

Building
**vision, voice
& leadership**



**2022 - 2023
Annual Report**

TRADITIONAL TERRITORY ACKNOWLEDGEMENT

The Rural Ontario Institute would like to acknowledge that our office in Guelph, Ontario is located on 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 First 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, and 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 2022/2023.

Advanced Agricultural Leadership Program SPONSORS	
PATRONS	
PACESETTERS	
CHAMPIONS	
ALLIES	
LEADERS	
BUILDERS	



BUILDING VISION, VOICE & LEADERSHIP

Mission

Building vision, voice and leadership.

Vision

Thriving Vibrant Communities.

Key Values

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

Key Result Areas

- **Developing** leaders through core programming like the Advanced Agricultural Leadership Program and the Rural Change Makers Program.
- **Informing** leaders and rural communities through our knowledge and data resources.
- **Connecting** rural communities, leaders and partners through specialized partnership projects like the Rural Housing Information System, Ontario Community Transportation Network, webinars and special events.



Celebrating 40 years of the Advanced Agricultural Leadership Program

In 2024 we are celebrating 40 years of AALP advancing agriculture leadership in rural Ontario!

Like us, we know you care about developing those who will lead the future of the agrifood sector. It takes a team of funders, sponsors, alumni, founding partners and other friends to support those who commit time and focus to reaching their leadership potential.

Join us for a special anniversary milestone - where your gift will build top ag-sector leaders and advance diverse capacity along the full agrifood value chain. **Together we prepare Ontario agriculture to compete on the world stage.**

40 for 40

AALP
ADVANCED AGRICULTURAL LEADERSHIP PROGRAM

Celebrate 40 years of AALP leadership excellence by donating \$40/month for 12 months and help support the ag sector leaders of tomorrow.

DONATE TODAY

To learn more visit www.ruralontarioinstitute.ca/aalp

Message from the Chair and Executive Director

We are pleased to provide this commentary highlighting key priorities and accomplishments in the past year.

The board of directors is committed to a strong and diverse approach to carrying out its governance responsibilities. Board succession is an ongoing priority, and we are fortunate to be attracting strong candidates who want to help in perpetuating growth and sustainability. Our thanks to Suzanne Trivers, whose term is expiring. She has passionately and effectively fulfilled her responsibilities since 2014.

As part of strategic planning, additional resources are being invested in funding and development. We are grateful to all our funders, many of whom have been supporting us since our infancy. Simply put, we could not do what we do without your support. It is time though, to look at expanding the depth and breadth of our funding models, and to build on our current programs. This work is being led by a committee of the board and management. Its mandate and work plan will yield outcomes that will be shared with our stakeholders as we move into the future. This is an evolution that will directly aid in our purpose of developing leaders for rural Ontario, and perhaps beyond.

Our programming achievements in 2022-23 are certainly a highlight. ROI has a strong track record for disseminating rural research, data and analysis and this past year, we've brought our knowledge transfer to a new level with the addition of data dashboards, the Rural Community Wellbeing Tool and an Eco Footprint pilot project. With founding partner, Eastern Ontario Warden's Caucus, ROI facilitated the development of the Rural Housing Information System. This data-based tool will benefit municipal planners, not-for-profit housing corporations, developers and other housing interests for years to come. ROI's Rural Change Makers program continues to evolve, and over the next year, a third cohort of emerging young leaders will hone their skills and take up the rural leadership challenge. Our flagship leadership development program AALP, continues to be dynamic and impactful. We echo our applause and gratitude for all participants in Classes 18 and 19. These grads survived and thrived during the pandemic years, their feedback and candor will enhance the curriculum for future classes. We are excited and proud that our 20th Class will begin its journey this fall. Stay tuned as we plan to celebrate 40 years of AALP during the Class 20 tenure.

Projects and staff resources are closely aligned with project funding. This has been a productive period and ROI is fortunate to have a team of dedicated and caring professionals to advance the important work we do. There is a strong sense of pride that resonates within the team.

Thank you for your continued support and interest in ROI.



Joe Dietrich, Chair



Ellen Sinclair, Executive Director

A Message from the Honourable Lisa M. Thompson

Hello everyone,

Welcome to the Rural Ontario Institute's 2023 Annual General Meeting. As Ontario's Minister of Agriculture, Food and Rural Affairs and Advance Agricultural Leadership Program alum, it is my honour to give thanks for the hard work and dedication of the Rural Ontario Institute's board members and staff. Your commitment to the development of strong leaders and communities across this province is recognized and greatly appreciated.

Annual general meetings bring us opportunities to take stock of where we've been and where we're going. When I think of where we're going, I see a bright future for rural Ontario. It is not lost on our government, the cultural and economic contributions of small towns across the province. That is why we will continue working for you and investing in meaningful projects and programs that will deliver for Ontario's rural citizens.

The Government of Ontario is proud to stand with the Rural Ontario Institute and support its mission. Once again, thank you for the tremendous contributions that each of you make to our province. I wish you a productive meeting and all the best for a successful year ahead!

Sincerely,



Lisa M. 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

The Ontario Agricultural College at the University of Guelph has a long history of partnership with ROI and in the development of the Advanced Agricultural Leadership Program (AALP). We share common aspirations for rural Ontario in terms of growth and prosperity and we work together well in terms of expertise. We are thrilled with the way that ROI continues to show its value and grow its capacity to guide initiatives related to rural Ontario and to the agriculture and food sector. In particular we are excited to continue to be a partner with ROI on leadership development in the context of rural Ontario and in working to bring data-based insights to help rural organizations and governments create the future. The ROI continues to bring hope and positivity which fuels progress. We look forward to continuing to partner with and support ROI in the vital work they do.

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

As the President of the Ontario Federation of Agriculture, I want to emphasize the significance of supporting the Rural Ontario Institute (ROI) and recognizing the value of our rural communities. These communities play a crucial role in our provincial economy through their economic contributions, unique perspectives and vibrant agricultural sector.

Utilizing the potential of rural communities is vital for sustainable growth and prosperity. We must amplify their voices, address their needs, and ensure their concerns are heard. By investing in rural development and infrastructure, we can unlock the immense potential of these communities and foster a thriving rural economy.

It is essential to nurture and develop agricultural leaders who can drive innovation, advocate for the sector, and tackle challenges head-on. The Advanced Agricultural Leadership Program is an invaluable initiative that equips individuals with the skills and knowledge needed to become effective leaders in the agricultural industry.

By supporting the Rural Ontario Institute and its Advanced Agricultural Leadership Program, we can empower rural communities, elevate their contributions, and cultivate a new generation of leaders who will steer Ontario's agricultural sector towards a prosperous and sustainable future.

Together, let us recognize the strength of rural Ontario and its pivotal role in our province's success.

On behalf of OFA, congratulations and best wishes for your Annual General Meeting and another excellent year ahead for ROI.

Sincerely,



Peggy Brekveld
President
Ontario Federation of Agriculture



Developing Leaders

The 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)



AALP Class 19 Milestones

We are pleased to congratulate the 17 individuals of AALP Class 19 on the completion of their AALP journey that culminated with a graduation ceremony on March 24, 2023 at the Best Western Plus Lamplighter Inn and Conference Centre in London, Ontario.

AALP Class 19 accomplished the following:

- Seminars 1-7: Brantford, Toronto, Woodstock, Sarnia, Thunder Bay, Ottawa and London.
- Webinars A - G: Orientation, curriculum introduction/review/practice, Ontario Food Terminal, Issues Analysis Project progress reports, ROI Connect, study tour preparation, optimizing seminars.
- North American Study Tour: Louisiana and Washington DC
- International Study Tour: Greece.

Issues Analysis Projects: Small groups of Class 19 participants worked with five organizations, in a consultative role, to examine an issue important to the client organization and the agriculture and food sector. The six resulting projects include:

- University of Guelph, Ridgetown Campus, Dairy facility design
- University of Guelph, Ridgetown Campus, Dairy facility strategic plan
- Ag Women's Network, Planning for the future
- 4-H Ontario, Utilizing 4-H to bridge rural and urban perspectives
- Grain Farmers of Ontario, Farm succession planning
- Culinary Adventure Co., Appetite for engagement

AALP SNAPSHOT



YEAR TRACK RECORD
OF DEVELOPING TOP AG LEADERS



OVER 500
AALP ALUMNI



TOP LEADERS IN OVER 133 AGRI-
FOOD VALUE CHAIN ORGANIZATIONS
AND BUSINESSES



PROVIDING OVER 5,000
NETWORKING OPPORTUNITIES
PER AALP CLASS



39 STUDY TOURS
ON 6 OF 7 WORLD CONTINENTS

Rural Change Makers (RCM)

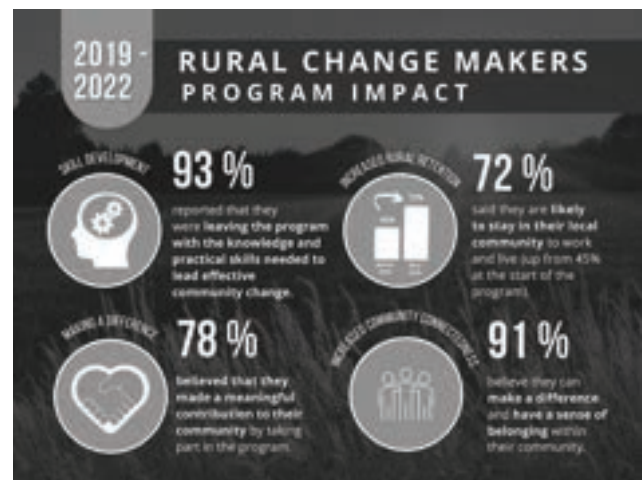
The second cohort of the Rural Change Makers (RCM) program wrapped up with a special Ignite Action Lab held in May 2022 in North Bay. Throughout the remainder of 2022, change

makers along with hundreds of rural, remote and Indigenous youth engaged with a special Rural Change Maker initiative called the Young Rural Resilient Project (YRR) – an initiative aimed to understand the unique needs, priorities and aspirations of rural youth in Ontario. From the many voices of the YRR project has emerged a transformative and exciting Rural Change Maker program in 2023. Recruitment is actively underway and will close July 15th, when up to 36 successful applicants, aged 18-35, will be selected to undertake a leadership learning journey together.

Rural change makers come from all walks of life and diverse backgrounds with a common thread through each – they have rural roots and a desire to grow both their leadership abilities and local solutions to community-identified priorities. The YRR project showed us that youth care deeply about rural priorities like food security, housing, equality, reconciliation, elder care, agriculture and community wellbeing. It also showed us that the Pandemic had profound impact on rural, remote and Indigenous youth with resource insecurities driving a sense of disconnection and instability. This is a particular concern for rural communities because youth are the future and rural communities are stronger when youth are engaged to lead and make a difference. Something the upcoming RCM program has thoughtfully considered in the curriculum and program model with supportive mechanisms built into the design like peer groups, coaches, mentors, elders and partners coming alongside youth on their program journey. Leadership and community development training also addresses this need with a blend of self-development and core skills training that is transformative personally and professionally.

ROI is excited to be working with our incredible Rural Change Maker partners including Opiikapawiin Services LP supporting change makers from a collective of 24 remote northern Ontario Indigenous communities, and the

Timmins Youth Wellness Hub coming alongside change makers aged 18-24 from the Timmins region. A third regional partnership currently being established will welcome a diverse group of emerging leaders from southwestern Ontario and set the stage for a youth leadership experience like no other. Follow Rural Change Makers as they embark on a shared leadership journey, in the spirit of reconciliation, and discover community economic development solutions to shared rural priorities.



Informing Stakeholders and Supporting Collaboration



Rural Ontario Facts

In 2022, ROI launched a new product to improve access to data for rural decision makers. Rural Ontario Facts is a series of factsheets supported

by interactive dashboards. Each dashboard includes statistics, maps and other visualizations that make it easy to understand rural and regional trends. The factsheets provide insight and analysis of rural facts and trends featured in the dashboards.

RURAL ONTARIO FACTS SNAPSHOT

- 4 DASHBOARDS
- 9 FACTSHEETS
- 7,599 COMBINED VIEWS
- 2 NEW WEB PAGES ADDED TO THE KNOWLEDGE CENTER

- with over 3500 combined views
- these pages achieved a high level of engagement and represent 60% of traffic to the ROI Knowledge Centre

Rural Community Wellbeing

ROI completed Phase 1 of the Rural Community Wellbeing project. We created a pilot dashboard to present a subset of indicators selected from the CSA standard for rural wellbeing (CSA R113-22). Pilot dashboard design was informed by feedback obtained from four rural communities in Ontario: Tay Valley Township, the Town of Prescott, the Town of Goderich, and the City of Temiskaming Shores.

ROI organized and delivered 4 virtual community meetings between December 2022 and February 2023. Community feedback was obtained from meetings, email correspondence, and surveys. In total, ROI received feedback from 22 participants representing all four communities.

Following a presentation at the Rural Ontario Municipal Association conference in January, several community leaders and organizations

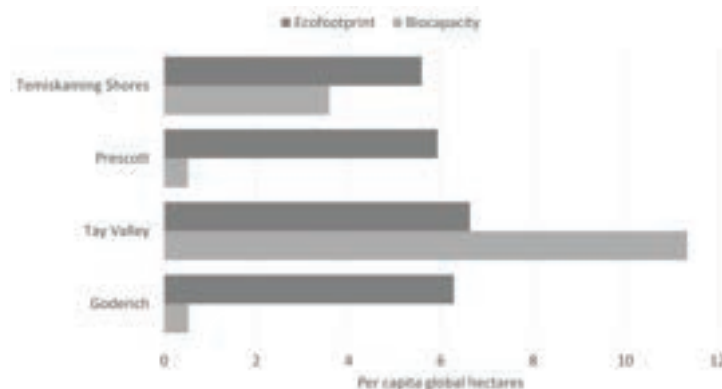
expressed interest in participating in this project. ROI was pleased to enter into a funding partnership with the Ontario Trillium Foundation for Phase 2 of this project.

When complete, this dashboard will enable rural communities to assess their wellbeing and measure progress over time. ROI hopes that this project will help remove barriers and build capacity in rural communities for data-driven decision making and performance measurement.

Rural Ecofootprint

ROI partnered with York University to conduct a pilot project to calculate Ecofootprint and Biocapacity accounts for rural communities. Ecofootprint measures the amount of ecological assets that are required to meet a population's rate of consumption (i.e., resource demand). Biocapacity measures the productivity of the ecological assets of the given area (i.e., resource supply). Together, Ecological Footprint and Biocapacity are a sustainability metric that present a holistic snapshot of the impact of human activity on the environment. This project will help communities develop plans for sustainable development and climate action.

Accounts were created for 4 rural communities. ROI will continue its work with York University and the tool will be expanded to additional communities across Ontario. We plan to create indicators from this work to include in the wellbeing dashboard.





Rural Housing Information System (RHIS)

The Eastern Ontario Wardens Caucus (EOWC) was awarded \$1.2M in 2022 from CMHC's Housing Challenge to work with the Rural Ontario Institute (ROI) to develop a data solution to support affordable housing in rural communities. This digital tool's aim is to provide local, reliable, salient, and current rural data to assist proponents & municipalities in the planning and construction of new affordable housing.

The ROI Housing Team was formed in February 2022 and actively engaged in consultations with Municipal Housing Services staff, Development and Planning Directors, GIS Departments and Homebuilders Associations. These stakeholders represented 13 different counties in eastern Ontario. The team gathered feedback directly from the public and private sector users who will be accessing this interactive tool. The feedback directly influenced the design of the RHIS tool so that it best meets the end user needs and, in turn, leads to the implementation of affordable housing projects.

The project team worked with tech provider, Itery to implement the system. The beta system underwent User Acceptance Testing over the fall of 2022. This provided stakeholders a chance to interact with a platform prototype and provide feedback on the user interface before final development. The prototype tool was showcased at conferences across rural Ontario during the Fall and New Year.

We are in the process of finalizing the system's Eastern municipalities data before making it fully available to these counties for use. The tool will be expanded to the 120 rural municipalities of Western Ontario in June 2023. Further information on the RHIS project can be found through the ROIConnect project page <https://www.roiconnect.ca/project/rural-housingopportunities/>.

Stakeholder Engagement & Knowledge Sharing

In the past year ROI has hosted, co-hosted or collaborated in over 26 virtual or in-person events. Through event facilitation and partnership with rural community stakeholders ROI addressed topics of interest including:

- The future of small communities
- Filling the housing information gap in Eastern Ontario and beyond
- Understanding your personal problem-solving style and leading through change
- Rural Wellbeing, Climate and Community
- Data-Driven Decision Making for Rural Ontario

In 2021, ROI launched the interactive engagement platform ROI Connect to support community development projects across the province. Over the past year public engagement and community participation on ROI Connect has grown exponentially with new members every month and meaningful projects shared.



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, 2023, 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, 2023, 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, 2023 and 2022, current assets as at March 31, 2023 and 2022, and net assets as at April 1 and March 31 for both the 2023 and 2022 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 12, 2023



Statement of Financial Position

March 31	General Fund	Restricted Funds	2023 Total	2022 Total
Assets				
Current				
Cash (Note 2)	\$ 652,792	\$ 6,525	\$ 659,317	\$ 577,062
Accounts receivable	121,502	-	121,502	156,752
Prepaid expenses	2,371	-	2,371	463
	<u>776,665</u>	<u>6,525</u>	<u>783,190</u>	<u>734,277</u>
Investments (Note 3)	-	543,740	543,740	570,194
Capital assets (Note 4)	13,437	-	13,437	9,767
	<u>13,437</u>	<u>-</u>	<u>13,437</u>	<u>9,767</u>
	<u>\$ 790,102</u>	<u>\$ 550,265</u>	<u>\$ 1,340,367</u>	<u>\$ 1,314,238</u>
Liabilities and Fund Balances				
Current				
Accounts payable and accrued liabilities	\$ 57,643	\$ -	\$ 57,643	\$ 65,697
Deferred income (Note 5)	199,005	-	199,005	180,403
Current portion of long-term debt (Note 6)	30,000	-	30,000	-
	<u>286,648</u>	<u>-</u>	<u>286,648</u>	<u>246,100</u>
Long-term debt (Note 6)	-	-	-	40,000
	<u>286,648</u>	<u>-</u>	<u>286,648</u>	<u>286,100</u>
Fund Balances				
Unrestricted net assets	503,454	-	503,454	478,578
Restricted net assets	-	550,265	550,265	549,560
	<u>503,454</u>	<u>550,265</u>	<u>1,053,719</u>	<u>1,028,138</u>
	<u>\$ 790,102</u>	<u>\$ 550,265</u>	<u>\$ 1,340,367</u>	<u>\$ 1,314,238</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	W.M. A. Stewart Endowment Fund	2023 Total	2022 Total
Balance, beginning of the year	\$ 2,523	\$ 149	\$ 206,528	\$ 69,101	\$ 271,259	\$ 549,560	\$ 547,783
Excess of revenues over expenses	-	3	4,146	1,387	5,445	10,981	8,858
Tuition subsidy	(1,500)	-	-	-	-	(1,500)	-
Interfund transfers (Note 7)	-	(3)	(2,902)	(971)	(4,900)	(8,776)	(7,081)
Balance, end of the year	\$ 1,023	\$ 149	\$ 207,772	\$ 69,517	\$ 271,804	\$ 550,265	\$ 549,560

For the year ended March 31	2023 General Fund	2022 General Fund
Balance, beginning of the year	\$ 478,578	\$ 368,979
Excess of revenues over expenses	16,100	102,518
Interfund transfers (Note 7)	8,776	7,081
Balance, end of the year	\$ 503,454	\$ 478,578

Statement of Operations

For the year ended March 31	2023	2022
Revenue		
Donations	\$ 40,295	\$ 32,742
Dream auction	173,839	700
Funding income	692,283	437,757
Government assistance (Note 6)	-	94,066
Interest	3,798	2,864
Other	13,833	87
Sponsorships	162,000	207,126
Training and business development	58,256	13,447
Tuition	161,220	172,411
	1,305,524	961,200
Expenses		
Accommodations and meals	247,924	128,822
Amortization	2,578	1,668
Bad debt	2,500	-
Board of Directors	3,932	964
Communications and marketing	9,599	8,389
Contract and professional services	78,235	119,024
Financial services	20,493	12,104
In-kind donations	53,377	26,195
Information technology	12,669	10,525
Operations	54,715	52,882
Professional development	2,768	1,379
Salaries and benefits	754,320	457,233
Travel	46,314	39,497
	1,289,424	858,682
Excess of revenues over expenses	\$ 16,100	\$ 102,518

Statement of Cash Flow



For the year ended March 31	2023	2022
Cash flows from operating activities		
Excess of revenues over expenses	\$ 16,100	\$ 102,518
Items not affecting cash:		
Amortization	2,578	1,668
Investment income on restricted funds	9,481	8,858
Reinvested investment income	(3,414)	(107)
	<u>24,745</u>	<u>112,937</u>
Changes in non-cash working capital:		
Accounts receivable	35,250	33,254
Prepaid expenses	(1,908)	2,219
Accounts payable and accrued liabilities	(8,054)	45,326
Deferred income	18,602	(11,385)
	<u>68,635</u>	<u>182,351</u>
Cash flows from investing activities		
Acquisition of capital assets	<u>(6,248)</u>	<u>(6,187)</u>
Cash flows from financing activities		
Purchase of investments	(170,132)	(1,197)
Proceeds on sale of investments	200,000	150,000
Repayments of long term debt	(10,000)	-
	<u>19,868</u>	<u>148,803</u>
Net increase in cash	82,255	324,967
Cash, beginning of the year	<u>577,062</u>	<u>252,095</u>
Cash, end of the year	<u>\$ 659,317</u>	<u>\$ 577,062</u>

March 31, 2023

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 Leadership Legacy 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, 2023

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 \$53,377 (2022 - \$26,195) 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, 2023

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. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

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 \$201,571 (2022 - \$160,410) 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, 2023, \$NIL (2022 - \$NIL) of this line of credit has been accessed.

Notes to Financial Statements



March 31, 2023

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.

	2023		2022	
Guaranteed investment certificates	\$	320,142	\$	520,142
Money market mutual funds		223,598		50,052
	\$	543,740	\$	570,194

4. Capital Assets

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 37,835	\$ 27,462	\$ 32,005	\$ 25,597
Website	24,625	24,625	24,625	24,625
Furniture and equipment	16,363	13,299	15,945	12,586
	78,823	65,386	72,575	62,808
		\$ 13,437		\$ 9,767

5. Deferred Income

Changes in deferred income balances are as follows:

	2023		2022	
Beginning balance	\$	180,403	\$	191,788
Less: amounts recognized as revenue in the year		(180,403)		(191,788)
Add: amounts received related to a subsequent period		199,005		180,403
Ending balance	\$	199,005	\$	180,403

March 31, 2023

6. Government Assistance

Previously, 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, 2023. The amount of the forgivable loan was recognized as government assistance revenue in the year it was received. The Institute repaid \$10,000 within the current fiscal year.

In addition, the Institute received \$NIL (2022 - \$94,066) in government assistance through the Canada Emergency Wage Subsidy (CEWS) and Temporary Wage Subsidy programs. This income is recorded as government assistance revenue.

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. Commitments

In the normal course of operations, the Institute enters into commitments for the rental of office space. The current lease agreement ends in April 2025 . The annual commitment payments over the next three years and are as follows:

2024	\$	24,169
2025		24,532
2026		<u>2,047</u>
	\$	<u>50,748</u>

9. Comparative Amounts

The comparative amounts presented in the financial statements have been reclassified to conform to the current year's presentation.

March 31, 2023

10. 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 and investments. 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 has not changed from the previous year.

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 line of credit balance, accounts payable and accrued liabilities, long term debt and commitments. The liquidity risk has not changed from the previous year.

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 has not changed from the previous year.

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.

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Data Analyst

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MITAC Intern

ROI would like to extend our sincere appreciation for the contributions of Helen, our Finance and Administration Manager for her continued financial agility, work on the Auditor's report and continued operational support.

In 2022, ROI bid a fond farewell to key staff members: Paige Allen, Jason Robinson, Sampoorna Bhattacharya, Alia Fatima, Peri Dworatzek, Behnaz Bahrefar, Aisha Syed and Iain Storosko. We wish them all the best in their future.




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