



RURAL ONTARIO  
INSTITUTE

## **Mission**

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

## **Vision**

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

## **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.

## Message from the Chair and Chief Executive Officer

2015 was a good year for the Rural Ontario Institute (ROI), full of progress and change. We were recognized for our leadership training programs, welcomed new staff and Board members, created an updated plan to guide us, and have been building partnerships and collaborations with the goal that they will have a lasting and positive impact for rural Ontario.

ROI had cause to celebrate as the organization was awarded the prestigious Premier's Award for Agri-Food Innovation Excellence. The Institute was recognized for two leadership training programs that were developed and delivered across Ontario – *BUILD Leadership* and the *Future Leaders Development Program*. These programs have been implemented in partnership with Beef Farmers of Ontario and CanWest DHI, Dairy Farmers of Ontario, EastGen and Holstein Canada respectively.

ROI has been working on a number of new projects and initiatives that stay true to our mission: building vision, voice and leadership, and the Measuring Rural Community Vitality initiative is a program that does just that. The project, funded by the Ministry of Municipal Affairs and Housing (MMAH), encompasses seven unique applied research projects, each with a separate mandate, timeline and budget.

This Annual Report expands on many other ongoing initiatives, including the long-standing Advanced Agricultural Leadership Program (AALP). The program is still going strong, with Class 16 halfway through and gearing up for their North American and International Study Tours.

One of the most important developments from the past year was the completion of an updated strategic plan. This plan will guide ROI's decision making over the next three years, ensuring we continue to fulfil our mission, as well as build upon our successes.

Of course, we're not doing all of this alone; indeed, ROI is stronger as an organization due to a Board of Directors who ensures that we 'walk the talk' as a provincial rural organization and ensures a mandate and programming that has relevance across rural Ontario. We're also proud of the dedication and significant work done by ROI staff throughout the year, and pleased to be working with our many collaborators on various projects and initiatives across the province.

As we take the time to reflect on the past year, we sincerely thank our many sponsors, donors, program partners and funders for their significant support in many ways. In particular, we extend our appreciation to the province of Ontario through the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) and MMAH for their significant financial support of our various programming endeavours.

Thank you for your continued collaboration towards a strong and vibrant rural Ontario. Our success is rural Ontario's success.



Dean Anderson  
Chair  
Rural Ontario Institute



Rob Black  
Chief Executive Officer  
Rural Ontario Institute

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

Office of the Minister

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

Bureau du ministre

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### **A Message from the Honourable Jeff Leal**

On behalf of the Government of Ontario, I would like to congratulate the Rural Ontario Institute's board members and staff for their hard work and exemplary representation of rural stakeholders.

Your organization's work ensures we are developing leaders across rural Ontario and the agri-food sector and collaborating on issues of importance to the people of Ontario. The Ontario government is pleased to be working with the Rural Ontario Institute. Your engagement of stakeholders on priority issues helps me and my Cabinet colleagues better understand rural perspectives in decision making.

I would also like to congratulate Class 15 of the Advanced Agricultural Leadership Program (AALP) for completing their studies, and I am pleased to extend my best wishes to the students of Class 16.

Through AALP and other leadership initiatives, you are playing an important role in preparing future leaders who can effectively manage both the challenges and opportunities in agriculture and our rural communities, and our government is proud to be a long-time supporter of this program.

In addition to the work you do with my ministry, I appreciate your collaboration with other ministries, including the ministries of Transportation; Municipal Affairs and Housing; and Training, Colleges and Universities. Working across the Government of Ontario on a broad range of topics and strengthening rural municipal capacity are examples of the important work you do on behalf of municipalities and rural Ontarians.

I look forward to continuing our work together in support of a strong and vibrant rural Ontario.

Sincerely,

**Jeff Leal**  
Minister of Agriculture, Food and Rural Affairs



Good Things Grow in Ontario  
À bonne terre, bons produits

Ministry Headquarters: 1 Stone Road West, Guelph, Ontario N1G 4Y2  
Bureau principal du ministère: 1 Stone Road West, Guelph (Ontario) N1G 4Y2

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# UNIVERSITY of GUELPH

ONTARIO AGRICULTURAL COLLEGE  
OFFICE OF THE DEAN

13 May, 2016

On behalf of the Ontario Agricultural College (OAC) of the University of Guelph it is my sincere pleasure to extend our congratulations to the Rural Ontario Institute (ROI) on another successful year. ROI with its many partners, including OAC, is strengthening rural Ontario and bolstering leadership capacity across our rural communities.

Your organization supports rural Ontarians in taking advantage of opportunities and effectively mitigating challenges. We are very proud to play a part in supporting ROI's programs, activities, research and networks.

It is also with great pride that we share many of the same alumni, as many of our graduates continue their lifelong learning by participating in the Advanced Agricultural Leadership Program. Beyond our shared interest in rural community strength and leadership, we have a strong, shared focus on learning and personal development.

We wish ROI all the best in 2016 and look forward to our continued partnership.



Wayne Caldwell, PhD, RPP, MCIP  
Interim Dean, Ontario Agricultural College  
University of Guelph



Ontario agriculture and our rural communities depend on strong leadership. The Ontario Federation of Agriculture is committed to supporting the development of leaders in our agri-food industry and congratulates the Rural Ontario Institute for their role in building future leaders in our province.

The Ontario Federation of Agriculture is a proud founding partner of the Advanced Agricultural Leadership Program (AALP) and a committed supporter of the leadership work of the Rural Ontario Institute.

This year marks the 80th anniversary of the Ontario Federation of Agriculture. We're proud of our history and know the Ontario Federation of Agriculture is rooted in strong leadership. The future of our organization and Ontario agriculture relies on strong, confident leaders.

The Rural Ontario Institute continues to advocate for rural communities in our province by getting rural and agricultural issues on the map through effective stakeholder engagement, communication with decision makers and strategic recommendations to build strong and vibrant communities.

On behalf of our more than 36,000 Ontario farmer members, the Ontario Federation of Agriculture thanks the Rural Ontario Institute for your excellence in leadership and welcomes the opportunity to continue working together to strengthen our agriculture and rural communities.

Regards,



Don McCabe  
President  
Ontario Federation of Agriculture



The Rural Ontario Institute coordinated the development of several new collaborative initiatives in 2015/16 and also continued to support ongoing initiatives which have been well-received by rural stakeholders.

Among the new initiatives:

- **Exploring Labour Market Mobility and Income Change.** Partners include: Four County Labour Market Planning Board; Grey County; Waterloo-Wellington-Dufferin Workforce Planning Board; Wellington County; Elgin-Middlesex-Oxford Workforce Planning and Development Board; South-Central Ontario Region Economic Development Corporation; South Central Ontario Region EDC, and Workforce Planning Board of Grand Erie. Funded under Ministry of Training Colleges and Universities Labour Market Partnership Fund.
- **Hidden Homelessness in Rural and Northern Ontario Study.** Members of the research team include: Project Manager Fay Martin; Carol Kauppi of Laurentian University; Bill O'Grady of the University of Guelph; Rebecca Schifff of Lakehead University; and Petra Wolfbeiss from the Ontario Municipal Social Services Association.

## Youth Engagement Showcase

Over 40 engaged youth, aged 29 and under, were nominated for recognition in the first Youth Engagement Showcase (YES). Four nominees were chosen to be profiled through individual video documentaries filmed in their respective hometowns. These documentaries highlight individual involvement and accomplishments, as well as programs and organizations that are successfully engaging youth in their local communities.

The Youth Engagement Showcase profiles, also part of the MRCV project, demonstrate how rural communities of various shapes and sizes are successfully engaging and supporting youth in addressing local challenges.



*Megan Raftis is one of the four Youth Engagement Showcase finalists*

## Measuring Rural Community Vitality



Measuring Rural Community Vitality

The Measuring Rural Community Vitality project (MRCV), funded by the Ontario Ministry of Municipal Affairs and Housing (MMAH), is a 30-month applied research initiative encompassing seven discrete projects to end August 2017.

The MRCV places ROI on the front lines of communities actively engaging with the important rural issues of our day: Schools in Community Hubs; Assessing Community Well-being; Rural Transportation; Newcomer Engagement; Rural Policy Development, and others. Through the MRCV, ROI is building new partnerships with municipalities (i.e. Oxford County, Northern Bruce Peninsula, Huron County, West Carleton, Baldwin, Northumberland County, Dufferin County and Centre Wellington) and NGOs (such as a promising new relationship with the Northern Policy Institute in Thunder Bay). To date, all seven projects are successfully launched, two are completed and \$300,000 of the \$627,000 funding budget has been disbursed.

## Municipal Councillor Profile

One of the MRCV completed projects, the Municipal Councillor Profile, explored the demographic characteristics of municipal councils across Ontario. Understanding the demographic characteristics of municipal councils across Ontario helps to identify where gaps in representation currently exist. These collected statistics and stories provide an opportunity for various stakeholders involved in municipal politics to engage in meaningful dialogue around some of the issues affecting municipal government and municipal leadership succession.



## Focus on Rural Ontario

In 2015, the Focus on Rural Ontario fact sheet series featured 23 titles covering 6 themes: Volunteering and Philanthropy; Income Levels and Trends; Key Industry Sector Analysis; Employment; Migration; and Population Change. Feedback from fact sheet users has been very positive and media uptake has also been quite strong. Wellington County has come forward as a sponsor and ROI will be seeking further ways to engage data users across the province.

## Moving Ahead with Rural Community Transportation

Our 2015 forum, Moving Ahead with Rural and Community Transportation, held in Georgina, Ont., was well received with over 100 participants including online webinar attendees. It was organized in conjunction with local non-profit, Routes Connecting Communities and the Ontario Healthy Communities Coalition.

## General Leadership Programming

ROI staff coordinated and delivered four *Future Leaders Development Program* seminars for Ontario's dairy sector. The seminars involved 80 current and emerging leaders as selected by the 4 partner organizations – CanWest DHI, EastGen, Dairy Farmers of Ontario and Holstein Canada. It was very well received by the participants and the industry partners involved.

ROI also delivered *BUILD Leadership* seminars for Beef Farmers of Ontario. Three 2 ½ day sessions took place in March and April, and involved approximately 10 participants from the Beef industry. Sessions were held in Toronto, Peterborough and Cambridge. *BUILD Leadership* is a customized training program for agricultural and rural organizations.

Four ½ day board/producer workshops were delivered in late January, in the third year of a three-year contract with Holstein Branch Ontario. Approximately 135 individuals were involved in this programming.

Due to interest in the *BUILD Leadership* and the *Future Leaders Development Program*, ROI staff participated in a video conference in mid-December with Manitoba's Ministry of Agriculture, Food and Rural Development, and other stakeholders in that province, to share details of our leadership programming endeavours and successes.

### ROI SNAPSHOT AT MARCH 2016

- 1417 Twitter followers
- 380 Facebook likes
- 945 newsletter subscribers



Premier's Award: Dean Anderson, Chair, ROI Board of Directors, and Norm Raetlie, Director, Policy and Stakeholder Engagement, accept the Premier's Award for Agri-Food Innovation Excellence from Kathryn McGarry, MPP for Cambridge.

## Website Upgrades

In 2015, we invested in improving our website and contact management tools. Staying connected with and connecting rural stakeholders across the province remains a priority that involves online communications such as newsletters, subscriber emails, blog posts on our website and social media.

For example, over 400 subscribers responded to our rural priorities survey surrounding the federal election. The guest blogs on the ROI website foster dialogue and give voice to rural perspectives. Our goal is to build on this approach and recruit more contributors going forward.



# Year in Review

## Advanced Agricultural Leadership Program (AALP)

Established in 1984, AALP is a 19-month executive development program to help shape the future of the agriculture and food sectors in Ontario.



AALP Class 16 continues their leadership journey. The group has completed five seminars and will travel to Quebec and Washington DC in early July on their North American Study Tour. They will also be traveling to Vietnam, Thailand and Taiwan for their International Study Tour in mid-February 2017. Class 16 will graduate from the program in April 2017.

This group of twenty-six emerging leaders in Ontario's agriculture and agri-food industry will leverage the experiences and knowledge gained from AALP to effectively lead the organizations, businesses and communities of today and tomorrow.



AALP Class 16

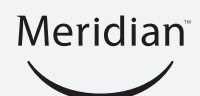
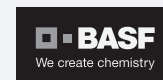
### AALP SNAPSHOT AT MARCH 2016

- 1398 Twitter followers
- 225 Facebook likes

Thank you AALP SPONSORS!



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## To the Board of Directors of Rural Ontario Institute

We have audited the accompanying financial statements of Rural Ontario Institute, which comprise the statement of financial position as at March 31, 2016, and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis for Qualified Opinion

In common with many non-profit organizations, the organization derives part of its revenues 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 organization. We were unable to determine whether any adjustments might be necessary to contributions or other revenues, excess of revenues over expenses, assets and net assets.

### Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualification Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Rural Ontario Institute as at March 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Guelph, Ontario  
May 25, 2016

# Statement of Financial Position



March 31	General Fund	Restricted Funds	2016 Total	2015 Total
<b>Assets</b>				
<b>Current</b>				
Cash (Note 2)	\$ 327,752	\$ -	\$ 327,752	\$ 104,901
Investments (Note 3)	145,734	599,345	745,079	695,702
Accounts receivable	133,696	-	133,696	175,916
Prepaid expenses	10,190	-	10,190	8,438
	<u>617,372</u>	<u>599,345</u>	<u>1,216,717</u>	<u>984,957</u>
Capital (Note 4)	<u>12,491</u>	<u>-</u>	<u>12,491</u>	<u>7,185</u>
	<u>\$ 629,863</u>	<u>\$ 599,345</u>	<u>\$ 1,229,208</u>	<u>\$ 992,142</u>
<b>Liabilities and Fund Balances</b>				
<b>Current</b>				
Accounts payable and accrued liabilities	\$ 23,462	\$ -	\$ 23,462	\$ 9,392
Deferred income (Note 5)	214,359	-	214,359	70,000
	<u>237,821</u>	<u>-</u>	<u>237,821</u>	<u>79,392</u>
<b>Fund Balances</b>				
Unrestricted net assets	392,042	-	392,042	316,184
Restricted net assets	-	599,345	599,345	596,566
	<u>392,042</u>	<u>599,345</u>	<u>991,387</u>	<u>912,750</u>
	<u>\$ 629,863</u>	<u>\$ 599,345</u>	<u>\$ 1,229,208</u>	<u>\$ 992,142</u>

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



# Statement of Changes in Fund Balances

For the year ended March 31	Leadership Legacy Fund	W.G. Weston Foundation Fund	K. McKinnon Memorial Fund	Wm. A. Stewart Endowment Fund	2016 Total	2015 Total
Balance, beginning of the year	\$ 64,542	\$ 198,175	\$ 66,304	\$ 267,545	\$ 596,566	\$ 593,583
Excess of revenues over expenses	1,593	4,890	1,636	6,602	14,721	15,834
Interfund transfers (Note 6)	(1,433)	(3,423)	(1,145)	(5,941)	(11,942)	(12,851)
Balance, end of the year	\$ 64,702	\$ 199,642	\$ 66,795	\$ 268,206	\$ 599,345	\$ 596,566

For the year ended March 31	2016 General Fund	2015 General Fund
		(Restated - see Note 9)
Balance, beginning of the year (Note 9)	\$ 316,184	\$ 331,073
Excess (deficiency) of revenues over expenses	63,916	(27,740)
Interfund transfers (Note 6)	11,942	12,851
Balance, end of the year	\$ 392,042	\$ 316,184

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

# Statement of Operations



For the year ended March 31	2016	2015
		(Restated - see Note 9)
<b>Revenue</b>		
Grants and contributions	\$ 493,141	\$ 308,900
Sponsorships	147,750	155,846
Training and business development	128,028	213,891
Fundraising	110,803	2,170
Tuition (Note 9)	85,879	224,952
Donations	66,810	16,352
Other	12,196	4,826
Interest	3,582	3,346
	<b>1,048,189</b>	<b>930,283</b>
<b>Expenses</b>		
Salaries and benefits	384,711	318,582
Contract and professional services	297,978	255,449
Accommodations and meals	121,706	150,183
Operations	59,783	36,462
In-kind donations	48,276	-
Financial services	23,155	24,299
Travel	21,937	136,376
Information technology	8,754	11,623
Board of Directors	7,577	6,213
Communications and marketing	4,708	6,678
Amortization	2,975	9,405
Professional development	2,713	2,753
	<b>984,273</b>	<b>958,023</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ 63,916</b>	<b>\$ (27,740)</b>

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

For the year ended March 31	2016	2015
		(Restated - see Note 9)
<b>Cash flows from operating activities</b>		
Excess (deficiency) of revenues over expenses	\$ 63,916	\$ (27,740)
Items not affecting cash:		
Amortization	2,975	9,405
Interest on restricted funds	14,720	15,834
Unrealized loss (gain) on investments	996	(2,383)
	<u>82,607</u>	<u>(4,884)</u>
Changes in non-cash working capital:		
Accounts receivable	42,220	(43,398)
Prepaid expenses	(1,752)	20,870
Accounts payable and accrued liabilities	14,071	(13,161)
Deferred income	144,359	(141,310)
	<u>281,505</u>	<u>(181,883)</u>
<b>Cash flows from investing activities</b>		
Acquisition of capital assets	<u>(8,281)</u>	-
<b>Cash flows from financing activities</b>		
Purchase of investments	(398,762)	(166,853)
Proceeds on sale of investments	348,389	12,127
	<u>(50,373)</u>	<u>(154,726)</u>
<b>Net increase (decrease) in cash</b>	<b>222,851</b>	<b>(336,609)</b>
<b>Cash, beginning of the year</b>	<u>104,901</u>	<u>441,510</u>
<b>Cash, end of the year</b>	<u>\$ 327,752</u>	<u>\$ 104,901</u>

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



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March 31, 2016

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## 1. SIGNIFICANT ACCOUNTING POLICIES

### Nature and Purpose of Organization

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 a strong and vibrant rural Ontario.

The Institute is a registered charity and, as such, is exempt from income tax.

### Basis of Accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

### Fund Accounting

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

The General Fund accounts for the Institute's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Restricted Funds report resources held as endowments. Restricted funds are comprised of the Leadership Legacy Fund, the Wm. A. Stewart Endowment Fund, the W.G. Weston Foundation Fund and the K. McKinnon Memorial Fund. These funds are to be invested, in trust, for the Institute, with investment income to be used to support the 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 and 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.

### Investments

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.

### 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.

**March 31, 2016**

### 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 \$48,583 (2015 - \$NIL) of in-kind contributions related to the Dream Auction, the value of which has not 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.

### Financial Instruments

Financial Instruments are recorded at fair value at initial recognition.

In subsequent periods, all its 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 \$2,890 (2015 - \$42,927) held in an investment securities account.

The Institute has access to a revolving line of credit of up to \$50,000 bearing interest at the bank's prime lending rate plus 2%, payable on demand and secured by a general security agreement. At March 31, 2016, \$NIL (2015 - \$NIL) of this line of credit has been accessed.

## 3. INVESTMENTS

Short term investments are comprised of fixed income securities. Interest earned on the funds have been included in the statement of operations for investments held in the general fund and the statement of changes in fund balances for investments held in the restricted funds.

## 4. CAPITAL ASSETS

	2016		2015	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 21,371	\$ 19,887	\$ 19,776	\$ 18,189
Website	21,247	16,158	16,050	16,050
Furniture and equipment	13,727	7,809	12,238	6,640
	<u>56,345</u>	<u>43,854</u>	<u>48,064</u>	<u>40,879</u>
		<u>\$ 12,491</u>		<u>\$ 7,185</u>

**March 31, 2016**

## 5. DEFERRED INCOME

Changes in deferred income balance are as follows:

	<u>2016</u>	<u>2015</u>
Beginning balance	\$ 70,000	\$ 131,676
Less: amounts recognized as revenue in the year	(70,000)	(131,676)
Add: amounts received related to a subsequent period	<u>214,359</u>	<u>70,000</u>
Ending balance	<u>\$ 214,359</u>	<u>\$ 70,000</u>

## 6. TRANSFER TO GENERAL FUND FROM RESTRICTED FUND

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

## 7. FINANCIAL INSTRUMENTS

### 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. There have not been any changes in the risk from the prior 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 marketable securities. There have not been any changes in the risk from the prior year.

## 8. COMMITMENTS

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

2017	\$ 27,867
2018	27,867
2019	27,867
2020	25,764
2021	<u>2,147</u>
	<u>\$ 111,512</u>

## 9. CHANGE IN ACCOUNTING POLICY

Effective April 1, 2015, the Institute changed its accounting policy for the recognition of tuition income to recognize tuition income in proportion to the expenditures incurred in each year of the program. Previously, the Institute recognized this income when it was received. Management believes that this policy provides more reliable and relevant information as it results in a better matching with related expenses. This change in accounting policy has been accounted for retrospectively and the comparative amounts presented have been updated as follows:

	<u>2015</u>
Increase in tuition income	\$ 79,634
Decrease in net assets, beginning of year	<u>(79,634)</u>

The Rural Ontario Institute greatly appreciates all of 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, Ont., 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.

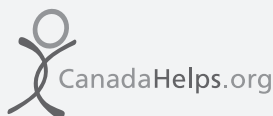
## Dean Tiessen Memorial Fund

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](mailto:info@ruralontarioinstitute.ca) or visit [www.canadahelps.org](http://www.canadahelps.org). An official receipt for income tax purposes will be issued for all donations received.



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The following also provided contract assistance and/or support for various activities and initiatives of ROI over the past year: **Lesley Bulman, Laura Taylor, Karen Mansfield, Laura Schreiner, Nicole Vanquaethem, Amanda Hebert and Smriti Bhattaria.**



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