying financial statements of the Rural Ontario Institute, which comprise the statement of financial position as at March 31, 2013 and March 31, 2012 and the statements of operations and changes in net assets – general fund, operations and changes in net assets – restricted funds, and cash flows for the years 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 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 audits 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 qualified audit opinion.

Basis for Qualified Opinion

In common with many non profit organizations, the Rural Ontario Institute derives revenue from the general public in the form of donations, memberships, programming and other fees, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Rural Ontario Institute and we were not able to determine whether any adjustments might be necessary to excess of revenue over expenditures, assets and fund balances.

Qualified Opinion

In our opinion, except for the effect of the adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenue sources referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Rural Ontario Institute as at March 31, 2013 and March 31, 2012 and the results of its operations and cash flows for the years then ended in accordance with Canadian accounting standards for not for profit organizations.

Guelph, Ontario
June 4, 2013

RLB LLP
Chartered Accountants
Licensed Public Accountants

These financial statements are excerpts of the audited financials. The Statement of Cash Flows has not been included.

**RURAL ONTARIO INSTITUTE
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS – GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2013**

	2013	2012
REVENUE		
Donations	\$ 4,117	\$ 39,105
Tuition	126,052	126,300
Fundraising	19,300	91,492
Interest income	3,862	3,923
Sponsorships	176,887	179,500
Grants and contributions	661,339	759,839
Training and business development	122,946	119,419
Other income	284	2,091
	<u>1,114,787</u>	<u>1,321,669</u>
OPERATING EXPENSES		
Accommodations and meals	116,764	114,510
Amortization	9,474	8,766
Communications and marketing	14,988	59,909
Contract and professional services	357,949	359,573
Financial services	3,899	6,622
Information technology	9,798	11,220
Operations	63,175	72,248
Professional development	1,725	1,850
Salaries and benefits	431,901	528,887
Travel	215,835	22,535
Repairs and maintenance	120	0
	<u>1,225,628</u>	<u>1,186,120</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES for the year	(110,841)	135,549
TRANSFER FROM RESTRICTED FUNDS (note 6)	<u>15,094</u>	<u>15,734</u>
	(95,747)	151,283
NET ASSETS, beginning of year	<u>348,014</u>	<u>196,731</u>
NET ASSETS, end of year	<u>\$ 252,267</u>	<u>\$ 348,014</u>

See notes to the financial statements

**RURAL ONTARIO INSTITUTE
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS – RESTRICTED FUNDS
FOR THE YEAR ENDED MARCH 31, 2013**

	LEADERSHIP LEGACY FUND	W.G. WESTON FOUNDATION FUND	K. McKINNON MEMORIAL FUND	WM. A. STEWART ENDOWMENT FUND	2013 TOTAL	2012 TOTAL
REVENUE						
Investment income	\$ 2,027	\$ 6,119	\$ 2,047	\$ 8,393	\$ 18,586	\$ 19,366
NET ASSETS, beginning of year	64,005	193,286	64,669	265,120	587,080	583,448
TRANSFER TO GENERAL FUND (note 6)	<u>(1,824)</u>	<u>(4,283)</u>	<u>(1,433)</u>	<u>(7,554)</u>	<u>(15,094)</u>	<u>(15,734)</u>
NET ASSETS, end of year	<u>\$ 64,208</u>	<u>\$ 195,122</u>	<u>\$ 65,283</u>	<u>\$ 265,959</u>	<u>\$ 590,572</u>	<u>\$ 587,080</u>

See notes to the financial statements

**RURAL ONTARIO INSTITUTE
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2013**

	GENERAL	RESTRICTED (note 6)	TOTAL 2013	TOTAL 2012
ASSETS				
CURRENT				
Cash (note 7)	\$ 0	\$ 0	\$ 0	\$ 329,295
Investments	8,792	590,572	599,364	646,321
Accounts receivable and grants receivable	150,742	0	150,742	114,470
Grants receivable	132,620	0	132,620	134,524
Prepaid expenses	10,101	0	10,101	25,209
	<u>302,255</u>	<u>590,572</u>	<u>892,827</u>	<u>1,249,819</u>
CAPITAL ASSETS (note 5)	<u>12,852</u>	<u>0</u>	<u>12,852</u>	<u>20,992</u>
	<u>\$ 315,107</u>	<u>\$ 590,572</u>	<u>\$ 905,679</u>	<u>\$ 1,270,811</u>
LIABILITIES				
CURRENT				
Bank overdraft (note 7)	\$ 9,227	\$ 0	\$ 9,227	\$ 0
Accounts payable and accrued liabilities	53,613	0	53,613	81,009
Deferred income	0	0	0	254,708
	<u>62,840</u>	<u>0</u>	<u>62,840</u>	<u>335,717</u>
NET ASSETS				
Unrestricted net assets	<u>252,267</u>	<u>0</u>	<u>252,267</u>	<u>348,014</u>
Restricted net assets	<u>0</u>	<u>590,572</u>	<u>590,572</u>	<u>587,080</u>
	<u>252,267</u>	<u>590,572</u>	<u>842,839</u>	<u>935,094</u>
	<u>\$ 315,107</u>	<u>\$ 590,572</u>	<u>\$ 905,679</u>	<u>\$ 1,270,811</u>

See notes to the financial statements

**RURAL ONTARIO INSTITUTE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2013**

1. NATURE OF BUSINESS

Rural Ontario Institute ("The Institute") is a registered charitable organization dedicated to building vision, voice and leadership for a strong and vibrant rural Ontario and, accordingly, is exempt from income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations and include the following significant accounting policies:

(a) BASIS OF ACCOUNTING

The Institute follows the restricted fund method of accounting for contributions.

General Fund

The General Fund reports unrestricted resources available for The Institute's general operating activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

Restricted Funds

The Restricted Funds report resources that are to be held as endowments. Restricted funds are comprised of the Leadership Legacy Fund, the Wm. A. Stewart Endowment Fund, the W. G. Weston Foundation Fund and the K. McKinnon Memorial Fund. These funds are to be invested, in trust, for The Institute, with investment income to be used to support the organization. A minimum of 10% of the total annual income of the Wm. A. Stewart Endowment Fund, 10% of the total annual income of the Leadership Legacy Fund and 30% of the total annual income of the W. G. Weston Foundation Fund and the K. McKinnon Memorial Fund must be reinvested under the conditions of the funds.

(b) CAPITAL ASSETS

Amortization is taken on assets at the following rates:

Computer equipment	– 3 years straight line basis
Website	– 4 years straight line basis
Furniture and equipment	– 20% declining balance basis

Amortization is taken at 50% of the above rates in the year of addition.

(c) IMPAIRMENT OF LONG LIVED ASSETS

Long lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

(d) REVENUE RECOGNITION

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Contributed or donated items are recorded if the fair market value is easily estimated and the organization would have purchased these items in the normal course of operations.

Investment income is recognized when earned.

(e) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non arm's length transactions.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments, which are recorded at fair value. Changes in fair value are recognized in net assets.

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

Financial liabilities measured at amortized cost include the bank overdraft, accounts payable and accrued liabilities and deferred income.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write down is recognized in net surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net surplus.

Transaction costs

The organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES cont'd

(f) USE OF ESTIMATES

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 amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant areas requiring the use of management estimates and assumptions relate to useful life of capital assets, valuation of prepaid expenses and accrued charges. Actual results could differ from those estimates.

3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

The organization has elected to apply the Canadian accounting standards for not for profit organizations (ASNPO) contained in Part III of the CICA Handbook.

These financial statements for the year ended March 31, 2013 are the first financial statements for which the entity has applied Canadian accounting standards for not for profit organizations. These financial statements are in compliance with the Canadian accounting standards for not for profit organizations and the provisions set out in First Time Adoption, Section 1501 for first time adopters of this basis of accounting.

The impact of adopting these standards was accounted for in net assets at the date of transition, April 1, 2011, being the date of the first fiscal period for comparison purposes.

Opening statement of financial position

There are no differences between the statement of financial position as at March 31, 2011 based on previous financial statements for the year then ended, which were prepared according to Canadian generally accepted accounting standards contained in Part V of the CICA Handbook and the statement of financial position prepared upon first time adoption of Canadian accounting standards for not for profit organizations contained in Part III of the CICA Handbook at the date of transition, April 1, 2011.

As a result, there have been no changes to the opening net assets balance as at the date of transition, April 1, 2011, or to net revenue over operating expenses, as a result of prior period adjustments, for the year ended March 31, 2011. Accordingly, the opening statement of financial position has not been presented.

4. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, investments, accounts receivable, grants receivable, bank overdraft, accounts payable and accrued liabilities and deferred income. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from these financial instruments.

The extent of the organization's exposure to these risks did not change in 2013 compared to the previous period.

The organization does not have a significant exposure to any individual customer or counterpart.

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2013	Net 2012
Computer equipment	\$ 9,961	\$ 9,961	\$ 0	\$ 3,321
Website	16,050	11,946	4,104	8,237
Furniture and equipment	12,238	3,490	8,748	9,434
	<u>\$ 38,249</u>	<u>\$ 25,397</u>	<u>\$ 12,852</u>	<u>\$ 20,992</u>

6. TRANSFER TO GENERAL FUND FROM RESTRICTED FUND

The allowable portion of investment income in each restricted fund has been transferred to the general fund as per the guidelines in the restricted funds.

7. BANK OVERDRAFT

The organization has utilized \$65,000 (2012 – \$0) of an authorized operating line of credit with a limit up to a maximum of \$150,000. The line of credit bears interest at 5%. The line of credit is secured by the investments. No conditions regarding this loan have been breached at year end and no accrued interest relating to this loan is owing.

Endowments

The Rural Ontario Institute greatly appreciates all the endowments and gifts that continue to grow and provide interest income to assist in financing the Advanced Agricultural Leadership Program (AALP) and other programming to foster and grow the leadership qualities needed in rural Ontario.

KEN MCKINNON MEMORIAL FUND

The Ken McKinnon Memorial Fund is a tribute to Ken McKinnon's leadership and service to Canadian agriculture, and a commitment to excellence in the agricultural leaders of tomorrow. During his 21-year tenure at the Ontario Milk Marketing Board, Ken played an integral role in leading the changes that revolutionized milk production, pricing and marketing in Ontario, and throughout Canada. Through donations from families, individuals, businesses and organizations, the Ken McKinnon Memorial Fund fosters the leadership qualities needed in rural Ontario in the years ahead.

WILLIAM A. STEWART ENDOWMENT

The William A. Stewart Endowment was initiated in 1991 by the Agricultural Leadership Trust as a tribute to the late Ontario Minister of Agriculture and Food, the Honourable William A. Stewart. The fund recognizes and honours his legacy of public service, community involvement and leadership. As part of each AALP class, the William A. Stewart Public Lecture & Reception is held every other year. This prestigious event provides an opportunity for public involvement and a forum for the development of the leadership qualities exemplified by the work of William A. Stewart.

GEORGE DMETRIUC MEMORIAL FUND

The George Dmetriuc Memorial Fund was established by the Ontario Wheat Producers' Marketing Board as part of the William A. Stewart Endowment in 1993. The fund exemplifies the spirit of George Dmetriuc as a leader in Ontario agriculture. The Ontario Wheat Producers' Marketing Board, other commodity organizations, and friends and associates of George Dmetriuc provided this fund in recognition of the leadership that George contributed to Ontario agriculture, particularly in his capacity as a director and then chairman of the Ontario Wheat Board (1984 to 1992).

W. GARFIELD WESTON ENDOWMENT

The W. Garfield Weston Foundation originated in 1959, and is named in honour of Willard Garfield Weston, a Canadian who established successful business enterprises throughout Canada and in many parts of the world. The W. Garfield Weston Foundation's mandate states that grants are to be given for projects in Canada for the benefit of Canadians. The foundation currently directs its funds primarily to two areas: scholarships and land conservation. Through the generosity of the Foundation, the endowment was established on receipt of an initial contribution in 1994, followed by additional funding in 1995 and 1996.

Gifting to Leadership

Celebrate friends and loved ones by making a gift in their name to the Rural Ontario Institute. Whether in celebration of a life lived or a tribute to someone dear to you, a gift to the Rural Ontario Institute is a powerful expression that will help support emerging leaders through programs such as the Advanced Agricultural Leadership Program (AALP) and Steps to Leadership.

Consider a donation:

- To thank a friend or colleague
- To congratulate a milestone in someone's life
- To celebrate a wedding or anniversary
- To send "best wishes" for any occasion
- To remember someone special in your life

When you make a gift, the Rural Ontario Institute will send a card on your behalf that can include your own special message. An official receipt for income tax purposes will be issued to you, the donor. Donations like this are a fitting tribute to anyone committed to leadership in agriculture and rural Ontario, and a way to ensure their special commitment is recognized, remembered and honoured.

To learn more about endowments and gifts, please contact the Rural Ontario Institute at 519-826-4204 or info@ruralontarioinstitute.ca

The work of the Rural Ontario Institute is made possible through the generous support and collaboration of these organizations:

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Agriculture et Agroalimentaire Canada

Additional support provided by

**Ontario Ministry of Agriculture and Food/
Ministry of Rural Affairs**

I start with the premise that the function of leadership is to produce more leaders, not more followers.

—RALPH NADER

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