



RURAL ONTARIO
INSTITUTE



2018 | 2019
Annual Report

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.

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 2018-2019.



Message from the Chair and Executive Director

In navigating our 9th year of operation, the Rural Ontario Institute (ROI) struck a balance between adjusting to change and maintaining stability and continuity. This annual report captures highlights of the activities that the organization worked on over 2018-2019, and we invite you to review our accomplishments.

A key change to the organization was the departure of ROI CEO Rob Black for his Senator role last June. The Board and Norm Ragetlie, as the new Executive Director, stepped up to keep the governance and organizational management ship on course. Not surprisingly, Rob remains a steadfast ally of ROI. Appreciation for Tanya Stuart's contribution to our stability during this time of adjustment illustrated the "all hands on deck" mentality that saw us through. AALP Class 17 in particular witnessed Tanya's continuous engagement throughout their leadership experience.

Staying focused on our key results areas of strong leaders and effective dialogue and collaboration, we stayed the course on producing longstanding signature ROI information such as the Focus on Rural Ontario Fact Sheets. Tracking trends and conditions across rural Ontario is something that not only informs ROI's work but also supports other rural stakeholders in doing theirs.

No less important in demonstrating this continuity and change theme was bringing in Gabrielle Ferguson to direct our leadership programming portfolio in September. While taking the helm of the Advanced Agricultural Leadership Program, Gabe also embarked on a listening tour in late 2018. This tour saw Gabe discussing the renewal of AALP with partners, sponsors, stakeholders and alumni; that listening tour is now giving direction to the future plans of AALP. There is much to be preserved and continued in AALP and also a number of key aspects we are adjusting to stay relevant and prepare the next generation of leaders for the challenges they will be responding to.

Ryan Deska rejoined the ROI team in August as Community Development Project Lead. He has effectively engaged rural stakeholders in several initiatives, innovating with youth engagement internships, developing entrepreneurship case studies and supporting community demonstration projects. The core community development principles of capacity building and connecting rural changemakers with peer-to-peer knowledge exchange reflect stability and continuity with longstanding values of ROI.

Behind the scenes, Linda Thompson came on board and capably supported the continuity of our fiscal and financial capacity. Over the year Linda has assisted us in improving many record keeping processes so that we maintain our transparent and accountable communications with partners, sponsors and funders.

We gratefully thank our diverse program sponsors, donors, project partners and volunteers for supporting ROI. We can't do it without you. In particular, we would like to acknowledge the Ontario Ministry of Agriculture, Food and Rural Affairs as well as the Ministry of Municipal Affairs and Housing for their funding throughout 2018-2019.

Nonetheless, the constrained fiscal environment means ROI has had to adjust, and already this past year we have absorbed roll-backs in transfers even while keeping our attention on outcomes of our projects/program activities. Sustainability means that ROI, like many other non-profits, is compelled to diversify revenue sources. This won't be easy. However, we are in a sound position to succeed at this since many of our funders and partners have already signalled their continued commitment to support the organization's activities.

Keeping a steady hand on the tiller while navigating these waters, and tacking and changing course so we adjust to the winds and achieve our mission, will continue to be our challenge as we look ahead.



Suzanne Trivers
Chair
Rural Ontario Institute



Norman Ragetlie
Executive Director
Rural Ontario Institute

A Message from the Honourable Ernie Hardeman

I am pleased to bring greetings to the members of Rural Ontario Institute (ROI) and to congratulate you on another successful year.

I recognize the hard work and dedication of ROI's board members and staff. ROI is an important contributor as we work toward our common goal of fostering strong rural communities. My ministry values ROI's rural perspective on issues of importance to our rural stakeholders and is pleased to have provided financial support for this work.

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.

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 Dean of the Ontario Agricultural College, University of Guelph

Congratulations to the Rural Ontario Institute (ROI) on another successful year.

It is always interesting to see what new projects and initiatives ROI champions and I would like to make special note of ROI's new Municipal Internship: Youth Engagement Strategies program. This sort of programming is a wonderful way to engage rural youth in civic leadership and community building. We share this focus and know there is a strong demand in Ontario's communities for qualified graduates who have studied agriculture and food. Both organizations' programming focus on developing leaders in their workplace and in their communities, and I am sure we will see overlap in ROI's internship program and our students.

There is also, of course, overlap in our alumni, as many of OAC's graduates go on to participate in and support the Advanced Agricultural Leadership Program (AALP). An example of this is in ROI's recent hire of Gabrielle Ferguson as the new Leadership Programs Director. I am excited to see an OAC alumna leading the delivery of AALP.

ROI is an important organization for Ontario, and we are happy to support its efforts. I wish ROI another successful year in its support of a vibrant rural Ontario.

Sincerely,



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

A Message from the President of the Ontario Federation of Agriculture

The Rural Ontario Institute (ROI) provides important leadership development work across the province, and the Ontario Federation of Agriculture (OFA) is proud to support its continued achievements. The Ontario agri-food sector is an economic powerhouse generating \$40 billion in GDP annually and employing 822,000 Ontarians. Agriculture organizations and rural communities throughout Ontario rely on strong leadership, and we're fortunate to have such a dedicated organization in our communities.

OFA values strong leadership as a cornerstone of our organization. We are proud to be a founding partner in the Advanced Agricultural Leadership Program (AALP), and we appreciate all that ROI has done to develop strong, confident leaders who are strengthening our agriculture industry and our rural communities.

As part of ROI's 2017 Foresight Papers, Dr. David Freshwater's *Growth Beyond Cities* paper provided the framework for our highly regarded *Producing Prosperity in Ontario* campaign. Our campaign urges the provincial government to strengthen the agri-food sector through targeted investments in Ontario's rural communities. ROI has been a valued partner on this initiative. By distributing economic development beyond large urban centres, we can support services and schools to retain youth, while addressing the challenges facing many urban centers — gridlock, lack of affordable housing and an infrastructure deficit. ROI works tirelessly to showcase rural and agricultural issues through effective stakeholder engagement, training, leadership skills development and youth engagement, and we value their ongoing partnership.

On behalf of our 38,000 Ontario farm members and their families, 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.

Sincerely,



Keith Currie
President
Ontario Federation of Agriculture



Developing Leaders

Rural and northern Ontario have opportunities for agriculture, industry, organizations and people of all ages to thrive. The Rural Ontario Institute delivers leadership programming that provides the skills and knowledge to those who wish to contribute to these communities in a meaningful and positive way. ROI is committed to developing leaders who direct and influence change in their rural and northern communities.

Advanced Agricultural Leadership Program (AALP)



The Advanced Agricultural Leadership Program Class 17 began their leadership journey in October 2017. The 17 class members have completed eight seminars across the province and travelled to Texas in July 2018 for their North American Study Tour. Their international study tour to Colombia was cancelled due to a travel advisory; however, this group of resilient leaders will come together for a study tour to Spain in January 2020. All the while they are planning the AALP flagship fundraiser the Dream Auction for February 29, 2020.

The William A. Stewart Gala was held in London in March with a new focus on alumni profiling and outreach to possible AALP participants. AALP alumni panelists included Tom Heeman, Class 16, Field Manager and Head of Special Projects, Heeman's; Amy Cronin, Class 12, President, Cronin Farms; Lisa Thompson MPP, Class 6, Minister of Education; John Geurtjens, Class 2, Vice President Operations, Farm Credit Canada; and our Master of Ceremonies John Greig, Class 9, Farmtario.



From left to right: John Geurtjens, Amy Cronin, Tom Heeman, Lisa Thompson, John Greig

PATRONS

GUARDIANS

PACESETTERS

CHAMPIONS

ALLIES

LEADERS

BUILDERS

General Leadership Programming

ROI staff have been asked by several industry and rural organizations to develop leadership training workshops. This is an identified need in agriculture and rural communities that ROI is well positioned to meet.

The 2018-2019 **Ontario Soil Network (OSN) Leadership Challenge** provides leadership training and tools for experienced farmers to mentor other farmers about soil health improvement practices. It builds upon the pilot that ROI hosted in 2017/18. The challenge was funded in part through the Canadian Agricultural Partnership, a federal-provincial-territorial initiative. The Agricultural Adaptation Council assists in the delivery of the Partnership in Ontario. OSN is also supported by the 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. Thirty-two farmers from across Ontario, while officially still in their planning phase, have held six Let's Talk Soil events, reaching 132 farmers, and have participated in five speaking engagements, reaching 1100 farmers and industry members. Eight mentors have been featured in AG media.

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. Some of the projects that deliver on this mission are highlighted below.

AALP SNAPSHOT AT MARCH 31

- AALP Twitter: 1801 followers
- AALP Facebook: 459 likes



Focus on Rural Ontario

The long-running **Focus on Rural Ontario Fact Sheet** series released three new sets over 2018-2019. Based on Statistics Canada data, the 2018-2019 sets explored employment by sector from 2006-2016, living arrangements of seniors and internal migration.

<http://www.ruralontarioinstitute.ca/knowledge-centre/focus-on-rural-ontario>

Throughout May and June 2019, the Rural Ontario Institute shared stories of successful rural entrepreneurs and entrepreneurship programs through the **Rural Entrepreneurship Case Studies and Webinar Series**. The case studies highlight a range of approaches to entrepreneurship programming being implemented in rural communities throughout the province. These case studies include broad topics such as ecosystem building, youth programming and repurposing space.

<http://www.ruralontarioinstitute.ca/programs/entrepreneurshipcasestudies>

Measuring Rural Community

Vitality – Phase 2 began in mid-2018 and includes five projects. Building on the work of the first initiative, the goal of this second phase is to provide rural municipalities and community organizations with insight and practical models regarding "hard-to-measure" aspects of community well-being and the rural municipal role. The five projects are:



The **211 Rural Unmet Human Service Needs Analysis**, released in early December, is a data analysis plan prepared by Dillon Consulting and circulated to an advisory group made up of 12-15 representatives of human services planning organizations from across Ontario. <http://www.ruralontarioinstitute.ca/knowledge-centre/reports>

ROI partnered with 10 communities/organizations for the **Municipal Internship: Youth Engagement Strategies** project. The project partners are responsible for developing a youth engagement work plan, hiring an intern, overseeing the implementation of the work plan and delivering a final report.

ROI's 10 project partners are:

- Timmins Youth Wellness Hub
- Perth County
- Northern Wellington County (regional partnership)
- Town of Hanover
- South Huron
- Wellington Big Brothers Big Sisters
- Brock Youth Centre
- The Municipality of South Dundas
- Recreation Outreach Centre – Picton, Ontario
- City of Brockville

ROI is working with three project partners on **Community Demonstration Projects** to share promising practices in well-being/vital signs reporting. The projects focus on the various strategies that partners are employing to move beyond data gathering towards community engagement and implementation of betterment strategies.

The **2019 Rural Ontario Foresight Paper** topics were chosen and author recruitment was completed in late 2018. The topics and authors are:

- *Rural Labour Force Challenges*: Carol Simpson (lead with workforce planning boards of Ontario), Executive Director, Workforce Planning Board of Waterloo Wellington Dufferin
- *Water Quality*: Joyce McLean, Professor Seneca College/Environmental Communications Consultant, past member International Joint Commission
- *Access to Quality Medical Services*: John C. Hogenbirk (lead), Senior Research Associate, Centre for Rural and Northern Health Research; Jennifer Walker, co-author, Canada Research Chair in Indigenous Health, Laurentian University; Alain Gauthier, co-author, Assistant Professor, Laurentian University
- *Services for an Aging Population*: Mark Skinner (lead), Professor and Canada Research Chair in Rural Aging, Health and Social Care, Trent University; Elizabeth Russel, co-author, Assistant Professor, Trent University
- *Infrastructure Financing*: First Nation-Municipal Partnerships: Dwayne Nashkawa, Chief Executive Officer, Nipissing First Nation
- *Energy Use and the Rural Householder*: Don Eaton, Advisor, Elora Environment Centre

University of Waterloo researchers assessed the availability of data for The Canadian Index of Well-Being, benchmarking Rural Ontario at a county level (Census Division geographies). The selection of proxy measures will support the preparation and publication of **Rural Ontario Benchmarks for the Canadian Index of Well-Being** so that rural communities can prepare their own reports in comparison and with reference to measures relevant to rural places.

Stakeholder Engagement

The Rural Ontario Institute collaborates with a multitude of partners each year on projects and programs. The willingness of partners, allies and supporters to engage with ROI on project and program goals goes a long way in augmenting the rural voice.

ROI staff participated in the **Newcomer Integration Forum** with four counties held in Grey County in November. The forum culminated with a White Paper summarizing the proceedings. The White Paper can be found at: <http://www.ruralontarioinstitute.ca/knowledge-centre/external-resources>

ROI and the **Rural Ontario Municipal Association** entered into a Memorandum of Understanding reflecting our shared interest in the vitality and sustainability of rural communities. This is the first of many such arrangements the Institute would like to be involved in, with the intent of making some of our longstanding working relationships with partners more visible.

Canadian Network for Rural and Remote Housing – ROI was asked to participate in a meeting around the formation of a national network for rural and remote housing. This meeting focussed on the structure of the network and the role it might play in supporting the ongoing work of existing organizations.

ROI concluded our longstanding relationship with the Ontario Healthy Communities Coalition in 2018 in facilitating the **Ontario Community Transportation Network** as Ministry of Transportation funding was not renewed.

ROI SNAPSHOT AT MARCH 2018

- 2137 Twitter followers
- 701 Facebook likes
- 927 newsletter subscribers

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, 2019, 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, 2019, 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, 2019 and 2018, current assets as at March 31, 2019 and 2018, and net assets as at April 1 and March 31 for both the 2019 and 2018 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 6, 2019

Statement of Financial Position



March 31	General Fund	Restricted Funds	2019 Total	2018 Total
Assets				
Current				
Cash (Note 2)	\$ 106,213	\$ 4,523	\$ 110,736	\$ 251,388
Accounts receivable	286,905	-	286,905	107,879
Prepaid expenses	3,794	-	3,794	12,166
	<u>396,912</u>	<u>4,523</u>	<u>401,435</u>	<u>371,433</u>
Investments (Note 3)	141,603	605,240	746,843	745,827
Capital assets (Note 4)	7,606	-	7,606	9,976
	<u>\$ 546,121</u>	<u>\$ 609,763</u>	<u>\$ 1,155,884</u>	<u>\$ 1,127,236</u>
Liabilities and Fund Balances				
Current				
Accounts payable and accrued liabilities	\$ 79,033	\$ -	\$ 79,033	\$ 9,174
Deferred income (Note 5)	126,200	-	126,200	127,677
	<u>205,233</u>	<u>-</u>	<u>205,233</u>	<u>136,851</u>
Fund Balances				
Unrestricted net assets	340,888	-	340,888	387,646
Restricted net assets	-	609,763	609,763	602,739
	<u>340,888</u>	<u>609,763</u>	<u>950,651</u>	<u>990,385</u>
	<u>\$ 546,121</u>	<u>\$ 609,763</u>	<u>\$ 1,155,884</u>	<u>\$ 1,127,236</u>

On behalf of the Board:

_____ Director

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

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	2019 Total	2018 Total
Balance, beginning of the year	\$ -	\$ 64,896	\$ 201,438	\$ 67,397	\$ 269,008	\$ 602,739	\$ 601,773
Excess of revenues over expenses	4,523	1,423	4,416	1,478	5,897	17,737	5,107
Interfund transfers (Note 6)	-	(1,280)	(3,091)	(1,034)	(5,308)	(10,713)	(4,141)
Balance, end of the year	\$ 4,523	\$ 65,039	\$ 202,763	\$ 67,841	\$ 269,597	\$ 609,763	\$ 602,739

For the year ended March 31	2019 General Fund	2018 General Fund
Balance, beginning of the year	\$ 387,646	\$ 404,757
Deficiency of revenues over expenses	(57,471)	(21,252)
Interfund transfers (Note 6)	10,713	4,141
Balance, end of the year	\$ 340,888	\$ 387,646

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

Statement of Changes in Fund Balances



For the year ended March 31	2019	2018
Revenue		
Grants and contributions	\$ 697,016	\$ 486,964
Sponsorships	162,000	132,217
Tuition	143,896	51,750
Donations	51,153	75,906
Training and business development	12,557	167,703
Interest	3,255	1,306
Other	422	10,445
	1,070,299	926,291
Expenses		
Salaries and benefits	360,601	352,570
Contract and professional services	351,951	284,367
Travel	145,299	24,234
Accommodations and meals	76,586	128,068
Operations	55,692	50,547
In-kind donations	47,992	59,945
Communications and marketing	33,747	5,563
Information technology	15,936	6,685
Financial services	13,162	21,395
Bad debt	8,500	-
Amortization	6,646	3,109
Professional development	5,961	2,413
Board of Directors	5,697	8,647
	1,127,770	947,543
Deficiency of revenues over expenses	\$ (57,471)	\$ (21,252)

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

For the year ended March 31	2019	2018
Cash flows from operating activities		
Deficiency of revenues over expenses	\$ (57,471)	\$ (21,252)
Items not affecting cash:		
Amortization	6,646	3,109
Interest on restricted funds	17,737	5,107
Unrealized (gain) loss on investments	(1,014)	9,451
	<u>(34,102)</u>	<u>(3,585)</u>
Changes in non-cash working capital:		
Accounts receivable	(179,027)	(80,075)
Prepaid expenses	8,372	(2,178)
Accounts payable and accrued liabilities	69,859	(7,733)
Deferred income	(1,477)	(54,714)
	<u>(136,375)</u>	<u>(148,285)</u>
Cash flows from investing activities		
Acquisition of capital assets	<u>(4,277)</u>	-
Cash flows from financing activities		
Purchase of investments	(100,000)	(75,447)
Proceeds on sale of investments	100,000	58,474
	<u>-</u>	<u>(16,973)</u>
Net decrease in cash	(140,652)	(165,258)
Cash, beginning of the year	251,388	416,646
Cash, end of the year	\$ 110,736	\$ 251,388

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

March 31, 2019

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 strong and vibrant rural and northern Ontario communities.

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 and the Emerging Leaders Fund.

Restricted funds held as endowments 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.

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.

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.

March 31, 2019

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 \$57,189 (2017 - \$22,500) 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, 2019

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 \$14,553 (2018 - \$3,241) 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, 2019, \$NIL (2018 - \$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, 2019

4. Capital Assets

	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 24,712	\$ 21,928	\$ 21,371	\$ 20,711
Website	24,625	23,780	24,625	19,229
Furniture and equipment	14,475	10,498	13,540	9,620
	63,812	56,206	59,536	49,560
		\$ 7,606		\$ 9,976

5. Deferred Income

Changes in deferred income balances are as follows:

	2019	2018
Beginning balance	\$ 127,677	\$ 182,391
Less: amounts recognized as revenue in the year	(127,677)	(182,391)
Add: amounts received related to a subsequent period	126,200	127,677
Ending balance	\$ 126,200	\$ 127,677

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.

March 31, 2019

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 three years are:

2020	\$	28,038
2021		4,421
2022		2,274
		<hr/>
	\$	34,733

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.

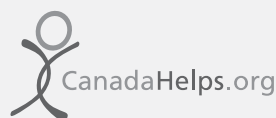
Dean Tiessen Memorial Fund

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 or visit www.canadahelps.org. An official receipt for income tax purposes will be issued for all donations received.



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Not pictured:
Linda Thompson
Bookkeeper and
Office Manager

The following also provided contract assistance and/or support for various activities and initiatives of ROI over the past year: **Lissel Hernandez Gongora** and **Karen Mansfield**.



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