



RURAL ONTARIO
INSTITUTE

2019 - 2020 Annual Report



Building
vision, voice
& leadership



PARTNERS AND COLLABORATORS

ROI works with a wide variety of organizations, municipalities, counties, etc., in any given year. Below is small sample of some of the partners and collaborators for 2019-2020.



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.
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Message from the Chair and Executive Director

The last fiscal year (2019-2020) was a time of contrast for the Rural Ontario Institute (ROI): a dichotomy of opportunities and challenges.

For the first time ever we ran two AALP (Advanced Ag Leadership Program) classes simultaneously. Class 17 was extended to ensure participants experienced an international study tour and the first year of Class 18 was launched. This gave Class 17 the opportunity to travel to Spain, complete their last seminar, graduate and hold a successful Dream Auction. The challenge of running two classes simultaneously was expensive, which is reflected in our bottom line. Our financial statements show a \$106,000 operating deficit. Some of this extra expense was offset by the Leadership Legacy Fund, made possible through the support and contributions of committed individuals who believe in our mission and the importance of our work. Sixty-five thousand dollars from the Legacy fund is not shown on the operating statement, but rather on our balance sheet as monies in other endowed funds. The Legacy fund was created by leadership supporters who previously set aside monies years ago and entrusted it to ROI. This confidence among stakeholders underpins ROI's capacity and resilience. The parameters of the fund were simply that it be re-invested in agricultural sector leadership. Ensuring Class 17 had a complete AALP experience was something the Board felt would honour that legacy and approved use of these funds for that purpose.

COVID-19 presented unique challenges this fiscal year. Late in 2019/2020 we took the prudent step of postponing the Sarnia seminar and the North American Study Tour to enable us to extend AALP Class 18 and respond to the challenges COVID presents. Half the tuition revenue, approximately \$60,000, from Year 1 of Class 18 is being deferred into 2020/2021 to enable us to fulfill travel and seminar commitments to Class 18 participants. This revenue was also deducted from the operating income for the past year. Although this revenue deferral impacts our bottom line for 2019/2020, it provides flexibility in available funds going forward, which is very important for managing the impacts of COVID. A key component of AALP success is the opportunity for networking and face to face problem solving by classes. We want to honour the integrity of program design as much as we can in the context of COVID and have taken these steps to do so.

Highlights

In 2019/2020 we completed the final projects of the Measuring Rural Community Vitality initiative enabled by a Municipal Affairs and Housing grant. These accomplishments were a bright spot of the year. The Municipal Youth Engagement Strategies Internship project attracted 12 participating municipalities and engagement interns. The impact and feedback on the initiative was fantastic. The program was featured in sessions at the Economic Developers Council of Ontario conference and the Association of Municipalities of Ontario Conference.

The second set of Rural Ontario Foresight Papers, authored by six experts, was released October 2019 in Cobourg. Parliamentary Assistants from both OMAFRA and MMAH participated in discussions of the implications for rural Ontario. The Rural Ontario Municipal Association conference provided ROI an opportunity to profile the Foresight Papers at their January conference. Rural municipal councillors showed great interest in the subjects covered.

As the year drew to a close we published the Rural Community Well Being report with data indicators specific to rural regions from the Canadian Index of Wellbeing researchers at the University of Waterloo. Three demonstration projects shared their collaborative community initiatives on webinars. This impactful work concluded after funding through the Municipal Research and Analysis Grants was phased out by the province.

Introduction of the Rural Change Makers program, supported in part by OMAFRA, has inspired great promise for the future. We intend to build on and carry forward this successful community development capacity building work. Design of the pilot program began in 2019/2020 as we prepared to recruit exceptional young adult leaders eager to make positive change in their rural communities. Their skills, energy and belief in making a difference for their home communities is a bright beacon for the future. ROI is focussed on designing this program in a way that makes it as sustainable over time as AALP. Long-term we intend to bolster Change Makers by tapping into diverse streams of revenues.

Nearing the end of 2019/20 two key people on our small but mighty staff team took positive steps in their career paths and moved on to other roles - Tanya Stuart to the Canadian Mental Health Association and Ryan Deska to the Municipality of Northern Bruce Peninsula. We know they have bright futures ahead of them and value the opportunity for new connections through them with other organizations serving rural stakeholders. We regret that physical distancing prevented us from celebrating their contributions to ROI successes in more convivial ways.

2019/2020 saw our support for the Ontario Soil Network move through a transition. As the lead partner and CAP grant recipient, ROI offered accountability for the 2019 Leadership Challenge project. ROI provided considerable administrative and governance support to ensure OSN is now on the path to building its capacity as an independent organization.

Our achievements and experience this past year illustrates the simultaneous need for stability and adaptive change. With the realities of COVID facing us as we move into 2020/2021, ROI Board and staff have aligned around the need to pivot, rethink how we do business and build on our strengths. We have prioritized diversifying revenues and offering a wider array of training and capacity building opportunities, while staying true to our mission and vision. Sponsors and partners have been understanding and flexible in recognizing this need for stability even as ROI adapts and responds to the new context. This is greatly appreciated. We look forward to continued work with our sponsors, partners and stakeholders. No doubt we will encounter unique challenges and opportunities in the coming years, but the support from our network will guide the path forward.



Suzanne Trivers
Chair
Rural Ontario Institute



Norman Ragetlie
Executive Director
Rural Ontario Institute

A Message from the Honourable Ernie Hardeman

On behalf of the Ontario Ministry of Agriculture, Food and Rural Affairs, I am pleased to bring greetings to the members of the Rural Ontario Institute (ROI) in the 2019 Annual Report.

During this unprecedented time, I am encouraged by your dedication to continuing the work of the ROI and your flexibility to move ahead with holding your annual meeting in a virtual format.

I recognize the hard work and dedication of ROI's board members and staff. At such a challenging time, ROI is an important contributor and partner in supporting the recovery and resilience of our rural communities. My ministry values ROI's perspective on issues of importance to our rural stakeholders and is pleased to have provided financial support for the work you are doing to foster a strong rural Ontario.

I applaud your efforts to accelerate a rural renaissance during COVID-19 with your Rural Rebound initiative. By collecting, curating and sharing stories featuring positive examples of innovation and solutions for recovery drawn from across rural Ontario and other jurisdictions, you are working with partners to help rural Ontario find its footing again.

Working to build the capacity of young leaders to make an impact in their rural community is more important than ever. ROI is doing this through their Rural Change Makers pilot project, where participants will become catalysts for community led development through sustainable, experiential learning opportunities. OMAFRA is proud to sponsor this work.

ROI plays an important role in sharing a wide variety of "rural specific" information through your blog, newsletter, foresight papers and Focus on Rural Ontario fact sheets. Your Focus on Rural Ontario series provides valuable analysis of data on a variety of topics from a rural perspective. This information is important to many rural stakeholders in understanding their communities, regions and economy.

Developing the next generation of leaders is an important step toward shaping the future of rural Ontario and the agri-food sector. The Advanced Agricultural Leadership Program continues to be a highly regarded leadership development program, providing professionals with the tools to make a positive difference in Ontario's agri-food industry. My ministry is pleased to have sponsored this year's class of emerging leaders.

This year has presented Class 18 with new challenges as a result of COVID-19 related restrictions but I am pleased to hear your commitment to complete the program over the next few years, including extending the International Study Tour to next summer.

I recognize the significant contributions that rural communities make to the economy. The government will continue to put rural Ontario at the forefront of its Open for Business, Open for Jobs Strategy — to help ensure communities can improve their competitiveness and attract investment. Please accept my best wishes for a successful annual meeting.

Sincerely,



Ernie Hardeman
Minister of Agriculture, Food and Rural Affairs



A Message from the Honourable Steve Clark

On behalf of the Ontario Ministry of Municipal Affairs and Housing, I am pleased to provide a message for the Rural Ontario Institute (ROI) 2019-20 Annual Report. I would like to extend my congratulations to ROI for a successful year.

With the Measuring Rural Community Vitality project now complete, I want to thank ROI for the fantastic work produced over the last three years. ROI has lead research projects and hosted discussions on common challenges faced by rural communities.

Throughout the years we have valued our partnership with ROI and are proud to be part of its many accomplishments. The province has benefitted from the work that ROI carries out as the Institute shares a common goal of fostering strong sustainable rural communities.

I wish your organization continued success with your future endeavors. Please accept my very best wishes as ROI prepares for the year ahead.

Sincerely,



Steve Clark
Minister of Municipal Affairs and Housing



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

Congratulations to the Rural Ontario Institute (ROI) on another successful year of programming. Our organizations, communities and businesses have all had to adapt rapidly and in an ever-changing environment this year. It is perhaps now, more than ever, that we need organizations like ROI who can support rural Ontario's resiliency.

Part of how we support resiliency is in the encouragement and promotion of the ideas and aspirations of youth in our communities. I was excited to see the announcement of ROI's new Rural Change Makers program and look forward to seeing the outputs of the program. I was especially pleased to see that a current Ridgetown Campus student, Sarah Kiar, is among the group!

Supporting youth leaders is a shared goal of ROI and OAC. Ontario's communities need more leaders who have studied agriculture and food, so they can advance our growing agri-food sector and make impactful changes to the status quo.

ROI is a vital organization for rural Ontario, and we remain keen to support its efforts. I wish ROI another successful year.

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

The Rural Ontario Institute (ROI) provides vital rural research and leadership development across the province, and the Ontario Federation of Agriculture (OFA) is proud to support its continued achievements. The COVID-19 pandemic has shown us that now more than ever, we need strong leaders in our rural communities to guide us through these uncertain times. We're fortunate that ROI has risen to the challenge to continue to develop leaders and facilitate collaboration across Ontario.

We are proud to be a founding partner in the Advanced Agricultural Leadership Program (AALP), and we appreciate ROI's commitment to developing strong, confident leaders. Initiatives such as the Rural Rebound Case Studies, the Rural Change Makers program, and ongoing work on the Rural Ontario Foresight Papers will ensure that we have vibrant rural communities to feed, fuel and drive our economy forward.

The Ontario agri-food sector is an economic engine for the province, generating \$47.3 billion in GDP annually and employing over 860,000 Ontarians. COVID-19 has rippled throughout our communities; affecting quality of life, jobs and the economy. The agri-food sector can provide jobs, economic growth and recovery for our society to rebound from this health crisis. OFA appreciates ROI's ongoing commitment to the agriculture industry and our rural communities, as we advocate for enhanced rural economic development and recognition of Ontario's agri-food sector as a driving force for economic prosperity in Ontario.

On behalf of our 38,000 farm family members and their families, 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 rural communities across the province.

Sincerely,



Keith Currie
President
Ontario Federation of Agriculture



Ontario Federation of Agriculture



The Farms.com Group of Companies



Ontario Federation of Agriculture



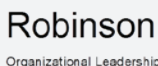
MONSANTO



Association of Ontario Chicken Processors



Farm Credit Canada
Advancing the business of agriculture



Organizational Leadership



Canada's Seed Partner



Helping Farm Business Grow

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

AALP Class 17 graduated on March 1st, after completing their international study tour to



Spain. On this tour graduates experienced agricultural cooperatives with multiple business structures and a diverse range of agriculture products including: pork, sherry, olives, oranges, dairy, beef and greenhouse strawberries. The trip opened participants' eyes to the benefits of modernization and innovation, while reinforcing the value of history and tradition. Modern advancements are built on the lessons of yesterday and by looking back we recognize how far we have come. The study tour enlightened participants' understanding of these social-cultural connections. Graduation ceremonies were held following the 2020 Dream Auction.

AALP Class 18 began their leadership journey in October 2019. The 21 class members have completed two in-person seminars located in Niagara/Toronto and Cornwall/Ottawa, as well as three online webinars. Due to COVID-19 the North American Study Tour was cancelled. Participants met to provide input, do research and support each other resulting in an extended program with a new curriculum schedule. Issues analysis projects will continue to progress covering topics such as mental health and new technology.

AALP SNAPSHOT : 482 AALP Alumni

Ontario Soil Network

The Ontario Soil Network Leadership Challenge saw 34 farmers participating in leadership training and over 2000 farmers involved in discussions about how to improve soil health. The Leadership Challenge also included the #LetsTalkSoil ad campaign, a Real Soil Steward Soil Health School, partnered research with the Soil Network and on-farm events and meetings. Since project completion, with the assistance of ROI, the OSN has evolved to greater independence and is in the process of becoming an incorporated entity. The Challenge was supported by the Ministry of Agriculture, Food and Rural Affairs, Grain Farmers of Ontario, Synthesis Agri-Food Network, Ontario Soil and Crop improvement Association, Egg Farmers of Ontario and the University of Guelph's Ontario Agriculture College.

Facilitating Dialogue and Supporting Collaboration

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



Focus on Rural Ontario

The Focus on Rural Ontario 2019/20 Fact Sheet series included 25 Fact Sheets on various socio-economic themes, with detailed data included in supplementary tables. The following themes were published: Change in Skill Levels by Industry; Occupation Group by Sector; Infrastructure in Rural Ontario; and Business Counts in Rural Ontario. Fact Sheets can be found on the Rural Ontario website here: <http://www.ruralontarioinstitute.ca/knowledge-centre/focus-on-rural-ontario>

In collaboration with David Hartley, of NonProfit Help, ROI held a five-part webinar series designed to grow and sustain the impact of nonprofits. The **Bright Ideas for your Nonprofit** series featured topics such as creating and maintaining a vibrant board to managing nonprofit risk management. The webinars were available to purchase as a series or as individual sessions.

Measuring Rural Community Vitality

Phase 2 wrapped up in 2019 with an MRCV Showcase held in Cobourg at the end of October. Ministry of Municipal Affairs and Housing



Parliamentary Assistant, Jim McDonnell and OMAFRA Rural Affairs Parliamentary Assistant Randy Pettapiece both made opening remarks and local MPP Davis Piccini spoke at the reception. The reception included several booths from the Agri-Food Venture Centre entrepreneurs.

The projects highlighted at the event included:

- Community Demonstration Projects
- Youth Engagement Strategies
- Rural Ontario Foresight Papers

Community Demonstration Projects

Throughout 2019, the Rural Ontario Institute worked with Chigamik Community Health Centre, Middlesex County and the County Foundation in Prince Edward County on the Community Demonstrations Projects. These projects explored how communities are leveraging data to mobilize community action. Each project goes beyond fact-finding, reporting and collection of community well-being indicators — they engage local community members in processes that build capacity for effective action and collaboration.

Three separate webinars were created to share the work that each community was involved with so that other communities might find helpful ideas and inspiration for their own well-being projects. From collective impact models to wrap-around service delivery, each webinar offers tips and first-hand experience on how the community is implementing the findings from the well-being or Vital Signs reports. The webinars are available at: <https://www.ruralontarioinstitute.ca/knowledge-centre/visual-resources>



Youth Engagement Strategies

ROI worked alongside young interns across rural Ontario during the summer of 2019 to explore what communities can do for youth engagement in support of workforce development, mental health, young leaders and strong rural communities.

The ten partners were: [Timmins Youth Wellness Hub](#); [Perth County](#); Northern Wellington (collaborative); [Town of Hanover](#); [South Huron](#); Big Brothers Big Sisters of Centre Wellington; [Brock Youth Centre](#); The [Municipality of South Dundas](#); [Recreation Outreach Centre – Picton, Ontario](#); and [City of Brockville](#).

Each partner developed their own unique approach to youth engagement, tailored to address needs in the local community. The interns will be tasked with implementing local work plans. ROI worked alongside the partner communities to provide a collaborative environment for the interns, including an in-person orientation session and an online platform for knowledge sharing.

Rural Ontario Foresight Papers

The second edition of **Rural Ontario Foresight Papers** was launched at the Showcase event in Cobourg. The 2019 Papers tackled a variety of rural development challenges and trends. ROI partnered with the Northern Policy Institute to provide Northern Commentary as well as French translation.

The 2019 collection includes six papers and can be found here: <https://www.ruralontarioinstitute.ca/knowledge-centre/foresight-papers>.

Topics were chosen based on subscriber survey responses (2018) and include:

Rural Labour Force Challenges: Carol Simpson

(lead with workforce planning boards of Ontario), Executive Director, Workforce Planning Board of Waterloo Wellington Dufferin



Services for an Aging Population: Mark Skinner

(lead), Professor and Canada Research Chair in Rural Aging, Health and Social Care, Trent University



Water Quality: Joyce McLean, Professor Seneca College/ Environmental Communications Consultant, past member International Joint Commission



Infrastructure Financing: First Nation-Municipal Partnerships: Dwayne Nashkawa, Chief Executive Officer, Nipissing First Nation



Access to Quality Medical Services: John C Hogenbirk

(lead), Senior Research Associate, Centre for Rural and Northern Health Research



Energy Use and the Rural Householder: Don Eaton, Advisor, Elora Environment 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, 2020, 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, 2020, 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, 2020 and 2019, current assets as at March 31, 2020 and 2019, and net assets as at April 1 and March 31 for both the 2020 and 2019 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 11, 2020

Statement of Financial Position

March 31	General Fund	Restricted Funds	2020 Total	2019 Total
Assets				
Current				
Cash (Note 2)	\$ -	\$ 5,523	\$ 5,523	\$ 110,736
Accounts receivable	325,249	-	325,249	286,905
Prepaid expenses	2,542	-	2,542	3,794
	<u>327,791</u>	<u>5,523</u>	<u>333,314</u>	<u>401,435</u>
Investments (Note 3)	157,813	542,800	700,613	746,843
Capital assets (Note 4)	4,852	-	4,852	7,606
	<u>\$ 490,456</u>	<u>\$ 548,323</u>	<u>\$ 1,038,779</u>	<u>\$ 1,155,884</u>
Liabilities and Fund Balances				
Current				
Bank indebtedness	\$ 41,757	\$ -	\$ 41,757	\$ -
Accounts payable and accrued liabilities	70,832	-	70,832	79,033
Deferred income (Note 5)	66,900	-	66,900	126,200
	<u>179,489</u>	<u>-</u>	<u>179,489</u>	<u>205,233</u>
Fund Balances				
Unrestricted net assets	310,967	-	310,967	340,888
Restricted net assets	-	548,323	548,323	609,763
	<u>310,967</u>	<u>548,323</u>	<u>859,290</u>	<u>950,651</u>
	<u>\$ 490,456</u>	<u>\$ 548,323</u>	<u>\$ 1,038,779</u>	<u>\$ 1,155,884</u>

On behalf of the Board:

_____ Director

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	2020 Total	2019 Total
Balance, beginning of the year	\$ 4,523	\$ 65,039	\$ 202,763	\$ 67,841	\$ 269,597	\$ 609,763	\$ 602,739
Excess of revenues over expenses	1,000	1,474	4,594	1,537	6,108	14,713	17,737
Interfund transfers (Note 6)	-	(66,364)	(3,216)	(1,076)	(5,497)	(76,153)	(10,713)
Balance, end of the year	\$ 5,523	\$ 149	\$ 204,141	\$ 68,302	\$ 270,208	\$ 548,323	\$ 609,763

For the year ended March 31	2020 General Fund	2019 General Fund
Balance, beginning of the year	\$ 340,888	\$ 387,646
Deficiency of revenues over expenses	(106,074)	(57,471)
Interfund transfers (Note 6)	76,153	10,713
Balance, end of the year	\$ 310,967	\$ 340,888

Statement of Operations

For the year ended March 31	2020	2019
Revenue		
Grants and contributions	\$ 590,083	\$ 697,016
Dream auction	165,842	-
Sponsorships	134,625	162,000
Tuition	60,375	143,896
Donations	41,126	51,153
Training and business development	15,060	12,557
Interest	3,587	3,255
Other	587	422
	1,011,285	1,070,299
Expenses		
Salaries and benefits	390,545	360,601
Contract and professional services	332,765	351,951
In-kind donations	118,940	47,992
Accommodations and meals	96,978	76,586
Operations	60,160	55,692
Travel	49,239	145,299
Communications and marketing	28,470	33,747
Information technology	15,383	15,936
Financial services	11,038	13,162
Board of Directors	6,106	5,697
Bad debt	4,100	8,500
Amortization	2,754	6,646
Professional development	881	5,961
	1,117,359	1,127,770
Deficiency of revenues over expenses	\$ (106,074)	\$ (57,471)

Statement of Cash Flow



For the year ended March 31	2020	2019
Cash flows from operating activities		
Deficiency of revenues over expenses	\$ (106,074)	\$ (57,471)
Items not affecting cash:		
Amortization	2,754	6,646
Investment income on restricted funds	14,713	17,737
Reinvested investment income	(1,036)	(1,014)
	<u>(89,643)</u>	<u>(34,102)</u>
Changes in non-cash working capital:		
Accounts receivable	(38,344)	(179,027)
Prepaid expenses	1,252	8,372
Accounts payable and accrued liabilities	(8,201)	69,859
Deferred income	(59,300)	(1,477)
	<u>(194,236)</u>	<u>(136,375)</u>
Cash flows from investing activities		
Acquisition of capital assets	-	(4,277)
Cash flows from financing activities		
Purchase of investments	(18,764)	(100,000)
Proceeds on sale of investments	66,030	100,000
Bank indebtedness	41,757	-
	<u>89,023</u>	<u>-</u>
Net decrease in cash	(105,213)	(140,652)
Cash, beginning of the year	110,736	251,388
Cash, end of the year	\$ 5,523	\$ 110,736

The accompanying notes are an integral part of these financial statements.

March 31, 2020

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>

March 31, 2020

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 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 \$118,940 (2019 - \$46,580) 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.

March 31, 2020

1. Significant Accounting Policies (continued)

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.

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 \$2,329 (2019 - \$14,553) 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, 2020, \$28,483 (2019 - \$NIL) 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.

March 31, 2020

4. Capital Assets

	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 24,712	\$ 23,042	\$ 24,712	\$ 21,928
Website	24,625	24,625	24,625	23,780
Furniture and equipment	14,475	11,293	14,475	10,498
	63,812	58,960	63,812	56,206
		\$ 4,852		\$ 7,606

5. Deferred Income

Changes in deferred income balances are as follows:

	2020	2019
Beginning balance	\$ 126,200	\$ 127,677
Less: amounts recognized as revenue in the year	(126,200)	(127,677)
Add: amounts received related to a subsequent period	66,900	126,200
Ending balance	\$ 66,900	\$ 126,200

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. An additional \$65,038 was transferred from the Leadership Legacy Fund to the general fund as approved by the Board of Directors.

March 31, 2020

7. 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.

On March 13, 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) pandemic resulting in economic uncertainties impacting the Institute's risks. At this time, the full potential impact of COVID-19 on the Institute is not known.

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 has increased due to the impact of 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 has increased due to the impact of 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 increased due to the impact of COVID-19, which could lead to declines in investment income.

March 31, 2020

8. 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:

2021	\$	35,267
2022		28,219
2023		28,617
2024		27,311
2025		27,721
Thereafter		<u>2,313</u>
	\$	<u>149,448</u>

9. Measurement Uncertainty - COVID-19

Subsequent to year end, the impact of COVID-19 in Canada and on the global economy has increased significantly. As the impacts of COVID-19 continue, there could be further impact on the organization, 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.

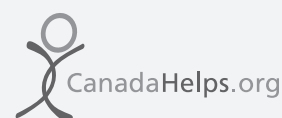
Dean Tiessen Memorial Fund

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

Consider celebrating or thanking friends, colleagues and loved ones by making a gift in their name to the Rural Ontario Institute. Financial contributions will directly support emerging leaders through AALP, BUILD Leadership and other important leadership development initiatives. 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.

Charitable Registration
No. 86275 2052 RR0001





**Suzanne Trivers
(Chair)**
Fergus, ON



**Cathy Redden
(Vice Chair)**
Campbellford, ON



**Joe Dietrich
(Secretary)**
Walkerton, ON



**Dean Anderson
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Staff

Norman Ragetlie
Executive Director

Gabrielle Ferguson
Leadership Programs Director

Melanie Bidiuk
Media and Engagement Specialist

Linda Thompson
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

Karen Mansfield
AALP Program Manager

Vicki Dickson
ChangeMakers Project Manager

Brenda Herchmer
ChangeMakers Instructor

Late in 2019/2020, ROI bid fond farewell to key staff members Tanya Stuart - Communications and Project Manager, and Ryan Deska - Project Lead Community Development. We wish them all the best as they embark on new career paths.

Cathy Redden, after a full and meaningful three terms serving ROI, is retiring. Her contributions, wisdom and leadership will be missed.

RURAL ONTARIO INSTITUTE BY THE NUMBERS 2019-20



127 PROJECT
COLLABORATORS
& PARTNERS



1843 AALP Class
INTERACTIONS WITH
GLOBAL LEADERS



1488
NEWSLETTER
SUBSCRIBERS



633 AALP
1012 ROI



482
AALP ALUMNI



1921 AALP
2338 ROI



149 FOCUS ON
RURAL ONTARIO
FACT SHEETS
RELEASED



160
DREAM AUCTION
DONORS



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