

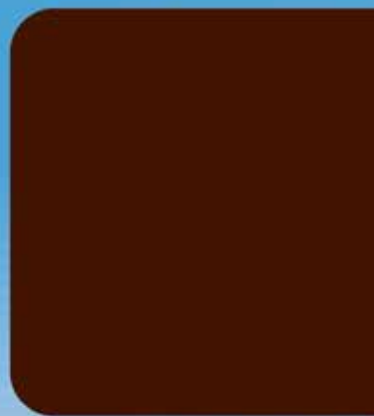


RURAL ONTARIO
INSTITUTE

2020 - 2021 Annual Report



Building
**vision, voice
& leadership**



TRADITIONAL TERRITORY ACKNOWLEDGEMENT

The Rural Ontario Institute would like to acknowledge that our office in Guelph, Ontario is located on aboriginal land that has been inhabited by Indigenous peoples from the beginning. As settlers, we're grateful for the opportunity to meet and work here and we thank all the generations of people who have taken care of this land - for thousands of years.

Long before today, there have been aboriginal peoples who have been the stewards of this place. In particular, we acknowledge the traditional territories of the Haudenosaunee peoples (the Six Nations including the Mohawk, Oneida, Onondaga, Cayuga, Seneca and Tuscarora) and the Attawandaron peoples (Neutral Nation) and the territories represented in the Upper Canada and Haldimand Treaties.

We recognize and deeply appreciate their historic connection to this place. We also recognize the contributions of Métis, Inuit, and other Indigenous peoples have made, both in shaping and strengthening this community in particular, and our province and country as a whole. As settlers, this recognition of the contributions and historic importance of Indigenous peoples must also be clearly and overtly connected to our collective commitment to make the promise and the challenge of Truth and Reconciliation real in our communities, and in particular to bring justice for murdered and missing indigenous women and children across our country.

PARTNERS AND COLLABORATORS

Beyond our important agricultural sector sponsors and partners, ROI also collaborates with a wide variety of organizations, municipalities, or universities to accomplish our diverse, wide ranging rural mission. Some of these reflect ongoing formal partnerships and others project specific connections. We value all these relationships. The logos below are among those we collaborated with in 2020/2021

Advanced Agricultural Leadership Program SPONSORS

PATRONS	
PACESETTERS	
CHAMPIONS	
ALLIES	
LEADERS	
BUILDERS	
BOOSTERS	



Mission

Developing leaders and facilitating collaboration on issues facing rural and northern Ontario.

Vision

Building Vision, Voice and Leadership for strong and vibrant rural and northern Ontario communities.

Key Values

- Diverse perspectives and collaboration
- Respectful, open and honest communication
- Innovation and entrepreneurship
- Economic, social and environmental sustainability in rural Ontario
- Continuous improvement and excellence

Key Result Areas

- Strong leaders, strong organizations and strong rural communities.
- Effective facilitation of dialogue and collaboration on rural issues and opportunities.
- Partnering with rural serving agencies and researchers to collect and share information that measures rural community and well-being.

Message from the Chair and Executive Director

The 2020/21 year, April 1 – March 31, was an extraordinary year bookended by the 1st and 3rd waves of the pandemic. The pandemic consequences impacted all ROI does, and fundamentally, how we do it.

Recognizing the many personal and tragic circumstances that befell so many families and their loved ones across Ontario, ROI has been largely spared those direct health impacts among our core team of Board and staff to date. We are grateful for that and extend our sympathies and condolences to friends, supporters and participants who suffered or are bereaved.

The challenges ROI faced as an organization during this pandemic year were both universal and unique. Like so many other organizations, we shifted to remote working. In fact, we adapted readily to that as several staff had been working remotely part of the time so we already had familiarity with the technology and tools needed to operate online.

One of the early decisions we dealt with was whether to shut down and lay off staff. With full lockdown and the uncertainty of its duration, we could not meet to hold leadership seminars or organize and facilitate community workshops as we ordinarily do. Unanimously, board and staff agreed that, in light of our mission, ROI needed to show leadership with adaptive approaches to our own programs while focusing our data and innovation information sharing on COVID relevant topics for the benefit of rural stakeholders. In an evolving, fast changing crisis, leadership and credible information are indispensable. It did not make sense to abandon the contributions we could make. So, as the trite expression puts it, we “pivoted”. Among the key early decisions:

- Creation of the **Rural Rebound** initiative to gather stories and showcase rural communities adapting and innovating to manage through the pandemic – this continues;
- Boosting the frequency and depth of the rural economic data in the **Focus on Rural Ontario statistical fact sheets** – we published monthly rural COVID impact labour force reports as well as special business opening/closure data;
- Remaining open and flexible by holding the spring **AALP seminar virtually** and introducing several new on-line elements;
- Rescheduling the pilot **Young Rural Change Makers** program delivery so that training was initially all on-line through a learning platform. Only in the window between the 1st and 2nd waves did we gather in a much modified outdoor setting.

Through our province-wide rural mandate we had plenty of experience with hosting on-line events, planning webinars and using social media to reach diverse, spread-out audiences. That wasn't a huge shift for us. However, doing only virtual events certainly was a shift. Further, we discovered that the niche we had been operating in was now overwhelmed and crowded with other organizations offering courses, training, and dialogues on-line, often free of charge. Zoom fatigue entered the lexicon. New trainings we offered in the fall and winter to boost revenues, fell flat in that context. We recognized the uptake might also have been low because many organizations were struggling to manage their own pandemic circumstances – adjusting to work from home, staff and leaders juggling online learning for children while trying to work and rural internet.

Our early flexibility with AALP could not be sustained indefinitely. By mid-summer, after listening closely to feedback from participants, sponsors and stakeholders, we made the difficult decision to temporarily suspend the AALP program. We understood that completing Class 18 entirely virtually would not deliver the full AALP experience nor be satisfactory for the participants and those key agriculture organizations who have been ROI's stalwart partners over the years. Accordingly we extended the program by a full year and

rearranged the curriculum to begin again in June 2021. In addition optional virtual activities were held over the winter/spring, such as Lunch with Leaders. Only one participant had to leave the program as a result of the extension. Class 18 themselves have demonstrated incredible adaptive leadership. The Class is digging in and helping us optimize the program – e.g. researching and helping us develop COVID risk mitigation protocols consistent with authoritative guidance and looking to help us fundraise for anticipated extra expenses even in the midst of uncertainty.

We appreciate that our sponsors and funding partners stuck it out with us and kept their Year 2 sponsorship monies at ROI for the program. Several even boosted their in year support. We are extremely grateful for their trust in us and the program. Our commitment to follow through on that is reflected in the audited financial statements – a close read will reveal that \$198,000 of AALP sponsorship and tuition revenues are being deferred into what is now Year 3 of the program in 2021/22. Deferring AALP revenue into the fiscal year that the program expenses occur is not unprecedented; it is normal ROI policy. The scale of the deferral certainly is unprecedented. Ordinarily only a portion of Year 1 tuition receipts are saved for Year 2 travel costs – this is triple that.

Another unique financial aspect of the year is the flexibility and support shown by the federal and provincial governments and key stakeholder organizations. ROI benefited from CEWS tremendously. It made the decision to keep working and seek new ways to deliver on mission feasible financially, enabling us to weather the storm and avert a potential sustainability crisis. In that we feel we utilized the program exactly as intended. Similarly, transformation funding from OMAFRA enabled us to hire social enterprise expertise and lay the groundwork for introducing a new on-line engagement platform “ROI Connect ” in the coming months. The OFA showed their support by assisting us to hire fundraising expertise which will have a long term positive impact. Our success has always relied on partners and our COVID experience has not changed that, in fact it made it all the more important.

Half-way through the year the ROI team welcomed new communications staff Melanie Bidiuk. One thing we discovered about remote working for a newcomer is that it makes it doubly difficult for them to familiarize themselves with a new workplace and new colleagues. We thank Melanie for persevering with us as we all learned how to make Teams work best for us. Also, as Linda Thompson retired as our bookkeeper at the end of the year, Helen Bogl joined the team right before our annual audit. Another valued new team member, her accounting expertise helped her to learn the ropes incredibly quickly.

All of these transitions and outcomes were made possible by the support we showed one another – inside our organization, between rural stakeholders, participants and funders, between levels of government. The pandemic has not been easy. None of us have got our response 100% right. We have persevered, been creative and innovative, and got the job done. We feel that this rural microcosm has been true for the whole COVID experience across rural Ontario. This is clearly apparent through the **Rural Rebound** stories that reveal these approaches across the board! Rural communities, like ROI, have much to be proud and optimistic about. ROI looks forward to our next year of developing leaders and facilitating collaboration across rural and northern Ontario.



Suzanne Trivers
Chair
Rural Ontario Institute



Norman Ragetlie
Executive Director
Rural Ontario Institute

A Message from the Honourable Lisa Thompson

I am very honoured to provide a greeting for the Rural Ontario Institute (ROI) Annual Report. I appreciate the invitation and opportunity to express my strong admiration of the hard work and dedication of ROI's board members and staff.

I know that this year has not unfolded as anyone had hoped, but it has emphasised the importance of resilient and robust rural communities. OMAFRA and the ROI, in longstanding cooperation, support the important work being done to develop and support the efficiency, profitability and sustainability of rural communities across Ontario.

Working to build the capacity of agricultural and rural leaders to make an impact in their community is more important than ever. Your commitment to this work is commendable. This includes offering engaging, experiential learning opportunities, through a range of projects where participants will become catalysts for community-led development and environmental sustainability. OMAFRA is proud to sponsor this work.

Thank you to everyone involved with ROI programming. From staff members to the tireless work of volunteers, as well as program participants and their families, your energy and dedication are key to the bright future of your communities and agriculture.

As a proud alumnus of the Advanced Agricultural Leadership Program (Class 6), I wish ROI's board, its staff, volunteers, members and partners all the best and great success in 2021 and beyond.

Sincerely,



Lisa Thompson
Minister of Agriculture, Food and Rural Affairs



Good things grow in Ontario
À bonne terre, bons produits



A Message from the Dean of the Ontario Agricultural College, University of Guelph

Congratulations to the Rural Ontario Institute (ROI) on success and achievement during an entire year under the covid pandemic. The ongoing evolution of ROI with a constant focus on the needs of and serving rural Ontario is an inspiration and also a reminder of the importance of rural Ontario to the economy, culture and potential of this province. It is also a reminder of the importance of dedication institutions who work with communities to create possibilities. ROI's ongoing commitment to programs like Rural Change Makers aligns so well with the mandate of OAC and our commitment to developing the next generations of rural leaders. We are keen to continue our partnership with ROI and to work together to serve rural Ontario and to help rural Ontarions to create a bright future.

Sincerely,



Dr. Rene Van Acker
Dean, Ontario Agricultural College
University of Guelph



**ONTARIO
AGRICULTURAL COLLEGE**

A Message from the President of the Ontario Federation of Agriculture

When you look around our board table and the board of OFA's county and regional organizations, you can see the evidence of the Rural Ontario Institute's (ROI) influence across this province. You see it in the skills and confidence of so many of our rural leaders. It talks to the years that ROI has been a huge part of leadership development in Ontario.

ROI is committed to developing leaders and facilitating collaboration on issues and priorities impacting rural and northern Ontario. Investments towards strengthening leadership in rural communities can contribute to rebuilding our economy in a post-pandemic world. The Ontario Federation of Agriculture (OFA) believes cultivating resilient leaders in the agri-food sector can and does have a vital impact on reviving communities as we navigate the road to economic recovery. We are pleased and fortunate to have ROI leading the way and developing these strong leaders while fostering partnerships with agri-food organizations across the province.

OFA is proud to be a founding partner of the Advanced Agricultural Leadership Program (AALP) and appreciates ROI's dedication and commitment to developing the next generation of agriculture and rural leaders. We believe this program is integral in supporting agri-food organizations as they manage succession planning and recruitment for elected positions. ROI encourages the next wave of leaders to get involved at the local and provincial levels through knowledge transfer, practical experience, industry networking and community activities. Cultivating strong leaders contributes to a robust and dynamic agri-food industry.

As a grassroots, farmer-led organization, we value the power of leadership. OFA's board is comprised of 18 member-elected leaders to advocate and work on behalf of our 38,000 farm business members. OFA relies on leadership development at the county and regional federation level to identify and grow future leaders for the provincial board. We aim to utilize our young leaders to speak up, engage and influence government policymakers by pushing our messages forward as we advocate for a viable, profitable and sustainable agri-food sector. Programs such as AALP help to elevate leaders in agriculture and position program graduates to make meaningful change and contributions to their rural communities. Strong, reliable leaders is important as these communities feed, fuel and drive our economy forward.

A key aspect of the success of our industry through COVID-19 has been our exceptional leaders who continue to drive economic change. We recognize and applaud ROI for spearheading leadership initiatives through the encouragement of growth and development, life experiences and education. This is vital to ensuring the success of future generations.

OFA thanks the Rural Ontario Institute for your excellence in leadership and welcomes the opportunity to continue working together to strengthen the agri-food sector and our rural communities across the province. You have made a difference in organizations such as ours, and in the communities that we call home.

Sincerely,



Peggy Brekvel
President
Ontario Federation of Agriculture



Ontario Federation of Agriculture

Developing Leaders

Rural Ontario Institute continues to embark on initiatives that build rural leaders and represent the critical rural voice on issues of importance to rural Ontario. With a commitment to developing strong leaders, ROI's leadership programs strive to impart the vision and commitment to lead change and ensure the sustainability of Ontario's agricultural economies and rural communities.



Advanced Agricultural Leadership Program

21 men and women completed the first year of the Advanced Agricultural Leadership Program (AALP) Class 18 before the COVID 19 pandemic brought a one-year postponement to in-person seminars and study tours.

As of April 2021, AALP Class 18 participants completed 3 seminars, 5 webinars and kept involved with additional activities that included Lunch with Leaders and a Global Zoom event with international ag and rural leadership program participants from Australia, Scotland, Pennsylvania and New York. Fortunately, 20 of the original 21 participants were able to commit to an additional one year in the program to complete the experiential elements that are valuable to practicing skills and building strong networks.

It's an exciting time to be exploring possibilities when the world is open to change and new paradigms. Making the time to reach your potential while navigating a world pandemic showcases the optimism and commitment to the future that Class 18 is demonstrating. It's exciting to imagine where these leaders can take the sector.

AALP SNAPSHOT



Year Track Record



96%

of participants indicated they were satisfied with their program experience.



graduates in leadership positions in the **Ontario Agriculture and Food Industry** and throughout **rural communities** across the province.



Leading in over **33** agri-food value chain organizations and businesses.



Networking Opportunities providing **over 5,000** networking opportunities **per class**.



36 study tours (traveling **nationally** and **internationally**)



Facilitating Dialogue and Supporting Collaboration

With a mission to facilitate collaboration on issues facing rural and northern Ontario, the Rural Ontario Institute (ROI) provides opportunities for rural communities across the province to work together and engage in various knowledge-sharing activities surrounding common challenges.

ROI undertakes analysis on rural socio-economic data and makes it accessible in order to provide insight for local leaders to understand trends and how their community is doing relative to others so they can build on strengths or address issues affecting them. We partner with rural serving agencies and researchers to collect and share information that measures rural community well-being.



Rural Ontario

2020/21 Special Issues: Covid-19 Impact on Rural Ontario included 13 Fact Sheets.

The objective of these factsheets is to document the COVID-19 impact on rural employment and business conditions relative to urban areas. The factsheets highlight Ontario in the Canadian context. Supplementary tables and charts are also available for the special issues.

Fact Sheets can be found on the Rural Ontario website here: www.ruralontarioinstitute.ca/knowledge-centre/focus-on-rural-ontario.

Stakeholder Engagement & Knowledge Sharing

In 2020/21 ROI has continued to develop and host virtual events. Sharing resources and information surrounding best practice case studies and demonstration projects with rural community stakeholders. Addressing particular rural challenges through webinars such as:

- The Future of the Rural Ontario labour force
- Rural Rebound Success stories
- Funding of rural transportation
- COVID-19 impacts.

In 2021, development of ROI's new interactive engagement platform commenced. This engagement platform will increase capacity for community dialogue by creating a safe and interactive space for discussion and debate around issues and opportunities relevant to unique communities across Ontario. It will provide mechanisms for surveying communities for input, ideation and innovation of community solutions, discussion and feedback. It will also serve to provide another means for connecting with each other and expanding that reach across Ontario.





RURAL CHANGE MAKERS

Rural Change Makers (RCM)

In 2020 ROI successfully launched its pilot program Rural Change Makers. The program provided young adults (18-29) with the leadership skills and networks to strengthen their ability to contribute to their communities, run their businesses, become entrepreneurs and community leaders as active citizens in their rural communities.

The 2020 RCM pilot program demonstrated that those who participated grew their networks, became more confident in their leadership and particularly important, more likely to choose to stay in a rural community as a result of the program. According to the results obtained during the RCM 2020 program evaluation 72% said they are likely to stay rural – up from 45% pre-program.

This is of huge consequence for the future of every rural community since young adults who choose to stay, raise a family and support local businesses counteract the labour force skill shortages being experienced now across many communities and rural economic sectors. The rural economy requires a talented labour force. One way to do this is by investing in young adults who are

motivated to make their communities the kind of place they want to live in, not just for themselves but for their peers or other people in the community, and as a result rural places will retain and attract more young people for generations to come.

RCM EVALUATION 2020



16 Rural young adults from 14 rural communities across Ontario.



Making a difference

78% of Change Makers believed that they made a meaningful contribution to their community by taking part in the program.



Positive about the future

73% left the program feeling hopeful about the future of their rural community.



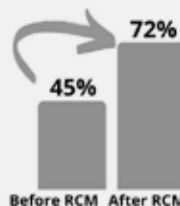
Skill Development

93% of Change Makers reported that they were leaving the program with the knowledge and practical skills needed to lead effective community change.



Increased community connectedness

91% believe they can make a difference and have a sense of belonging within their community.



Increased rural retention

72% of Change Makers said they are likely to stay in their local community to work and live. (up from 45% at the start of the program)

RURAL ONTARIO INSTITUTE BY THE NUMBERS 2020-21



127 PROJECT
COLLABORATORS
& PARTNERS



PROVIDING OVER **5,000**
NETWORKING OPPORTUNITIES
PER AALP CLASS



1562
NEWSLETTER
SUBSCRIBERS



674 AALP
1142 ROI



482
AALP ALUMNI



1934 AALP
2410 ROI



200+ FOCUS ON
RURAL ONTARIO FACT
SHEETS RELEASED



OVER **4,500**
VISITORS TO
ROI'S ONLINE
KNOWLEDGE CENTRE



To the Board of Directors of Rural Ontario Institute

Qualified Opinion

We have audited the financial statements of Rural Ontario Institute (the Institute), which comprise the statement of financial position as at March 31, 2021, the statements of operations, changes in fund balances 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 Institute as at March 31, 2021, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Institute derives part of its revenue from the general public in the form of donations and other fundraising activities, 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 Institute. Therefore, we were unable to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the years ended March 31, 2021 and 2020, current assets as at March 31, 2021 and 2020, and net assets as at April 1 and March 31 for both the 2021 and 2020 years.

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 Institute in accordance with the 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 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 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.

In preparing the financial statements, management is responsible for assessing the Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

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

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 Institute'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 Institute'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 Institute 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Guelph, Ontario
June 17, 2021

March 31	General Fund	Restricted Funds	2021 Total	2020 Total
Assets				
Current				
Cash (Note 2)	\$ 249,572	\$ 2,523	\$ 252,095	\$ 5,523
Accounts receivable	190,006	-	190,006	325,249
Prepaid expenses	2,682	-	2,682	2,542
	<u>442,260</u>	<u>2,523</u>	<u>444,783</u>	<u>333,314</u>
Investments (Note 3)	173,630	545,260	718,890	700,613
Capital assets (Note 4)	5,248	-	5,248	4,852
	<u>\$ 621,138</u>	<u>\$ 547,783</u>	<u>\$ 1,168,921</u>	<u>\$ 1,038,779</u>
Liabilities and Fund Balances				
Current				
Bank indebtedness	\$ -	\$ -	\$ -	\$ 41,757
Accounts payable and accrued liabilities	20,371	-	20,371	70,832
Deferred income (Note 5)	191,788	-	191,788	66,900
	<u>212,159</u>	<u>-</u>	<u>212,159</u>	<u>179,489</u>
Long-term debt (Note 6)	40,000	-	40,000	-
	<u>252,159</u>	<u>-</u>	<u>252,159</u>	<u>179,489</u>
Fund Balances				
Unrestricted net assets	368,979	-	368,979	310,967
Restricted net assets	-	547,783	547,783	548,323
	<u>368,979</u>	<u>547,783</u>	<u>916,762</u>	<u>859,290</u>
	<u>\$ 621,138</u>	<u>\$ 547,783</u>	<u>\$ 1,168,921</u>	<u>\$ 1,038,779</u>

Statement of Changes in Fund Balances



For the year ended March 31	Emerging Leaders	Leadership Legacy Fund	W.G. Weston Foundation Fund	K. McKinnon Memorial Fund	WM. A. Stewart Endowment Fund	2021 Total	2020 Total
Balance, beginning of the year	\$ 5,523	\$ 149	\$ 204,141	\$ 68,302	\$ 270,208	\$ 548,323	\$ 609,763
Excess of revenues over expenses	(3,000)	3	4,617	1,545	6,111	9,276	14,713
Interfund transfers (Note 7)	-	(3)	(3,232)	(1,081)	(5,500)	(9,816)	(76,153)
Balance, end of the year	\$ 2,523	\$ 149	\$ 205,526	\$ 68,766	\$ 270,819	\$ 547,783	\$ 548,323

For the year ended March 31	2021 General Fund	2020 General Fund
Balance, beginning of the year	\$ 310,967	\$ 340,888
Excess (deficiency) of revenues over expenses	48,196	(106,074)
Interfund transfers (Note 7)	9,816	76,153
Balance, end of the year	\$ 368,979	\$ 310,967

For the year ended March 31	2021	2020
Revenue		
Grants and contributions	\$ 296,250	\$ 590,083
Government assistance (Note 6)	115,658	-
Tuition	60,214	60,375
Sponsorships	39,249	134,625
Donations	33,886	41,126
Training and business development	11,927	15,060
Interest	3,671	3,587
Other	344	587
Dream auction	-	165,842
	561,199	1,011,285
Expenses		
Salaries and benefits	301,419	390,545
Contract and professional services	100,081	332,765
Operations	46,614	60,160
In-kind donations	25,474	118,940
Accommodations and meals	10,983	96,978
Financial services	10,845	11,038
Information technology	8,501	15,383
Professional development	4,231	881
Amortization	2,179	2,754
Bad debt	1,500	4,100
Communications and marketing	632	28,470
Travel	544	49,239
Board of Directors	-	6,106
	513,003	1,117,359
Excess (deficiency) of revenues over expenses	\$ 48,196	\$ (106,074)

Statement of Cash Flow



For the year ended March 31	2021	2020
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses	\$ 48,196	\$ (106,074)
Items not affecting cash:		
Amortization	2,179	2,754
Investment income on restricted funds	9,276	14,713
Reinvested investment income	(2,407)	(1,036)
	<u>57,244</u>	<u>(89,643)</u>
Changes in non-cash working capital:		
Accounts receivable	135,243	(38,344)
Prepaid expenses	(140)	1,252
Accounts payable and accrued liabilities	(50,461)	(8,201)
Deferred income	124,888	(59,300)
	<u>266,774</u>	<u>(194,236)</u>
Cash flows from investing activities		
Acquisition of capital assets	<u>(2,575)</u>	-
Cash flows from financing activities		
Purchase of investments	(15,870)	(18,764)
Proceeds on sale of investments	-	66,030
Bank indebtedness	(41,757)	41,757
Canada Emergency Business Account	40,000	-
	<u>(17,627)</u>	<u>89,023</u>
Net increase (decrease) in cash	246,572	(105,213)
Cash, beginning of the year	<u>5,523</u>	<u>110,736</u>
Cash, end of the year	<u>\$ 252,095</u>	<u>\$ 5,523</u>

1 . Significant Accounting Policies

Nature and Purpose of Organization	<p>Rural Ontario Institute (the "Institute") was incorporated without share capital under the laws of Ontario and is dedicated to building vision, voice and leadership for strong and vibrant rural and northern Ontario communities.</p> <p>The Institute is a registered charity and, as such, is exempt from income tax.</p>
Basis of Accounting	<p>The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.</p>
Fund Accounting	<p>The Institute follows the restricted fund method of accounting for contributions.</p> <p>The General Fund accounts for the Institute's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.</p> <p>The Restricted Funds report resources held as endowments and the Emerging Leaders Fund.</p> <p>Restricted funds held as endowments are comprised of 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 Institute. 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, 30% of the total annual income of the W.G. Weston Foundation Fund, and 30% of the total annual income of the K. McKinnon Memorial Fund must be reinvested under the conditions of the fund.</p> <p>The Emerging Leaders Fund is not an endowed fund. All donations received in this fund will help support AALP class participants manage the cost of tuition for the program.</p>
Investments	<p>Investments are accounted for at fair value. Changes in fair value are recorded through the statement of operations for investments held in the general fund and the statement of changes in fund balances for investments held in the restricted funds.</p>

1. Significant Accounting Policies (continued)

Capital Assets Purchased capital assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

	Method	Rate
Computer equipment	Straight-line	3 years
Website	Straight-line	4 years
Furniture and equipment	Declining balance	20%

In the year of acquisition, the amortization charge is reduced by one half.

Revenue Recognition Restricted contributions are recognized as revenue of the appropriate restricted fund in the year received and in the general fund in the year in which the related expenses are incurred. Restricted revenues where expenses have not been incurred are recorded as deferred revenue.

Unrestricted contributions and government assistance are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized when earned.

Tuition income is recognized in proportion to the expenditures incurred in each year of the program.

Contributed Materials Contributed or donated items are recorded if the fair market value is easily estimated and the Institute would have purchased these items in the normal course of operations. During the year, the Institute received approximately \$25,474 (2020 - \$118,940) of in-kind contributions, the value of which has been recorded in the financial statements.

Contributed Services Volunteers contribute many hours per year to assist the Institute in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Use of Estimates The preparation of the financial statements in accordance 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and may have an impact on future periods.

1. Significant Accounting Policies (continued)

Financial Instruments Financial Instruments are recorded at fair value at initial recognition.

In subsequent periods, all financial assets and financial liabilities are measured at amortized cost, except for investments, which are recorded at fair value. Changes in fair value are recorded through the statement of operations for investments held in the general fund and the statement of changes in fund balances for investments held in the restricted funds.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment.

Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

2. Cash

The Institute's bank account is held at one chartered bank.

Included in cash is \$NIL (2020 - \$2,329) held in an investment securities account.

The Institute has access to a revolving line of credit of up to \$150,000 bearing interest at the bank's prime lending rate plus 1%, payable on demand and secured by a general security agreement. At March 31, 2021, \$NIL (2020 - \$28,483) of this line of credit has been accessed.

3. Investments

Investments are comprised of guaranteed investment certificates and mutual funds. Interest earned on the funds have been included in the statement of operations for investments held in the general fund and the statement of changes in fund balances for investments held in the restricted funds.

4. Capital Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 27,288	\$ 24,585	\$ 24,712	\$ 23,042
Website	24,625	24,625	24,625	24,625
Furniture and equipment	14,475	11,930	14,475	11,293
	66,388	61,140	63,812	58,960
		\$ 5,248		\$ 4,852

5. Deferred Income

Changes in deferred income balances are as follows:

	2021	2020
Beginning balance	\$ 66,900	\$ 126,200
Less: amounts recognized as revenue in the year	(66,738)	(126,200)
Add: amounts received related to a subsequent period	191,626	66,900
Ending balance	\$ 191,788	\$ 66,900

6. Government Assistance

During the year, the Institute received \$60,000 in financial assistance from the Canadian Emergency Business Account (CEBA). Included in this amount was a \$20,000 forgivable loan if the remaining \$40,000 is repaid prior to December 31, 2022. The amount of the forgivable loan was included in these financial statements as government assistance revenue.

In addition, the Institute received \$95,658 in government assistance through the Canada Emergency Wage Subsidy (CEWS) and Temporary Wage Subsidy programs. This income is recorded as government assistance revenue, and \$28,000 of the total is in accounts receivable at year end.

7. 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.

8. Financial Instruments

The Institute's operating activities expose it to a variety of direct and indirect financial risks: credit risk, liquidity risk, and interest rate risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Institute is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations. The Institute's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. The majority of the Institute's receivables are from government sources and the Institute works to ensure it meets all eligibility criteria in order to qualify to receive the funding. The credit risk related to the Institute's accounts receivable continues to be impacted by COVID-19, which could lead to potential losses.

Liquidity risk

Liquidity risk is the risk that the Institute will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Institute will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Institute is exposed to this risk mainly in respect of its bank indebtedness, accounts payable and accrued liabilities and commitments. The liquidity risk related to the Institute's bank indebtedness, accounts payable and accrued liabilities and commitments continues to be impacted by COVID-19, which could lead to increased difficulty in meeting the Institute's obligations as they come due.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Institute is exposed to changes in interest rates related to its investments in guaranteed investment certificates and mutual funds and its line of credit balance. The interest rate risk related to the Institute's investments in guaranteed investment certificates and mutual funds has not changed.

9. Commitments

In the normal course of operations, the Institute enters into commitments with various vendors for rental of buildings and office equipment and contracted services. The commitments are for varying terms. The annual commitment payments over the next five years and thereafter are:

2022	\$	24,973
2023		25,324
2024		24,169
2025		24,532
2026		2,047
		<hr/>
	\$	101,045

10. Measurement Uncertainty - COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of COVID-19 as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. As the impacts of COVID-19 continue, there could be further impact on the Institute, its funders and donors. Management is actively monitoring the affect on its financial condition, liquidity, operations, suppliers, industry, and workforce. As a result, management is uncertain if program sponsors will be able to maintain past sponsorship levels, and the Institute's delivery of these programs may change. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Institute is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.

The Rural Ontario Institute greatly appreciates the endowments and gifts that continue to grow and provide interest income to assist in supporting AALP and other rural leadership programming.

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 future leaders. During his 21-year tenure at the Ontario Milk Marketing Board (now Dairy Farmers of Ontario), Ken played an integral role in leading changes that revolutionized milk production, pricing and marketing provincially and nationally. Through donations from individuals, businesses and organizations, this 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. The William A. Stewart Lecture & Reception – a prestigious public lecture event – is held every other year in London, ON as part of the final AALP seminar.

George Dmetriuc Memorial Fund

The George Dmetriuc Memorial Fund was established by the Ontario Wheat Producers’ Marketing Board (now Grain Farmers of Ontario) as part of the William A. Stewart Endowment in 1993. The fund exemplifies the spirit of George Dmetriuc as a leader in Ontario agriculture. Other commodity organizations, friends and associates contributed to this fund in recognition of George’s contributions during his time as Ontario Wheat Producers’ Marketing Board chair from 1984 to 1992.

W. Garfield Weston Foundation 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 across Canada and around the world. The Foundation’s mission states that grants support projects in Canada for the benefit of Canadians. The W. Garfield Weston Foundation Endowment was established upon receipt of contributions from the Foundation in 1994, 1995 and 1996.

Dean Tiessen Memorial Fund

The Dean Tiessen Memorial Fund honours the vision and memory of agriculture entrepreneur and AALP Class 10 graduate Dean Tiessen who died tragically in Brazil in 2013. Dean was president of New Energy Farms, was a catalyst in helping to establish Ontario’s biomass sector and was a leader in the greenhouse vegetable industry. The fund will directly support AALP Classes 16 through 20 in their southwestern Ontario seminar themed “Dynamics of Change”. Class 10 continues to accept donations toward this fund.

HELP US BUILD LEADERS AND SUPPORT RURAL COMMUNITY DEVELOPMENT

Do you know someone who cares about supporting those making positive change for the future of rural communities and the agricultural sector?

Consider celebrating or thanking friends, colleagues and loved ones by making a donation in their name to the Rural Ontario Institute. Financial contributions will directly support ROI leadership programs and rural community capacity building. To learn more about endowments and gifts, please contact the Rural Ontario Institute office at **519-826-4204** or info@ruralontarioinstitute.ca or visit www.canadahelps.org. An official receipt for income tax purposes will be issued for all donations received.



**Suzanne Trivers
(Chair)**
Mount Forest, ON



**Joe Dietrich
(Vice Chair)**
Walkerton, ON



**Emily Morrison
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Lucknow, ON



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Staff

Norman Ragetlie

Executive Director

Gabrielle Ferguson

Leadership Programs Director

Melanie Bidiuk

Media and Engagement Specialist

Helen Bogl

Bookkeeper and Office Manager

The following people also provided contract assistance and/or valuable support for various activities and initiatives of ROI over the past year:

Lissel Hernandez Gongora

Project Manager

Autum Unwin

Communications Assistant Autumn

Brianna Pitt

Communications Coordinator

Vicki Dickson

ChangeMakers Project Manager

Brenda Herchmer

ChangeMakers Instructor

Late in 2021, ROI bid fond farewell to key staff member Linda Thompson - Bookkeeper and Office Manager. We wish her all the best in her retirement.




RURAL ONTARIO INSTITUTE

7382 Wellington Road 30, R.R. 5
Guelph, ON N1H 6J2
519.826.4204

 info@ruralontarioinstitute.ca

 www.ruralontarioinstitute.ca

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